



SADHANA NITRO CHEM LIMITED

CIN : L24110MH1973PLC016698

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

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SNCL/SD/18/

November 22, 2018

BSE Limited
P. J. Towers
Dalal Street, Fort
Mumbai - 400 001

Scrip Code: 506642

Sub: Submission under Regulation SEBI Regulations, 2015.

Dear Sir,

Pursuant to Regulation 30 of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of Investor Presentation on the financials for the quarter and half year ended September 30, 2018.

We request you to kindly take the above information on your record.

Thanking you,
Yours faithfully,
For Sadhana Nitro Chem Limited

Abhishek A. Javeri
Managing Director & CFO
DIN : 00273030

Q2 & H1 FY19 Results Presentation

November 2018



Sadhana Nitro Chem Ltd.

Disclaimer



Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Sadhana Nitro Chem Ltd. (SNCL) will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward looking statements to reflect subsequent events or circumstances

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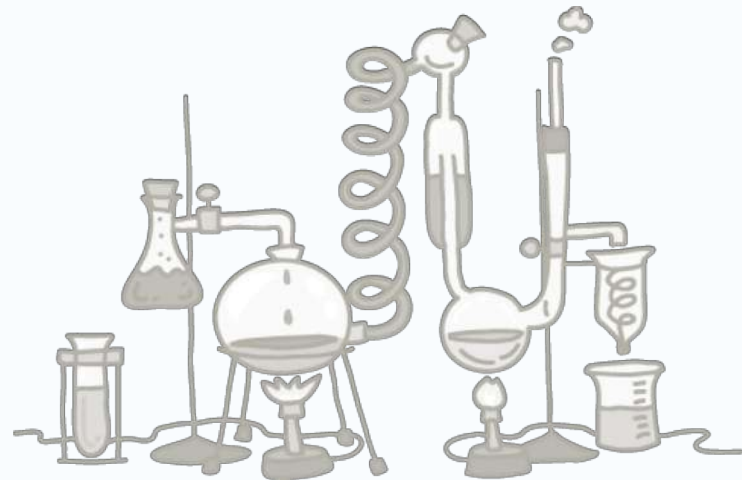
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Company Overview

Company Overview



Well-established manufacturer of speciality chemical intermediates

- Downstream, value-added derivatives of Nitrobenzene and other intermediates
- Developed diversified range of applications for key products across multiple verticals



Predominant focus on overseas markets

- 80% of revenues from exports with varied revenue contribution from several geographies
- Key markets include Japan, China, Switzerland, Germany and USA



Long-standing/expanding relationships and strong reputation among marquee global customers

- 90% contribution from top 10 customers
- 60% revenue from relationships that extend over more than 10 years



Centralized manufacturing facility with focus on quality, technology and SHE standards

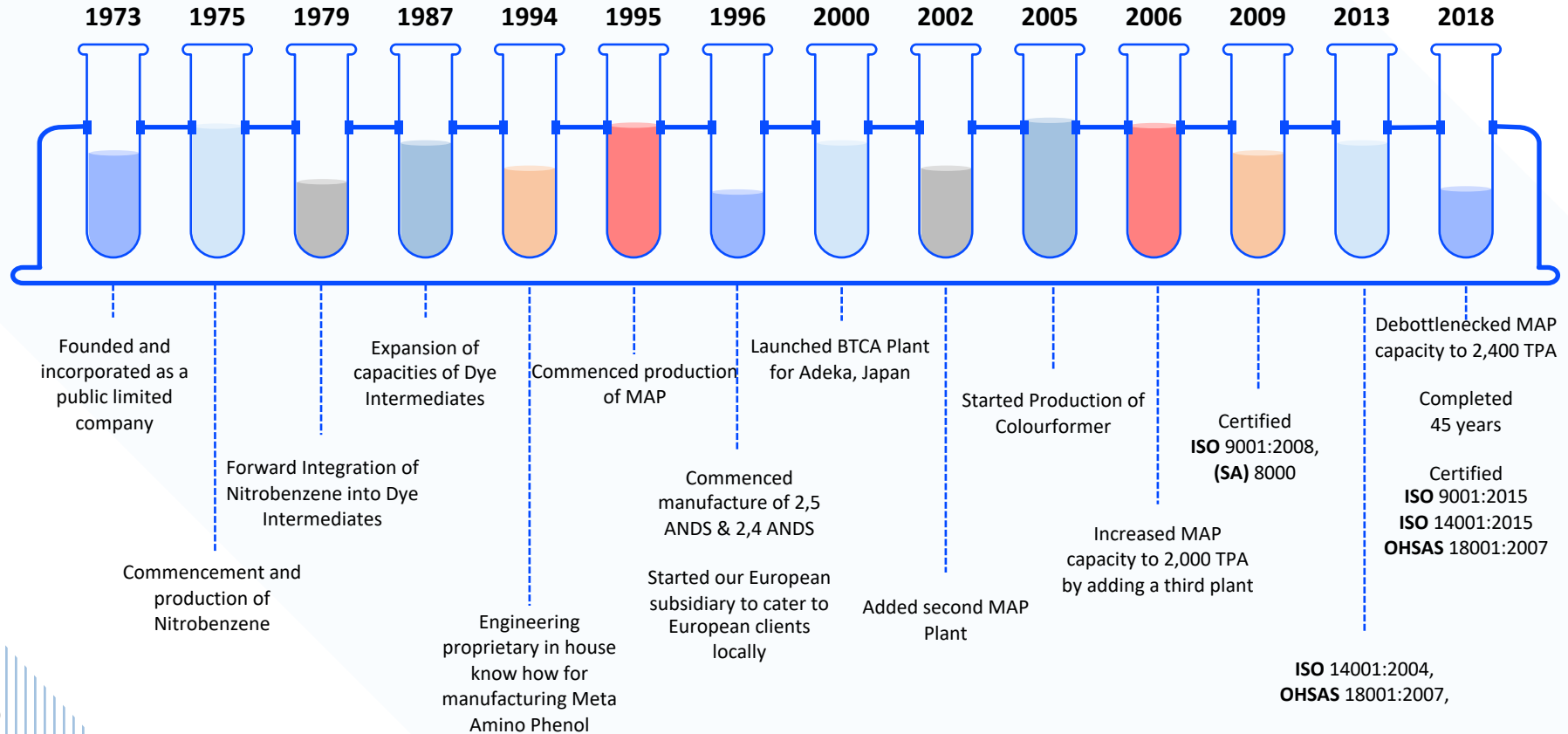
- Integrated facility with several plants located in Roha (Near Mumbai)
- Certified ISO-9001:2015, (SA) 8000; ISO 14001:2015 (environment management), OHSAS 18001:2007 (health and safety management)



Strong financial parameters – profitable growth, capacity expansion from internal accruals

- In H1FY19, Revenue increased by 371% and PAT increased by 3,555%
- Strong cash generation used to achieve debt free status and fund capacity expansion

Company's journey



Products used across several industries



Products have multiple usages across a spectrum of applications

- Ranging from agro chemicals, aerospace, military applications, pharmaceuticals, hair colors, dyes, specialized resins and several others
- Enables reasonable disassociation with any slowdown in specific sectors or industries



Built in-house Processes



Transitioned from a Nitrobenzene manufacturer to developing products across the value chain, benefitting from integration across the entire production process

- 🧪 SNCL facilities are fully vertically integrated thereby reducing dependency on sourcing intermediates from other manufacturers
- 🧪 Relatively stable costs of Benzene and other raw materials which are all locally sourced



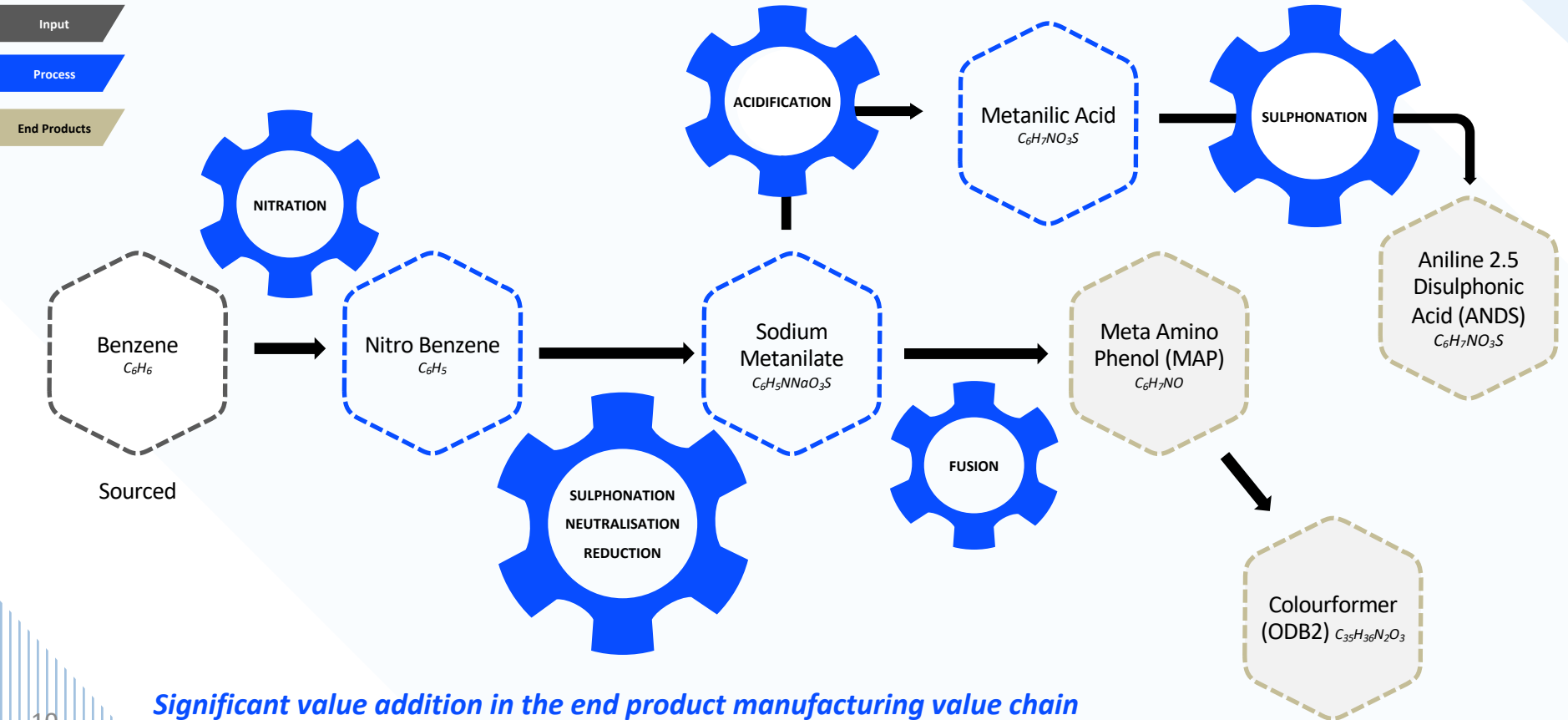
Fully Vertically Integrated Player



-  The Company starts at the base of the value chain by acquiring Benzene and manufacturing it's own Nitrobenzene
-  SNCL has always worked towards strengthening it's product offering through vertical integration
-  From here SNCL, through multiple stages internally manufactures it's own MAP and Aniline 2,5 Disulphonic acid
-  From MAP it manufactures it's own Keto Acid, which is used for captive consumption to manufacture Colourformer (ODB2)

SNCL is not dependent on intermediate manufactures and insulated from stoppages and major price fluctuations created during shortages in the intermediate suppliers space

Key Product Processes



Catering to Global Clientele



- One of the few Indian player to build long-term business relationships with global clients
 - 90% contribution from top 10 customers
 - 60% revenue from relationships that extend over more than 10 years



Mitsui Chemicals

L'ORÉAL



TEIJIN

HUNTSMAN



Bayer CropScience



APPVION



IHARA CHEMICAL INDUSTRY CO., LTD.



Exporting to Major Developed Markets

- 🧪 80% of overall revenues are exported to developed markets
 - Sales are to developed markets such as Japan, China, Europe, and the Americas



Focus on R&D and Pollution Control Measures

Built a notable edge over other manufacturers in terms of stringent quality standards and pollution control measures

- 🧪 Focus on Research & Development, to set up integrated manufacturing competencies which have been leveraged to produce 10 intermediates currently
- 🧪 Received ISO 9001:2015, ISO 14001:20015 and OHSAS B.S. 18001:2007 certifications
- 🧪 Focus on waste management across products
 - Liquid effluent generated in the factory goes through primary secondary and tertiary treatment before discharge. The resultant solid waste from the internal ETP plant is sent to the approved government waste management site
 - All other solid waste is used as raw material to several other nearby industries such as Steel and Cement, Paper and Paver Block manufacturers





Financial Performance

Abridged P&L Statement



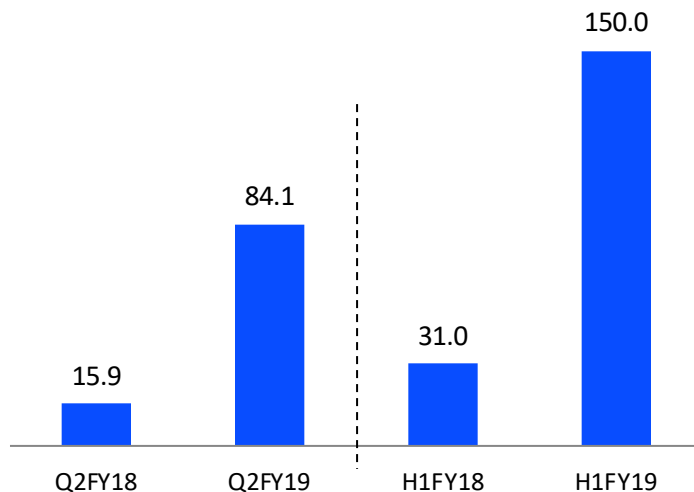
Particulars	Q2FY19	Q2FY18	Y-o-Y Change (%)	H1FY19	H1FY18	Y-o-Y Change (%)
Total Income	84.1	15.7	436%	150.0	31.8	371%
Raw Material Cost	21.4	8.0	169%	38.3	15.7	144%
Gross Profit	62.7	7.7	712%	111.7	16.2	591%
<i>Gross Margins</i>	<i>74.5%</i>	<i>49.2%</i>	<i>2,500 bps</i>	<i>74.5%</i>	<i>50.7%</i>	<i>2,520 bps</i>
EBITDA	41.7	2.2	1780%	76.8	4.7	1530%
<i>EBITDA Margins</i>	<i>49.6%</i>	<i>14.1%</i>	<i>3,550 bps</i>	<i>51.2%</i>	<i>14.8%</i>	<i>3,600 bps</i>
Depreciation	0.6	0.5	31%	1.2	1.0	27%
Interest	0.3	0.9	-70%	9.2	2.3	294%
Profit After Tax	28.7	0.8	3,363%	50.8	1.4	3,555%
EPS (Diluted) in Rs.	30.7	0.9	3390%	54.5	1.2	4643%

In Rs. Crore

Q2 & H1 FY19 Financials Performance

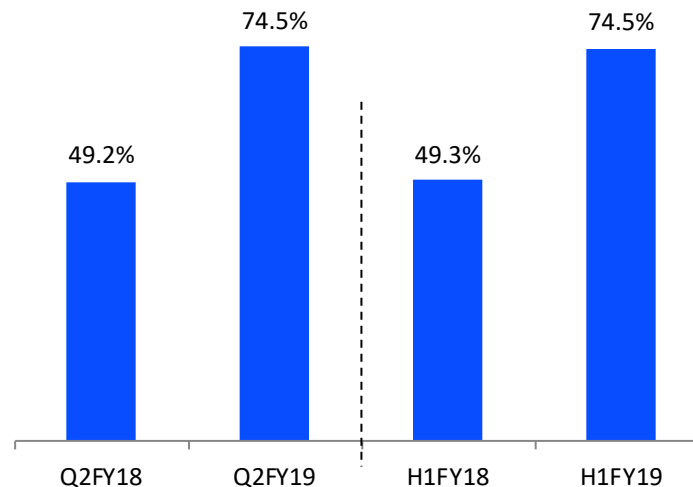


Total Income

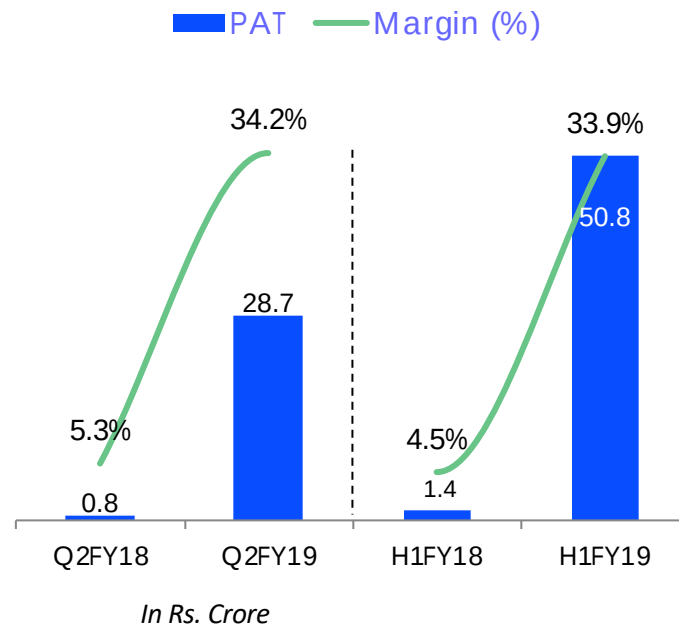
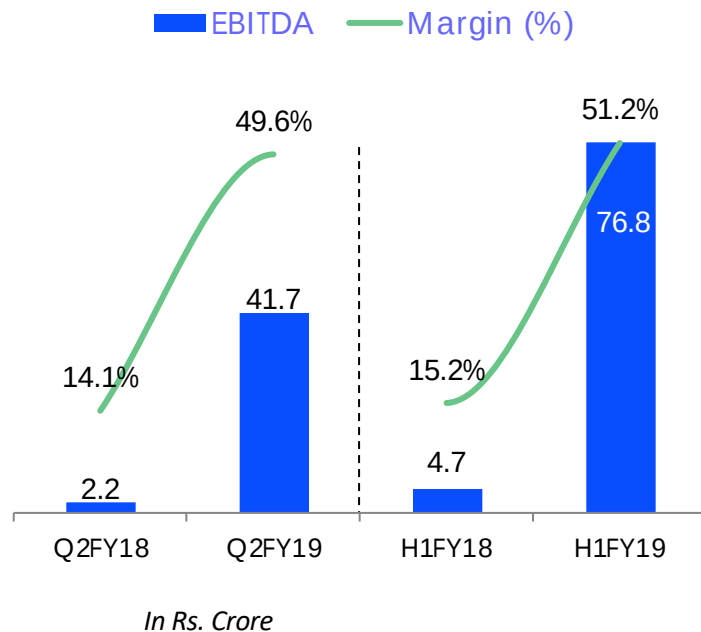


In Rs. Crore

Gross Margin (%)



Q2 & H1 FY19 Financials Performance

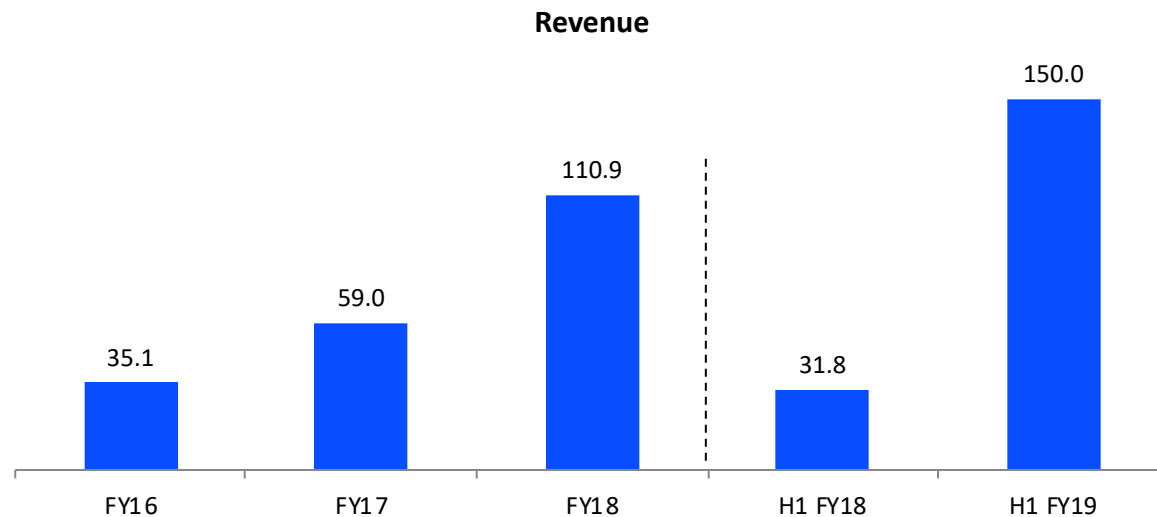


Abridged Balance Sheet



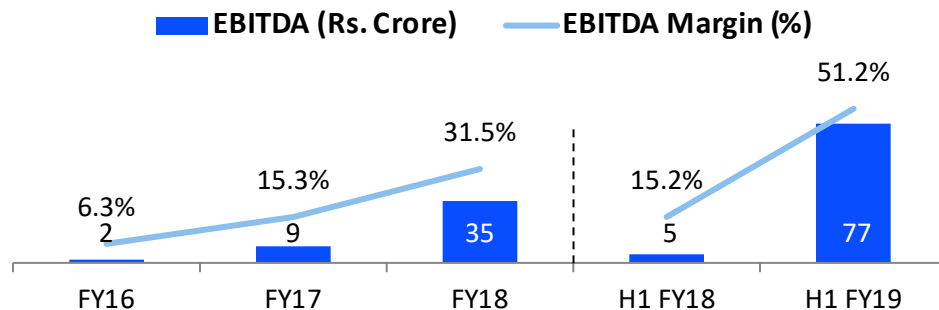
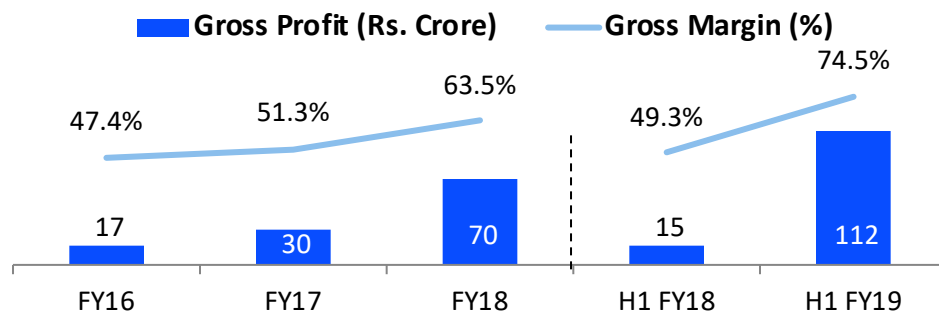
Particular (Rs. Crore)	30.09.2018	31.3.2018
A) Equity & Liabilities		
Shareholder's funds	90.00	46.05
Non-current liabilities	4.78	9.10
Current liabilities	55.63	61.25
TOTAL EQUITY & LIABILITIES	150.41	116.40
B) Assets		
Non-current assets	73.93	69.25
Current assets	76.48	47.15
TOTAL ASSETS	150.41	116.40

Financials Performance Trends

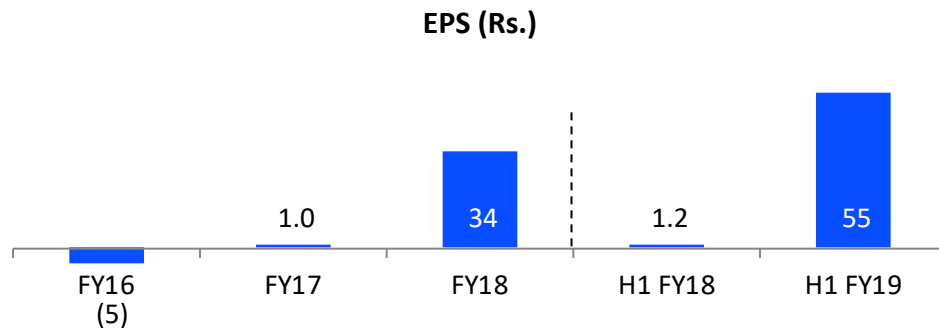
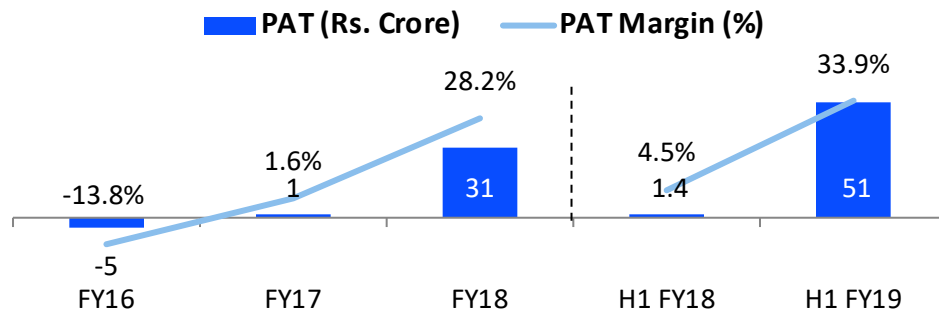


In Rs. Crore

Financials Performance Trends



Financials Performance Trends



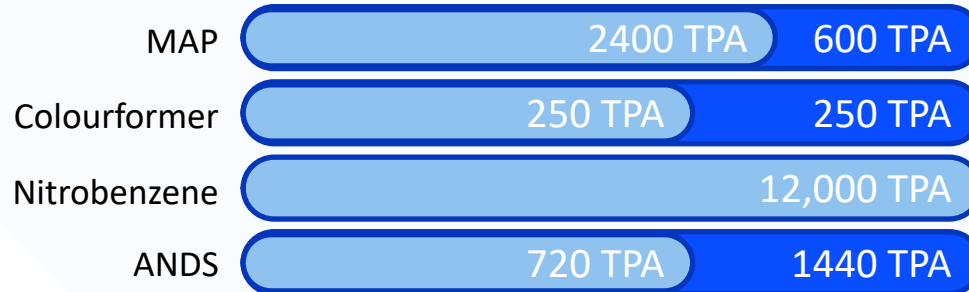
Ongoing Initiatives



Planned Capex of Rs. 65 crore in FY19 to expand capacities of key products

- 🧪 To expand MAP capacity from 2,400 tonnes to 3,000 tonnes
- 🧪 To expand Colourformer capacity from 250 tonnes to 400 tonnes
- 🧪 Increasing the capacity of several intermediates that go into making MAP and Colourformer

Capital expenditure is being funded through our internal accruals



Expansion initiatives



Annexure

Mission And Values



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



Corporate Social Responsibility



- 🧴 The Promoter family has set up several charitable institutions dating back over a hundred years.
- 🧴 The objectives of the trusts vary from Medical & Healthcare, Education & Women Reform and are primarily for the low income and underprivileged,
- 🧴 Several tens of thousands of individuals have benefitted through these institutions

Women's Reform Ashram
Mumbai Central, Mumbai



Student's Hostel
Mumbai Central, Mumbai



Healthcare Dharamshala
CP Tank Mumbai



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About Us:

Sadhana Nitro Chem Ltd. (SNCL) is a 45 year BSE listed company, based out of Mumbai with manufacturing facilities at Roha, Maharastra. Over the years the Company has transformed into a globally cost-competitive manufacturer with focus on R&D and quality processes. The Company produces Speciality Chemical intermediates, predominantly for overseas markets. SNCL manufactures 10 products intermediates, including Nitrobenzene, Meta Amino Phenol (MAP) and Colourformers. SNCL's product portfolio caters to the distinctive needs of a marquee list of clients, many being companies of global repute. Most of its products are exported to developed markets such as Japan, China, Switzerland, USA, Germany among others