



SADHANA NITRO CHEM LIMITED



Date: June 19, 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 March 31, 2024

**Reference: Audited Financial Results (Standalone and Consolidated) of the Company,
for the quarter ended on March 31, 2024**

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 Audited (Standalone and Consolidated) Financial Results for the quarter ended on March 31, 2024.

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

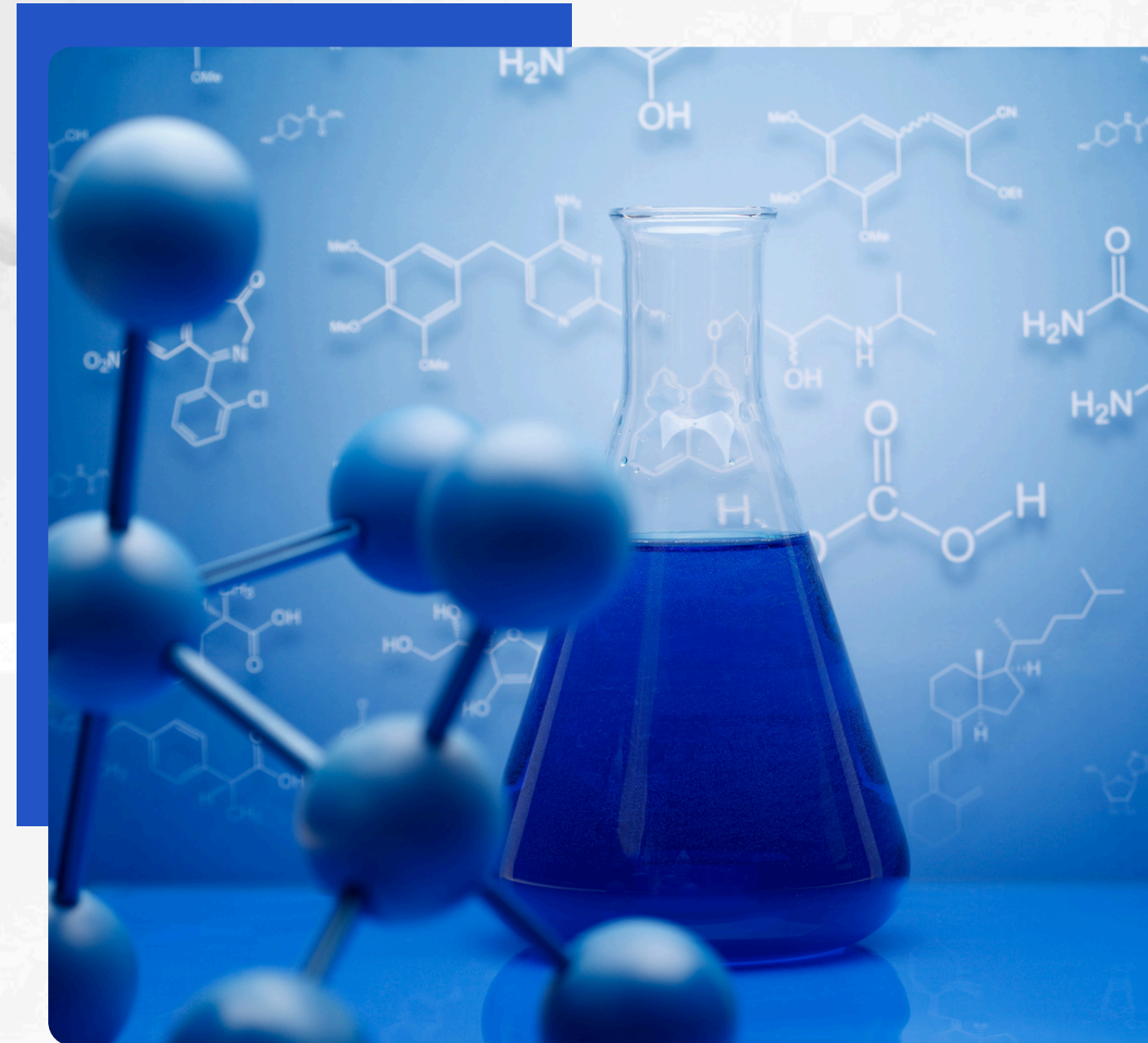
47, MIDC, Roha - 402116.
Dist. Raigad (M.S.)
Dhatav, Maharashtra

Registered Office

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

Sadhana Nitro Chem Limited

Investor Presentation
Q4FY24



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Management Comments

We are pleased to report the impressive financial performance of our company for both the quarter and year ended 31 March 2024. In Q4FY24, our Revenue from Operations grew by a robust 34%, reaching Rs. 64.55 Cr, while our EBITDA saw a commendable increase of 17%, amounting to Rs. 11.76 Cr. Profit Before Tax (PBT) increased by 36% to Rs. 4.17 crore. As a result of tax adjustments, our Profit After Tax (PAT) decreased by 70% from Rs. 1.76 Cr in Q3FY24 to Rs. 0.52 Cr in Q4FY24.

For the full year FY24, our company demonstrated remarkable growth and resilience. Revenue from Operations increased by 33%, reaching Rs. 190.05 Cr. Our EBITDA surged by 96%, amounting to Rs. 45.03 Cr, reflecting our continued focus on operational efficiency and cost management. Additionally, our PBT jumped by an impressive 127% to Rs. 12.83 Cr, while our PAT increased by 28%, totaling Rs. 4.08 Cr.

In light of these results, we are pleased to announce a dividend of 15% for FY24, underscoring our commitment to delivering value to our shareholders. Furthermore, we are in the process of finalizing the proposed rights issue, not exceeding Rs. 49.95 Crores. Keeping in mind feedback received from several shareholders we are working to finalise pricing (with premium), the determination of the entitlement ratio, and other details to align with SEBI guidelines as well as ensure delivering greater value to our shareholders.

In the previous quarter, we are proud to announce, Dr. Mansukh Mandaviya, Union Minister for Chemicals & Fertilizers and Health & Family Welfare virtually inaugurated Sadhana Nitro Chem Ltd.'s Para Amino Phenol (pAP) bulk drug plant, amongst 26 other greenfield bulk drug park projects and 13 greenfield manufacturing plants for medical devices.

This achievement results from the dedication, hard work, and support of our entire team, as well as our customers, partners, and shareholders. We remain committed to operating excellence and to leveraging our strengths as we move forward. We are confident in our ability to build on this success and drive sustained growth in the future.

01

Expansion & Output Growth

Last year's expansion of our ODB2 capacity from 550 TPA to 2200 TPA has significantly boosted output, allowing us to compete effectively on price and secure our status as a leading global supplier to major paper companies.

02

Focus on Continuous Production

We have improved Para-Amino Phenol (pAP) quality and output, now aiming to expand capacity and shift to continuous production, enhancing our engineering capabilities and ensuring steady financial growth.

03

Environmental Consciousness

Committed to sustainability, we ensure all products, including legacy ones within 12-18 months, achieve zero effluent discharge, supplemented by our investments in solar energy and green hydrogen.

04

Portfolio Expansion

We anticipate substantial growth in our pharmaceutical portfolio this year, including new products like Paracetamol, as part of our strategy to diversify and strengthen our presence in high-demand sectors.

05

Innovative Applications

Our legacy products, especially m-Aminophenol, are finding increasing applications in new-age materials sciences, and through active collaboration with customers, we are expanding these uses and fostering innovation.

06

Value Engineering

Over the past year, our focus on value engineering has improved the cost structure of legacy products using advanced technologies, enhancing our competitiveness and reinforcing our commitment to operational excellence.

MANAGEMENT NOTE ON VISION AND FUTURE PLANS



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



742 tonnes exported in FY24



22 acres of manufacturing facility



12 chemicals in the product line

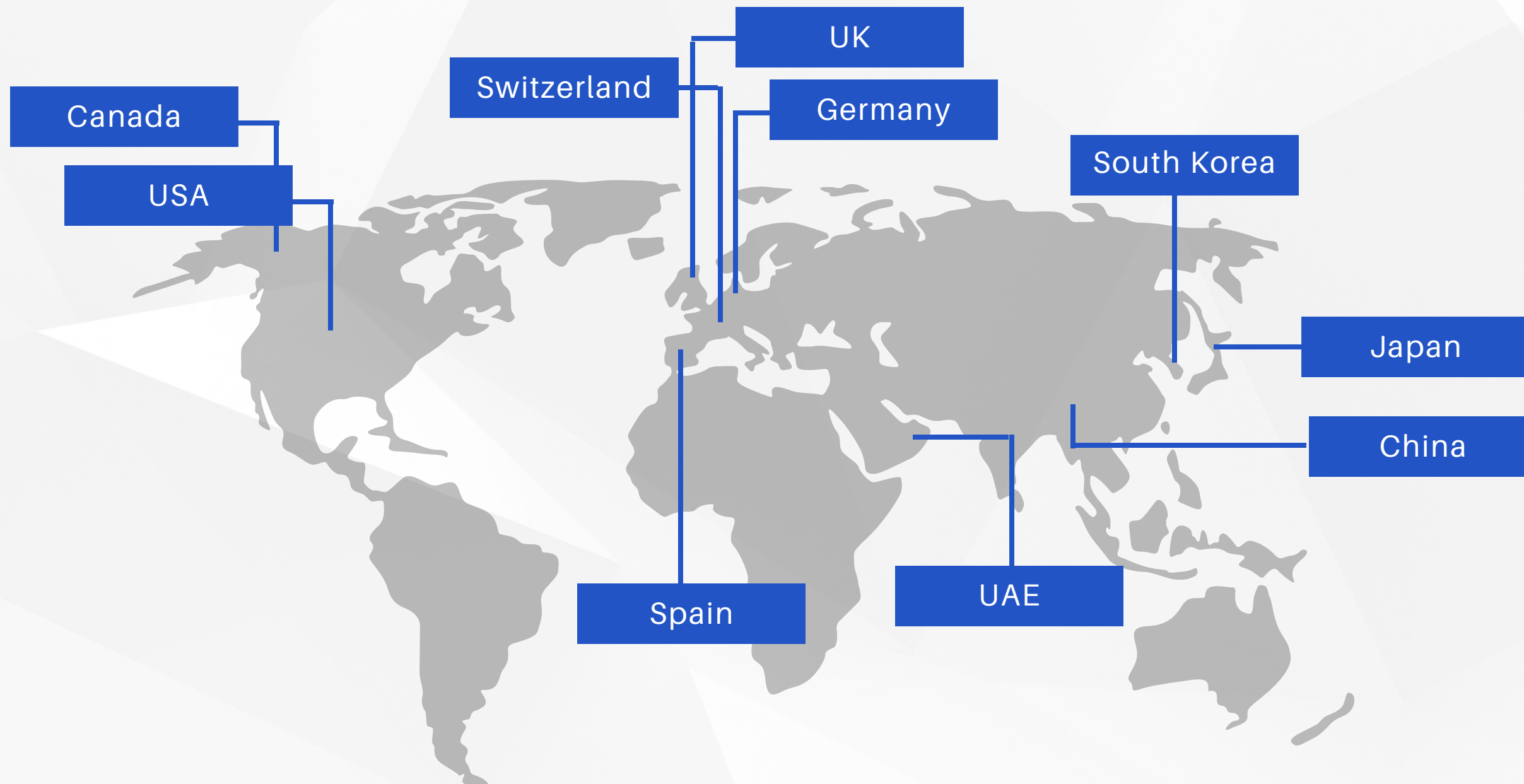


50th year of being publicly listed

PAP Expansion Highlights



Trade



International Trade

Export Sales

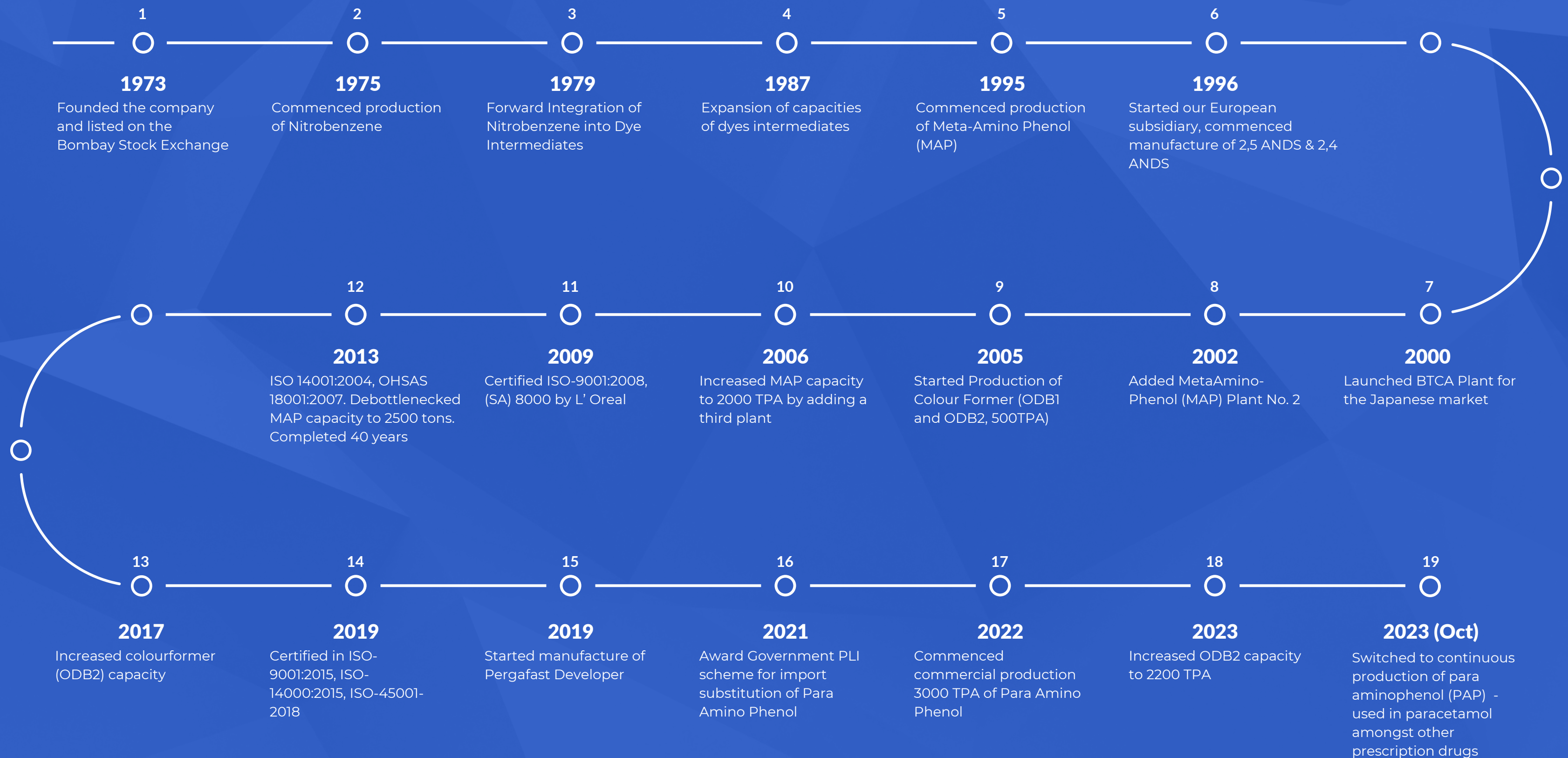
80% of sales come from exports to Belgium, Netherlands, Thailand, USA, UK, Switzerland, UAE, South Korea, Spain, Hong Kong, China, Japan, Canada, Taiwan, Czech Republic, Italy

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 Bank where he has worked across operations, customer service, business development, relationship management including leadership roles handling teams across geographies

Marquee Clients



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

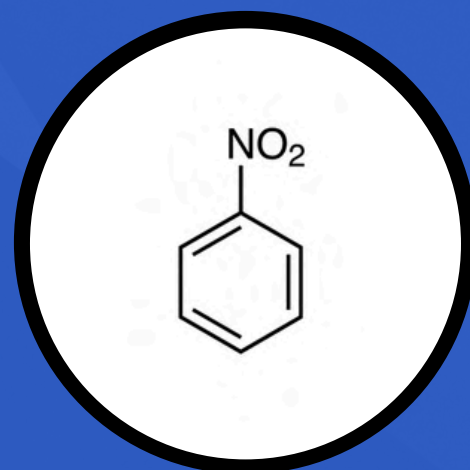
The liquid effluent generated through the manufacturing processes is treated & water is extracted out of the effluent. The residual solid waste is sent to Bombay Waste Management (nominated by the MPCB)

Liquid Effluent Waste Disposal

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

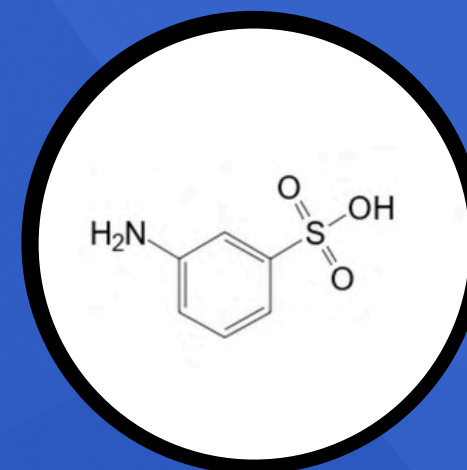


Product Portfolio



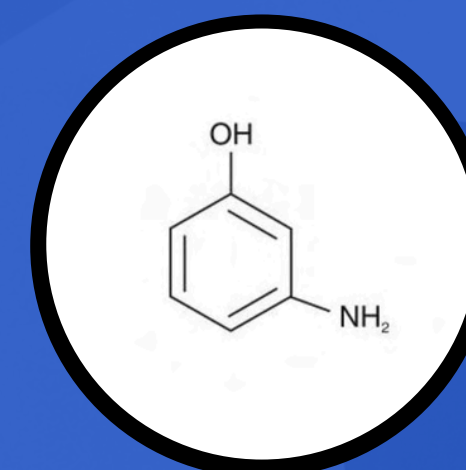
Nitrobenzene

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



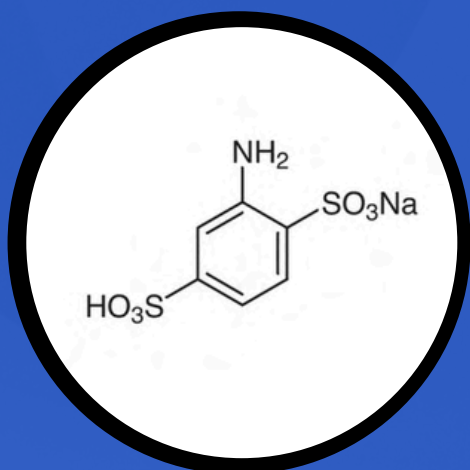
Metanilic Acid

Used for dye intermediates



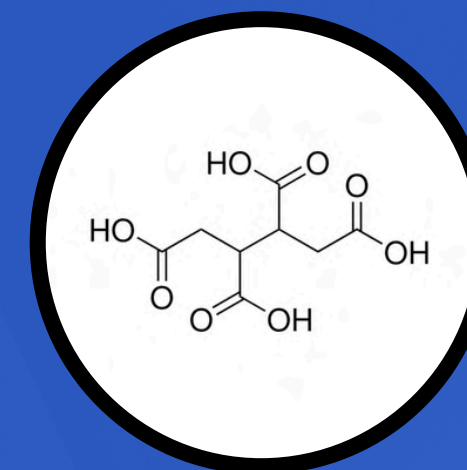
Meta Amino Phenol

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



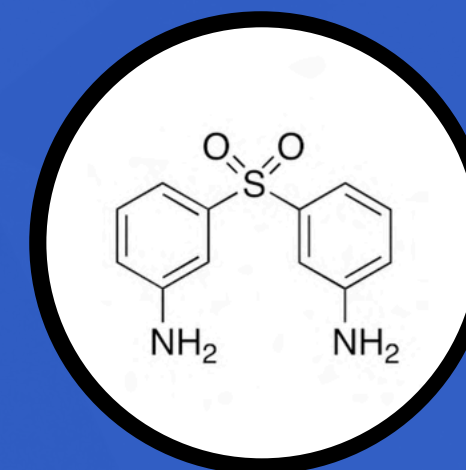
Aniline 2,5 Disulphonic Acid

Intermediate for Optical brightening agents and dyes



1,2,3,4-Butanetetracarboxylic acid

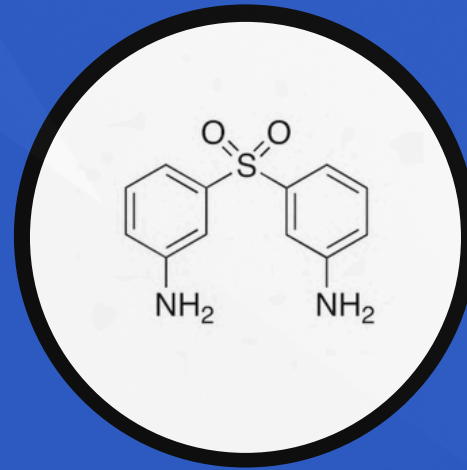
Intermediate for Halogen Light Stabilisers



3,3 Dinitro Diphenyl Sulphone

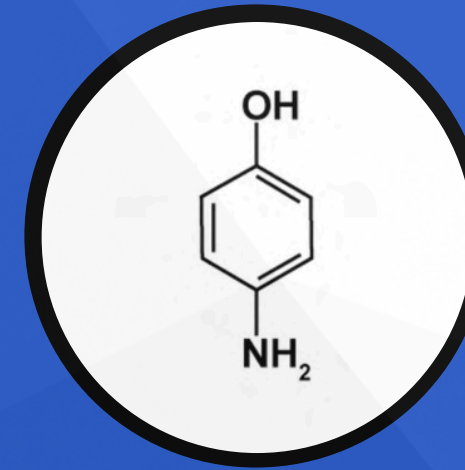
Intermediate for Aerospace and lightweight resins

Product Portfolio



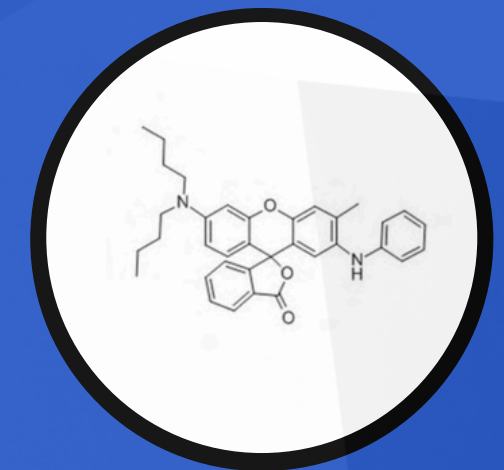
3,3 Di Amino Diphenyl Sulfone

Intermediate for Aerospace and lightweight Resins



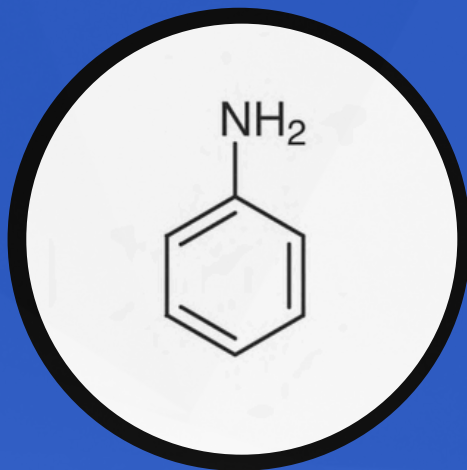
Para Amino Phenol

Key Active Ingredient for Paracetamol



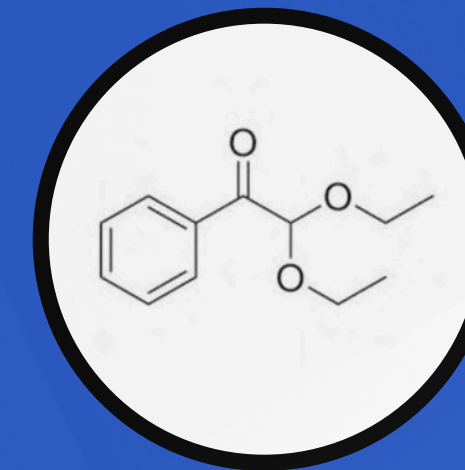
ODB2

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

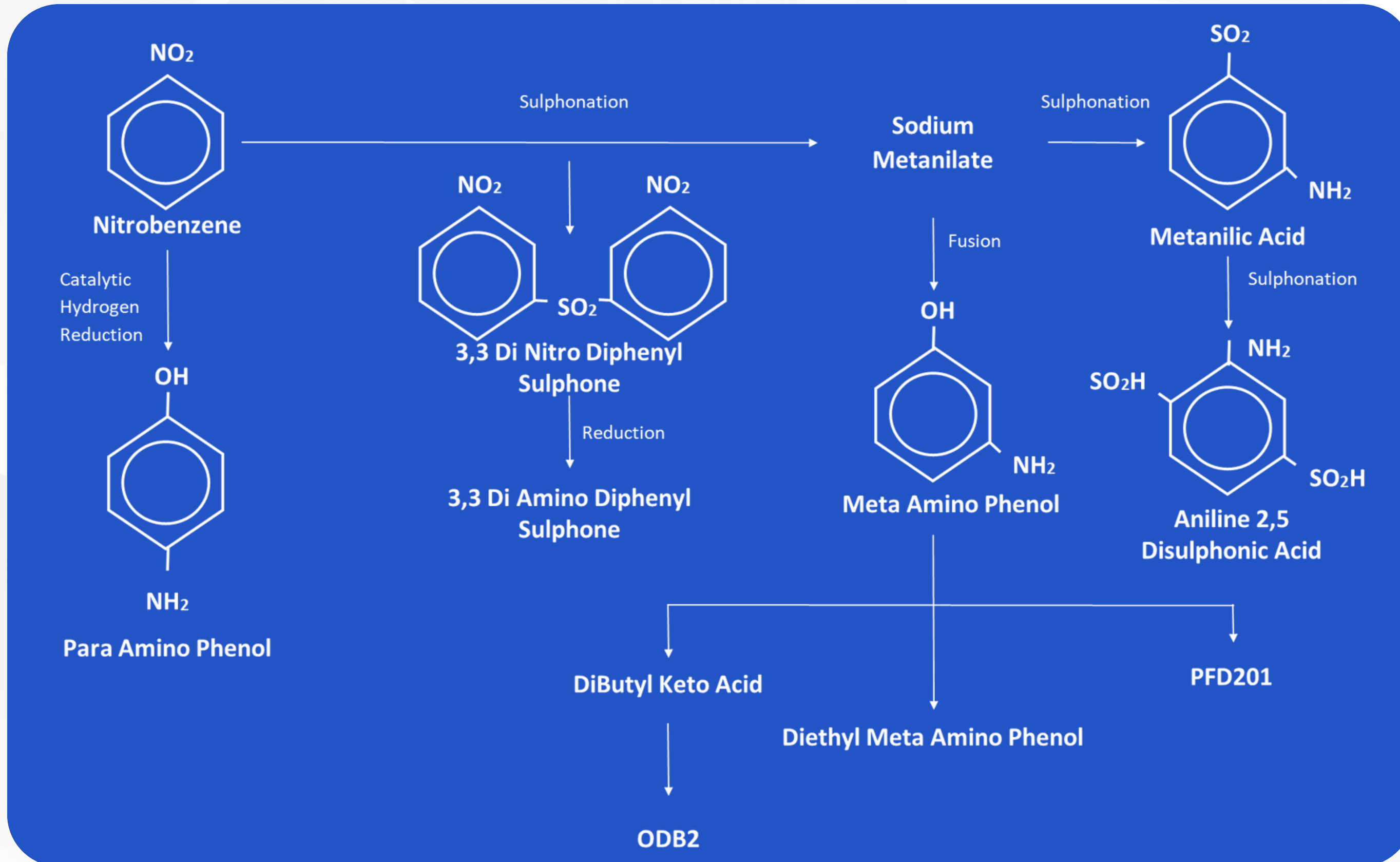
Capacities



PRODUCT	TPA	PRODUCT	TPA
MAP	2500	PARA AMINO PHENOL (PAP)	6000
BTCA	500	ANILINE	1200
ANILINE 2,5	1400	AMMONIUM SULPHATE	4000
ODB2	2200	4,4 ODA	300
PFD201	250		
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

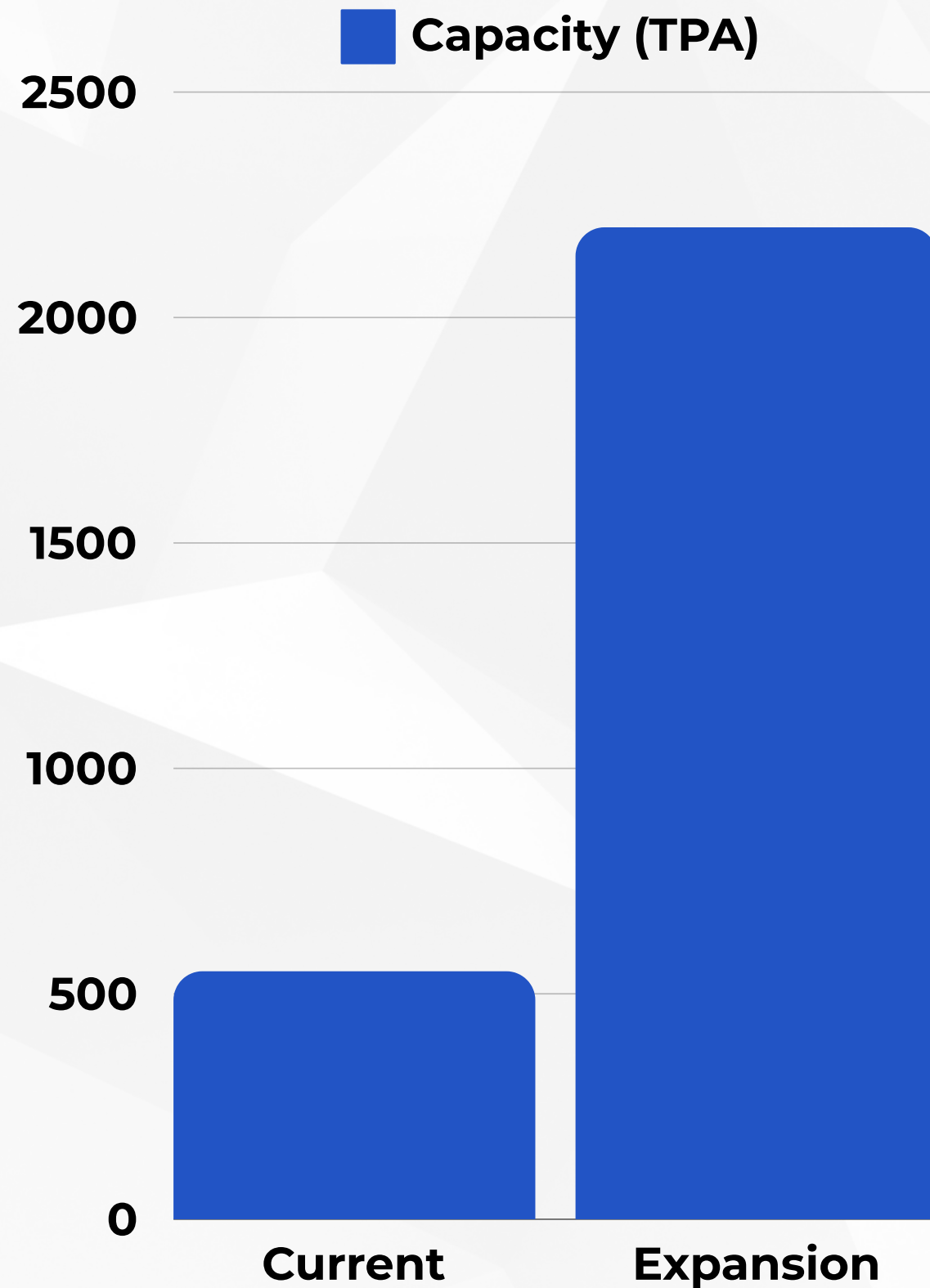
Highlights

- 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 - up to 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



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

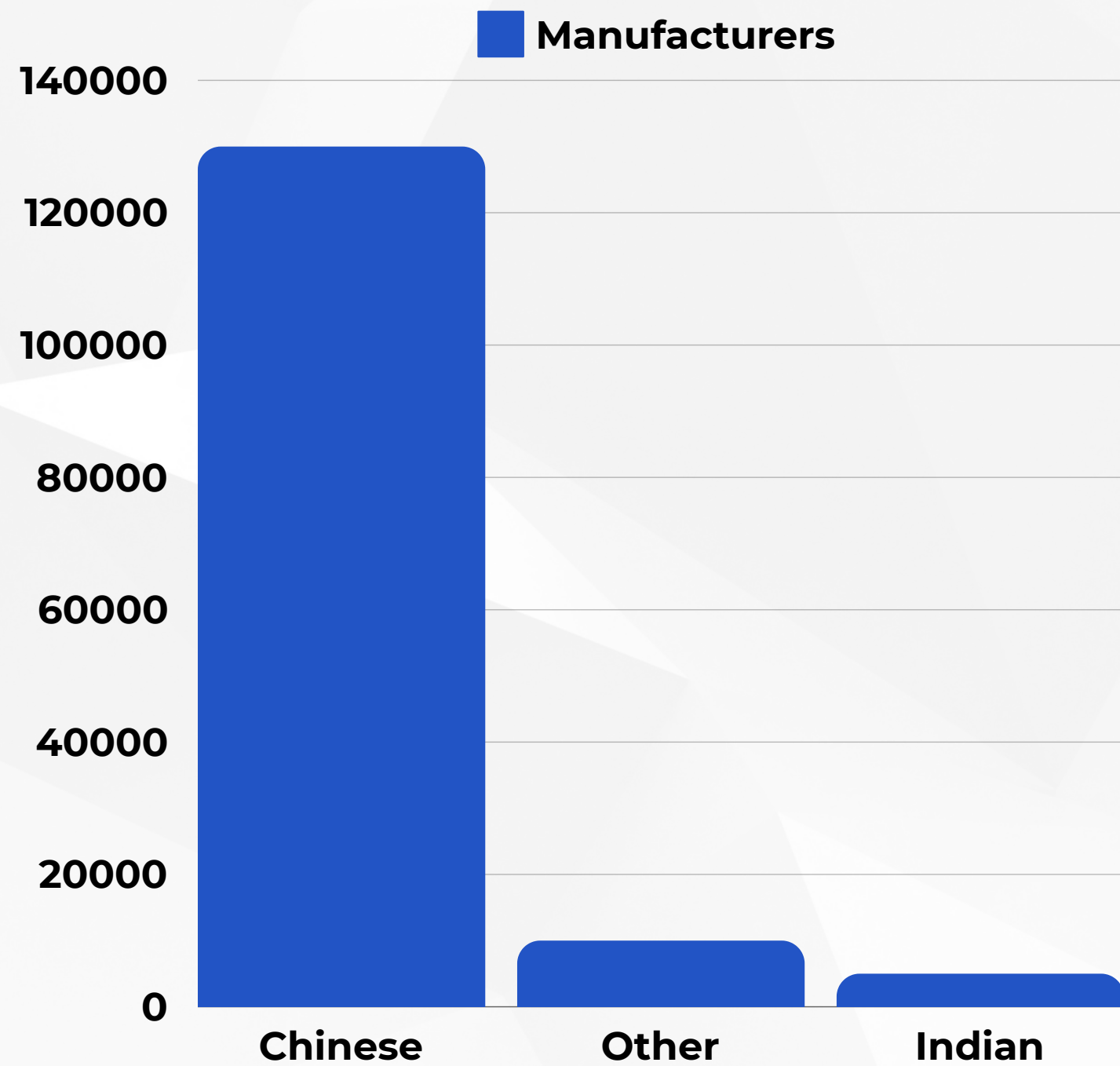
Usage

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.

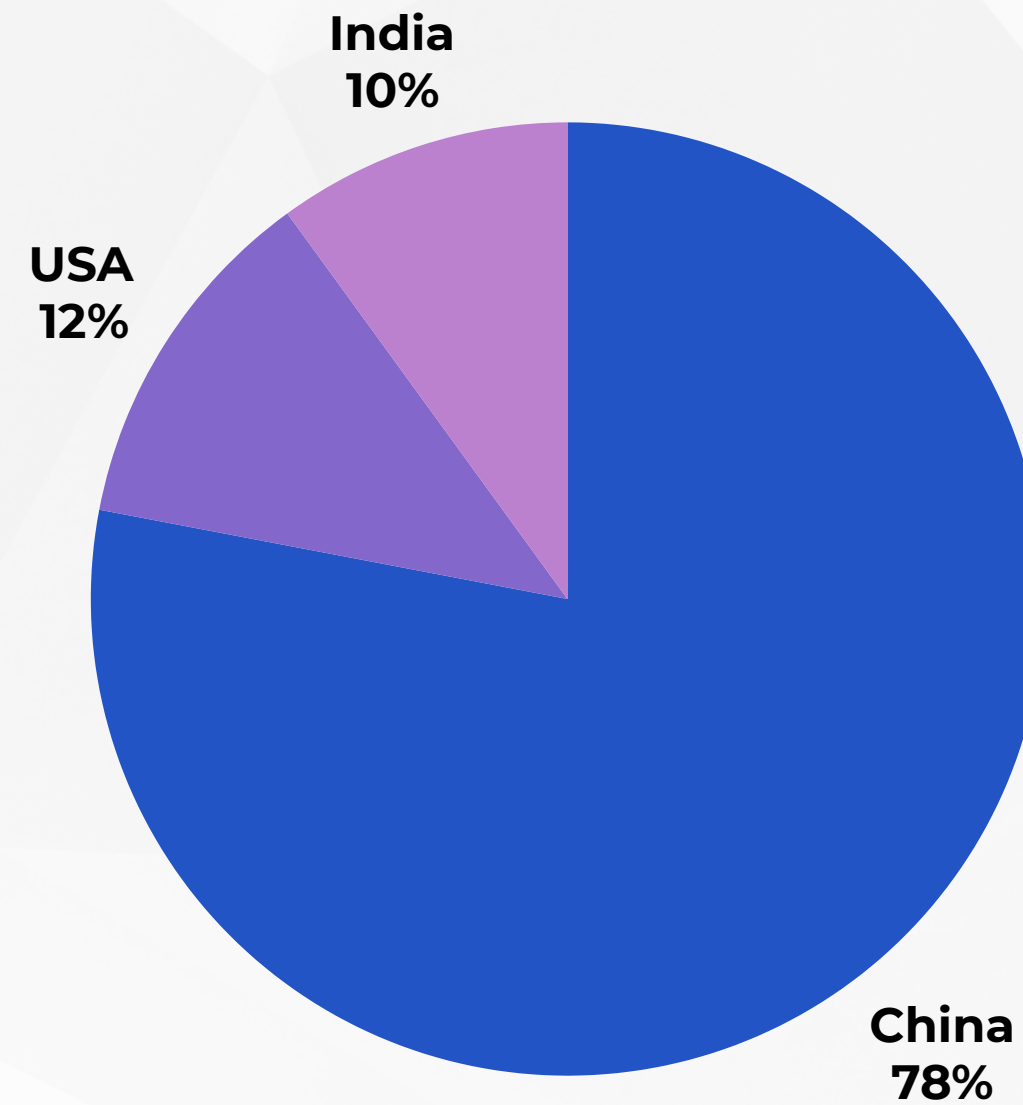
Supply

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

PAP Global Demand - 160000 TPA & growing

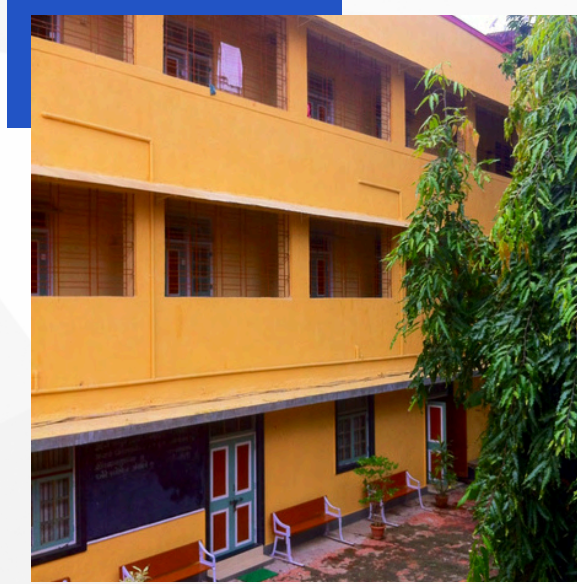


PAP Supply Spread

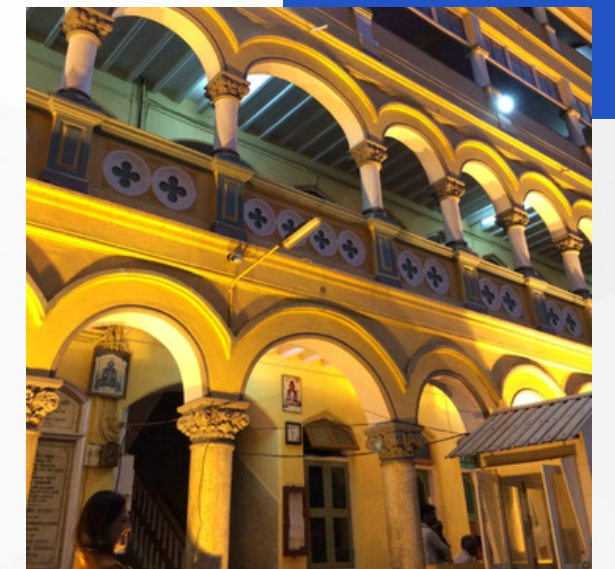


Corporate Social Responsibility

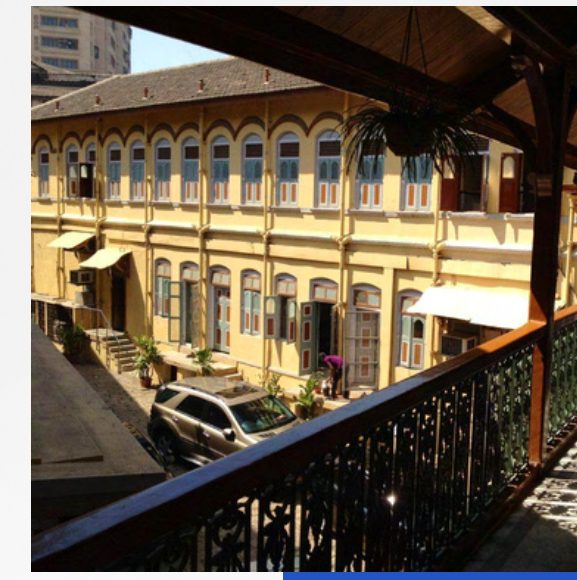
- The promoter's family has set up several charitable institutions dating back over a hundred years.
- The objectives of the trusts vary from medical & healthcare to education & women reform.
- The institutions are primarily for the low income and underprivileged.
- Our impact has helped over ten thousand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



Women's Reform Ashram
Mumbai Central, Mumbai



Student's Hostel Mumbai
Central, Mumbai



Healthcare Dharamshala,
CP Tank, Mumbai

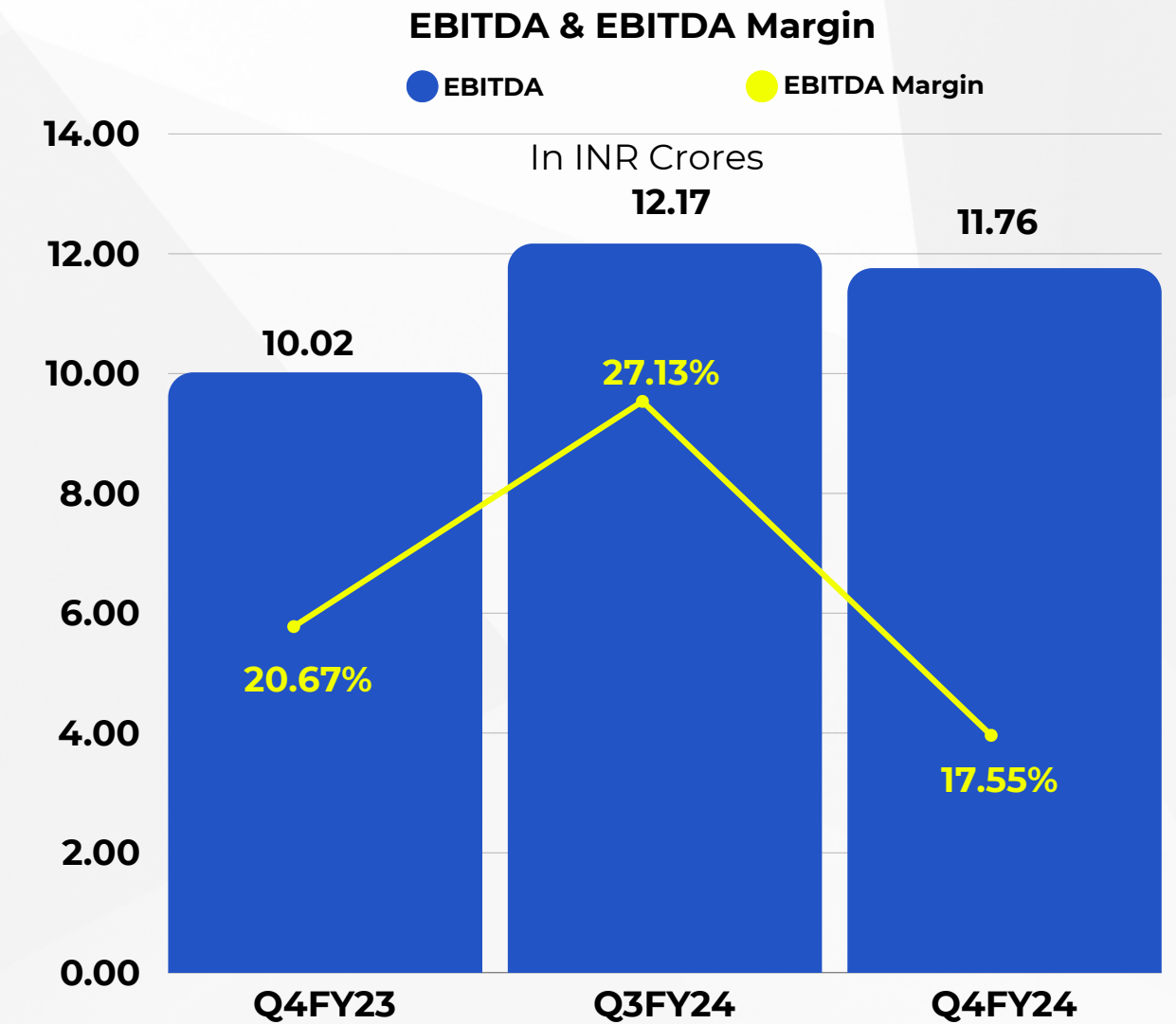
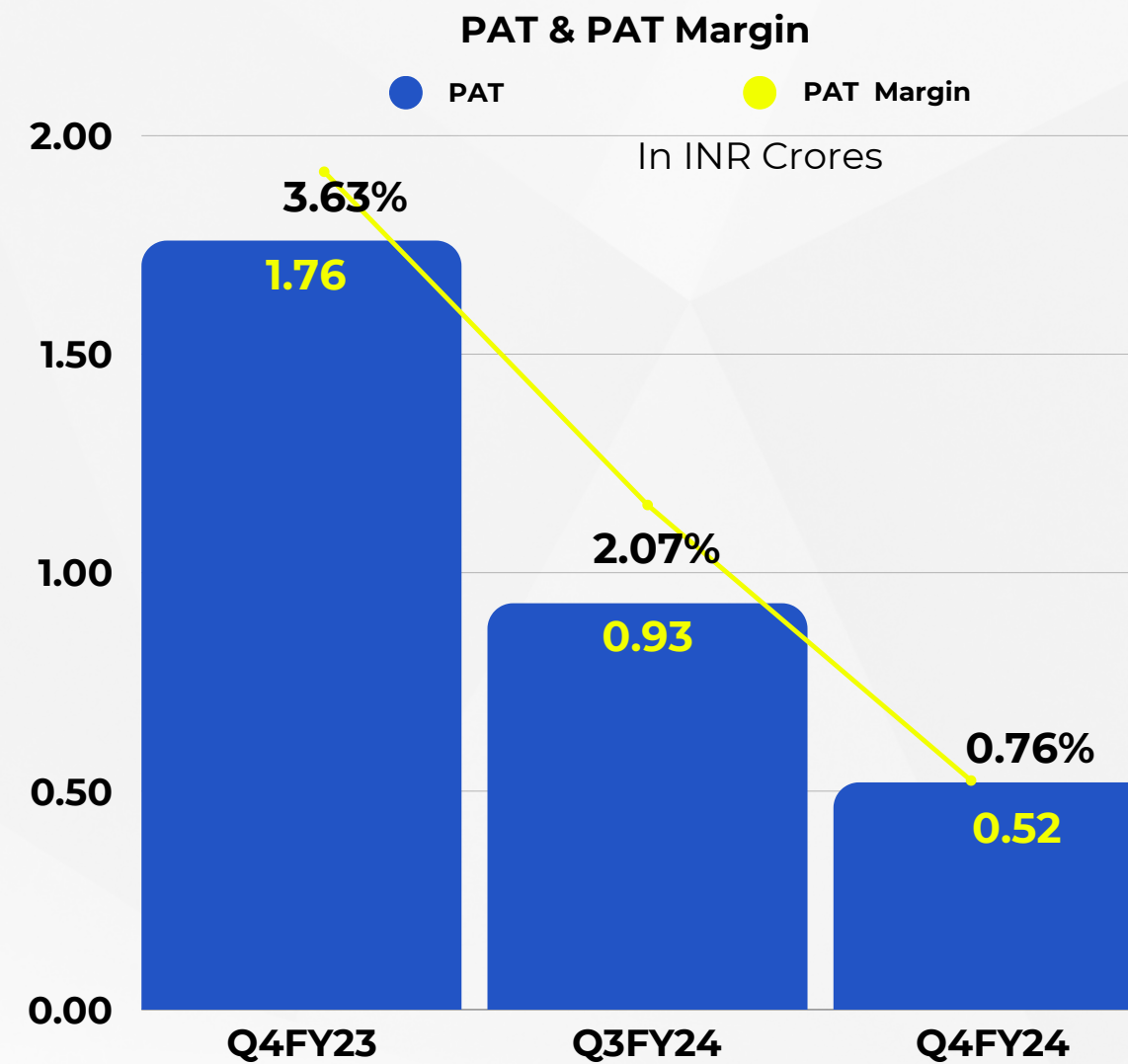
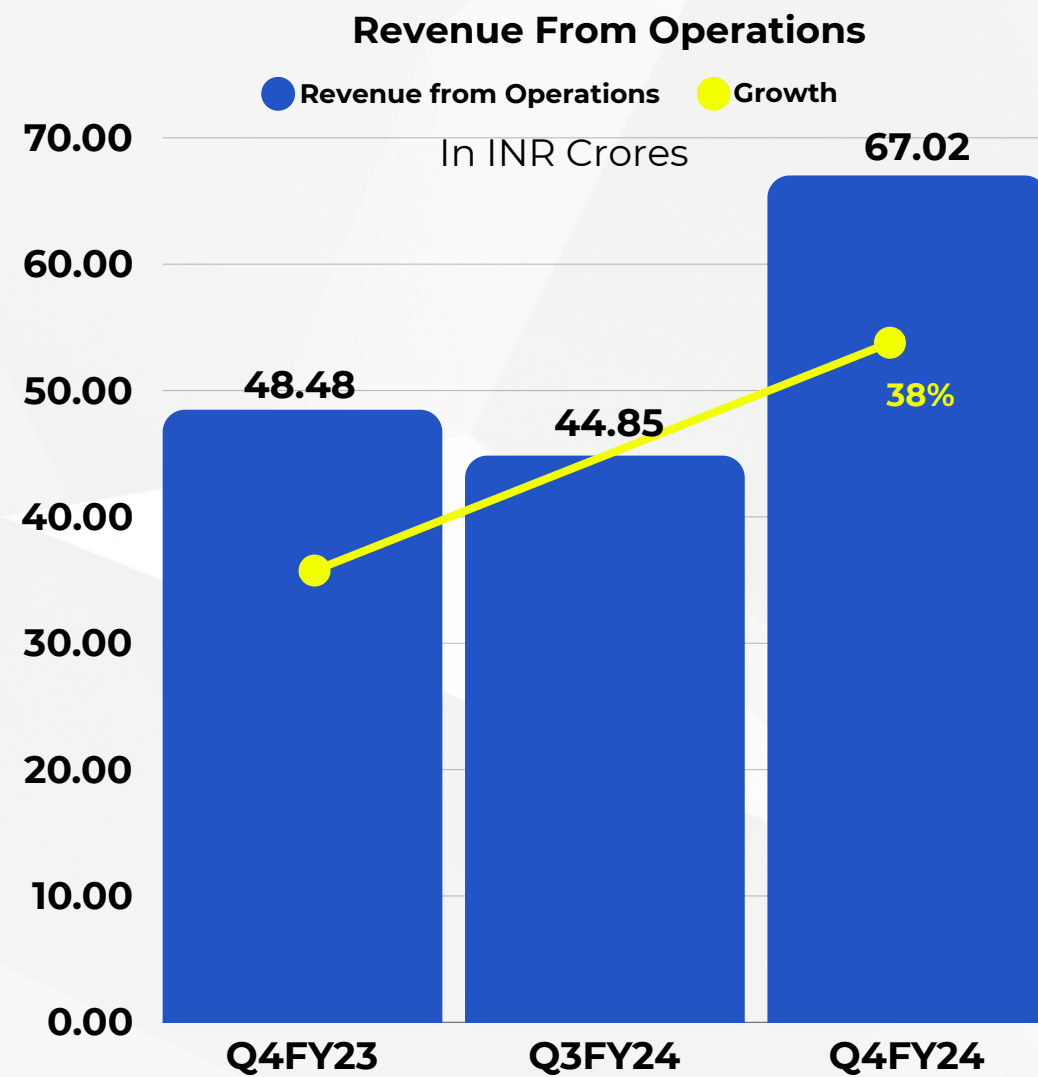
Income Statement Highlights (Consolidated)

Particulars (Rs. Crores except EPS)	Q4FY24	Q4FY23	YoY%	Q3FY24	FY24	FY23	YoY%
Revenue from Operations	64.55	48.16	34%	44.08	190.05	143.33	33%
Other Income	2.47	0.32		0.77	3.96	1.79	
Total Revenue	67.02	48.48	38%	44.85	194.01	145.12	34%
Total Expenses excluding Depreciation, Amortization & Finance Cost	55.26	38.46		32.68	148.98	122.11	
EBITDA	11.76	10.02	17%	12.17	45.03	23.01	96%
EBITDA Margin (%)	17.55%	20.67%	(312 bps)	27.13%	23.21%	15.86%	735 bps
Depreciation & Amortization	3.47	2.68		3.83	14.91	7.6	
Finance Cost	4.12	4.27		4.36	17.29	9.76	
PBT before Exceptional Item	4.17	3.07		3.98	12.83	5.65	
Exceptional Items	0	0		0	0	0	
PBT	4.17	3.07	36%	3.98	12.83	5.65	127%
Tax	3.65	1.31		3.05	8.75	2.47	
PAT	0.52	1.76	-70%	0.93	4.08	3.18	28%
PAT Margin %	0.78%	3.63%	(285 bps)	2.07%	2.10%	2.19%	(9 bps)
Other comprehensive profit / loss	-0.21	0.14		0.10	0.04	0.34	
Net PAT	0.31	1.9	-84%	1.03	4.12	3.52	17%
Diluted EPS	0.02	0.07		0.04	0.17	0.13	

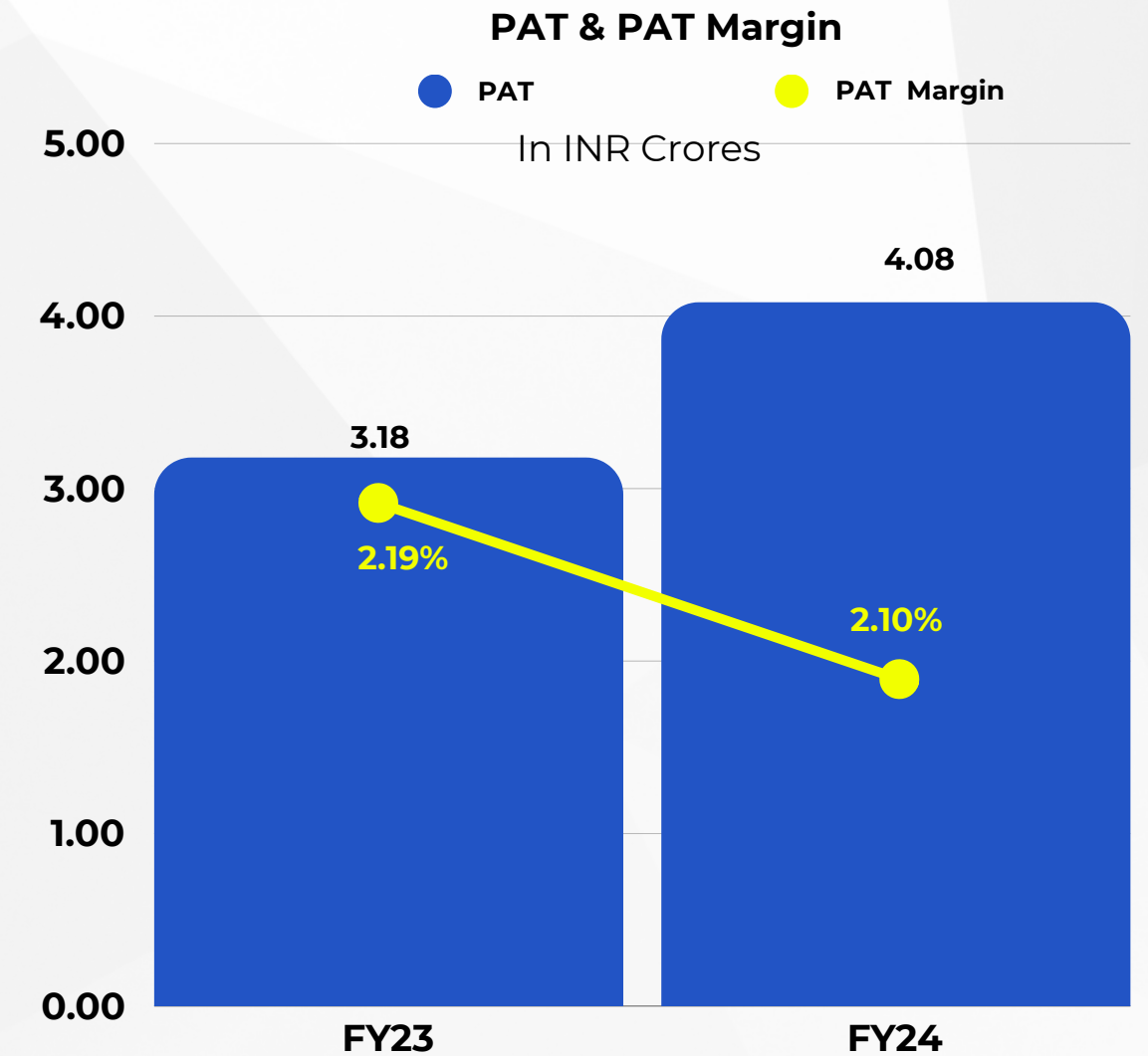
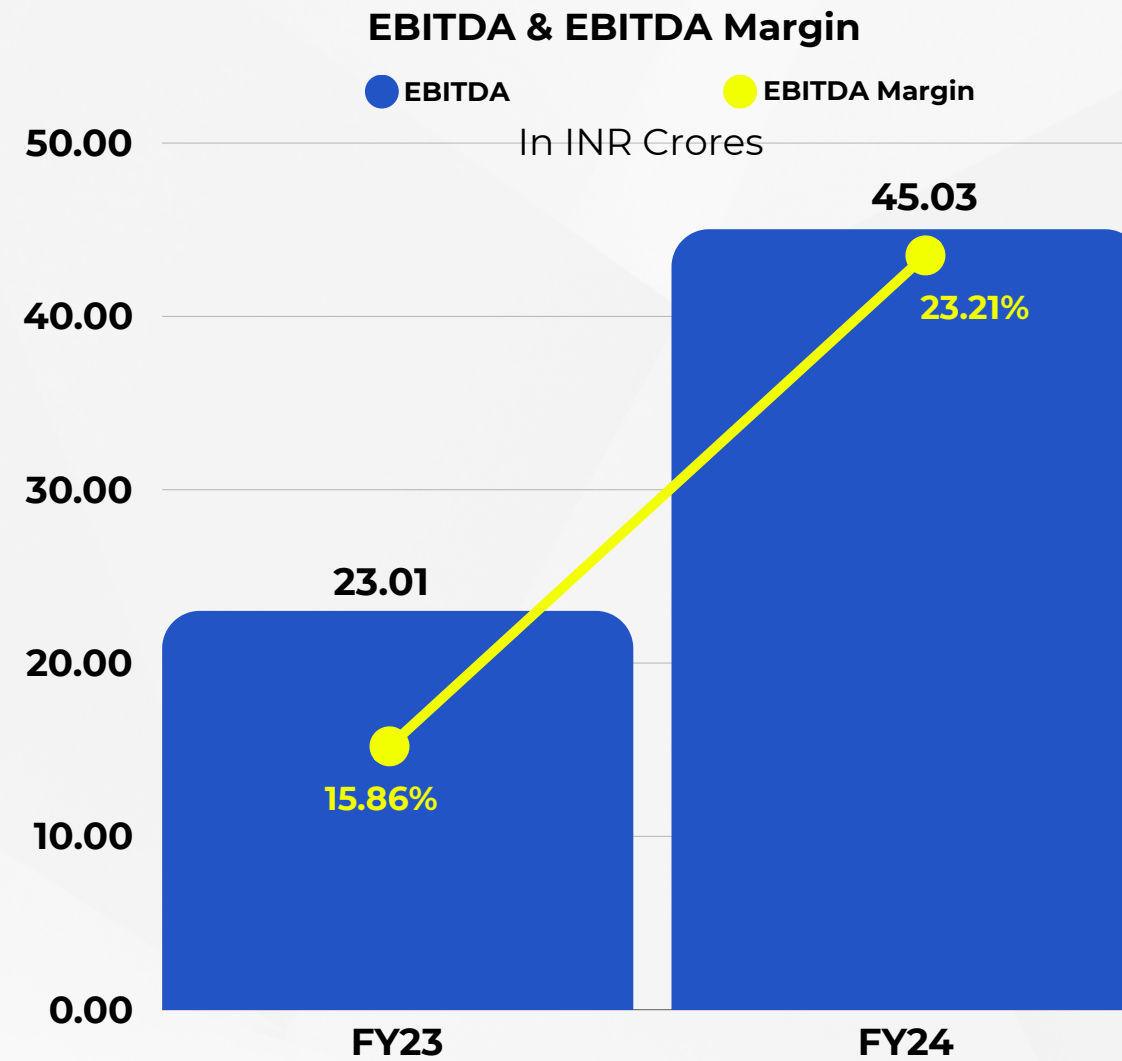
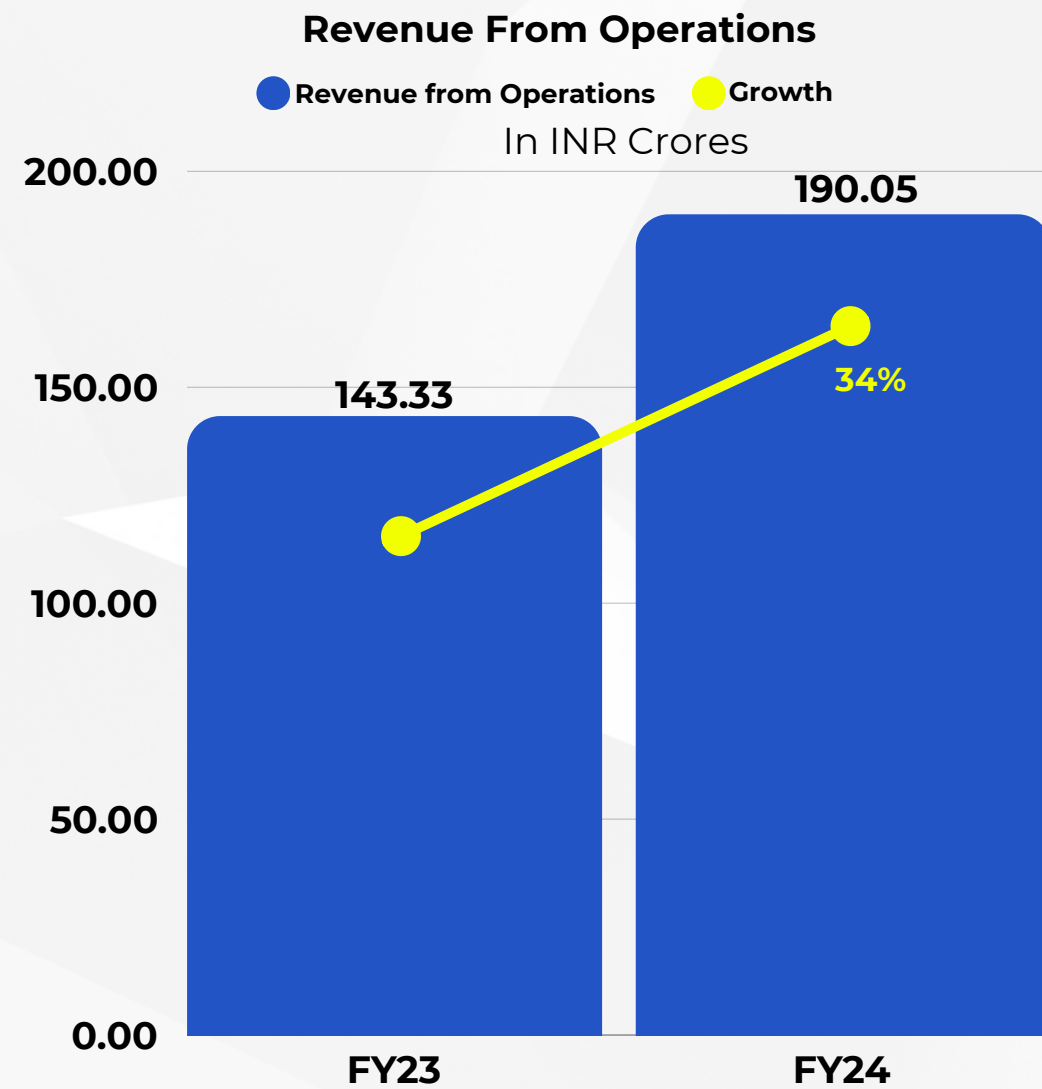
Balance Sheet

PARTICULARS	YEAR ENDED	YEAR ENDED	PARTICULARS	YEAR ENDED	YEAR ENDED
	Consolidated (Rs. in Crores)			Consolidated (Rs. in Crores)	
	AUDITED	AUDITED		AUDITED	AUDITED
EQUITY AND LIABILITIES EQUITY	31.03.2024	31.03.2023	A. Assests	31.03.2024	31.03.2023
(a) Equity Share Capital	24.71	20.21	1. Non Current Assets		
(b) Other Equity	201.88	205.87	(a) Goodwill on Consolidation		
Sub Total (1)	226.59	226.08	(b) Property, Plant and Equipment	155.88	143.73
LIABILITIES			(c) Capital work- in - progress	53.10	24.50
Non-current liabilities			(d) Intangible Assets Under Development	0	4.00
(a) Financial Liabilities			(e) Financial Assets		
(i) Borrowings	128.94	59.77	(i) Investments		
(ia) Lease Liabilities	6.88	2.48	(ii) Loans		
(ii) Other financial Liabilities			(iii) Other financial assets	3.91	2.84
(b) Provisions	5.67	4.74	(f) Deferred Tax Assets (net)		
(c) Deferred Tax Liabilities (Net)	5.97	5.28	(g) Other non current assets	54.38	27.32
Sub Total (2)	147.46	72.27	Sub Total (1)	267.27	202.38
Current Liabilities			2. Current assets		
(a) Financial Liabilities			(a) Inventories	114.73	115.86
(i) Borrowings	91.79	72.08	(b) Financial Assets		
(ia) Lease Liabilities	5.03	4.42	(i) Current investment	5.87	5.77
(ii) Trade payables			(ii) Trade Receivables	126.23	65.56
(a) Due to micro & small enterprises	1.52	2.07	(iii) Cash and Cash Equivalentts	0.18	1.33
(b) Due to other than micro & small enterprises	31.62	31.41	(iv) Bank Balances other than (iiil) above	7.73	7.63
(iii) Other financial liabilities	19.23	11.82	(v) Loans & Advances	0.92	3.31
(b) Provisions	0.50	0.74	(vi) Other Financial Assets	1.31	4.84
(c) Income Tax Liabilities (Net)	2.34	0	(c) Income Tax Assets	0	4.69
(d) Other Current Liabilities	5.70	5.20	(d) Other Current Assets	7.54	14.72
Sub Total (3)	157.73	127.75	Sub Total (2)	264.51	223.72
Total (1) + (2) + (3)	531.78	426.10	Total (1) + (2)	531.78	426.10

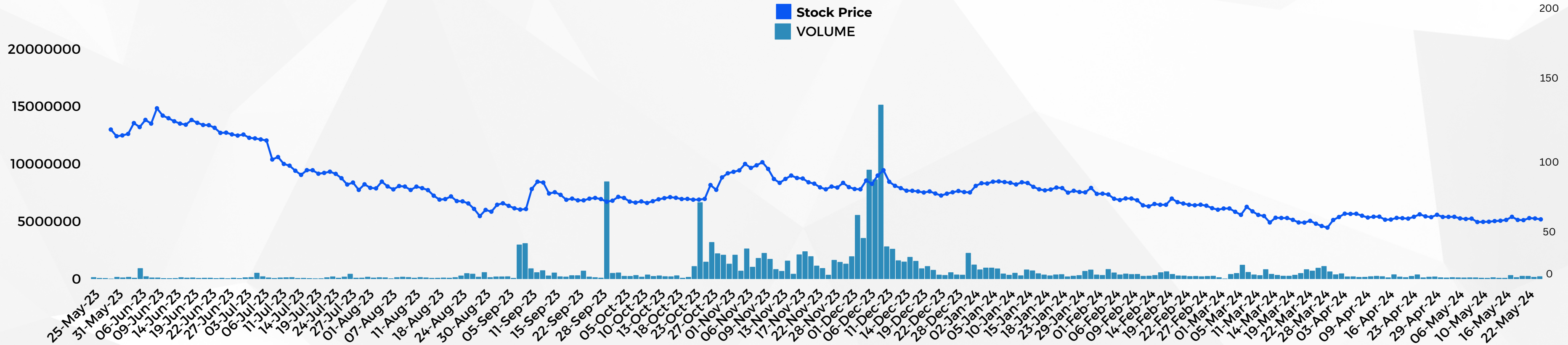
Financial Summary - Q4FY24



Financials Summary - FY24



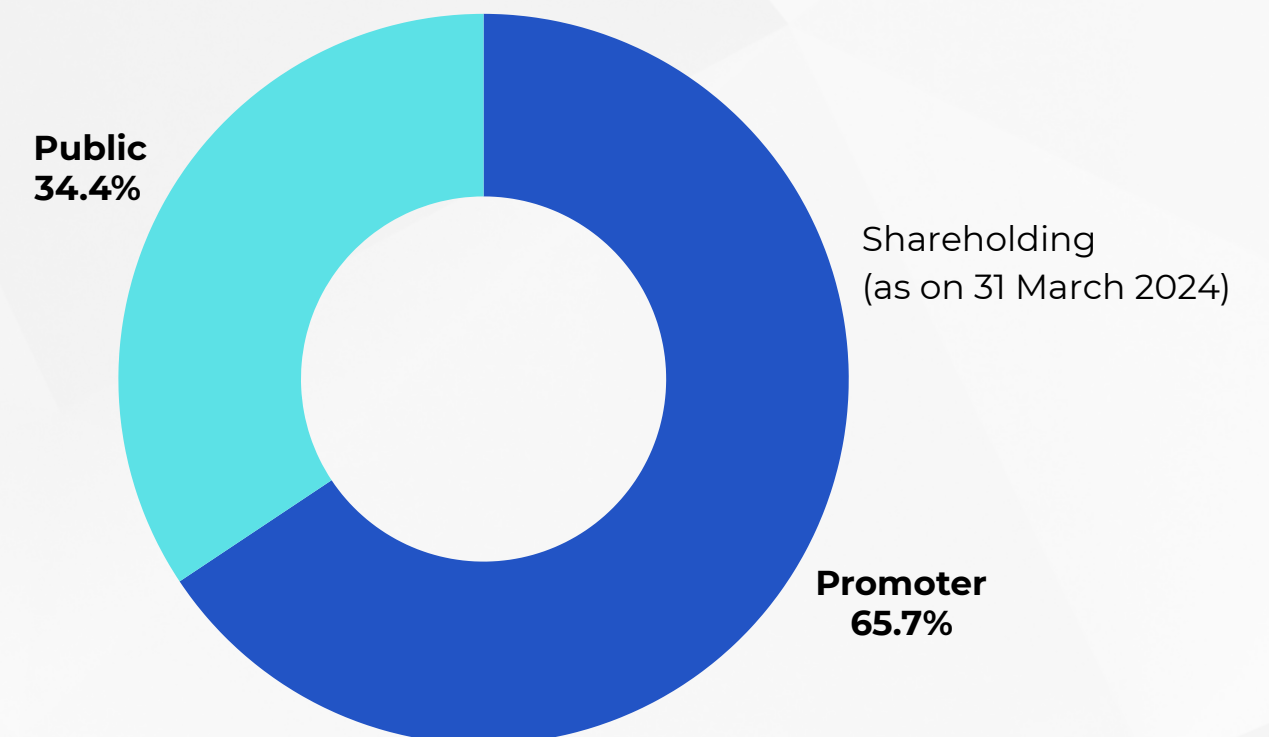
Capital Markets Data



Price Data (as on close 24 May 2024)	
Face Value (INR)	1.00
Market Price (INR)	68.11
52 Week (High/Low) (INR)*	121.23/61.02
Market Cap (in Cr)	1682.72
Average Daily Volume (12 months)	74968

Data as per NSE
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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