



Meghmani Finechem Limited

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4th May, 2023

To,
National Stock Exchange of India Limited
"Exchange Plaza",
Bandra-Kurla Complex,
Bandra (East) Mumbai 400 051

BSE Limited
Floor- 25, P J Tower,
Dalal Street,
Mumbai 400 001

SYMBOL:- MFL

Scrip Code: 543332

Dear Sir,

Sub.: Corporate Presentation

Ref.: Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith Corporate Presentation.

The Corporate Presentation is also available at www.meghmanifinechem.com in the Investor Relations section.

You are requested to take the same on your record and disseminate to the members.

Thanking you,

Yours faithfully,
For Meghmani Finechem Limited

K. D. Mehta
Company Secretary & Compliance Officer
Membership No. FCS 2051



**Meghmani
Finechem Limited**
Corporate Presentation

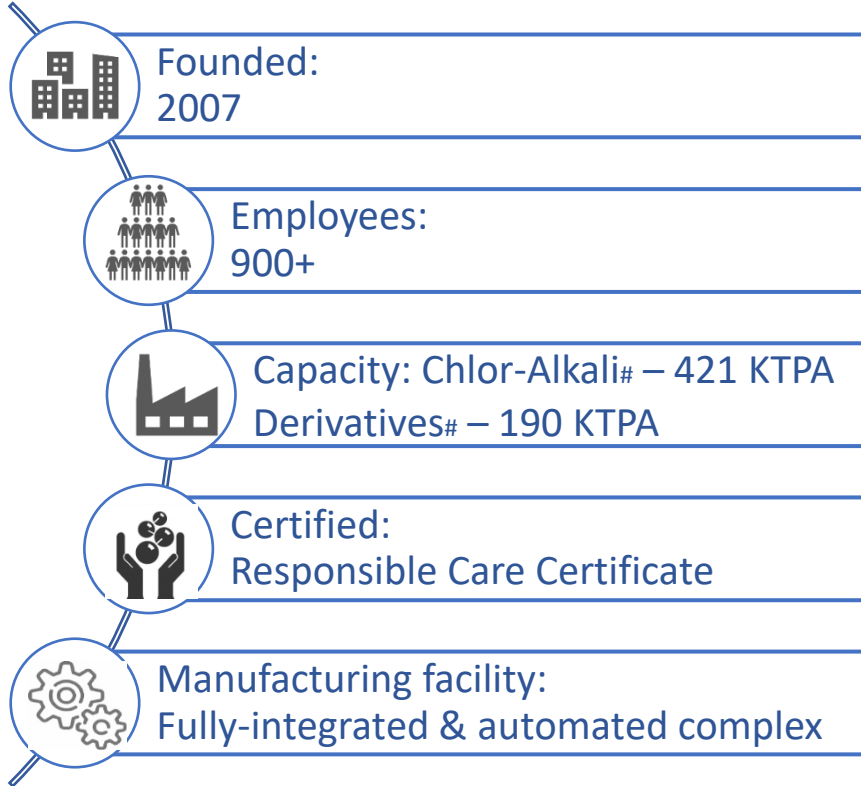
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Certain statements in this presentation concerning our future growth prospects are forward looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking 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.

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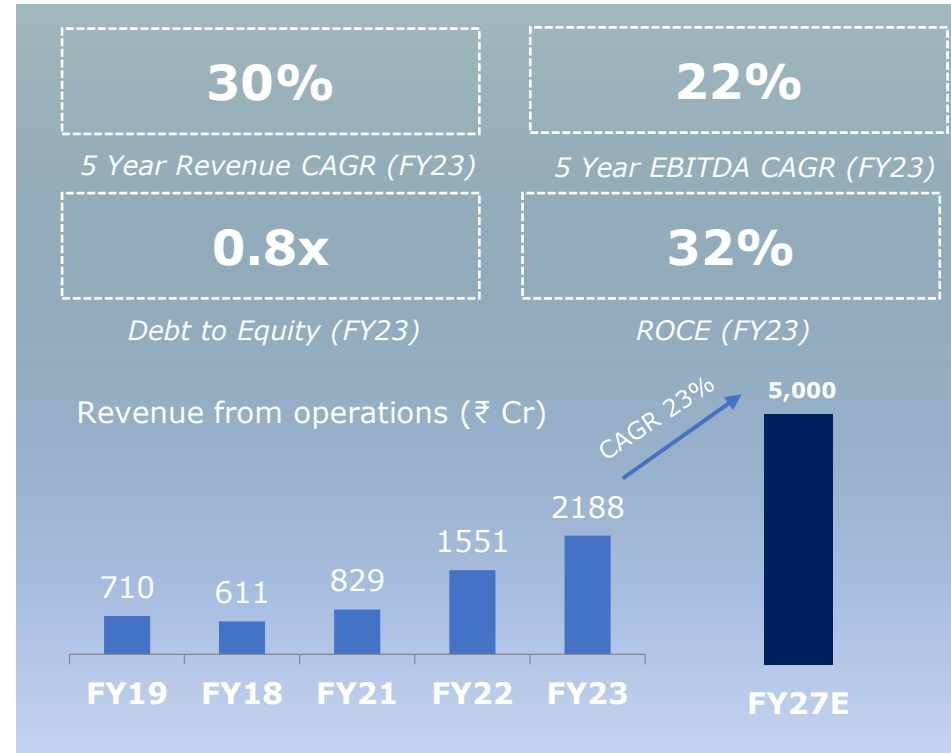


Company Overview



Chlor-Alkali : Caustic Soda - 400 KTPA and Caustic Potash - 21 KTPA

Derivatives : CPVC Resin – 30 KTPA, Epichlorohydrin – 50 KTPA, Chloromethanes - 50 KTPA and Hydrogen Peroxide - 60 KTPA



What are we into

ESG Focus

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

Our Business

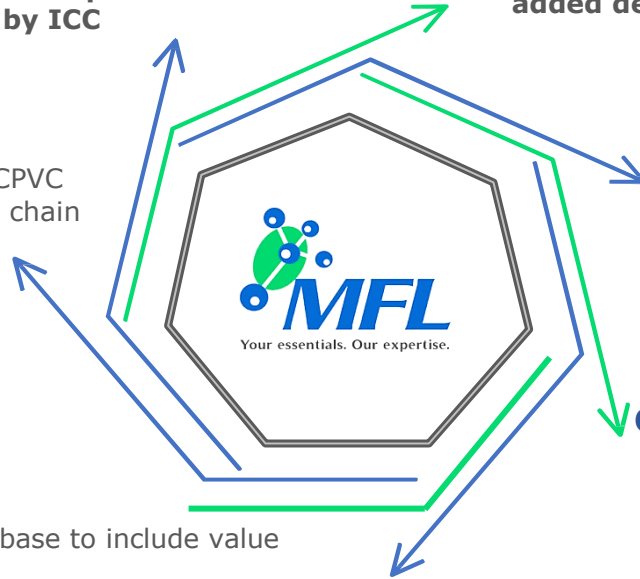
- Leading producer of **Chlor-alkali products and value added derivatives**

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**



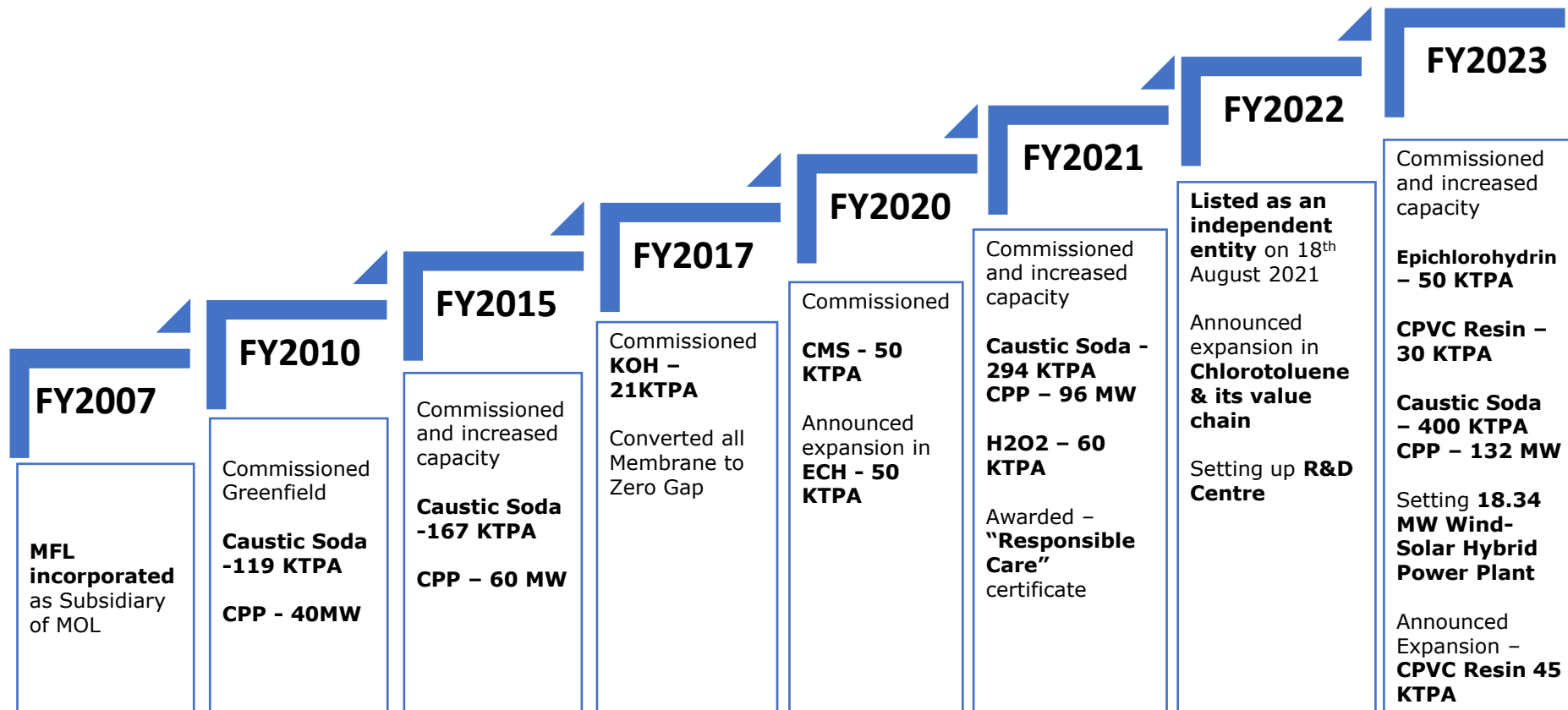
Product Pipeline

- Expanding product base to include value added products
 - **Chlorotoluene and its value chain**
 - **Expanding CPVC Resin capacity**

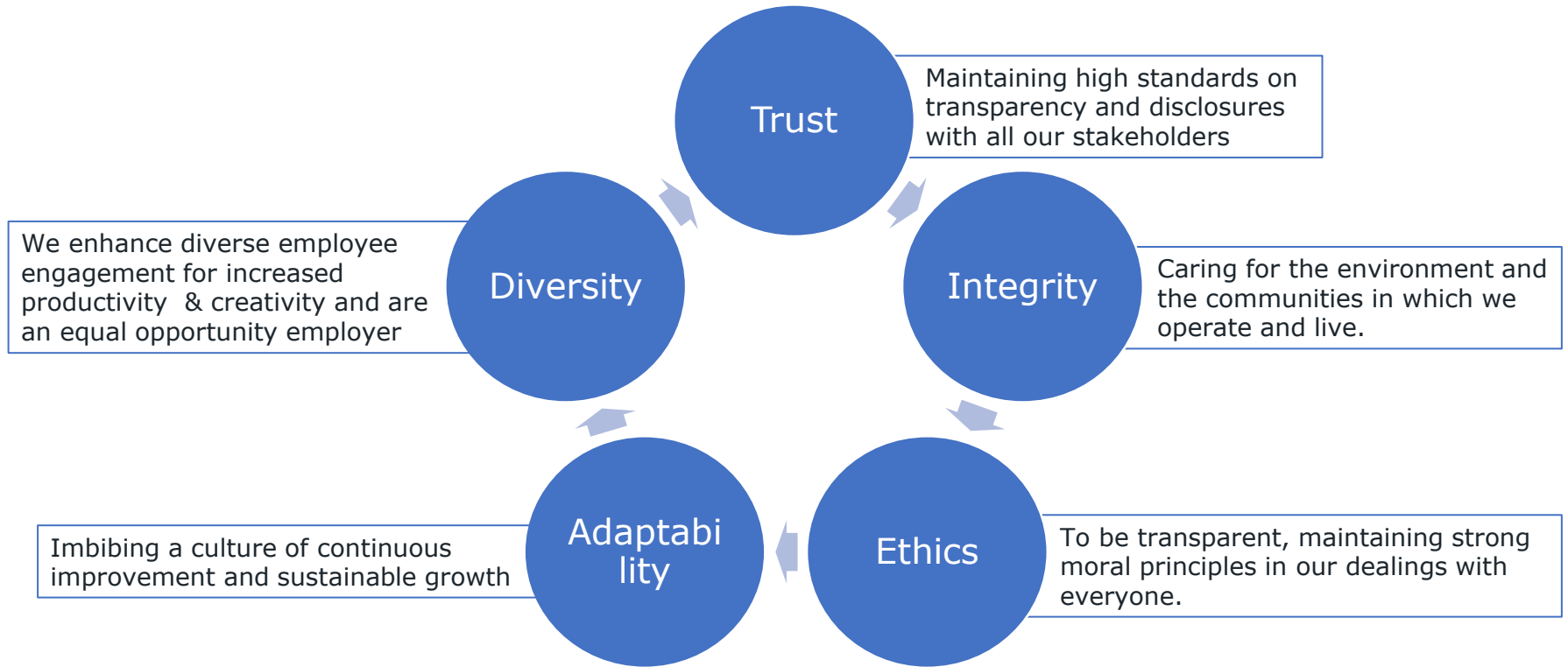
Our Products

- Currently product profile comprises of
 - **Chlor-Alkali**
 - **Chloromethane**
 - **Hydrogen Peroxide**
 - **Epichlorohydrin [ECH]**
 - **Chlorinated Polyvinyl Chloride [CPVC]**

Our Evolution

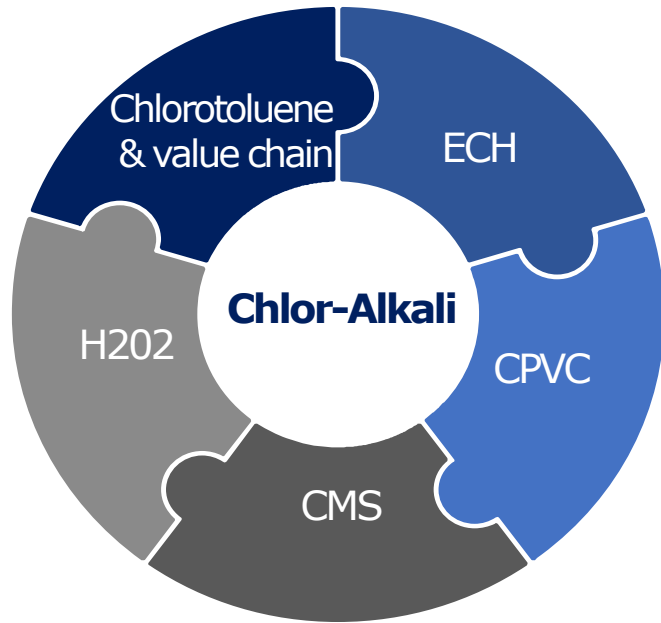


Driven by Strong Values



MFL Evolving to value added specialty products

Fully Integrated Product Portfolio



High Value Products

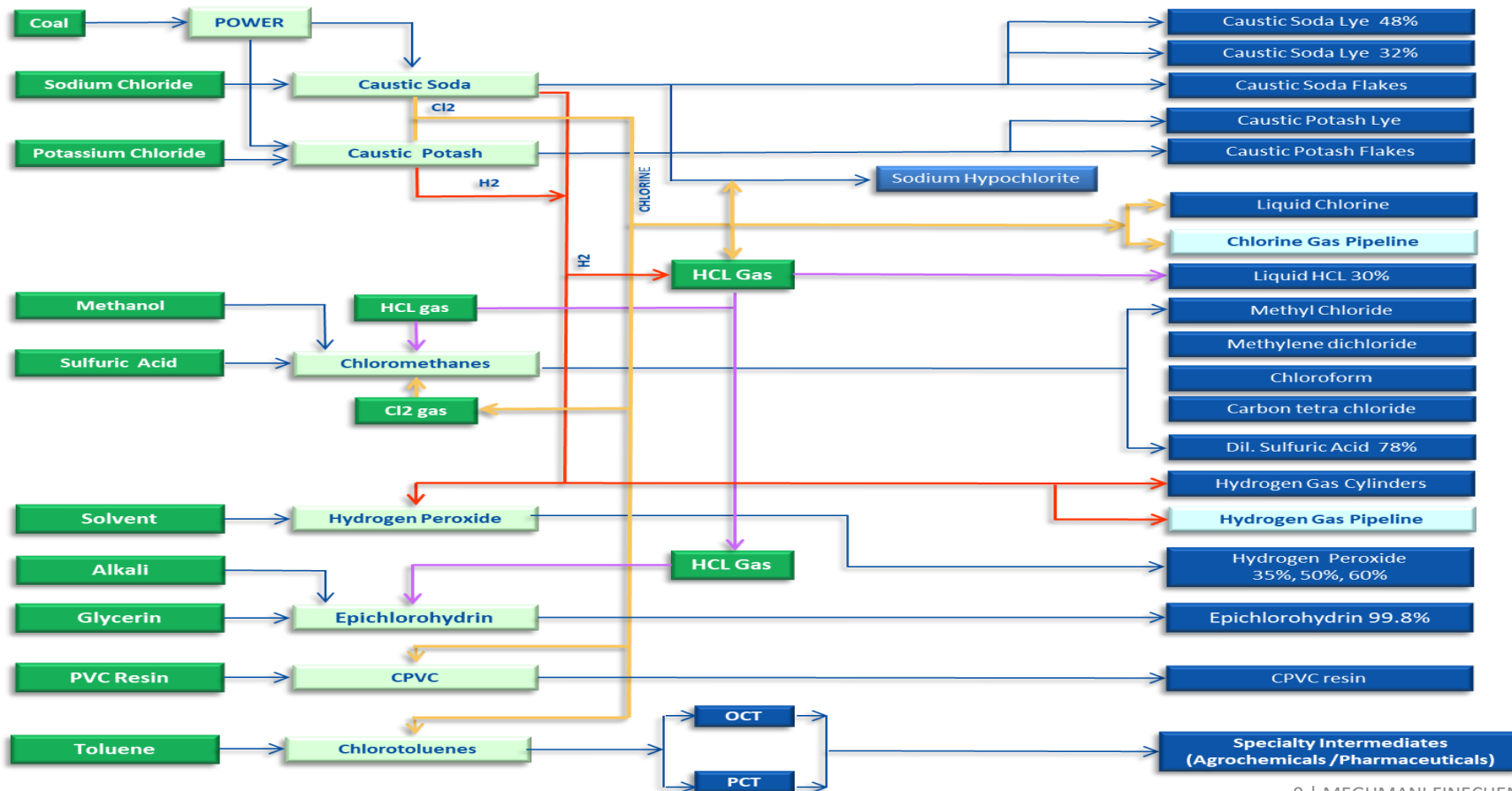
Import Substitution – Make in India

Diversified End User Industries

Sole Manufacturer of ECH in India

Diversifying Portfolio; De-Risking Business Model

Fully Integrated Complex





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

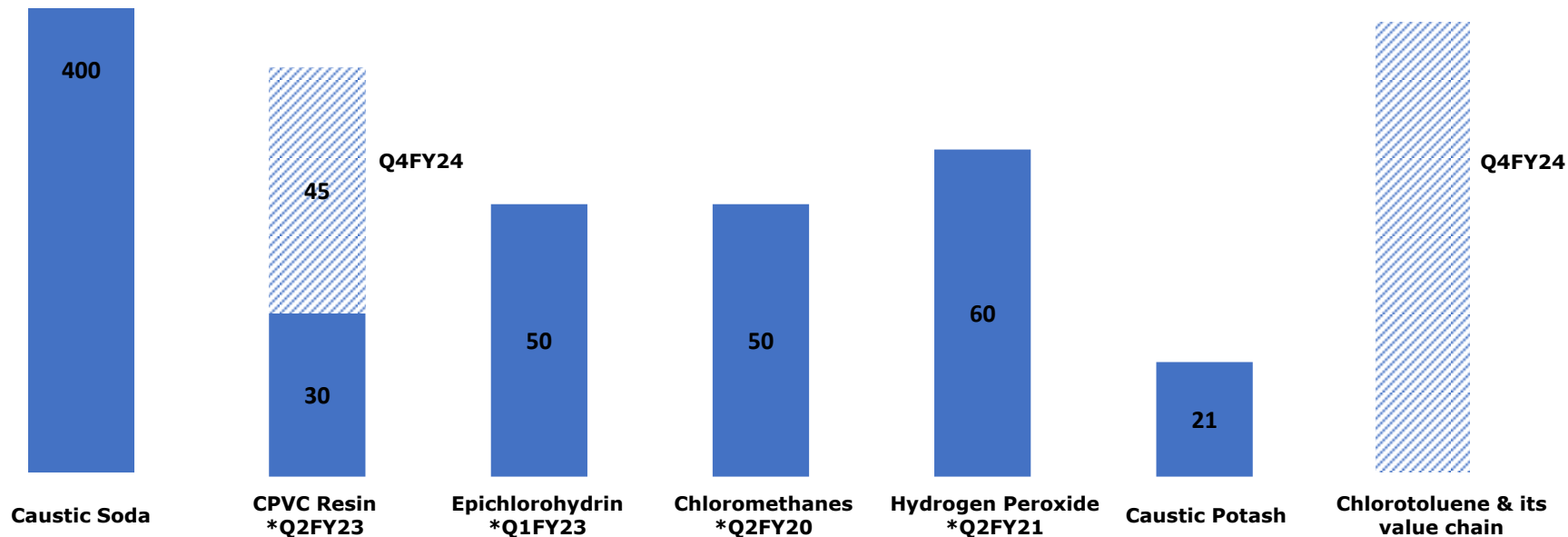
Increased market potential & higher growth exposure



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

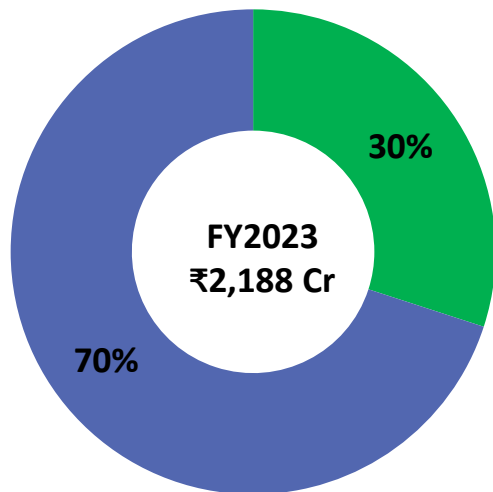
Levers of Future Growth

Manufacturing Plant Capacity (KTPA)

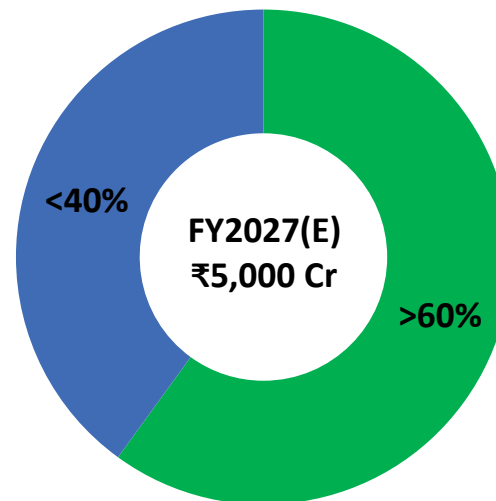


 Expected Commissioning, * Commissioning date

Transitioning to Derivatives & Specialty Chemicals



■ Derivatives & Specialty ■ Chlor-Alkali



■ Derivatives & Specialty ■ Chlor-Alkali

Revenue from the derivatives and specialty chemical segment to be >60% by FY27E

*Derivatives & Specialty – CPVC Resin, Epichlorohydrin, Chloromethanes and Hydrogen Peroxide
Chlor-Alkali – Caustic Soda and Caustic Potash*

Caustic Soda (NaOH)

- ❖ India's NaOH Requirement: 4,200 KTPA
- ❖ Demand CAGR: ~ 8%



Alumina



Textile



Chemicals

- 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 5.0 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: 91 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: 517 KTPA
- ❖ Demand CAGR: ~ 12%



Solvent in Pharma



PTFE Pipes



Refrigerant Gas

- We are 5th 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 477 KPTA
- CMS is used majorly in pharmaceutical, refrigerant, Tetrafluoroethylene (TFE), etc.

Hydrogen Peroxide (H2O2)

- ❖ India's H2O2 Requirement: 328 KTPA
- ❖ Demand CAGR: ~ 10%



Paper & pulp



Textile Processing



Chemicals

- 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 429 KTPA

CPVC Resin

- ❖ India's CPVC Requirement: 140 KTPA
- ❖ Demand CAGR: ~ 13%



Pipes and Fixtures



- Largest producer in India
- 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 was served through import (before MFL commissioned its plant)

Epichlorohydrin (ECH)

- ❖ India's ECH Requirement: 80 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



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
- **Entered in JV to set up 18.34 MW Wind-Solar Hybrid Power Plant for internal consumption**
- Intend is to minimize effluents discharge while moderating water consumption
- **First company to produce sustainable bio-based Epichlorohydrin**
- **Safety protocols imbibing 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 imported

New Value Chains:

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

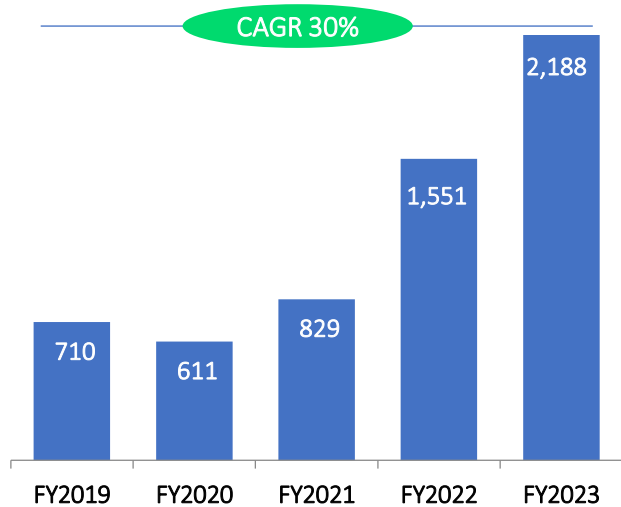
Achieving economies of scale:

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

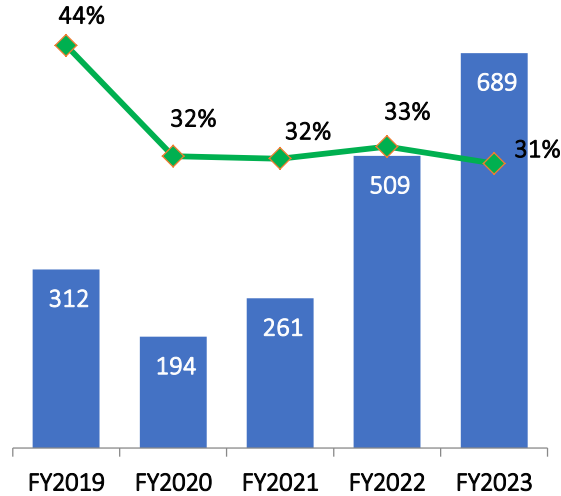
Vision – To achieve revenue of ₹ 5,000 Cr by FY2027

Financial Performance – P&L

Revenue from operations (₹ Cr)

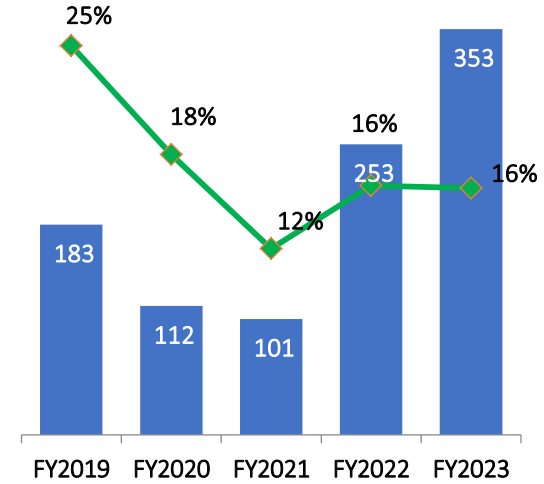


EBITDA (₹ Cr & %)



— EBITDA Margin

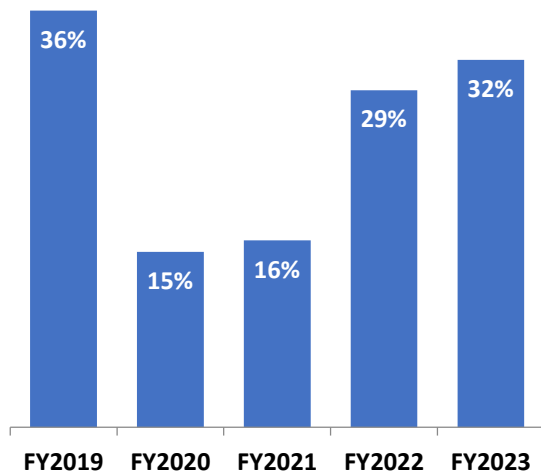
PAT (₹ Cr & %)



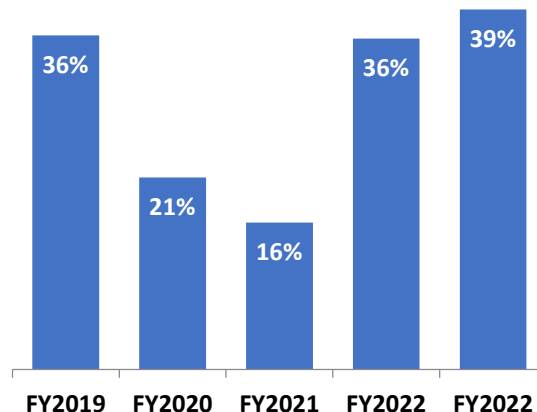
— PAT Margin

Balance Sheet Ratios

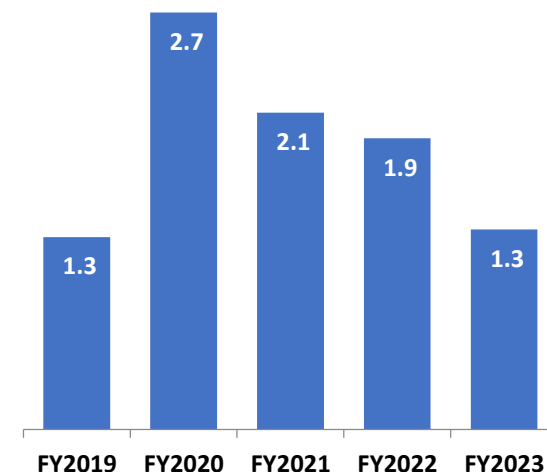
ROCE (%)



ROE (%)



Net Debt/EBITDA (x)



Historic Income Statement

Particulars (₹ Cr)	FY19	FY20	FY21	FY22	FY23
Total Revenue	720	613	831	1,555	2,196
Gross Profit*	431	300	407	716	951
Gross Margin (%)	61%	49%	49%	46%	43%
EBITDA	312	194	261	509	689
EBITDA Margin (%)	44%	32%	32%	33%	31%
Depreciation	54	44	74	86	109
Finance Cost	25	11	29	44	66
PBT	242	141	161	383	523
PAT	183	112	101	253	353
PAT Margin (%)	25%	18%	12%	16%	16%
EPS (₹)	25.1	27.0	24.3	60.8	85.0

*Gross profit – Power related cost which were part of other expense, has been moved as a separate heading “Power and Fuel” and has been considered while calculating Gross profit for all the period specified above

Historic Balance Sheet

Assets (₹ Cr)	FY21	FY22	FY23	Liabilities (₹ Cr)	FY21	FY22	FY23
Fixed Assets	1,228	1,657	1,962	Share Capital	42	42	42
Financial Assets	10	8	28	Reserves & Surplus	643	684	1,028
Other Non-current Assets	29	11	23	Long-Term Borrowings	340	557	396
Inventories	54	154	212	Redeemable Preference Shares	-	211	149
Trade Receivables	119	256	166	Other Non-current Liabilities	35	97	171
Cash & Bank Balances	1	25	15	Short Term Borrowings	75	221	332
Loans & Advances	0	0	0	Trade Payables	73	88	110
Other Current Assets	8	11	26	Other Current Liabilities	240	223	205
				Short Term Provisions	0	0	0
Total	1,449	2,124	2,432	Total	1,449	2,124	2,432

Meghmani Finechem Limited (“MFL”), incorporated in 2007, is a leading integrated manufacturer of chemicals in India. The company has state of the art manufacturing facilities in Gujarat, Dahej – a leading PCPIR region in the country. MFL’s Dahej facility is a backward and forward integrated and automated complex with a well-established infrastructure and Captive Power Plants. In India, MFL is the 1st to set up an Epichlorohydrin plant and largest capacity plant of CPVC Resin. MFL is India’s 4th largest manufacturer of Caustic Soda, Chlorine and Hydrogen and a leading manufacturer of Caustic Potash, Chloromethanes and Hydrogen Peroxide.

MFL is strengthening its position in specialty chemical segment by expanding CPVC Resin capacity to 75,000 TPA, entering into Chlorotoluene & value chain and setting up R&D centre. The company is focused on sustainable value creation for all its stakeholders and has been awarded with the Responsible Care certificate.

For further information

Please log on to website - www.meghmanifinechem.com

Milind Kotecha

Investor Relations

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Manufacturing Site

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