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Balaji



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CIN : L24132MH1988PLC049387

AMINES LIMITED

REGD. OFF. : 'BALAJI TOWERS'
No. 9/1A /1, HOTGI ROAD,
AASARA CHOWK, SOLAPUR - 413 224.
MAHARASHTRA. (INDIA)

29th October, 2020

To,
The General Manager-Department of
Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001.

The Manager-Listing Department,
National Stock Exchange of India Limited,
"Exchange Plaza", 5th Floor,
Plot No.C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051.

Scrip Code: 530999

Scrip Code: BALAMINES

Dear Sir/Madam,

Subject: Press Release in connection with Un-audited Financial Result for the second Quarter and half year ended 30th September, 2020

Enclosed please find Press Release in Connection with the Un-audited Financial Result for the second Quarter and half year ended 30th September, 2020

This is for your information and record.

Thanking you,

Your Faithfully,
For Balaji Amines Limited



Jimisha Parth Dawda
Company Secretary & Compliance Officer

Encl: a/a

**Balaji Amines Q2FY21 Revenue up by 21.43% at ₹ 283.28 Crore;
EBITDA up by 46.69% at ₹ 72.22 Crore;
Net Profit up by 37.31% at ₹ 47.66 Crore**

Solapur, October 28, 2020: Balaji Amines Limited (“Company”), a leading manufacturer of Aliphatic Amines in India, specialized in manufacturing Methyl Amines, Ethyl Amines, Derivatives of Amines and Specialty Chemicals, announced its un-audited financial results for the quarter and half year ended September 30th, 2020.

Key Financial Highlights are as follows:

Particulars (₹ Cr.)	Q2FY21	Q2FY20	Growth	H1FY21	H1FY20	Growth
Sales Volume (in MT)	23,150	21,376	8.30%	41,456	41,525	-0.17%
Total Income (Rs. Cr)	283.28	233.28	21.43%	496.25	467.01	6.26%
EBITDA (Rs. Cr)	72.22	48.57	48.69%	125.72	87.96	42.93%
EBITDA Margin (%)	25.49%	20.82%		25.33%	18.83%	
PAT (Rs. Cr)	47.66	34.71	37.31%	82.31	54.67	50.56%
PAT Margin (%)	16.82%	14.88%		16.59%	11.71%	
Cash PAT* (Rs. Cr)	53.85	41.52	29.70%	93.81	68.43	37.09%
Cash PAT Margin (%)	19.01%	17.80%		18.90%	14.65%	

*Cash PAT is PAT + Depreciation + Deferred tax

Standalone Performance highlights for Q2FY21

Total Income for Q2FY21 grew by 21.43% to ₹ 283.28 crore as compared to ₹ 233.28 crore in Q2FY20.

Total volumes stood at 23,150 MT for Q2FY21 as against 21,376 MT in Q2FY20.

For Q2FY21,

- Amines volumes stood at 5,094 MT
- Amines Derivatives volumes stood at 9,916 MT
- Specialty Chemicals volumes stood at 8,140 MT

EBITDA for Q2FY21 was ₹ 72.22 crore as compared to ₹ 48.57 crore in Q2FY20, posting a growth of 48.69%. **EBITDA margin** for Q2FY21 was at 25.49%, up by 467 basis points, as

compared to 20.82% in Q2FY20. The improvement in operating margins was primarily on account of improvement in operating leverage due to increase in volume offtake, better price realization and benign raw material prices.

PAT for Q2FY21 was ₹ 47.66 crore as compared to ₹ 34.71 crore in Q2FY20, growing by 37.31%. Diluted EPS for Q2FY21 stood at ₹ 14.71 per equity share.

Revenue from Operations for H1FY21 stood at ₹ 496.25 crore, up by 6.26%, as compared to ₹ 467.01 crore in H1FY20. **EBITDA** for H1FY21 was up by 42.93% at ₹ 125.72 crore as compared to ₹ 87.96 crore in H1FY20. **EBITDA margin** for H1FY21 was at 25.33%, up by 650 basis points, as compared to 18.83% in H1FY20. **PAT** for H1FY21 witnessed a jump of 50.56% to ₹ 82.31 crore from ₹ 54.67 crore in H1FY20. Diluted EPS for H1FY21 stood at ₹ 25.41 per equity share.

Indian Pharmaceutical Industry continues to perform well during this pandemic. Government of India's ATMANIRBHAR BHARAT initiative, has opened new opportunities for us in adding capacities, for sustaining Indian Chemical & Pharma Industry. Methylamines is a key raw material and value-added ingredient for the Pharmaceutical, Agrochemical Industries and its demand is on the rise in Indian market apart from world market. Balaji Amines Limited is Market Leader in Methyl Amines production in India. Accordingly, the Board of Directors have approved for setting up a separate plant for Methyl Amines with a capacity of 40,000-50,000 MT per annum for which the Company has already got environmental clearance at Unit-IV, MIDC, Solapur (Greenfield Project). Board has also approved a separate plant for DMF with a capacity of 30,000 MT/Year at Unit-IV.

Board of Directors have also approved Employee Stock Option Plan providing for grant up to 1,00,000 Options (equity shares) to Employees.

On the performance Mr. D. Ram Reddy, Managing Director commented, "In Q2FY21, we have witnessed increase in demand across our product portfolio with improved price realizations. In this quarter we have been operating at capacity utilization similar to pre-COVID levels. Demand for products like Acetonitrile, DMF, NEP, DMA and TEA has remained elevated as they are intermediates for drugs required for COVID-19 treatment. We are likely to observe better volume offtake in the second half of this fiscal year, especially with the expected revival of the entire economic value-chain across industries.

Our subsidiary 'Balaji Speciality Chemicals Private Limited' has received the REACH Certification from Europe in current month for export of our product Di Ethylene Tri Amine (DETA). Prior to this we had already received the REACH Certification from Europe in previous year 2019-20 for export of our product Ethylene Di Amine (EDA).

Currently, our subsidiary company, largely catering to end-user industry of agrochemicals, is gradually ramping up production and has an improved sales run-rate of about ₹ 10 crore per month in Q2FY21. It is important to note that the prices of finished products as well as raw material of the products of our subsidiary company have fallen. The prospects of agrochemicals sector appear brightened as agriculture has emerged as a bright spot amid pandemic with highest storage across reservoirs for last five years, coupled with good monsoon rainfall, leading to more acreage under cultivation. This should bode well for improved performance for our subsidiary company in H2FY21.

We have been filing for anti-dumping duty (ADD) on Dimethyl Formamide (DMF) since last few years. After our continuous endeavours, Preliminary Findings report of the Government committee has recommended provisional anti-dumping duty on DMF imports from China and Saudi Arabia. This has led to increased capacity utilization and would be a major positive for the company as the prices of DMF increase over medium to long-term, since DMF capacity historically has been underutilized at about 20%, due to dumping from China.

We have already made investments of about Rs. 105 crore in our 90-acre Greenfield Project, out of the total capex of Rs. 150 crore. We expect to commence the manufacturing of Ethylamines by the end of the last quarter of this financial year. The supply shortfall for Ethylamines is expected to increase to about 15,000 tons in the next two years. Demand for Ethylamines is likely to get further boost as it finds application in the COVID-19 medicine. The production of Di-Methyl Carbonate (DMC) is expected to commence during FY 21-22.

We are currently manufacturing about 9 tons of Acetonitrile per day. The process of de-bottlenecking of the plant has commenced. Post the completion of the exercise, we plan to gradually ramp-up the production to about 18-20 tons per day by the end of this fiscal year.

Our thrust remains to expand our portfolio of key derivative products alongside entering newer specialty chemicals to gain from both vertical integration and operating efficiencies. Our endeavour remains to produce high-quality products which substitute imports, for which we have been continuously undertaking expansions to reinforce our production capacity for future growth. We also plan to steadily expand our reach in the export market over medium to long-term, given the eagerness of global companies to reduce their exposure to Chinese sources of suppliers.”

About Balaji Amines Limited (BAL)

Balaji Amines Ltd (BAL), set up in 1988, is a leading manufacturer of Aliphatic Amines in India. Broadly, the company is specialized in manufacturing Methyl Amines, Ethyl Amines, Derivatives of Specialty Chemicals and Natural Product and its business is broadly classified into three segments - Amines, Specialty Chemicals and Derivatives. BAL commenced manufacturing of Methyl Amines in 1989, and

later added facilities of Ethyl Amines and other derivatives of Methyl amines and Ethyl amines. The company enjoys leadership position in many of its products like Monomethylamine (MMA), Dimethyl amine (DMA), Trimethylamine (TMA), Dimethyl Amino Ethanol (DMAE), Mono Methyl Amino Ethanol etc.

It caters to host of industries like Pharma, Agro Chemicals, Paint Stripping & Resins, Rubber cleaning etc. The company has three state of the art manufacturing facilities – two near Solapur and one near Hyderabad. In addition, BAL possess a fully furnished Laboratory which helps the company in development of newer products. A majority of its products are being exported to major customers worldwide and company has become one of the leaders in Specialty Chemicals among the International Specialty Chemical players. The company also operates a 5 star hotel in Solapur – Balaji Sarovar. It has tied up with Sarovar group for management of this hotel.

For more information please visit www.balajiamines.com

Safe Harbor Statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

Company	Investor Relations Advisors
 <p>Balaji Amines Limited CIN No: L24132MH1988PLC049387</p> <p>Mrs. Jimisha Parth Dawda, Company Secretary Email id: cs@balajiamines.com</p>	<p>SGA <u>Strategic Growth Advisors</u></p> <p>Strategic Growth Advisors Pvt Ltd CIN No: U74140MH2010PTC204285</p> <p>Mr. Shogun Jain / Mr. Parin Narichania Email id: shogun.jain@sgapl.net / parin.n@sgapl.net Tel No: +91 77383 77756 / +91 99300 25733</p>