

Date: February 09, 2024

To

BSE Limited

1st Floor, P.J. Towers,
Dalal Street, Mumbai - 400001
Scrip Code: **506642**

To

National Stock Exchange of India Limited

Exchange plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400051, India
Symbol: **SADHNANIQ**

Subject: Investor Presentation for the Quarter ended on December 31, 2023

Reference: Unaudited Financial Results (Standalone and Consolidated) of the Company, for the quarter ended on December 31, 2023

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, please find the enclosed Investor Presentation for the Unaudited (Standalone and Consolidated) Financial Results for the quarter ended on December 31, 2023.

Kindly take the same on your records.

FOR SADHANA NITRO CHEM LIMITED

Nitin Rameshchandra Jani
Company Secretary
Membership No.: A4757

Encl. As above

Corporate Office

10, Bruce Street, 1st Floor,
8/12, Homi Mody Street, Fort,
Mumbai - 400001

Factory Address

47, MIDC, Roha - 402116.
Dist. Raigad (M.S.)
Dhatav, Maharashtra

Registered Office

Hira Baug, 1st Floor,
Kasturba Chowk (C.P. Tank),
Mumbai - 400 004. INDIA

Sadhana Nitro Chem Limited

Investor Presentation
Q3FY24



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From the Desk of the Managing Director

We are pleased to share key strategic initiatives undertaken during the quarter that will further strengthen our long-term growth trajectory - **The company is set to venture into green energy, with plans to establish a green hydrogen facility based on a 15MW-20MW solar plant and wind farm for captive usage.** This move aligns with our commitment to sustainability and responsible business practices.

Further, a **rights issue was announced to fund the green hydrogen initiative. Details for the Rights issue are being worked out and will be published shortly.** We shall continue to increase our volumes, which is done with our enhanced capacity in addition to backward integration, helping us to counter competition and protect our margins.

The reduction in promoter shareholding has been made to fund additional capital requirements in the company. The proceeds of such sales by the promoters have been pumped back into the business in the way of an "Unsecured Loan".

The outlook is positive for our company's performance in the upcoming fourth quarter (Q4). The anticipated increase in sales is attributed to the successful expansion of our production capacity, aligning with a more favorable demand scenario. Furthermore, historical trends indicate a consistent uptick in sales during Q4, a pattern attributed partly to the maintenance mode adopted by some clients during the subsequent Apr-Jun quarter. This historical trend positions Q4 as a historically strong period for our sales performance. As we continue to enhance our capacity and navigate a robust demand environment, investors can find confidence in the combined impact of strategic capacity expansions and historical sales patterns, contributing to a positive trajectory in the upcoming quarter.

The global market landscape is witnessing a challenge as China appears to engage in the practice of dumping goods, posing significant hurdles for domestic players striving to compete. This strategy involves flooding international markets with low-cost products, creating an uneven playing field, and placing local industries at a distinct disadvantage. **While margins have suffered due to Chinese pricing policies, the company's expansions over the last 3 years have offset this to a certain extent by increasing sales volumes.**

The situation is particularly pronounced in the chemical industry for exports, where Chinese dumping poses challenges in pricing. The influx of Chinese chemical exports, often at prices below production costs, has prompted concerns about fair trade practices and the sustainability of domestic industries. As this trend persists, local players must navigate an increasingly competitive environment, emphasizing the need for backward integration, higher economies of scale, quality differentiation, and environmentally sustainable products to ensure continued success.



About Our Company

Established in 1973, Sadhana Nitro Chem Ltd. (SNCL), is a leading manufacturer specializing in intermediate specialty chemicals. Operating from its state-of-the-art facility Roha, which is spread over 22 acres SNCL is a government recognised 2-Star Golden Export House, with 80% of the company's sales being dedicated to exports. **SNCL has been awarded from the PLI scheme for manufacturing 36000 TPA of PAP in 2021, with the current production run rate of 3000 TPA.**

PAP is the used in paracetamol amongst other leading prescription drugs in the world. SNCL is a symbol of commitment to quality and social responsibility. The company holds ISO certifications for ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007, and SA (8000). **SNCL is listed on both BSE: 506642 and NSE: SADHNANIQ, and is currently celebrating its 50" year as a publicly listed company.**

Overview



248 team members



Over 20+ international clients



711 tonnes exported in FY2023



22 acres of manufacturing facility



12 chemicals in the product line

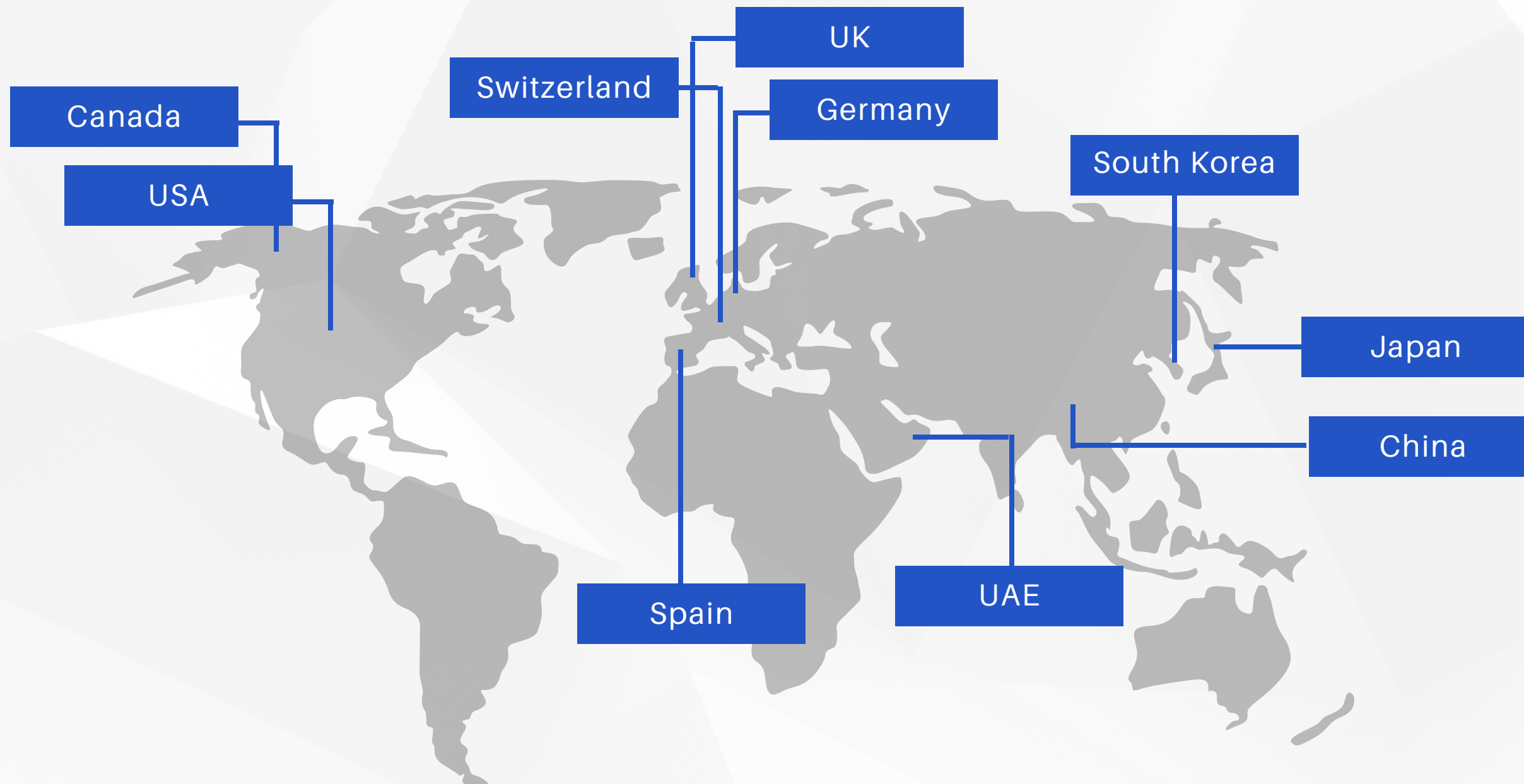


50th year of being publicly listed

PAP Expansion Highlights



Trade



International Trade

Export Sales

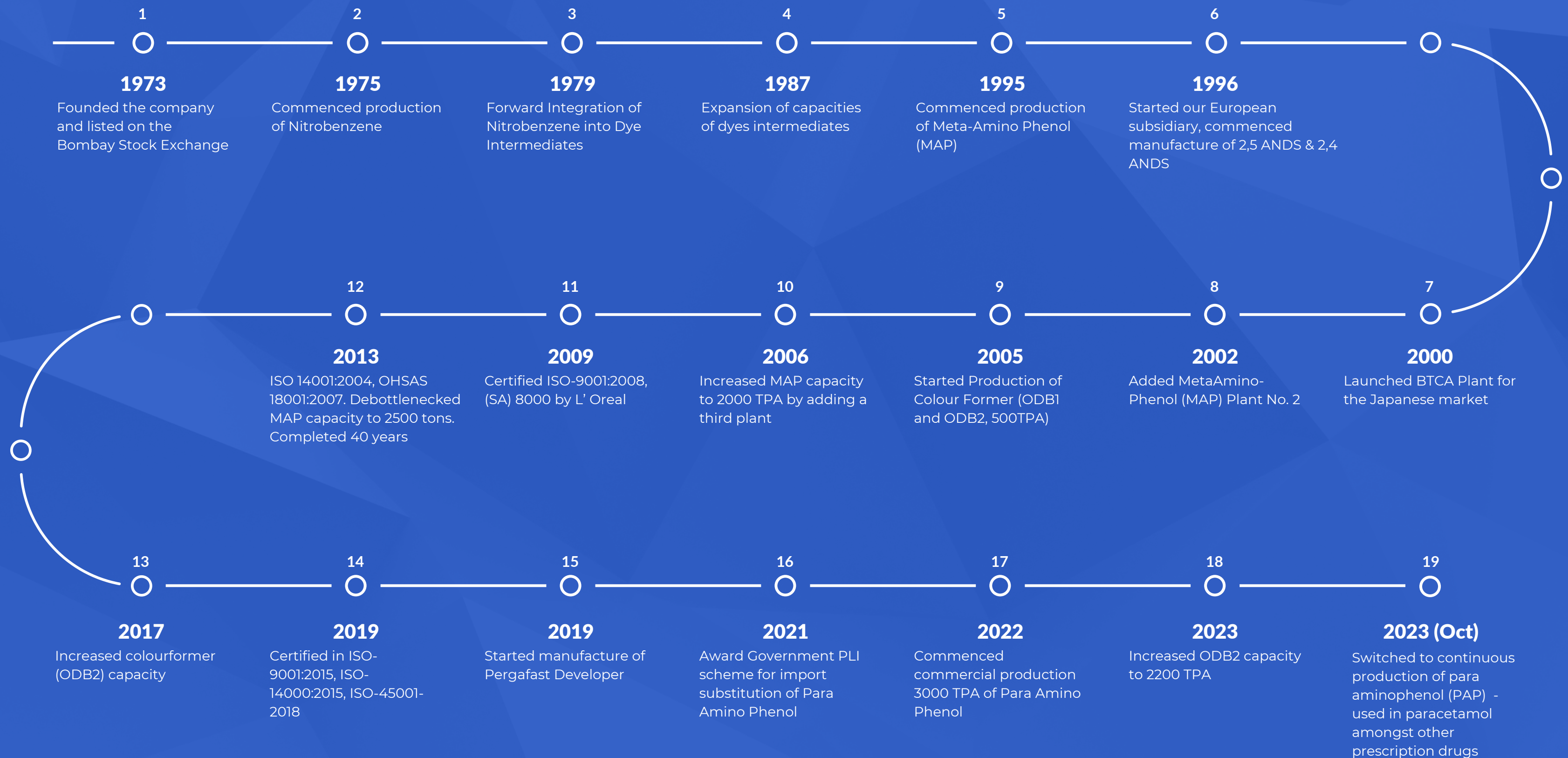
80% of sales come from exports to Belgium, Netherlands, Thailand, USA, UK, Switzerland, UAE, South Korea, Spain, Hong Kong, China, Japan, Canada, Taiwan, Czech Republic, Italy

Domestic Trade

Indian Sales

Domestic sales are mainly in Punjab, Delhi, Maharashtra, Gujarat, Telengana, Tamil Nadu.

Our Journey



Health, Safety & Environment

Our Philosophy

We are committed to complying with the environment, health & safety legislations with a focus on pollution control. Enhancing the skills and the competence of our employees through appropriate training thereby enhancing safety



Audit & Certifications

ISO 9001:2008
ISO 14001:2004
OHSAS 18001:2007
SA (8000)



Our Mission & Values

- To offer & maintain the highest quality standards of our products, in offer to create long term & sustainable business relationships with our clients.
- Continuously improving our products by updating technologies through customer feedback.
- To become a benchmark for ethical & moral business dealings with our customers, vendors & all other business partners.



Key Attributes of the Company



Multinational Clients

In the last 50 years we have had multiple quality control multinational clients which comprise of mainly conglomerates.



Licenses & Permissions

We have the requisite Maharashtra pollution control board licenses and permissions.



Product Applications

Our products are used in Agro Chemicals, Aramide Fibre, Pharma, Developers, Hair Colours, Dyes, Specialised Resins, Performance Chemicals, Rubber chemicals, Aerospace, Electronic Chemicals, Military Applications, Thermal Paper Intermediates



Management Team

Executive Chariman

Shri Asit D. Javeri he joined the Company in Year 1984 as a Director of the Company. He is now associated with the company for over 35 years

Managing Director

Shri Abhishek A Javeri moved back to India to take over his family business. He is a successful serial entrepreneur and has built businesses and transitioned to various functions required on a day to day basis. He joined the company as a director in 2007. He has turned around a market cap of Sadhana Nitro Chem Limited from INR 7 crores to INR 2500 crores.

Whole Time Company Secretary

Shri Nitin Jani joined the industry after completing his higher studies. Prior to joining the company he had worked with the Chemical Company for 2 Years. He joined the company in the year 1984 and also joined the Board as Director in 1996.

Executive Director

Mrs. Seema Javeri has an experience of 12 years in administration. She joined the company as the director in 2014.

Chief Financial Officer

Shri Rakesh Kothari has a rich experience of 21+ Years with CITI Banks where he has worked across operations, customer service, business development, relationship management including leadership roles handling teams across geographies

Marquee Clients

RICOH

Ipca

 **Koehler**
PAPER GROUP

hoyu

ADEKA
Fusion for the Future



Mitsui Chemicals

HUNTSMAN
Enriching lives through innovation


Domtar


Clariant



Hansol
Paper

BASF
The Chemical Company


OJI PAPER



UNITED PHOSPHORUS LIMITED


TORRASPEL

L'ORÉAL

TEIJIN
Human Chemistry, Human Solutions


IHARA CHEMICAL INDUSTRY CO., LTD.


Bayer CropScience


APPVION



Research & Development

Over the years, SNCL has been working towards new, patent pending processes, for several new products. These new processes are both built for transitioning toward green chemistry as well as streamlined for lower production costs.

SNCL has a government recognised R&D Lab with a focus on



In house Product and Process Development & Continuous improvement of our processes through R&D

Socially Responsible Waste & Effluent Management

A key attribute of our environmental conscious approach, accredited to our R&D department is improvement of existing processes and building new processes that are either effluent free or where the effluent is converted into sellable by products.



Solid Waste Disposal



Our solid waste effluent is sent to manufacturers, which have been approved by the pollution control board to use as their manufacturing raw materials.

Gypsum

Used by cement & fertiliser industries.

Iron Sludge

Used by steel & cement industries as a raw material.

Sodium/ Potassium Sulphite

Used by paper & leather industries

Solid Waste

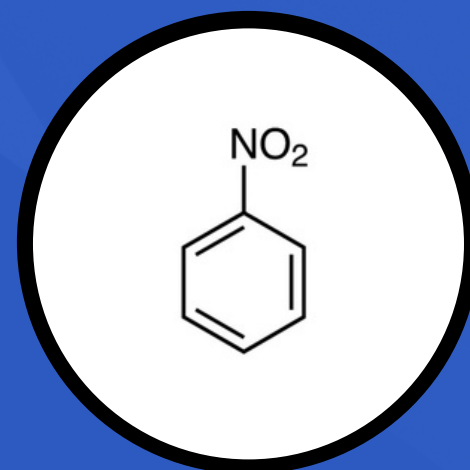
The liquid effluent generated through the manufacturing processes is treated & water is extracted out of the effluent. The residual solid waste is sent to Bombay Waste Management (nominated by the MPCB)

Liquid Effluent Waste Disposal

The balance liquid effluent is sent to the centralised effluent treatment plant (CETP) in Roha.

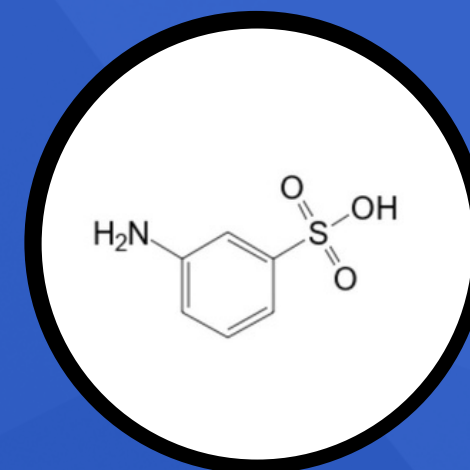


Product Portfolio



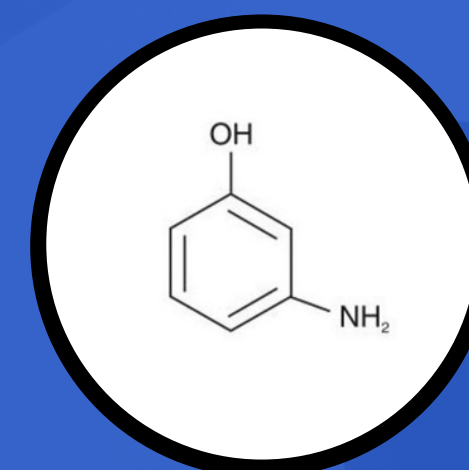
Nitrobenzene

Used as a starting point for Aniline dyes, for aniline and for other intermediates



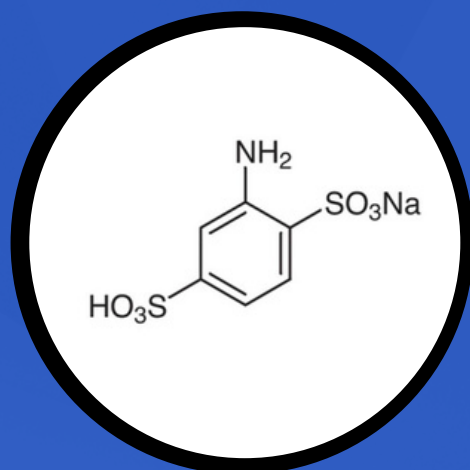
Metanilic Acid

Used for dye intermediates



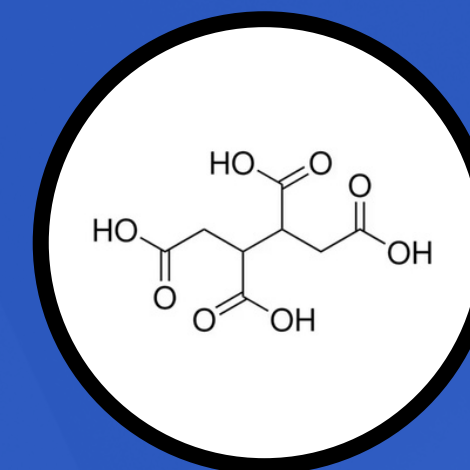
Meta Amino Phenol

Intermediate for 12 applications including Aerospace, Cosmetics, Agro, Pharma, Military, etc.



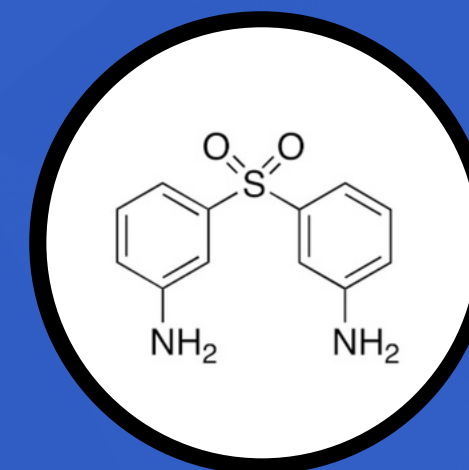
Aniline 2,5 Disulphonic Acid

Intermediate for Optical brightening agents and dyes



1,2,3,4-Butanetetracarboxylic acid

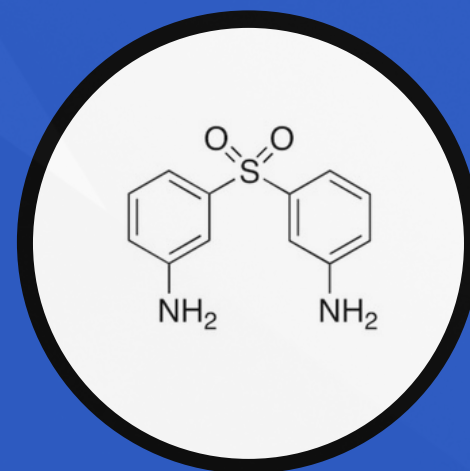
Intermediate for Halogen Light Stabilisers



3,3 Dinitro Diphenyl Sulphone

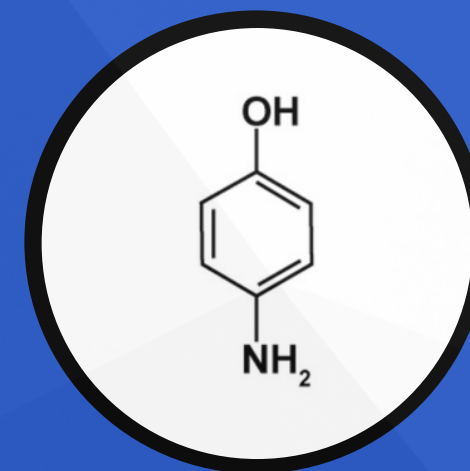
Intermediate for Aerospace and lightweight resins

Product Portfolio



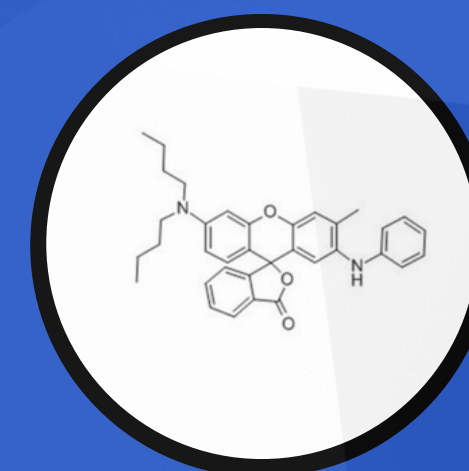
3,3 Di Amino Diphenyl Sulfone

Intermediate for Aerospace and lightweight Resins



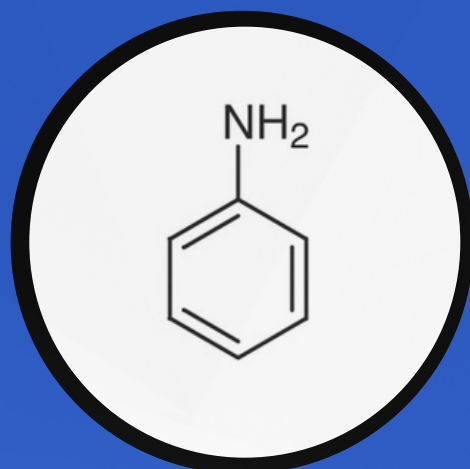
Para Amino Phenol

Key Active Ingredient for Paracetamol



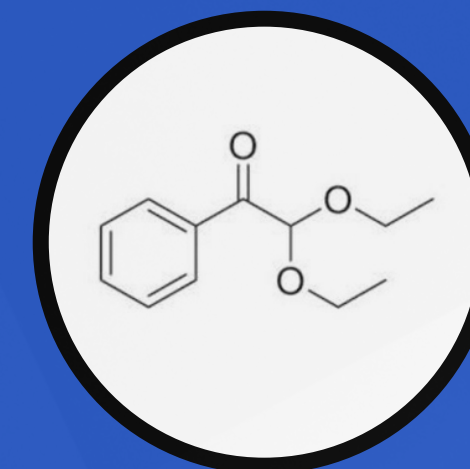
ODB2

Colourformer used for thermal paper for labels, Point of Sales, Airline tickets, baggage tags.



Aniline Oil

Intermediate for dyes and pharma applications



DEAP

Intermediate for Dyes



PFD201

Developer for Thermal paper



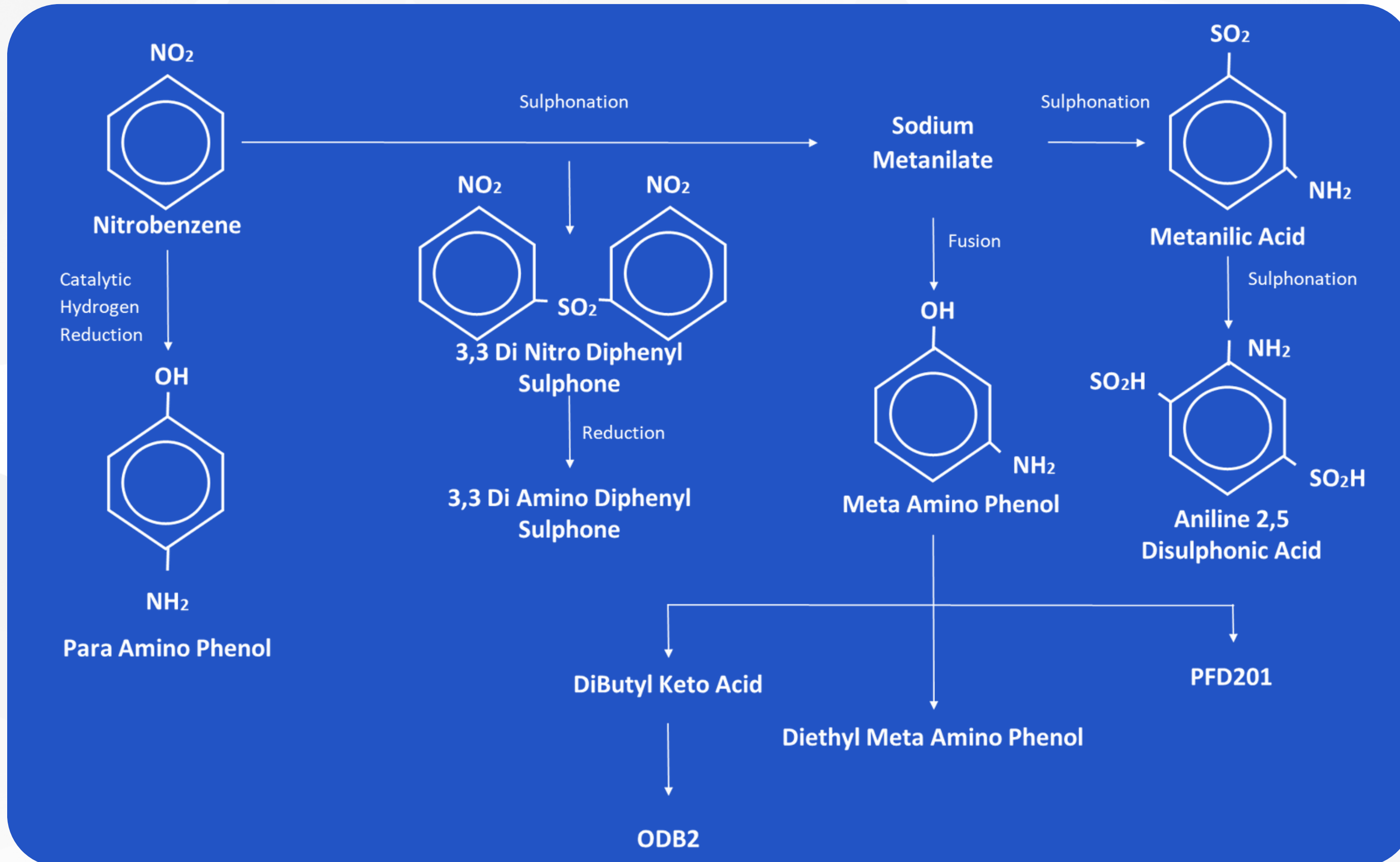
Capacities



PRODUCT	TPA	PRODUCT	TPA
MAP	2500	PARA AMINO PHENOL (PAP)	3000
BTCA	500	ANILINE	600
ANILINE 2,5	1400	AMMONIUM SULPHATE	4500
ODB2	2200	OAP	60
PFD201	250	4,4 ODA	150
3,3 DNDS	300		
NB	12000		
DEMAP	500		

New Products Note: PLI Awarded for PAP for 36000 TPA

Product Process: Nitrobenzene Chain





MAP

Meta Aminophenol/3- Amino Phenol

It is used in 12 different specialised applications including cosmetics, modified para aramid fibres, aerospace, colourformers, developers, Epoxy Resins, Electronic Chemicals, Pharma, Agro chemicals, dyes etc.

Note: Along with being largest manufacturer of MAP globally, SNC is the only manufacture that has it's MAP qualified for every one of the 12 end applications of the product

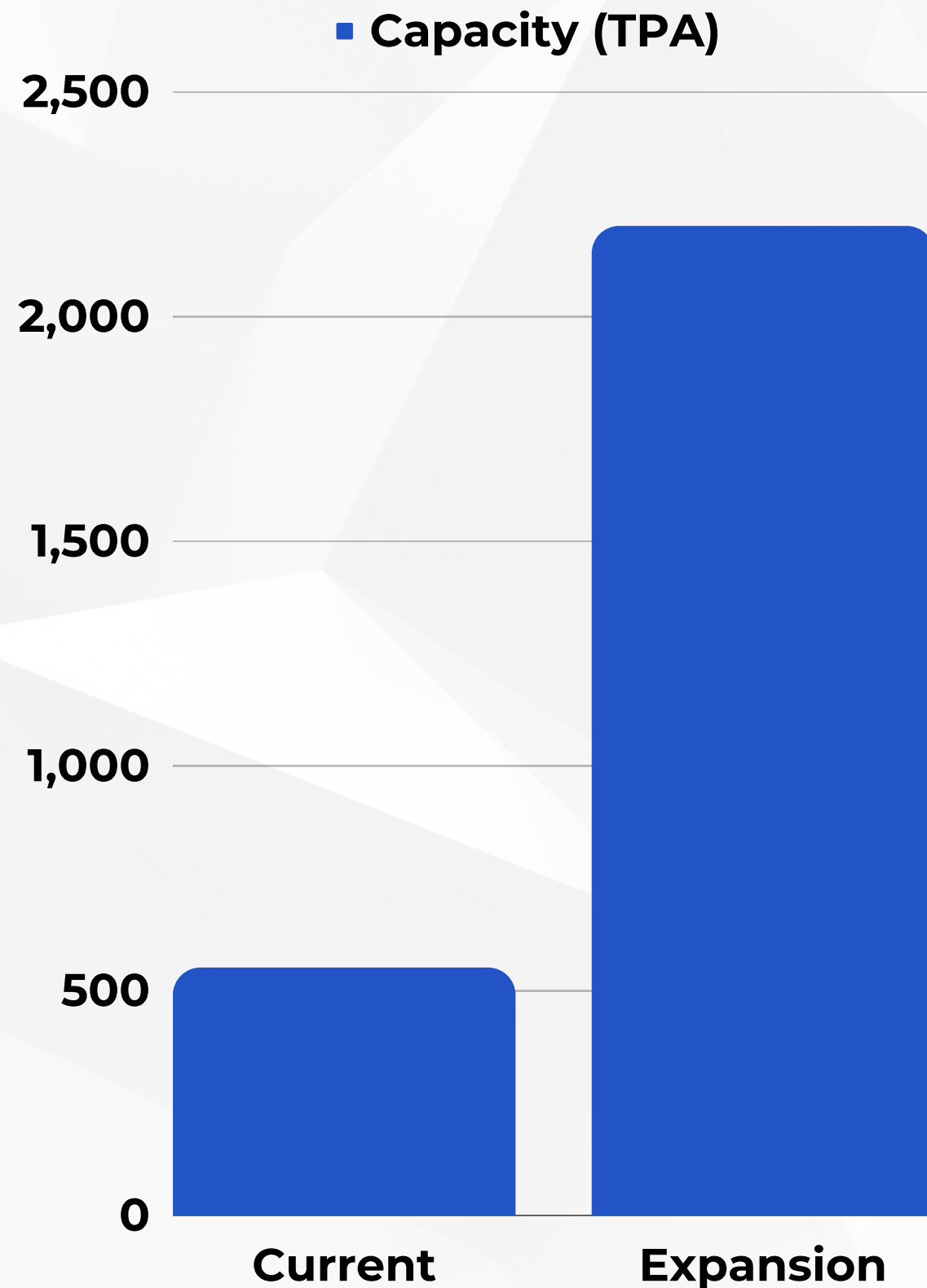
Highlights

- SNCL is the largest supplier to Loreal worldwide
- SNCL only supplier to several MNCs
- Growing usage in Agro chemicals

Why our MAP?

Chinese Manufacturers	SNCL
Solvent is used in the process. Therefore impurities enter the end product. Purity - 98%	No solvent is used in the process. Crude MAP is directly distilled into flakes. Purity - 99.95%
Off white granules	White Flakes
Dependent on sourcing intermediates.	Backward Integrated from Benzene to MAP
Not approved for high end applications such as epoxy resins and para aramid fibres.	SNCL's unique manufacturing route with a low manufacturing cost.
3000TPA	2400TPA





ODB2

2-phenyl amino-3-methyl-6-dibutyl amino fluoran

It is used in as a chemical in thermal paper application, widely used for credit card receipts, boarding passes, luggage tags, e-commerce slips etc.

Note: ODB 2 is backward integrated - NB to MAP and further MAP to Keto Acid, making it cost effective, quality controlled and reliable for regular supply to MNCs.

SNCL is the only ODB2 manufacturer in India. Hence, all MNCs looking for a second source of supply (Other than China) are keen to collaborate.

Highlights

SNCL's current plant capacity: 550 TPA

SNCL's recent expansion: 2200 TPA



ODB2

Future prospects with ODB2

From 2024, SNCL will start in-house manufacturing of one of the key raw materials required for ODB2. This RM is currently being imported from China, which increases cost and uncertainty.

With full plant integration we will be the only ODB2 manufacturer across the Globe to have a fully Consolidated ODB2 plant, which is backward integrated from NB to ODB2, with all intermediates manufactured in-house.

With the increase in capacity to 2200 TPA, we are now the biggest and most efficient, low cost manufacturer in the World. All MNCs are now eager to work with us and enter into long term contracts to ensure consistent supplies.

Chinese Manufacturing: External sourcing of AP/KA/Other RM
 SNCL's Manufacturing: Fully integrated plant from NB to ODB2





PAP

Para Amino Phenol

Para Amino Phenol is the intermediate one step prior to the world's leading pain killer Paracetamol. It is also used in Aerospace, Cosmetics and others apart from its primary usage. India needs 60000TPA of PAP to be imported from China for Paracetamol, however due to permanent shutdowns and effluent issues only 15000TPA per year is able to be imported.

SNCL has been manufacturing Nitrobenzene since 1975. Through R&D, lab trials and pilot trials SNCL has built a patent pending process for manufacturing PAP from Nitrobenzene. This has been certified by both the ICT (formerly UDCT) & by the Department of Pharmaceuticals, moreover, the ICT has certified the process as being 100% effluent free and zero discharge.

The uniqueness of our process is that through a single stage Hydrogen Reduction of Nitrobenzene, PAP is created along with four other saleable co-products, Aniline, Ammonium Sulphate, Ortho Amino Phenol & 4,4, Oxy Dianiline. It is not only a cleaner process but also more sustainable than the current process manufactured through PNCB.



PAP

Production Linked Incentive Scheme

Sadhana Nitro Chem has been awarded from the PLI scheme for manufacturing of 36000 TPA of PAP. The company is rapidly scaling at a current run rate of about 3000 TPA.

Economics

SNCL's cost of manufacturing is sustainable in the long term as it is based on locally sourced raw materials in indigenously manufactured Nitrobenzene compared to PAP manufacturers that rely on PNCB procurement.

Chinese Manufacturing Route: Through reduction of PNCB
SNCL's Manufacturing Route: Catalytic Hydrogen Reduction of Nitro Benzene

Manufacturers	Process
Chinese Manufacturers	PNCB Route
Sadhana Nitro Chem	NB Route
Indian Manufacturers	PNCB Route

Para Aminophenol

PNCB Route	NB Route
Highly Polluting	Ammonium Sulphate is a by-product which is a raw material for Fertilisers
Greyish product requiring 10% purification additional cost overhead	Pure white product
Permissions to manufacture are reducing due to polluting process	There is no effluent in this clean process and so permissions are easier
No reusable By-product	Aniline, OAP and ODA are co products which is used in the Dye, Tyre, Pharma, Electronic and Aerospace industries
High and unstable cost of production due to fluctuation PNCB prices	Lower cost of production giving long term competitiveness

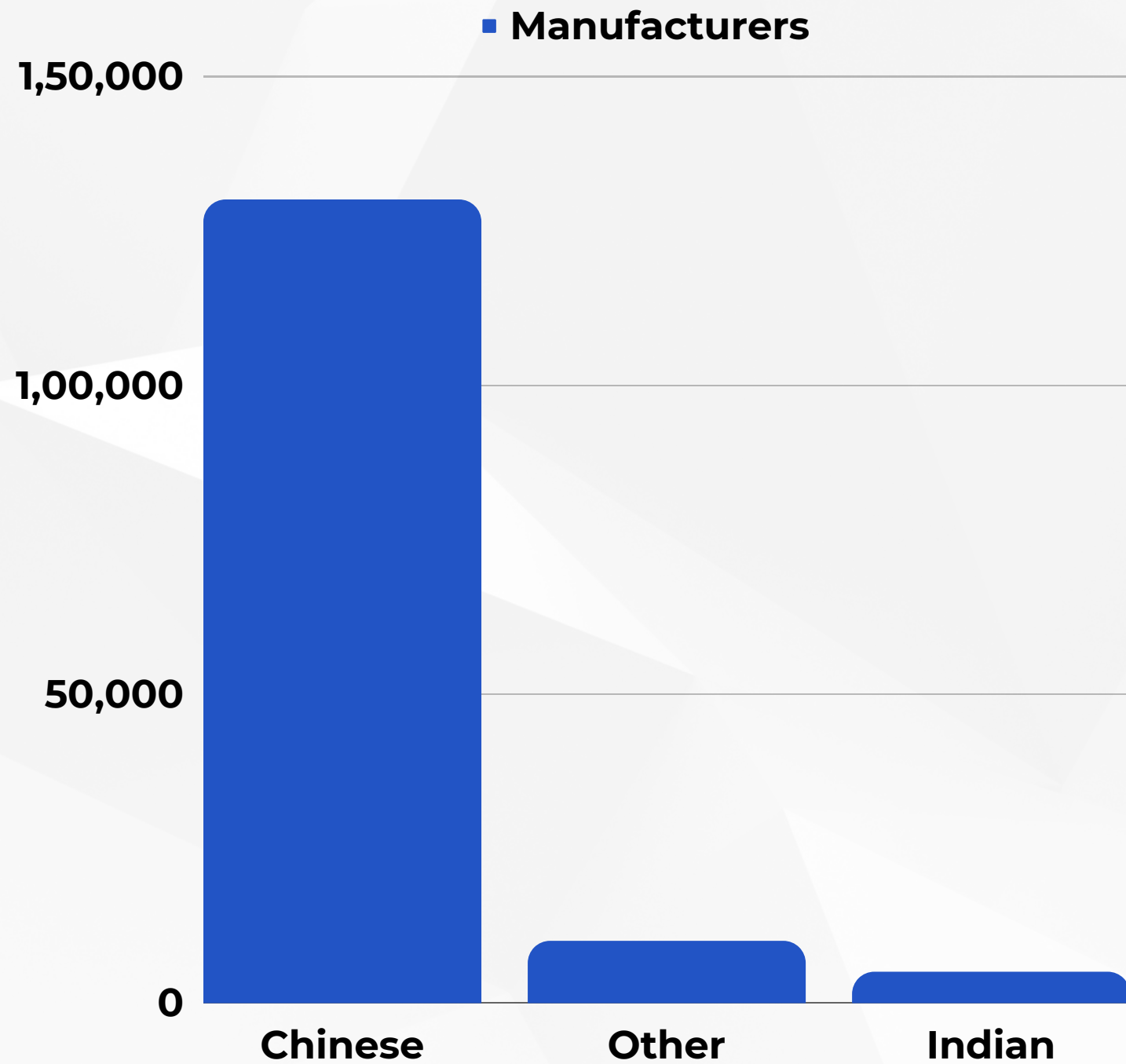
Usage

Sadhana Nitro Chem is on the way to become the largest PAP manufacturer in the world and in subsequently one of the top 3 Paracetamol manufacturers in the world.

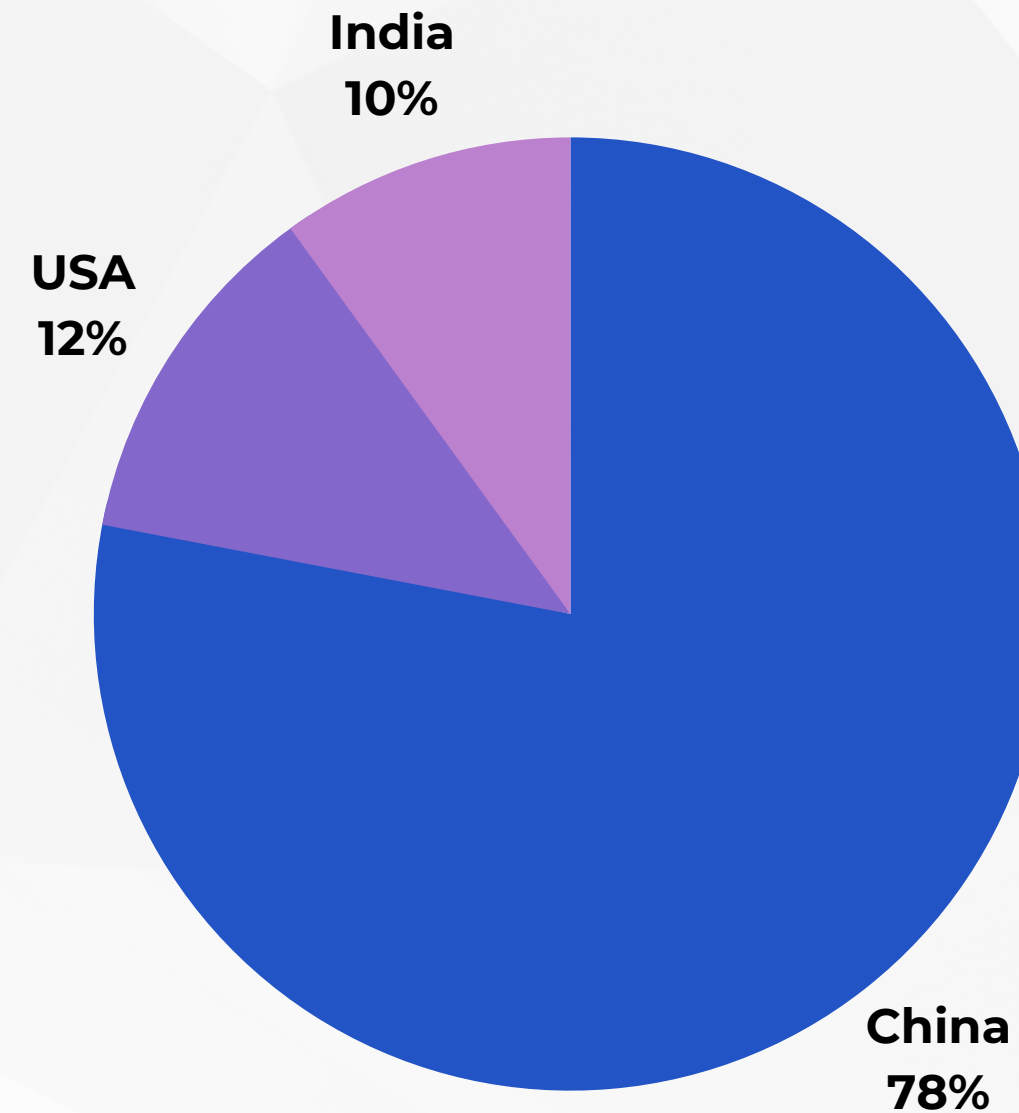
Supply

Supply in China before shutdowns 150,000 TPA
Supply in China post shutdowns 80,000-100,000 TPA

PAP Global Demand - 160000 TPA & growing

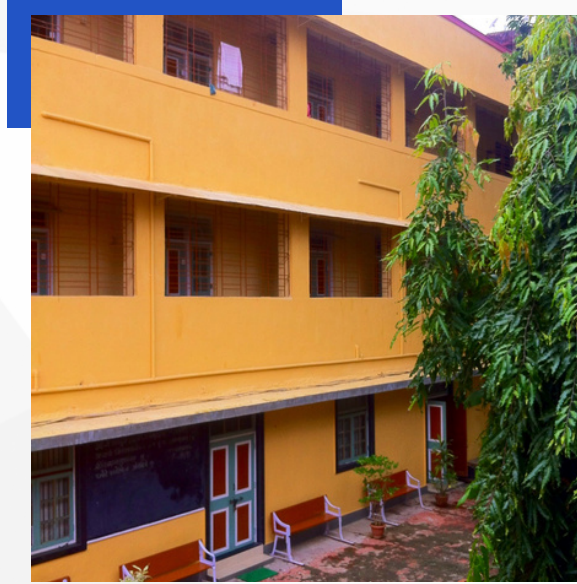


PAP Supply Spread



Corporate Social Responsibility

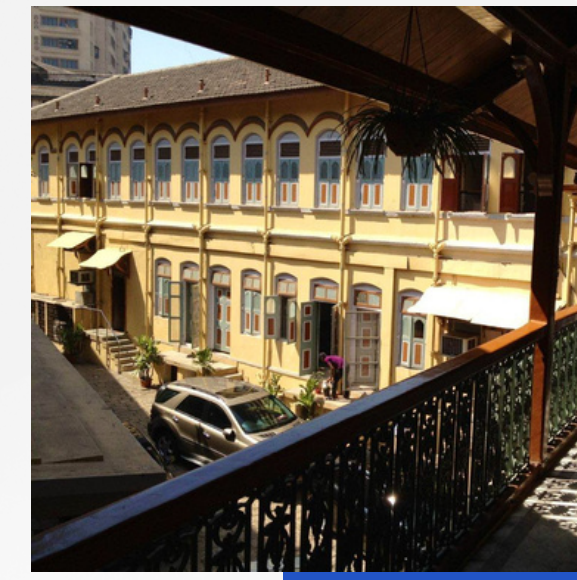
- The promoter's family has set up several charitable institutions dating back over a hundred years.
- The objectives of the trusts vary from medical & healthcare to education & women reform.
- The institutions are primarily for the low income and underprivileged.
- Our impact has helped over ten thousand people.



Women's Reform Ashram
Mumbai Central, Mumbai



Student's Hostel Mumbai
Central, Mumbai



Healthcare Dharamshala,
CP Tank, Mumbai

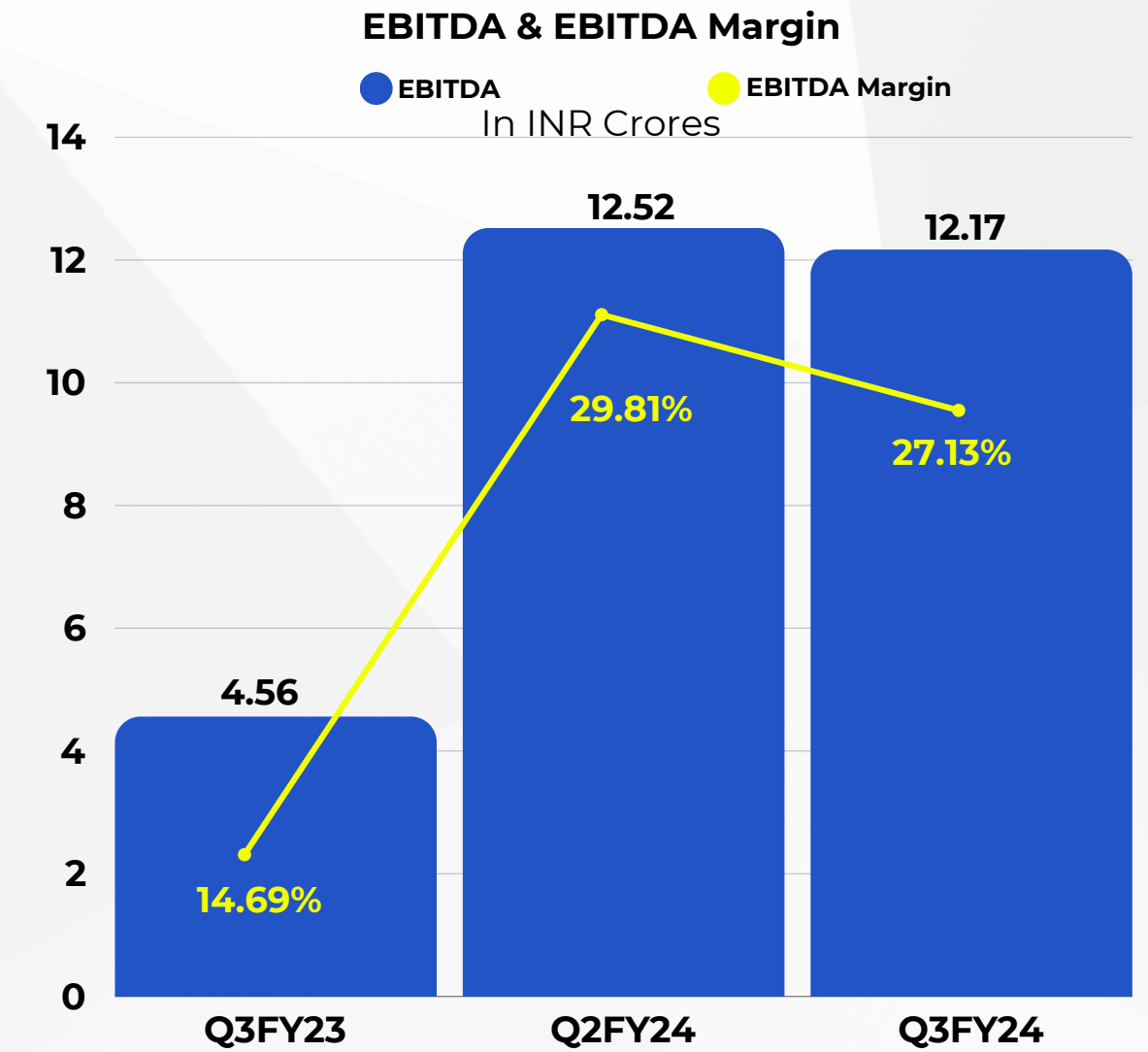
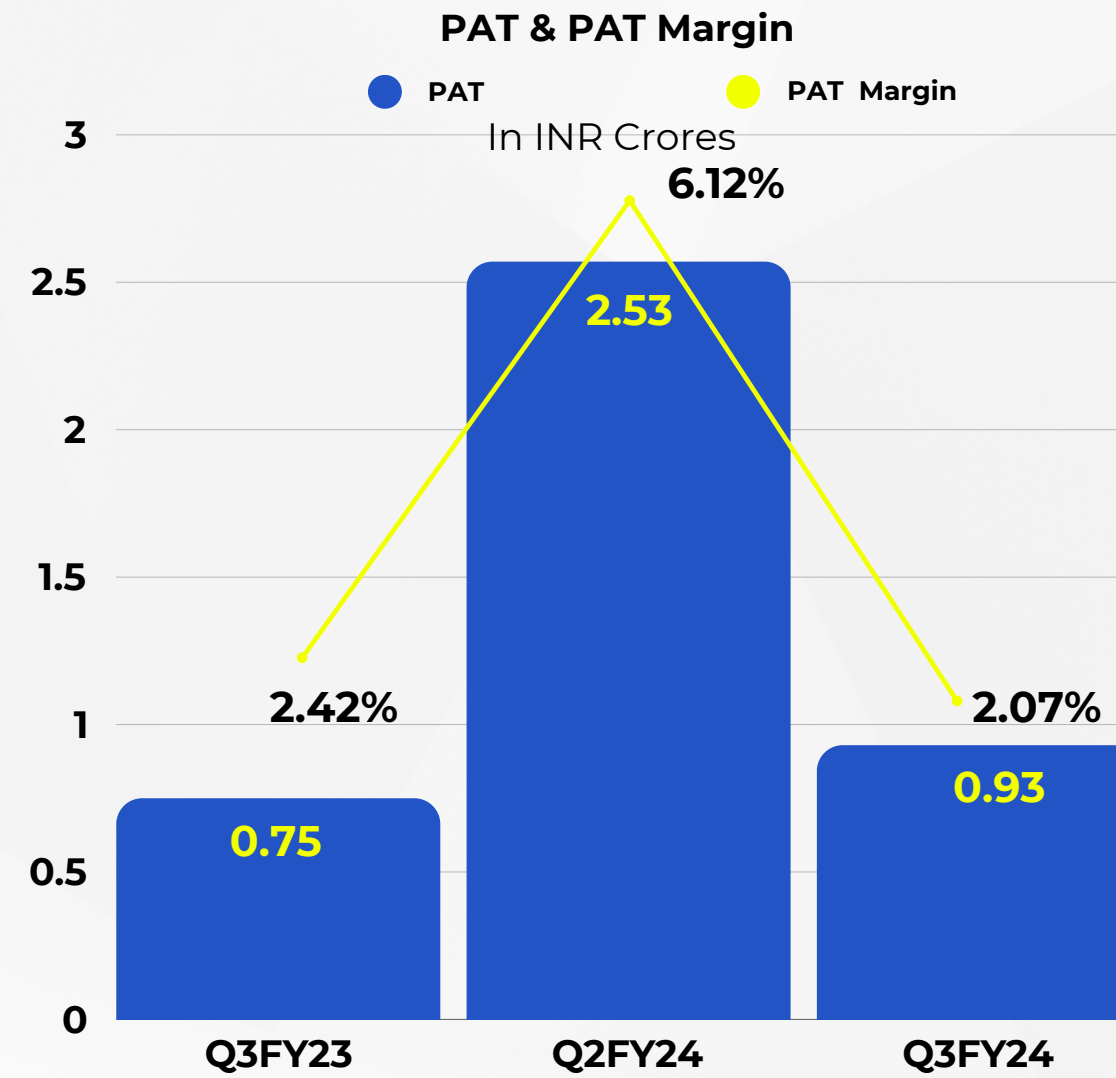
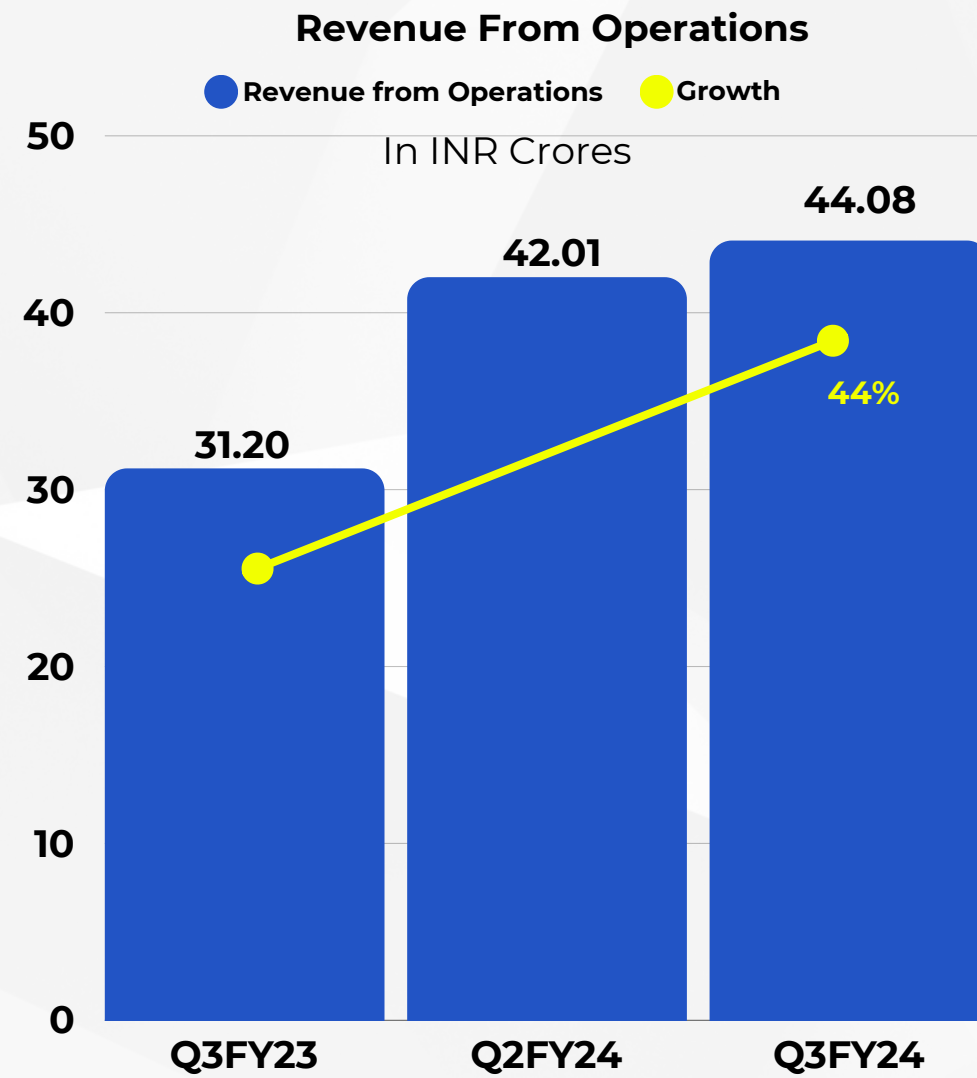
Income Statement Highlights

Particulars (Rs. Crores except EPS)	Q3FY24	Q3FY23	YoY%	Q2FY24	9MFY24	9MFY23	YoY%
Revenue from Operations	44.08	31.20	41%	42.01	125.50	95.17	32%
Other Income	0.77	-0.16		-0.01	1.49	1.47	
Total Revenue	44.85	31.04	44%	42	126.99	96.64	31%
Total Expenses excluding Depreciation, Amortization & Finance Cost	32.58	26.48		29.48	93.72	83.66	
EBITDA	12.17	4.56	167%	12.52	33.27	12.98	156%
EBITDA Margin (%)	27.13%	14.69%	1244 bps	29.81%	26.20%	13.43%	1277 bps
Depreciation & Amortization	3.83	1.68		3.82	11.44	4.93	
Finance Cost	4.36	193		4.49	13.17	5.49	
PBT before Exceptional Item	3.98	0.95		4.21	8.66	2.56	
Exceptional Items	0	0		0	0	0	
PBT	3.98	0.95	319%	4.21	8.66	2.56	238%
Tax	3.05	0.2		1.64	5.10	1.16	
PAT	0.93	0.75	24%	2.57	3.56	1.40	154%
PAT Margin %	2.07%	2.42%	(34 bps)	6.12%	2.80%	1.45%	135 bps
Other comprehensive profit / loss	0.10	0.06		0.13	0.25	0.2	
Net PAT	1.03	0.81	27%	2.70	3.80	1.60	138%
Diluted EPS	0.04	0.03		0.10	0.14	0.06	

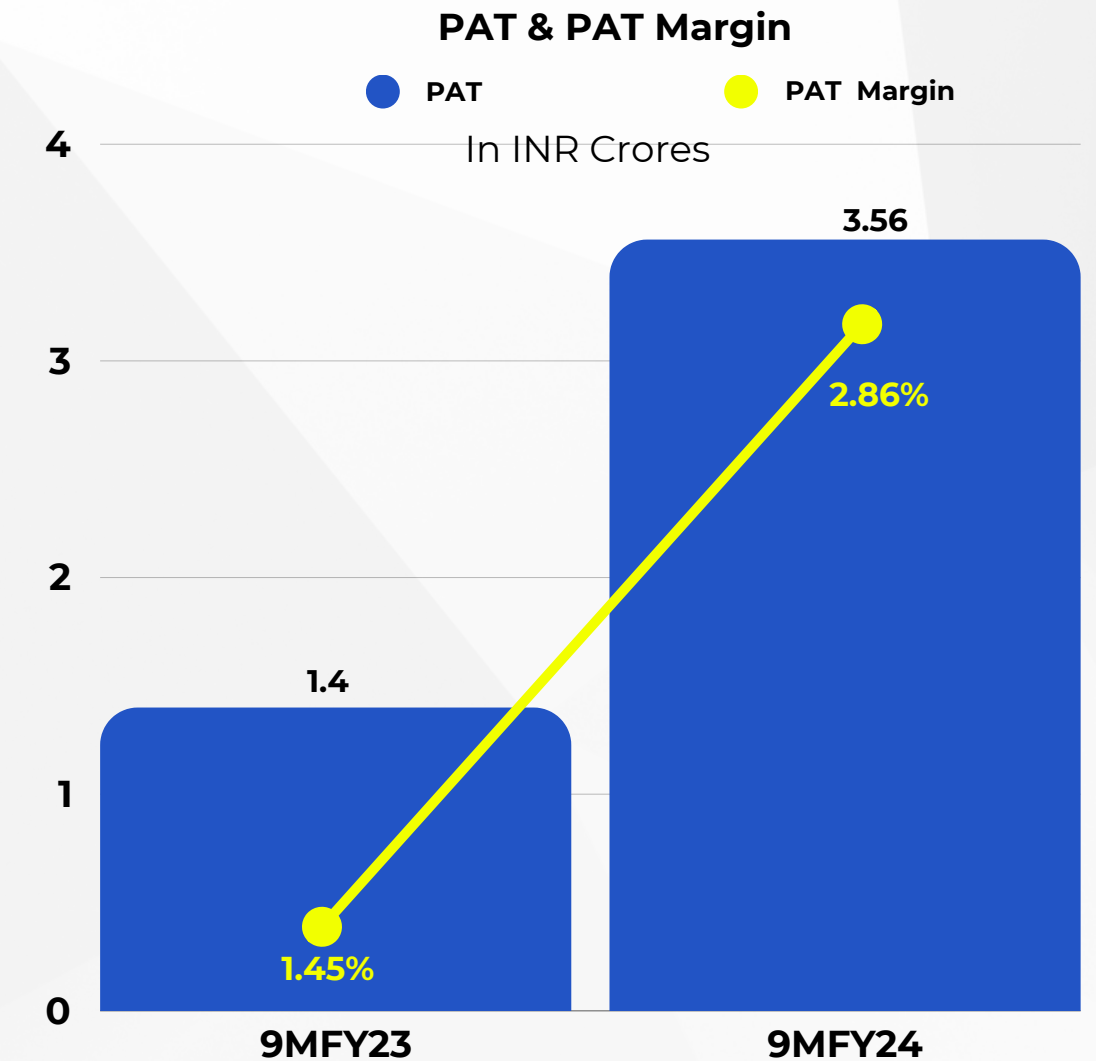
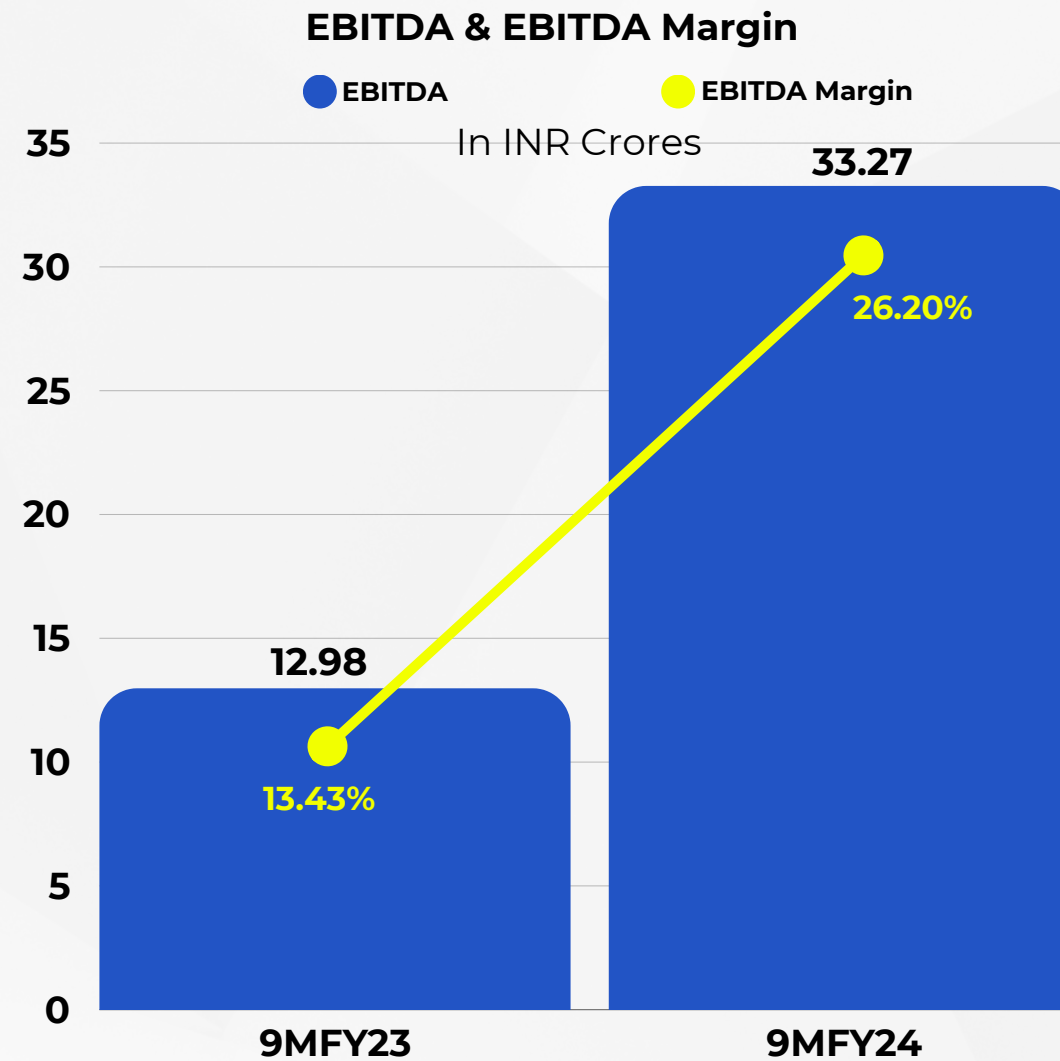
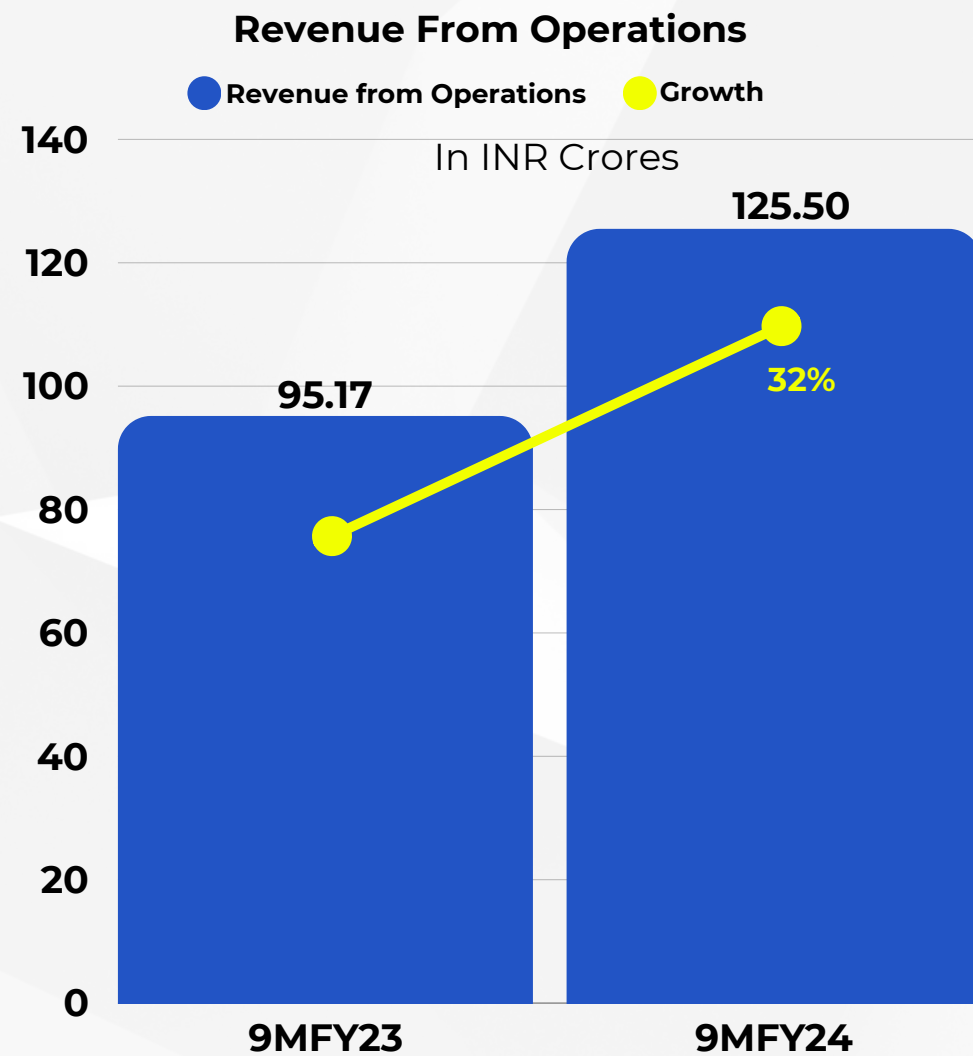
Balance Sheet

PARTICULARS	HALF YEAR ENDED	YEAR ENDED	PARTICULARS	HALF YEAR ENDED	YEAR ENDED
	Consolidated (Rs. in Crores)			Consolidated (Rs. in Crores)	
	UNAUDITED	AUDITED		UNAUDITED	AUDITED
EQUITY AND LIABILITIES EQUITY	30.09.2023	31.03.2023	A. Assests	30.09.2023	31.03.2023
(a) Equity Share Capital	24.71	20.21	1. Non Current Assets		
(b) Other Equity	204.12	205.87	(a) Goodwill on Consolidation		
Sub Total (1)	228.83	226.08	(b) Property, Plant and Equipment	142.25	143.73
LIABILITIES			(c) Capital work- in - progress	41.97	24.50
Non-current liabilities			(d) Intangible Assets Under Development	4.01	4.01
(a) Financial Liabilities			(e) Financial Assets		
(i) Borrowings	51.45	59.77	(i) Investments		
(ia) Lease Liabilities	0.42	2.48	(ii) Loans		
(ii) Other financial Liabilities			(iii) Other financial assets	3.72	2.83
(b) Provisions	4.53	4.75	(f) Deferred Tax Assets (net)		
(c) Deferred Tax Liabilities (Net)	5.25	5.28	(g) Other non current assets	26.22	27.32
Sub Total (2)	61.65	72.78	Sub Total (1)	218.17	202.39
Current Liabilities			2. Current assets		
(a) Financial Liabilities			(a) Inventories	115.01	115.86
(i) Borrowings	120.35	72.08	(b) Financial Assets		
(ia) Lease Liabilities	4.09	4.42	(i) Current investment	5.67	5.77
(ii) Trade payables			(ii) Trade Receivables	103.54	65.56
(a) Due to micro & small enterprises	3.61	2.07	(iii) Cash and Cash Equivalents	0.19	1.33
(b) Due to other than micro & small enterprises	26.23	31.41	(iv) Bank Balances other than (iiil) above	7.59	7.63
(iii) Other financial liabilities	18.31	11.82	(v) Loans & Advances	3.49	3.31
(b) Provisions	1.04	0.74	(vi) Other Financial Assets	3.07	4.84
(c) Income Tax Liabilities (Net)	38.70	40.25	(c) Income Tax Assets	41.31	44.94
(d) Other Current Liabilities	4.60	5.20	(d) Other Current Assets	9.37	14.72
Sub Total (3)	216.93	167.99	Sub Total (2)	289.24	263.96
Total (1) + (2) + (3)	507.41	466.35	Total (1) + (2)	507.41	466.35

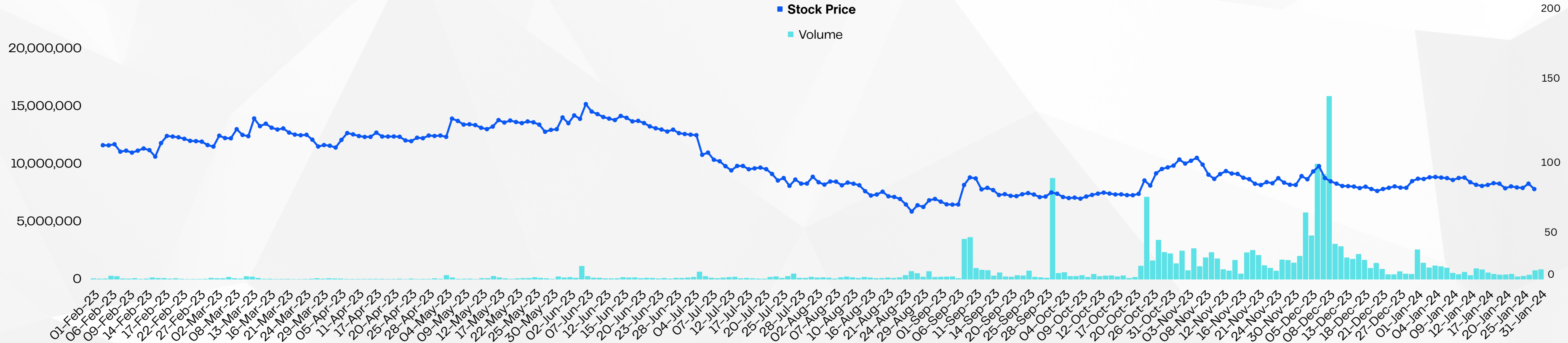
Financials Summary - Q3FY24



Financials Summary - 9MFY24



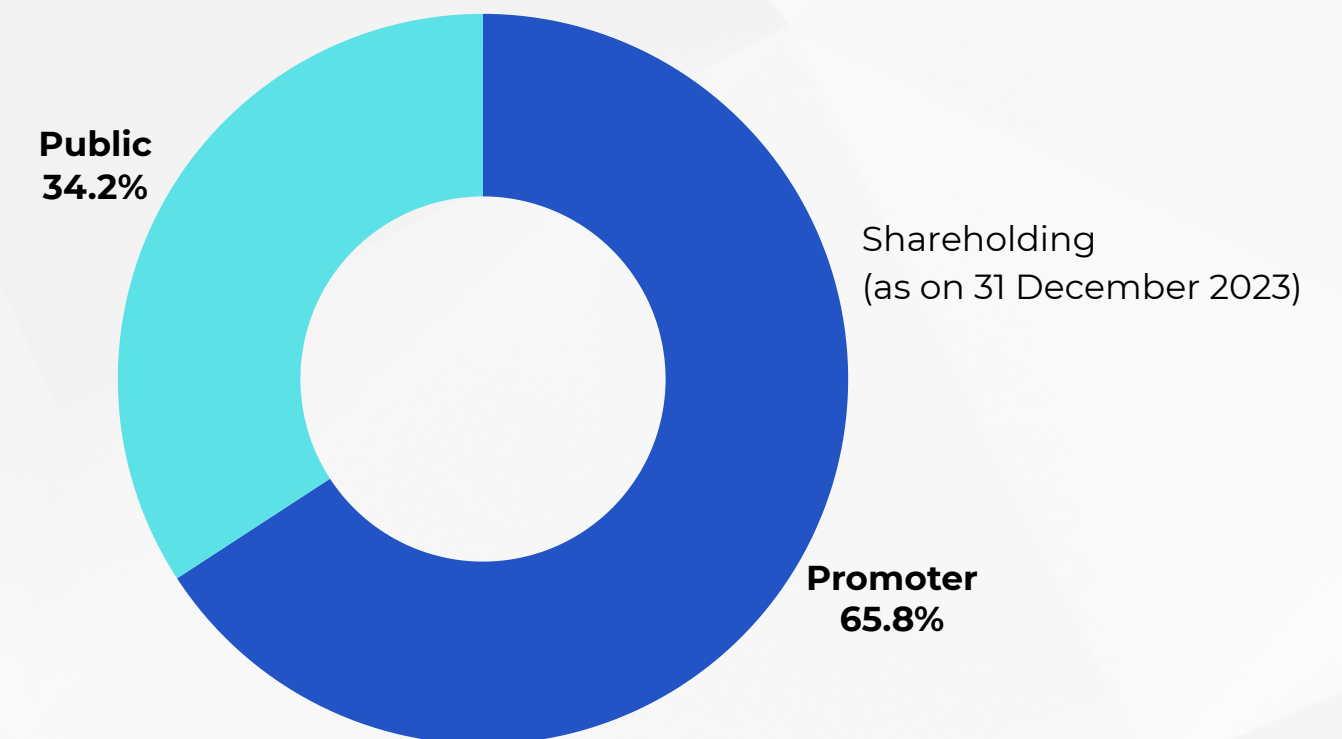
Capital Markets Data



Price Data (as on close 31 January 2024)	
Face Value (INR)	1.00
Market Price (INR)	85.9
52 Week (High/Low) (INR)*	121.23/66.00
Market Cap (in Cr)	2122.23
Average Daily Volume (12 months)	732409

Data as per BSE & NSE (Volume average combined for BSE & NSE, price data as per BSE)
Price adjusted for bonus

Shareholding Pattern



Disclaimer

Certain statements in this release 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 risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding the success of our investments, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, our ability to successfully implement our strategy, our research and development efforts, changes in the value of the Rupee and other currency changes, intense competition in the industry including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, withdrawal of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Sadhana Nitro Chem Limited may, from time to time, make additional written and oral forward-looking statements, including statements contained in the company's filings with the Securities and Exchange Board of India, Stock Exchange and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company.

Thank You

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