



MEGHMANI FINECHEM LTD.

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11/11/2021

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: - Press Release

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

We are enclosing herewith a copy of the Press Release of Corporate Announcement issued by the Company.

The Press Release is also being placed on the website of the Company at www.meghmanifinechem.com.

Kindly take the same on record.

Yours faithfully,

For Meghmani Finechem Limited

K D Mehta

(K D Mehta)

Company Secretary & Compliance Officer



Press Release



Meghmani Finechem moving up the Speciality Value Chain

- Expanding into Chlorotoluene and its value chain; high ROCE product
- Setting up and Investing into R&D Centre
- Project Capex to be funded through internal accruals

Ahmedabad, 11th November, 2021: Meghmani Finechem Limited, a leading manufacturer of Chlor-Alkali products and its value-added Derivatives, on Thursday announced its expansion plans into Chlorotoluene and its value chain. The upcoming facility in its existing Chlor-Alkali Complex of Dahej will produce intermediates for manufacturing pharmaceutical and agro-chemical active ingredients, which are amongst the fastest growing segments.

The Chlorotoluene project is expected to be commissioned by Q4FY24 and would require a capex of ₹ 180 Cr which will be fully funded through internal accruals. Meghmani Finechem Ltd expects annual revenue of Rs. 300 Cr from this project. The EBITDA margin is expected to be in range of 28% - 32% which is in line with company's overall margin guidance. Given the high asset turnover ratio of 1.6x, absolute EBITDA will be high leading to ROCE of nearly 30%. This will boost up the 24% ROCE target by FY2024.

This is a first of its kind intermediate facility which will be backward integrated with Toluene Chlorination (Ring Chlorination) plant in India. This entails a new set of opportunities for value addition of chlorine for an entirely new vertical. Indian Chlorotoluenes and its value chain demand are fulfilled through imports and hence, this facility will cater to the requirement for domestic and export market. This will also contribute in "MAKE IN INDIA" initiative to become Atmanirbhar Bharat, launched by our visionary Honourable Prime Minister.

Along with this Project, MFL is also announcing an investment in setting up a world-class Research and Development centre which will help the company identify new molecules in Chlorotoluene eco-system and further strengthen the fully integrated facility. This investment in R&D centre will be the foundation for the next phase of growth of speciality chemical market. The facility will be set up at Changodar, Ahmedabad.

Speaking on the development, Mr. Maulik Patel, Chairman & Managing Director said: *"We are extremely excited about the new project, which further strengthens our product portfolio and makes us a diversified and fully integrated Specialty chemical player. Our focus at MFL is to create superior shareholder value and this new high ROCE product is a step in that direction. We are also very thrilled about setting up an advanced and world-class R&D facility, which will definitely catapult our company to a higher growth trajectory."*

About Meghmani Finechem Limited

Meghmani Finechem Limited ("MFL"), incorporated in 2007, is a leading manufacturer of Chlor-Alkali products and value-added Derivatives. 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 fully integrated complex with a well-established infrastructure and Captive Power Plants. The company is India's 4th largest manufacturer of Caustic Soda, Chlorine and Hydrogen and a leading manufacturer of Caustic Potash, Chloromethanes and Hydrogen Peroxide. The company was a subsidiary of the listed entity Meghmani Organics Ltd and after the reorganisation; MFL got listed on August 18, 2021 as an independent entity.

MFL is now expanding its product base to include value added derivative products like Epichlorohydrin (ECH) and Chlorinated Polyvinyl Chloride (CPVC), which are a key raw material for multiple end user industries, which are

presently catered by 100% import. The company is focused on sustainable value creation for all its stakeholders and has recently been awarded with the Responsible Care certificate.