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Balaji



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CIN : L24132MH1988PLC049387

AMINES LIMITED

... A Speciality Chemical Company

Regd. Off. : 'Balaji Towers' No. 9/1A /1,
Hotgi Road, Aasara Chowk, Solapur - 413 224.
Maharashtra. (India)

2nd February, 2022

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

Scrip Code: 530999

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: BALAMINES


Dear Sir/Madam,

Sub: Press Release in connection with Un-audited Financial Results for the quarter and Nine Months ended 31st December, 2021

Please enclosed herewith the copy of Press Release in Connection with the Un-audited Financial Results for the quarter and Nine Months ended 31st December, 2021.

This is for your information and records.

For Balaji Amines Limited


D. Ram Reddy
Managing Director
DIN:00003864
Encl: a/a



**Consolidated Q3FY22 Revenue up by 44% at ₹ 565.83 Crore;
EBITDA up by 35% at ₹ 159.67 Crore;
Net Profit up by 29% at ₹ 101.59 Crore**

Solapur, February 02, 2022: Balaji Amines Limited (“Company”), a leading manufacturer of Aliphatic Amines & Speciality Chemicals in India, specialized in manufacturing of Methyl Amines, Ethyl Amines, Derivatives of Amines and other Specialty Chemicals, announced its unaudited financial results for the quarter and nine months ended December 31st, 2021.

Key Financial Highlights are as follows:

Particulars (₹ Cr.)	Consolidated			Standalone		
	Q3FY22	Q3FY21	Growth	Q3FY22	Q3FY21	Growth
Sales Volume (in MT)	27,589	31,993	-13.77%	23,702	28,353	-16.40%
Total Income (Rs. Cr)	565.83	392.64	44.11%	474.72	366.85	29.40%
EBITDA (Rs. Cr)	159.67	117.88	35.45%	109.34	98.77	10.70%
EBITDA Margin (%)	28.22%	30.02%		23.03%	26.92%	
PAT (Rs. Cr)	101.59	78.91	28.74%	74.85	70.16	6.68%
PAT Margin (%)	17.95%	20.10%		15.77%	19.13%	
Cash PAT* (Rs. Cr)	112.87	90.71	24.43%	82.65	75.52	9.44%
Cash PAT Margin (%)	19.95%	23.10%		17.41%	20.59%	

*Cash PAT is PAT + Depreciation + Deferred tax

Particulars (₹ Cr.)	Consolidated			Standalone		
	9MFY22	9MFY21	Growth	9MFY22	9MFY21	Growth
Sales Volume (in MT)	81,569	77,510	5.24%	69,302	69,809	-0.73%
Total Income (Rs. Cr)	1,546.45	899.9	71.85%	1,308.30	863.10	51.58%
EBITDA (Rs. Cr)	438.22	246.78	77.58%	328.32	224.49	46.25%
EBITDA Margin (%)	28.34%	27.42%		25.10%	26.01%	
PAT (Rs. Cr)	287.05	154.69	85.56%	226.26	152.48	48.39%
PAT Margin (%)	18.56%	17.19%		17.29%	17.67%	
Cash PAT* (Rs. Cr)	334.18	180.84	84.79%	249.58	169.33	47.39%
Cash PAT Margin (%)	21.61%	20.10%		19.08%	19.62%	

*Cash PAT is PAT + Depreciation + Deferred tax

Consolidated Performance Highlights for Q3FY22

Revenue from Operations for Q3FY22 stood at ₹ 565.83 crore, up by 44.11%, as compared to ₹ 392.64 crore in Q3FY21. **Total volumes** stood at 27,589 MT for Q3FY22 as against 31,993 MT in Q3FY21. The revenue growth was muted sequentially as compared to previous quarter due to sluggish demand for few products - because few of our clients couldn't procure Key Starting Materials (KSMs) for some of our matching products. At the same time, the company had to shut down the plants of DMF & Acetonitrile for a brief period to carry out the de-bottlenecking exercise, which were completed in the month of November 2021.

For Q3FY22,

- Amines volumes stood at 6,460 MT
- Amines Derivatives volumes stood at 9,912 MT
- Specialty Chemicals volumes stood at 11,217 MT

EBITDA for Q3FY22 was ₹ 159.67 crore, up by 35.45%, as compared to ₹ 117.88 crore in Q3FY21. **EBITDA margin** for Q3FY22 stood at 28.22% as against 30.02% in Q3FY21. The fall in operating margin was primarily due to lower operating leverage on account of dip in volume offtake.

PAT for Q3FY22 was ₹ 101.59 crore, up by 28.74%, as compared to ₹ 78.91 crore in Q3FY21. **Diluted EPS** for Q3FY22 stood at ₹ 27.64 per equity share.

On the performance Mr. D. Ram Reddy, Managing Director, commented, "The demand remained sluggish due to the unavailability of KSMs for some of our matching products at our customers' end in Q3FY22. However, this constraint is now over, and we are witnessing a substantial pick-up in these products. Our sales volumes were also affected on account of temporary shutdowns we had to undertake at our DMF and Acetonitrile plants for the de-bottlenecking exercise, which was completed in November 2021.

As announced earlier, our capex for DMC plant under Phase 1 of our 90-acre Greenfield Project (Unit IV) is nearing completion and we hope to commence operations during Q1FY23. The capacity of this plant would be about 10,000 to 12,000 tons per annum. The company would be the sole manufacturer of this product in India and currently the annual domestic demand stands at about 8,000 to 9,000 tons which is completely met by imports. We are confident to achieve capacity utilization of 60-70% at our DMC plant in our first year of operation itself. DMC is used in the production of Polycarbonate and Lithium Batteries – the consumption of which will exponentially grow in India backed by various government incentives. Also, we see encouraging scope for exporting DMC to outside markets.

Secondly, the prices of DMF continue to remain healthy and with the completion of the debottlenecking exercise, the capacity utilization of this plant has increased substantially, the full impact of which is likely to be visible in Q4FY22 and next financial year. We expect the capacity utilization of DMF plant to increase from about 34% in 9MFY22 to 70-80% in coming quarters.

The prices of acetic acid continue to remain elevated which has eroded the margins of Acetonitrile. However, over medium to long term we foresee a substantial demand for this product as 'China Plus One' strategy takes centre stage and the PLI incentives provided by the Government of India gives further impetus leading to substantial capex by pharmaceutical and agrochemical companies. Also, for our new Acetonitrile plant (having capacity of 50 TPD) under Phase 2 expansion of our Greenfield Project, we plan to undertake production through a new technology, which will address the adverse impact of higher prices of acetic acid and shall lead to healthy operating margins. This plant is likely to get commissioned by the mid of FY24.

The products of our subsidiary company – Balaji Specialty Chemicals Private Ltd. – continue to witness robust demand and higher price realization. Unavailability of key raw materials dissuaded us from operating the subsidiary plant at full capacity. However, from the month of January the supply bottlenecks have eased, and we expect to operate the subsidiary plant at 70-80% capacity in the next fiscal year. We also expect the margins to strengthen at the subsidiary level as the production gets ramped up and we anticipate achieving annual turnover of about Rs. 475 - 500 crore. We also aim to increase the share of exports from our subsidiary plant to about 25-30% going forward from about 18% in 9MFY22.

Upon smoother accessibility to the raw materials for matching products at our clients' end in coming quarters, we expect to witness an increase in capacity utilization over the next fiscal year. Also, next year we expect substantial improvement in volume offtake from improved capacity utilization at our Ethylamines (new plant), DMF and Acetonitrile plants as well capacity additions on account of our new DMC plant.

We shall continue to witness improved demand across our product portfolio as the dependability on Indian pharma and agrochemicals industry increases on account of 'China Plus One' business strategy being adopted by western companies. 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."

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 Email id: cs@balajiamines.com</p>	 <p>Strategic Growth Advisors Pvt Ltd CIN No: U74140MH2010PTC204285 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>