



MEGHMANI FINECHEM LTD.

Regd. Office: CH/1, CH/2, GIDC Industrial Estate, Dahej, Tal. Vagra, Bharuch - 392 130. Gujarat, (INDIA)
Phone: +91- 635 9953661/62/63/64/65, E-mail : helpdesk@meghmanifinechem.com,
URL: www.meghmanifinechem.com CIN: L24100GJ2007PLC051717

15.11.2021

To,

National Stock Exchange of India Limited "Exchange Plaza", Bandra-Kurla Complex, Bandra (East) <u>Mumbai 400 051</u>	BSE Limited Floor- 25, P J Tower, Dalal Street, <u>Mumbai 400 001</u>
SYMBOL:- MFL	Scrip Code 543332

Dear Sir

Sub.: - Corporate Presentation

Ref.: - Regulation 30 of SEBI (LODR) Regulations, 2015

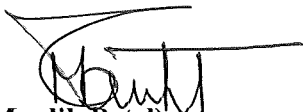
We forward herewith Corporate Presentation of the Company.

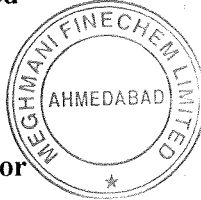
The aforesaid information is also being placed on the website of the Company at www.meghmanifinechem.com.

Thanking you.

Yours faithfully,

For Meghmani Finechem Limited


(Maulik Patel)
Chairman and Managing Director





**Meghmani
Finechem Limited**
Corporate Presentation

This presentation and the accompanying slides (the “Presentation”), which have been prepared by Meghmani Finechem Limited (the “Company”) solely for the information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company

Certain statements in this presentation concerning our future growth prospects are forward looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The Risk and uncertainties relating to the statements include, but are not limited to, risks and uncertainties regarding fiscal policy, competition, inflationary pressures and general economic conditions affecting demand / supply and price conditions in domestic and international markets. The company does not undertake to update any forward -looking statement that may be made from time to time by or on behalf of the company.

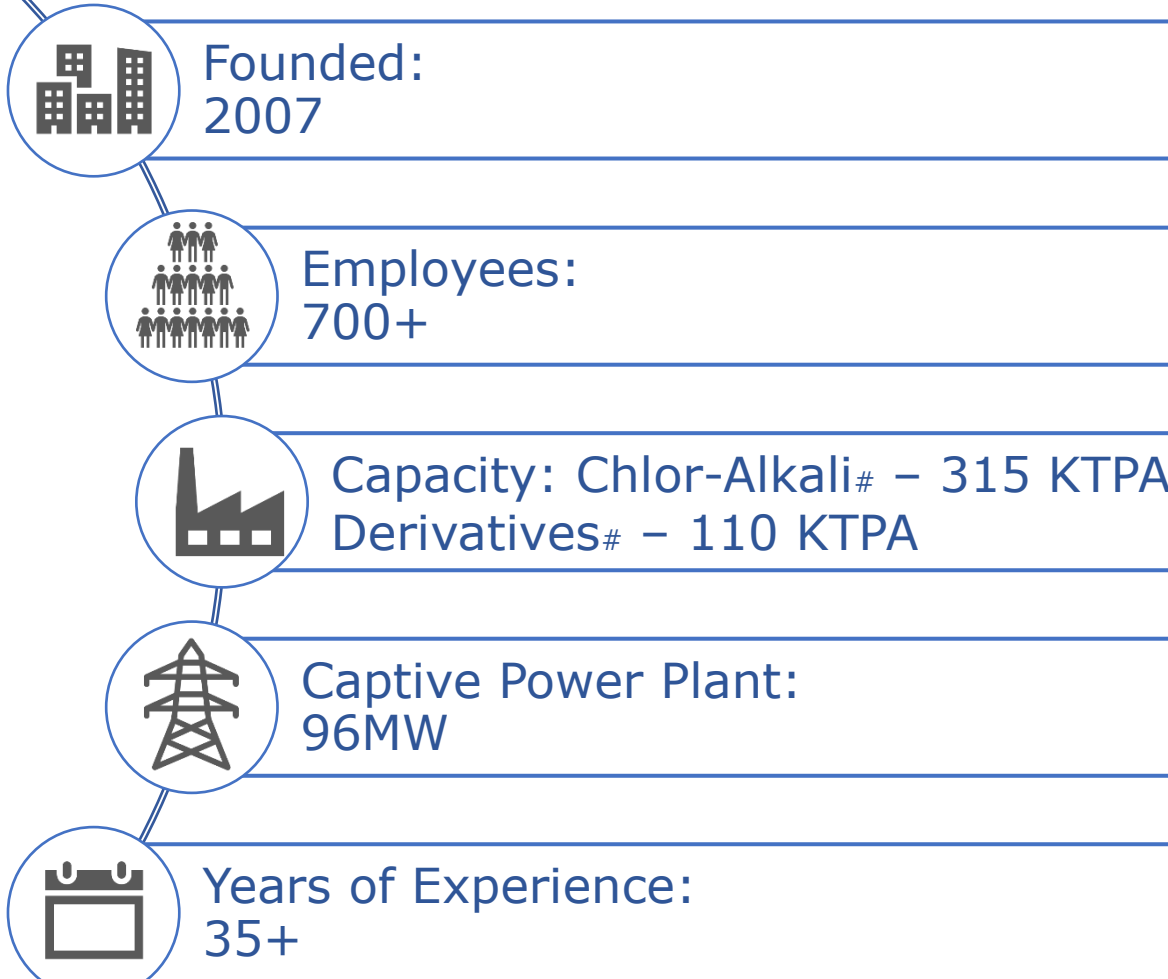
This Presentation has been prepared by the Company based on information and data which the Company considers reliable. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded. The Company does not make any promise to update/provide such presentation along with results to be declared in the coming years.

MFL Plant Video

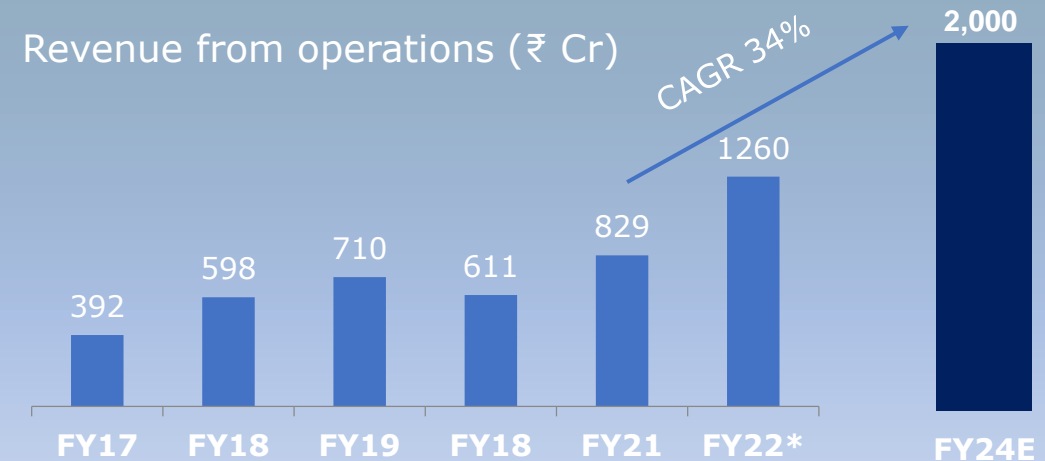
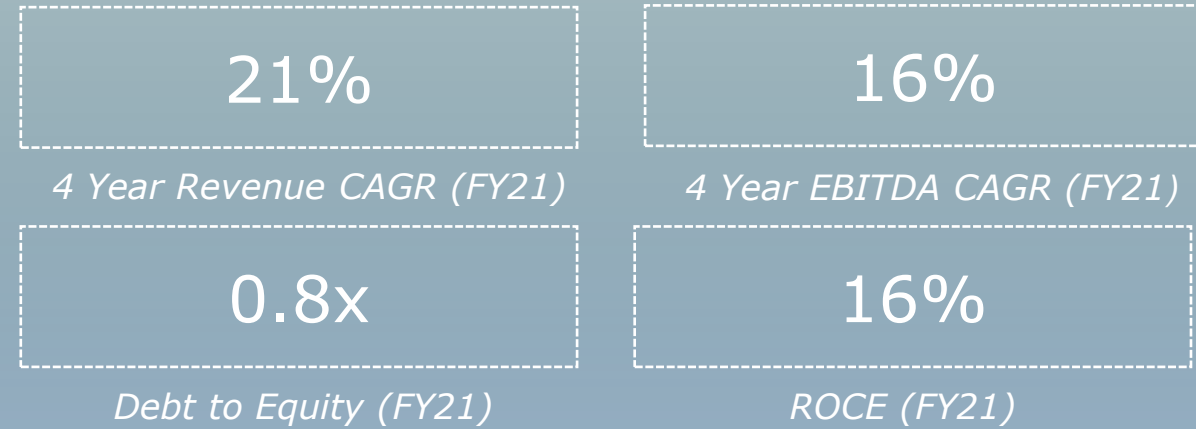


Company Overview

The Next Gen Business



Chlor-Alkali : Caustic Soda - 294 KTPA and Caustic Potash - 21 KTPA
Derivatives : Chloromethanes - 50 KTPA and Hydrogen Peroxide - 60 KTPA



*FY22 figure is annualized based on H1FY22

What are we into

ESG Focus

- Strong focus on sustainability - awarded with **the 'Responsible Care' Logo by ICC**

Our Business

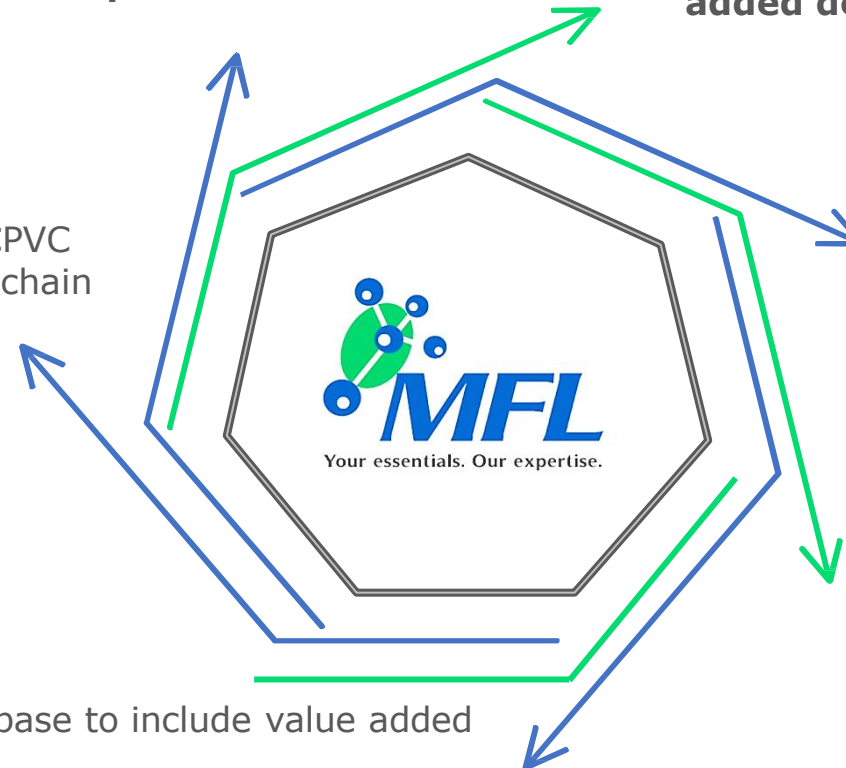
- Leading producer of **Chlor-alkali products and value added derivatives**

Competitive Advantage

- Domestically produced ECH, CPVC and Chlorotoluene & its value chain to **largely replace import**

Strategic Location

- State of the art manufacturing facilities in Gujarat, **Dahej –India's leading PCPIR region**



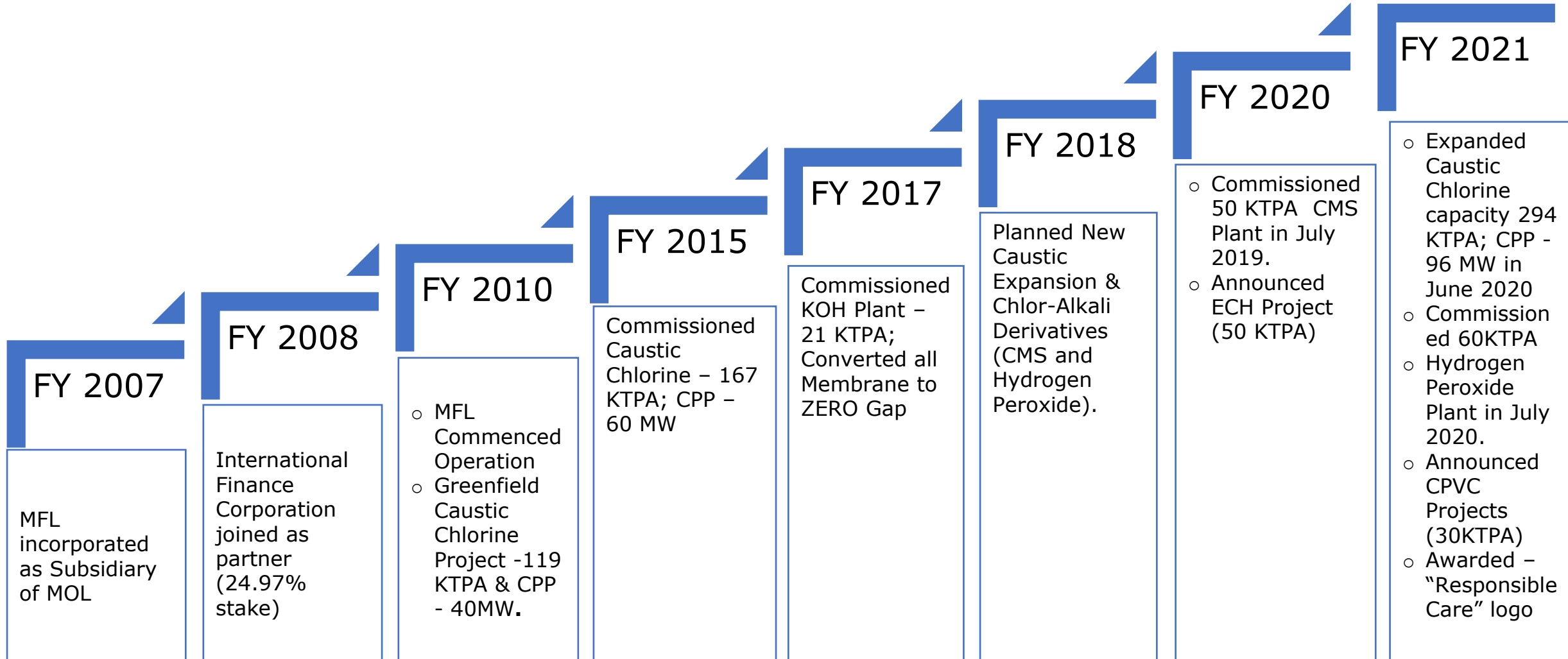
Product Pipeline

- Expanding product base to include value added products
 - **Epichlorohydrin [ECH]**
 - **Chlorinated Polyvinyl Chloride [CPVC]**
 - **Chlorotoluene and its value chain**

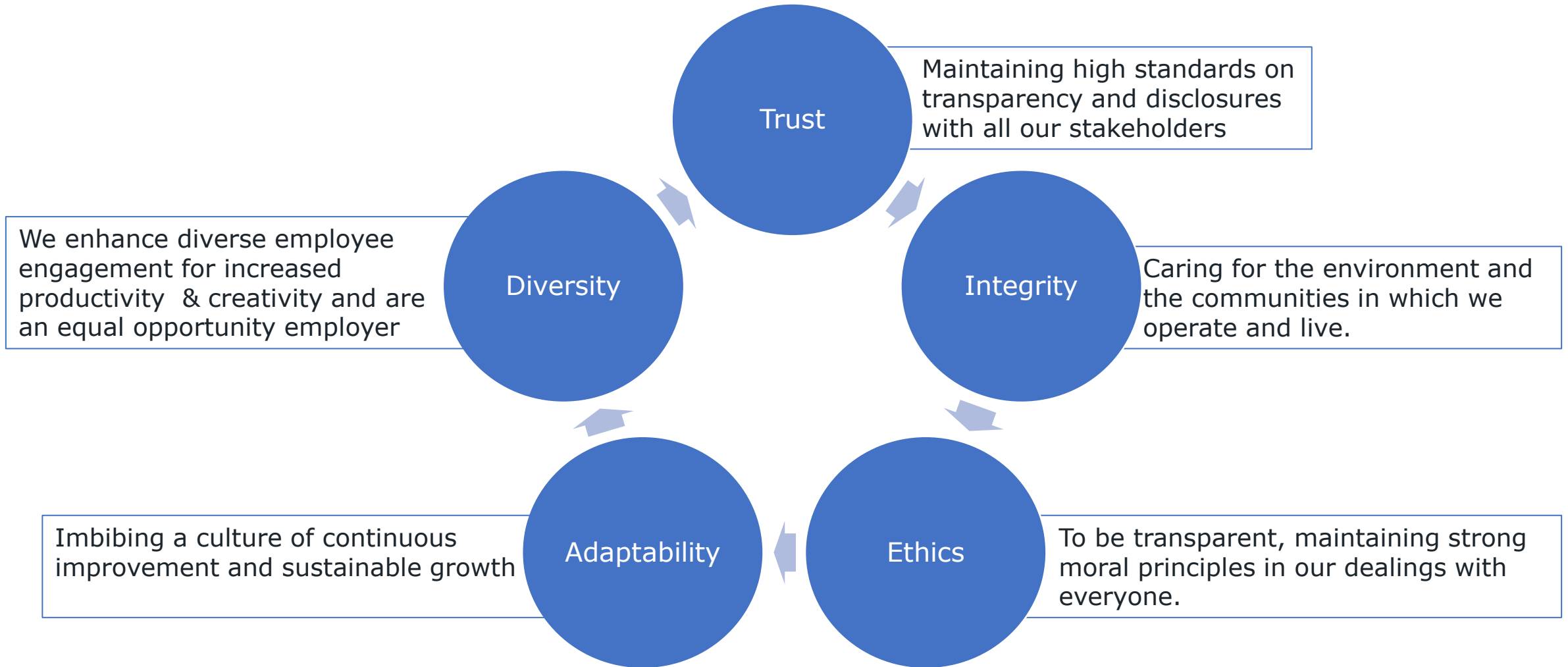
Our Products

- Currently product profile comprises of
 - **Chlor-Alkali**
 - **Chloromethane**
 - **Hydrogen Peroxide**

Our Evolution

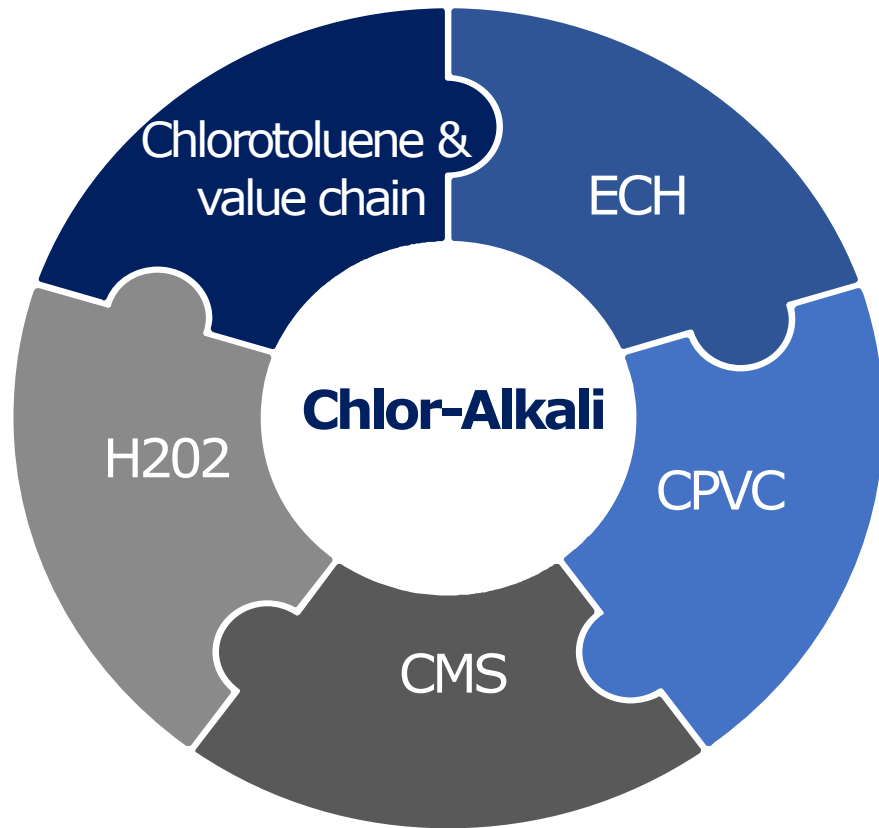


Driven by Strong Values



MFL Evolving to value added specialty products

Fully Integrated Product Portfolio



High Value Products

Import Substitution – Make in India

Diversified End User Industries

Sole Manufacturer of ECH in India

Diversifying Portfolio; De-Risking Business Model



Well Invested Infrastructure

- State of the art manufacturing facility
- Strategic location with close connectivity to ports and raw material availability.
- Large customer base within a 100 km radius



Well established brand

- MFL is a known brand in Indian chemical market
- Serving domestic customers for last 12 Yrs
- Pan India reach through a wide network of distributors



Focused on Efficiency

- Low cost operations as fully backward and forward integration
- Fully automated complex
- Continuous addition of value added products



Diversified Application Base

- Catering to more than 15 industries
- Revenue split is evened out among customer base
- End user market growing rapidly

Underpinned by a Technically Qualified Leadership Team

Catering to High Growth Industries

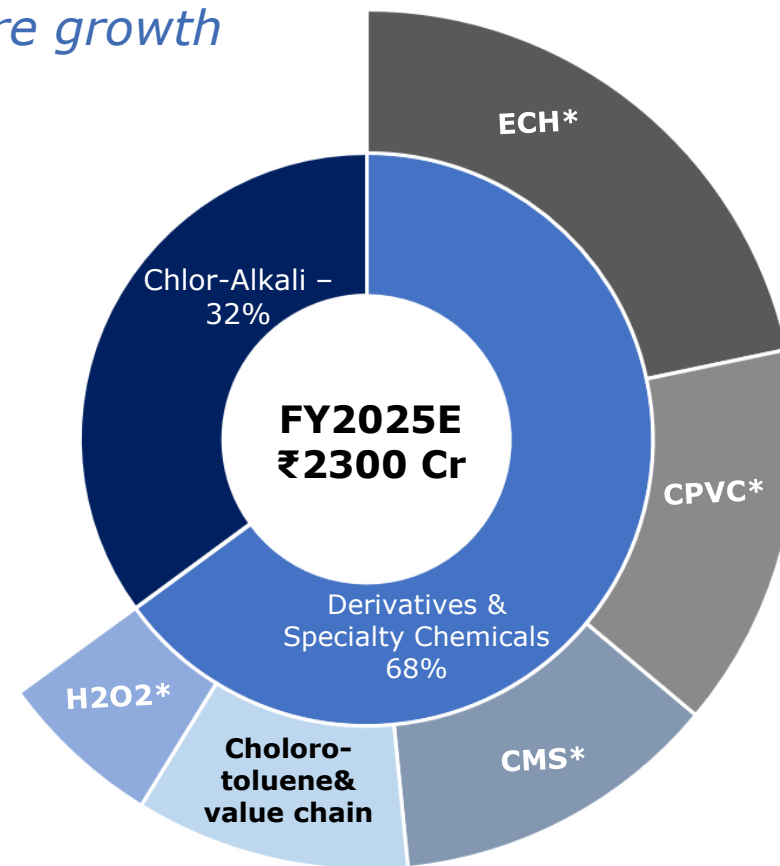
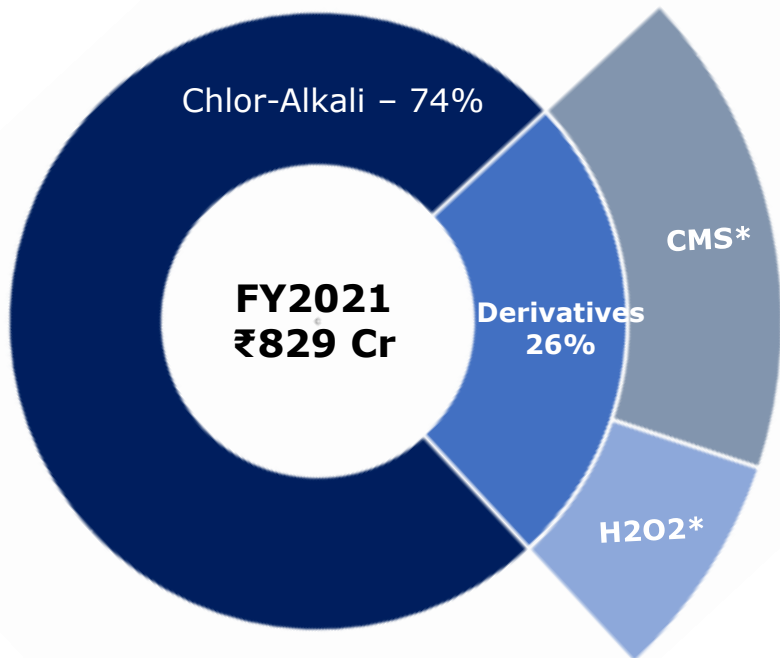
Increased market potential & higher growth exposure



The addressable market for MFL is growing ~10-13% in the next 5 years giving it a huge headroom for growth

Transitioning to Value added Specialty Chemicals

High value products to fuel future growth



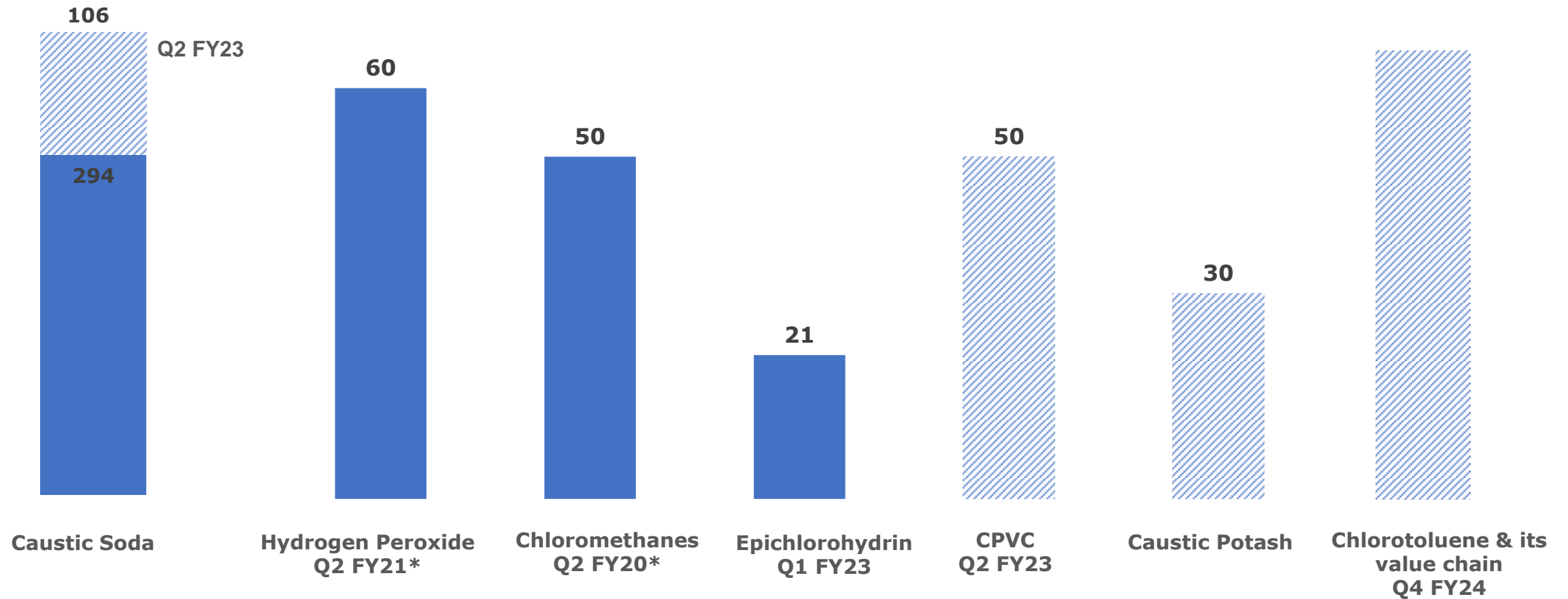
Revenue from the derivatives and specialty chemical segment to be >65% by FY25E

*CMS – Chloromethane, H2O2 – Hydrogen Peroxide, CPVC – Chlorinated Polyvinyl Chloride, ECH - Epichlorohydrin

Levers of Future Growth

High-margin products with low-cost capacity expansion

Manufacturing Plant Capacity (`000 TPA)



 Expected Commissioning , * Commissioning date

Caustic Soda (NaOH)

- ❖ India's NaOH Requirement: 4,000 KTPA
- ❖ Demand CAGR: ~ 8%



Alumina



Textile



Soaps & Detergents



- We are 4th largest producer in India
- Caustic Soda is basic raw material and caters to many industries. Major industries are alumina, textile, chemical, etc.
- Demand for Caustic Soda is expected to increase to 4.8 million ton by FY2025
- Co-products are key raw material for our value added downstream products (CMS, H₂O₂, ECH and CPVC)

Caustic Potash (KOH)

- ❖ India's KOH Requirement: 86 KTPA
- ❖ Demand CAGR: ~ 8%



Agrochemicals



API

- We are 3rd largest producer in India
- Caustic Potash is majorly consumed in soap & detergent, agrochemical and pharmaceutical industry
- The India's capacity stands at 83 KTPA
- Co-products are key raw material for our value added downstream products (CMS, H₂O₂, ECH and CPVC)

Chloromethanes (CMS)

- ❖ India's CMS Requirement: 430 KTPA
- ❖ Demand CAGR: ~ 12%



Solvent in Pharma



PTFE Pipes



Refrigerant Gas

- We are 4th largest producer in India
- CMS plant produces 3 products, MDC, Chloroform and CTC. It is majorly drive by MDC
- The India's capacity stands at 351 KPTA
- CMS is used majorly in pharmaceutical, refrigerant, Tetrafluoroethylene (TFE), etc.

Hydrogen Peroxide (H2O2)

- ❖ India's KOH Requirement: 282 KTPA
- ❖ Demand CAGR: ~ 10%



Paper & pulp



Textile



Effluent treatment

- We are 3rd largest producer in India
- H2O2 demand will continue to grow driven by diverse industrial uses – paper & pulp, textiles, effluent treatment, chemicals, etc.
- The India's capacity stands at 384 KTPA

CPVC Resin

- ❖ India's CPVC Requirement: 127 ktpa
- ❖ Demand CAGR: ~ 13%



Pipes and Fixtures



- Once commissioned, we will be largest producer
- Key raw material for heat resistant pipes
- Antidumping duty Imposition on Imports from China and Korea creating opportunity for domestic Market.
- Growing demand of CPVC in India for Pipe and Fittings in Chemical processing and Irrigation.
- 95% of CPVC resin demand is served through import

Epichlorohydrin (ECH)

- ❖ India's ECH Requirement: 62 ktpa
- ❖ Demand CAGR: ~ 15%



Wind mill



Automobile



Adhesives

- 1st company in India to produce sustainable bio based ECH
- Domestic alternative for 100% imported product
- Competitive advantage due to captive raw materials
- Estimated Capex ₹ 270 Cr, with a capacity of 50 KTPA

Project Details

- **Capex** for the project will be ₹ 180 Cr and **expected revenue of Rs. 300 Cr**
- **Expected commissioning date: Q4FY24**
- This facility will be **forward integrated to our chlor-alkali facility**
- **Range of products** will be manufactured through various reaction capabilities
- This will be **intermediates** for manufacturing **pharmaceutical and agrochemical active ingredients**

Rationale

- **Foundation for the next phase of growth** in Specialty Chemicals
- **Chlorine is captive a raw material** - in line to strengthen fully integrated complex
- **1st in India to manufacture**, under the initiative of Make in India and Aatmanirbhar Bharat
- Facility will enable us to manufacture various reactions

Project Details

- **Capex** for the project will be ₹ 25 Cr
- A step towards **strengthening presence in Specialty chemicals**
- **Location Changodar, Ahmedabad**

Rationale

- R&D center will be used for creating further molecules for Chlorotoluene and other new molecules, which will be intermediates for pharmaceutical and agrochemical active ingredients
- R&D center will be helpful to create Chlorotoluene eco-system/family and strengthen fully integrated facility
- It will help the company as whole to grow in Specialty Chemical post FY2024

Professional Management Team



Mr. Maulik Patel
*Chairman & Managing
Director*

Mr. Kaushal Soparkar
Managing Director

Mr. Vijay Vasudeva
Head of Operations

Mr. Sanjay Jain
Chief Financial Officer

Mr. Yashodhan Chitnis
*Sales Head –
Derivatives & Specialty
Chemicals*

Mr. Naresh Agarwal
*Sales Head – Chlor-
Alkali*

Mr. Pritesh Shah
Supply Chain

Mr. Hamid Sayyad
EHS

Mr. Rakesh Dave
Human Resource

Mr. Milind Kotecha
Investor Relations

ENVIRONMENT



- Focused on using **best technology** to manage critical resources, to moderate the consumption of energy and natural resources and drive operations efficiently
- Focus is to manufacture more from less, basis for environment responsibility
- Commitment towards reduce energy intensity, graduate to cleaner processes and fuels
- Intend is to minimize effluents discharge while moderating water consumption
- **First company to produce sustainable bio-based Epichlorohydrin**
- **Safety protocols imbining in the culture** of the company and timely management review safety systems with quantified leading and lagging indicators

SOCIAL RESPONSIBILITY



- **Employees** – Investment in culture of excellence, timely training, scope for growth, talent investment, extensive safety provisions and supporting financially and mentally in difficult times
- **Community** – Engaged community around manufacturing plant. Supporting them in difficult times. Deeply rooted CSR in the area of education, health & family welfare, sustainable livelihood, infrastructure and other social activities
- **Customers and vendors** – Strong and long relation with customers and vendors. Over a period built on eco-system of vendors and primary customers

GOVERNANCE



- Focus on managing the business with all stakeholders in transparent manner
- Proactive in communicating and maintaining transparency with all our stakeholders
- All the strategic decisions are taken considering interest of minority shareholders
- Timely disclosure of material announcements

Forward & Backward Integration:

- Scale up capacities in existing products
- New value added products in existing value chains
- Improved market position

Opportunities in high growth sectors:

- Explore opportunities in various sectors
- Increase presence & improve market share
- Entering into products which are fully exported

New Value Chains:

- Expand chemistry expertise to enter new value chains (specialty chemicals)
- Addition of new reaction capabilities

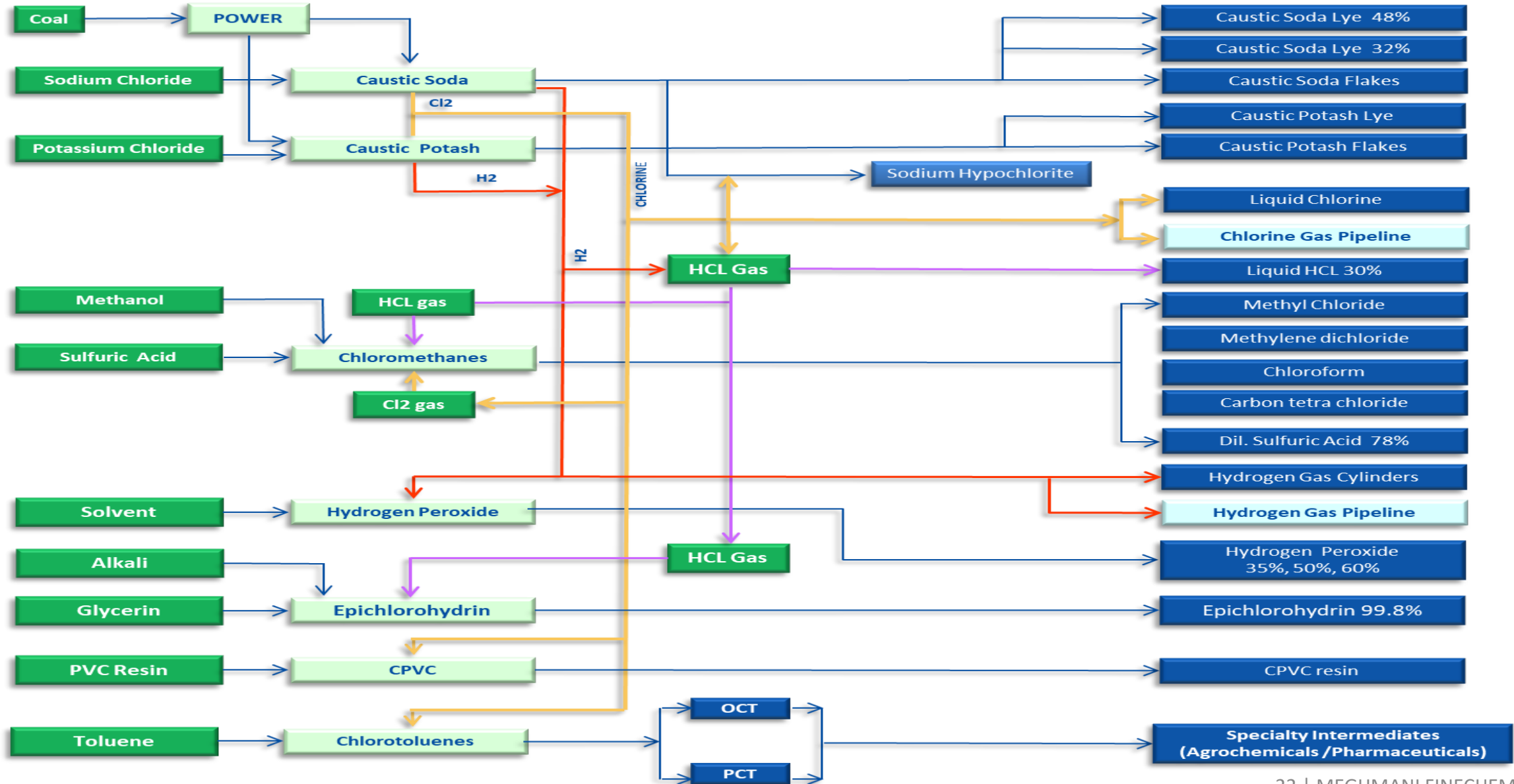
Achieving economies of scale:

- Optimising existing complex
- Achieving efficiency operations to become a low cost producer

Appendices

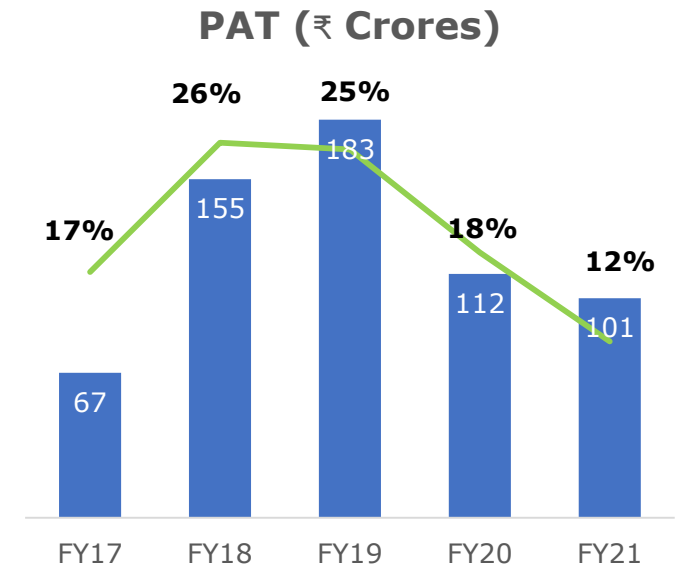
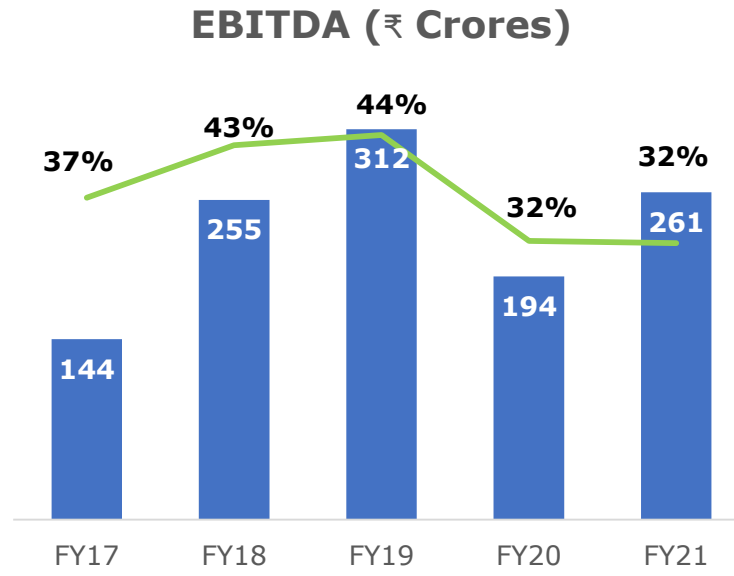
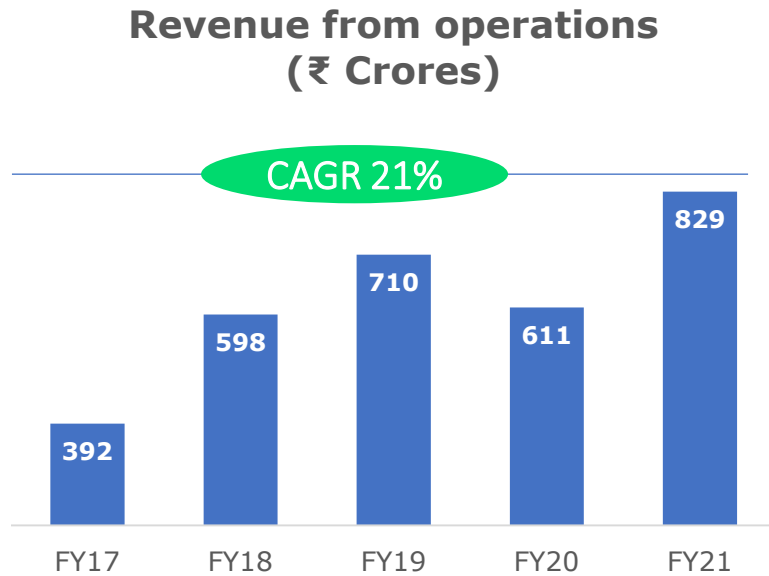


Fully Integrated Complex



Generating Sustainable Profits

Stakeholder Value Creation



— EBITDA Margin

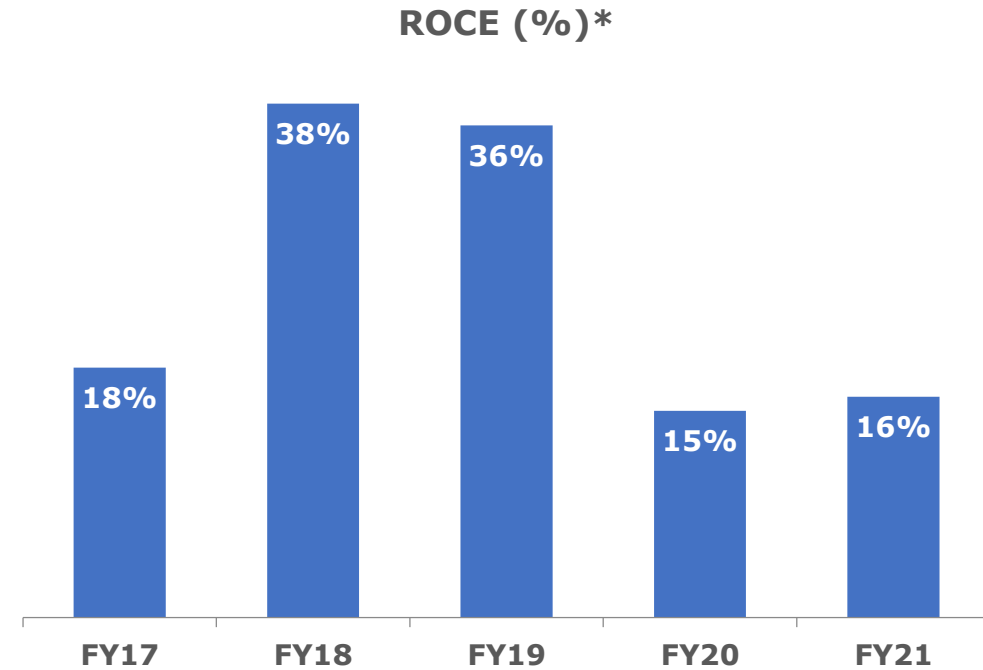
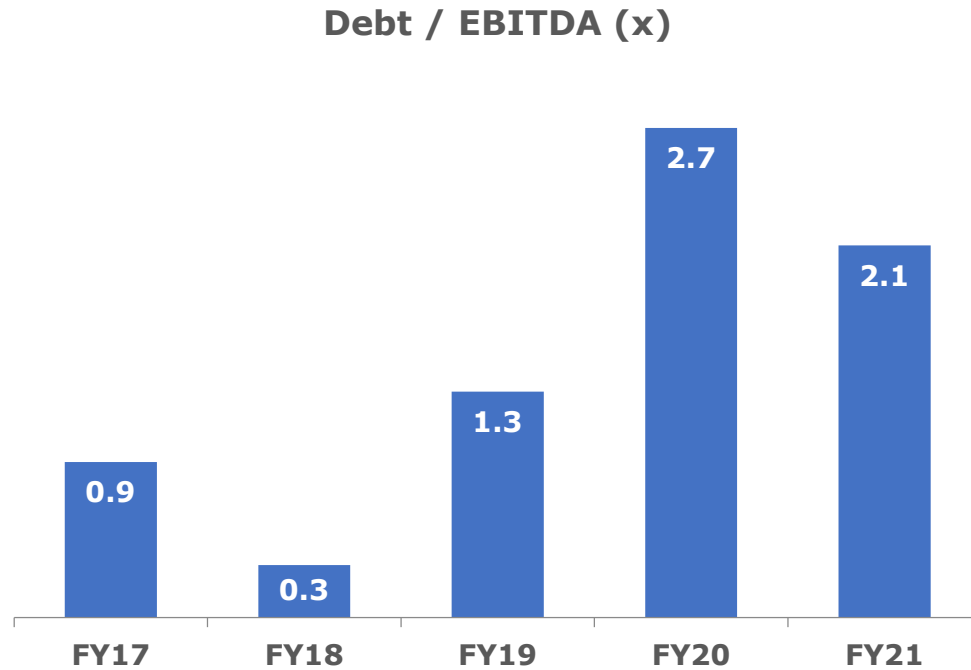
— PAT Margin*

*PAT in FY21 affected due to higher depreciation & finance cost

Strong Growth Track Record

Maintaining Strong Balance Sheet

Achieving Strong growth without extensive debt



**ROCE for FY20 & FY21 was impacted by higher CAPEX*

Superior Balance Sheet Strength

Historic Income Statement

Particulars (₹ Cr)	FY17	FY18	FY19	FY20	FY21
Total Revenue	393	602	720	613	831
Gross Profit	167	359	455	335	443
Gross Margin (%)	43%	60%	64%	55%	53%
EBITDA	144	255	312	194	261
EBITDA Margin (%)	37%	43%	44%	32%	32%
Depreciation	55	55	54	44	74
Finance Cost	14	9	25	11	29
PBT	75	195	242	141	161
PAT	67	155	183	112	101
PAT Margin (%)	17%	26%	25%	18%	12%
EPS (₹)	9.4	22.0	25.1	27.0	24.3

Historic Balance Sheet

Assets (₹ Cr)	FY19	FY20	FY21	Liabilities (₹ Cr)	FY19	FY20	FY21
Fixed Assets	763	1,131	1,228	Share Capital	41	42	42
Financial Assets	5	4	10	Reserves & Surplus	452	542	643
Other Non-current Assets	22	5	29	Long-Term Borrowings	365	418	340
Inventories	41	48	54	Long-term Provisions	9	7	35
Trade Receivables	77	76	119	Short Term Borrowings	2	20	75
Cash & Bank Balances	129	0	1	Trade Payables	36	47	73
Loans & Advances	1	0	0	Other Current Liabilities	136	198	240
Other Current Assets	6	7	8	Short Term Provisions	2	0	0
Total	1,044	1,273	1,449	Total	1,044	1,273	1,449



Corporate Office

“Meghmani House”, B/h Safal Profitaire, Corporate Road, Prahladnagar, Ahmedabad 380015, Gujarat, India

Manufacturing Site

CH/1 and CH/2, GIDC Industrial Estate, Dahej, Tal. Vagra, Dist. Bharuch – 392130, Gujarat, India

www.meghmanifinechem.com

Milind Kotecha

Milind.kotecha@meghmani.com

Surabhi Sutaria

surabhi@goindiaadvisors.com