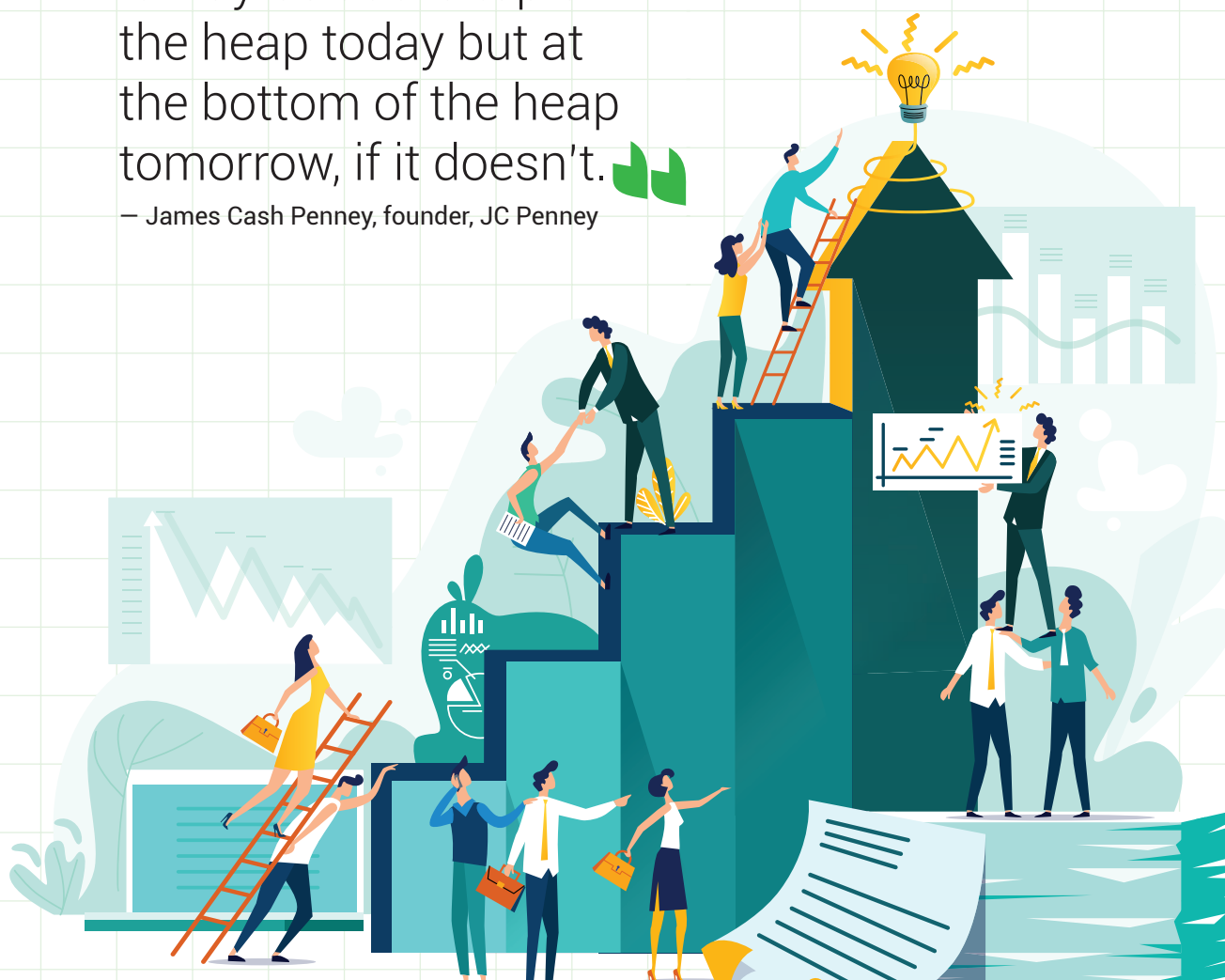




No company can afford
not to move forward.
It may be at the top of
the heap today but at
the bottom of the heap
tomorrow, if it doesn't.

— James Cash Penney, founder, JC Penney



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INVESTOR INFORMATION

Market Capitalisation as at 31st March, 2021	₹ 5,700.31 Cr.
CIN	L24132MH1988PLC049387
BSE Code	530999
NSE Symbol	BALAMINES
Bloomberg Code	BLA:IN
Dividend Declared	₹ 4/- per share
AGM Date	9th August, 2021
AGM Venue/Mode	Digital/VC

Please find our online version at:

<http://www.balajiamines.com/investor-relations>

Or simply scan to download



Disclaimer:

This document contains statements about expected future events and financials of Balaji Amines Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.



No company can afford not to move forward. It may be at the top of the heap today but at the bottom of the heap tomorrow, if it doesn't.



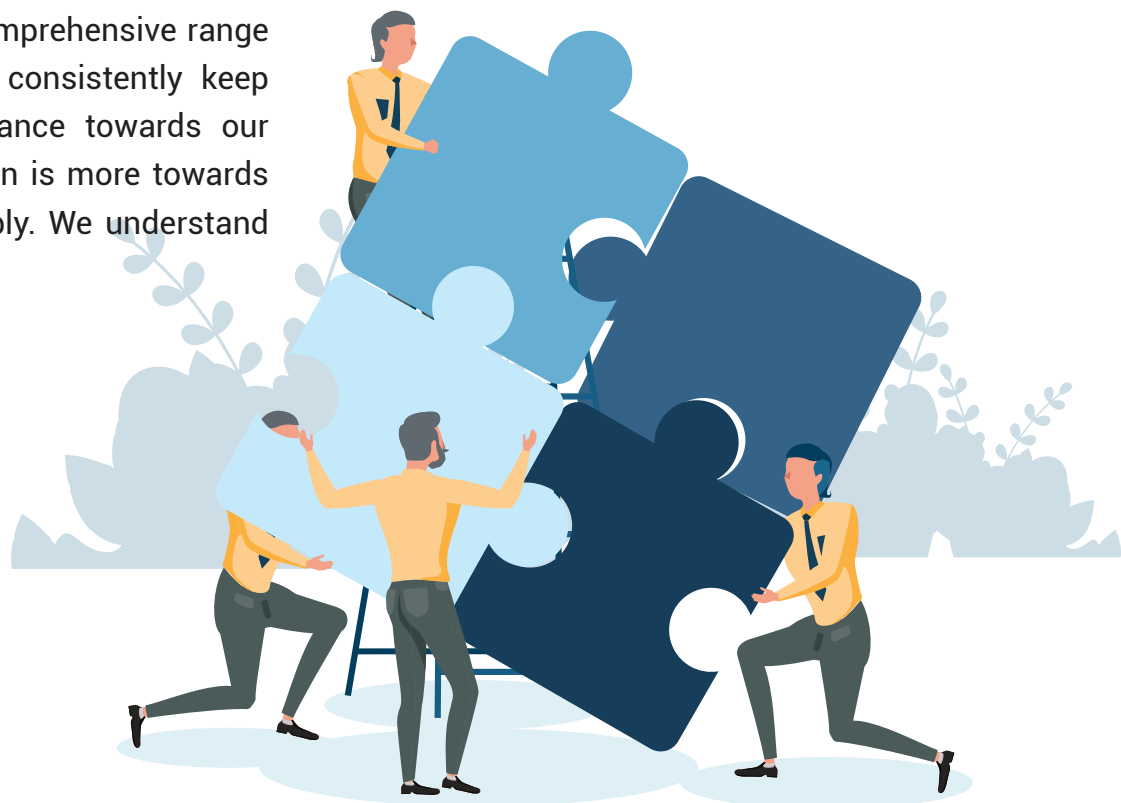
— James Cash Penney, founder, JC Penney

How do you ensure success in business?

Success in business happens when you are determined never to remain where you are today. When you are constantly moving forward towards new milestones with improved motivation and dedication, you achieve growth and move closer to the summit each day.

At Balaji Amines Limited, we strive to keep getting better continually. We are devoted to finding our newer versions, while we enhance our capabilities and offerings. Our focus is on providing our potential and existing customers with better reach and a comprehensive range of products that we consistently keep evolving. As we advance towards our goal, our concentration is more towards progressing sustainably. We understand

that the inability to move forward consistently may lead to stagnancy and land at the bottom. Thus, making the right movement is vital for development and success. And so, our growth strategy targets reaching the pinnacle. So, when on one hand we are warranting that our growth strategies reach the pinnacle, on the other hand, we feel it is essential to remain rooted to the existing ground. Thus, we are evolving with robust risk management strategies that will give us immunity against contingencies.



Balaji Amines at a Glance

Story of leading towards the better

Balaji Amines Limited ('We' or 'The Company' or 'BAL') was established in 1988 to provide for the growing need for value-based specialty chemicals. The Company commenced business in the Amines space and has undergone vast transformation since then to be one of the leading manufacturers of Aliphatic Amines & Specialty chemicals in India today. Over the years, the Company has worked consistently to offer 25+ products in Amines, Specialty chemicals and Derivatives. In line with the growth strategy, the Company has been gradually working to launch new technology-based and cost-effective products with import substitutes. Thereby capturing market share in India.

Apprehending the growing demand for Amines and Specialty chemicals, the Company is also gradually expanding its manufacturing units. It is focusing on enhancing its product range to grow its market presence further. The Company strives to consistently move forward towards growth and development while underpinning its foundation with stability and adaptability.

Industries we serve



Pharmaceuticals



Agrochemicals



Paints & Resins



Animal Feeds



Oil & Gas



Rubber Cleaning Chemicals



Water Treatment Chemicals



Dye and Textiles



Mission/Vision

- ▶ Maintaining our integrity in the market and excelling in all the sectors by providing quality products to our customers
- ▶ Focus towards high-value derivatives and specialty chemicals with an aim to move up the valuechain with vertical integration
- ▶ Develop new indigenous technology for manufacturing products leading to lowering in manufacturing costs and improving of return ratios



Values

- ▶ Innovating new production techniques to amplify our services, maintaining our integrity in the market and excelling in all the sectors we set our foot in is our core set of values. We abide by them and aim to continue our legacy with the same
- ▶ One of our topmost priorities is to provide safety and top-notch care to our employees and develop a healthy work culture for all of them

5

State-of-the-art manufacturing facilities

1

Hotel division

25+

Products offered across segments

50+

Countries where products are exported

1,000+

Dedicated employees

2,01,000

MTPA

Total installed capacity

Largest

Producer of Aliphatic Amines & Chemicals

Our diverse product portfolio

A promise of consistently growing through diversity



We are driven by the passion to continuously learn something new. Backed by an exceptional technological prowess, we became the only company to develop indigenous technology to manufacture Amines and allied products that cater for the needs of the Indian and global pharma, agro chemical industry. As we progress, in our endeavour customer-centricity forms the crux of everything we do. Hence, we emphasise on R&D and endeavour to continuously invest in new process development to deliver existing products efficiently. Over the years, we have expanded our product offerings to include a diverse range of Amines, Derivatives and Specialty Chemicals.




Balaji Amines Limited is the only producer in India for the below products

- ▶ Morpholine
- ▶ Dimethylformamide (DMF)
- ▶ N-Ethyl-2-Pyrrolidone (NEP)
- ▶ N-Methyl-Pyrrolidone (NMP)
- ▶ Pharmapure Povidone (PVP K30 & PVP K25)
- ▶ 2-Pyrrolidone (2-P)
- ▶ Gamma Butyrolactone (GBL)

Balaji Amines Limited is the largest producer in India for the below products

- ▶ Methylamines
- ▶ Ethylamines
- ▶ Di-Methyl Acetamide (DMAC)
- ▶ Di-Methyl Amine Hydrochloride (DMA HCL)

Our Portfolio Comprises:

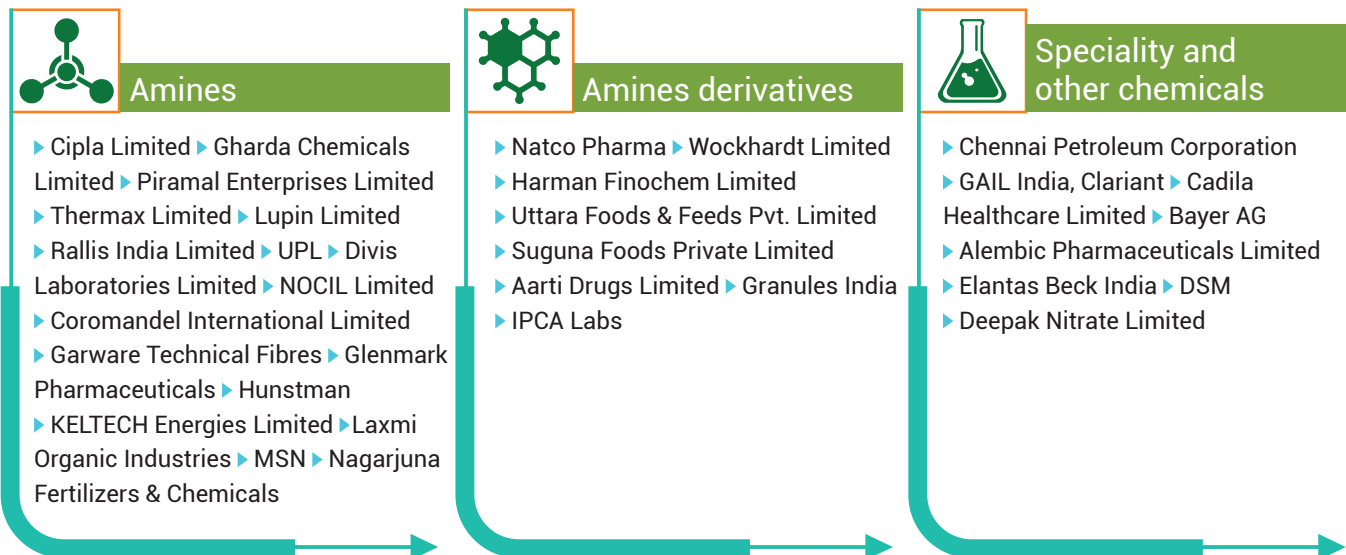
 Amines	 Derivatives	 Speciality chemicals
<ul style="list-style-type: none"> ▶ Mono Methyl Amine (MMA) ▶ Di-Methyl Amine (DMA) ▶ Tri-Methyl Amine (TMA) ▶ Mono-Ethyl Amine (MEA) ▶ Di-Ethyl Amine (DEA) ▶ Tri-Ethyl Amine (TEA) ▶ Di-Methyl Amino Ethanol (DMAE) ▶ Di-Ethyl Amino Ethanol (DEAE) 	<ul style="list-style-type: none"> ▶ Mono-Methyl Amine Hydrochloride (MMA HCL) ▶ Di-Methyl Amine Hydrochloride (DMA HCL) ▶ Tri-Methyl Amine Hydrochloride (TMA HCL) ▶ Mono-Ethyl Amine Hydrochloride (MEA HCL) ▶ Di-Ethyl Amine Hydrochloride (DEA HCL) ▶ Tri-Ethyl Amine Hydrochloride (TEA HCL) ▶ Di-Methyl Acetamide (DMAC) ▶ Di-Methyl Urea (DMU) ▶ Choline Chloride 60% Corn Cob (Corn Cob) ▶ Choline Chloride 75% (Aqueous Solution) ▶ Choline Chloride 98% Powder (Powder) 	<ul style="list-style-type: none"> ▶ Morpholine ▶ Acetonitrile (ACN) ▶ Dimethylformamide (DMF) ▶ N-Ethyl-2-Pyrrolidone (NEP) ▶ 2-Pyrrolidone (2-P) ▶ Gamma Butyrolactone (GBL) ▶ N-Methyl-Pyrrolidone (NMP) ▶ Pharmapure Povidone (PVP K30 & PVP K25)

Our growing customer base

Testimony to persistent extension

BAL believes in growing consistently. Our focus is on widening our reach to cater to an increasing number of customers across boundaries. Today, our vast customer base comprises 180 companies spread across India while we export to 50 countries worldwide.

Clientele



Our broadening footprints

Growing our global presence

We have adopted a diversified growth strategy. Over the years, we have actively worked on our geographic expansion to gain access to new markets, which is evidently reflected in our presence in over 50 countries today. During the last financial year, around 15% of the total revenue generated, which came to ₹ 185.44 Cr. was through exports.



The Company exports its products to the following countries:

▶ UK ▶ USA ▶ Argentina ▶ Canada ▶ Israel ▶ Pakistan ▶ Bangladesh ▶ Oman ▶ Germany ▶ Italy ▶ Egypt ▶ South Africa ▶ Korea ▶ Taiwan ▶ Spain ▶ France ▶ Belgium ▶ The Netherlands ▶ Norway ▶ Poland ▶ Ukraine ▶ Mexico ▶ Brazil ▶ Australia ▶ China ▶ Japan ▶ Turkey ▶ Finland ▶ Indonesia ▶ Switzerland ▶ Sri Lanka ▶ Russia ▶ Malaysia ▶ Singapore ▶ Bahrein ▶ Jordan ▶ Guatemala ▶ Columbia ▶ Costa Rica ▶ Thailand ▶ Morocco ▶ Peru ▶ Venezuela ▶ Philippines ▶ Saudi Arabia ▶ Vietnam ▶ Ireland

Our Journey and Milestones

Adapting to the changing times and needs



2019

- ▶ Set up a new plant under our subsidiary Balaji Specialty Chemicals Private Limited. The project was completed in a record 12 months and has also received Environment Clearance for Greenfield Project
- ▶ Environment Clearness received for Balaji Amines unit IV Greenfield Project

2021

Commenced operation in Greenfield Project at Unit-IV

2015

Awarded another 'Certificate of Excellence' for Balaji Sarovar Premium from the 'Trip Advisor', based on customer review for excellent food, service and hospitality

2016

BAL has set-up a plant to manufacture Acetonitrile

2018

Allotment of 90 acres land in MIDC, Chincholi with Mega Project Status

2012

Received 'Certificate of Suitability' from the European Director for the quality Medicine and Healthcare (EDQM)

2013

- ▶ Inaugurated the five-star hotel 'Balaji Sarovar Premiere' in October 2013
- ▶ Manufacturing of DMF Plant commissioned

2014

Awarded for Balaji Sarovar Premium's 'Eco-friendly Green Technology'

2006

- ▶ Founded Balaji Foundation and Research Center for rural population as a part of CSR activity
- ▶ Became the sole manufacturer of GBL, NMP, and Morpholine

2009

Bagged the 'Certificate of Merit' for Outstanding Export by chemexcil

2010

Installed wind turbine for generating in-house electricity in-house to start focusing on renewable energy

2001

Certified with ISO:9001

2003

Increased capacity of Methyl Amines

2005

Developed more specialty chemicals

1992

Developed R&D center at Hyderabad

1995

Started manufacturing drug intermediate –DiMethyl Amine Hydrochloride

2000

Added derivatives of Methyl and Ethyl Amines to the product portfolio

1988

Commenced business

1989

Started manufacturing Methyl Amines and Ethyl Amines in the following year

Chairman's Message



Dear Shareholders,

Before beginning my annual address, I would like to convey my deepest sympathies to everyone impacted by the outbreak of the Covid-19 pandemic. During this time of great stress and uncertainty, I sincerely pray for everyone's good health and safety.

CY 2020 brought about a significant global challenge. Apart from the immediate and severe health concerns, the pandemic's impact has been much broader on lives and economies worldwide. Many economies slipped into a technical recession – the largest since the Great Depression of CY 1929. Spontaneous and imperative restrictions like lockdowns, suspension of cross-border trade, production and travel were imposed across many countries. The year was further marked by several other marquee events like the ongoing US-Sino trade conflict, volatile crude oil prices, and higher commodity prices.

India was among the first few countries to impose one of the strictest and prolonged lockdowns to curb the virus from spreading. Today, as I write this communique, we are engulfed in the second wave of Covid-19. The total number of infected cases today are significantly higher than they were during the first wave last year. Back then, the strict measures undertaken for necessitating social distancing and safety, severely curtailed economic activities. It eventually led to the economy's contraction by 23.9% in the Q1 of 2020-21. The Government announced various

“ We persistently kept strengthening our capabilities while creating value for our stakeholders. Even amid a tough and challenging year, we retained our leadership position as the largest amines and speciality chemicals manufacturers.”

stimulus packages to mitigate an economic fallout. These packages, in the form of fiscal and monetary policies, aimed at providing relief. The highlights of these economic measures were '₹ 20 Lakh Crore' package, released under the Aatmanirbhar Bharat campaign, aimed to make India self-reliant and support all walks of society in general.

With the phased unlocking, there was a visible uptick in economic activities. This easing of restrictions, gradual resumption of business, coupled with the fiscal stimulus package, led to some recovery. As a result, the economy's contraction narrowed to 7.5% in the Q2 of 2020-21. There was an evident drop in the number of Covid-19 cases and slowly, we started seeing a rise in pent-up demand. These developments made India, the world's second economy to post a positive GDP in the Q3 of 2020-21.

Let me share how we coped with the Covid-19 situation and our team's resilient actions leading to sustainable performance Quarter on Quarter.

End-user Industry

The pharma segment is one of the major consumers of amines and speciality chemicals. The outbreak of the pandemic swelled up the demand for pharmaceutical APIs, thus leading to an increase in the demand for amines and speciality chemicals. Additionally, agrochemical manufacturers also witnessed a rise in demand. Despite the supply chain disruptions and labour migration issues, there

was an uptick in the manufacturing activities, resulting in robust pent-up demand from the end-users.

Safety First

With all the issues swamping the economy, our prerogative was to safeguard our employees, their families, along with our other stakeholders. We firmly believe in employees being at the heart of any organisation. With this core ethos, we undertook several workplace measures to safeguard our team, which included:

- ▶ Adherence to various lockdown and safety mandates and guidelines issued by the Central and State Government and other local bodies from time to time
- ▶ Usage of technology to facilitate remote work for our employees, thereby assuring their safety by lowering their chances of getting impacted
- ▶ Maintenance of all social-distancing norms, encouraging wearing of masks and use of sanitisers and following all the safety protocols
- ▶ Maintaining quarantine facilities at units
- ▶ Providing medicines and preventive steps at our facilities
- ▶ Taking care of hospitalisation and medial support through doctors consultation

Stellar Performance

Despite a difficult year for the economy, we managed to clock better financial metrics. We attribute these results to the resilience of our business model and the tremendous hard work of our employees. They are the people who have helped us wither this crisis and drive through swiftly on an excellent performance. Despite challenging conditions, we managed higher revenues, EBITDA levels and even better margins during the year. We accredit this improvement to better operating leverage of all our plants and increase in volume offtake, coupled with higher price realisations.

Let me share some of the highlights of our financial performance during the year 2020-21:

- ▶ Revenue from operations stood at ₹ 1,227.78 Cr. in 2020-21 against ₹ 919.05 Cr. in the previous year – indicating a growth of 33.59%
- ▶ EBITDA for 2020-21 stood at ₹ 338.65 Cr., registering a growth of 78.21% over the previous year
- ▶ Net Profit was recorded at ₹ 231.71 Cr. in 2020-21, witnessing an increase of 103.71% over the previous year
- ▶ Return on Capital Employed (ROCE) was clocked at 28.88%, compared to 18.81% in the previous year – an increase of 1,007 bps

Our subsidiary company, Balaji Speciality Chemicals Private Limited (BSCPL), also witnessed a robust financial performance. This was on account of higher demand from various end-user industries, and we are looking forward to better utilisation of plant capacity in the years to come.

Expansion Plans

About 75% of our revenues are generated from the pharma and agrochemical industries. With the commencement

of operations at our new state-of-the-art plant of Ethylamines with an installed capacity of 16,500 tons per annum (part of Phase 1 of our 90-acre Greenfield Project (Unit IV) at Solapur), the Company now has the largest installed capacity of Ethylamines in India at 22,500 tons per annum.

The de-bottlenecking of our Acetonitrile plant got delayed due to lack of skilled manpower because of the pandemic-led restrictions. However, the construction of our new plant for Di-methyl Carbonate (DMC) in Phase I of Greenfield Project (Unit IV), is progressing as envisaged. We are expecting to commence production of DMC by the end of 2021-22. We have undertaken a total capex of ₹ 156 Cr. in Phase I of our Greenfield Project upto March 2021. Further ₹ 160 Cr. will be used for capex during the Financial Year towards DMC, Methylamines in Unit IV & Captive Power Plant in Unit III.

Looking at the growing demands, we further intend to setup a new plant with an installed capacity of 40,000 TPA for Methylamines under Phase-II of the Greenfield Project at Unit-IV.

Outlook

CY 2021 looks strong from the overall growth perspective. Massive inoculation drives and various government initiatives are vitally continuing to hold the economy steady. These positive developments have led many world-renowned agencies and forums to anticipate a V-Shaped recovery for India, along with higher growth in CY 2021. However, we need to move ahead with cautious optimism owing to the second wave of Covid-19. The subsequent curbs by the various state governments may dampen prospects by further impacting the recovery.

Conclusion

On a concluding note, I would like to mention that the passion and dedication of our team members amid such tense times has helped us progress despite adversities. I extend my heartfelt gratitude to each member of Balaji Amines Ltd. As we move ahead, I assure you that we will continue pursuing our growth trajectory while focusing on the investments in R&D, capability and capacity enhancements. We will continue providing newer and better solutions and higher quality products to our customers persistently. I also take this opportunity to thank all our stakeholders. Their continued trust drives us to focus on creating value for them while delivering what we promised.

We provided the best support and hospital treatment to those members who were infected with Covid-19. But, unfortunately, two members of our staff lost their lives to Covid-19. We pray for their departed souls and extend our wholehearted condolences to their families. Amid these challenging times, we pray for you all to stay safe and healthy. Take care!

Regards,

A. Prathap Reddy
Executive Chairman

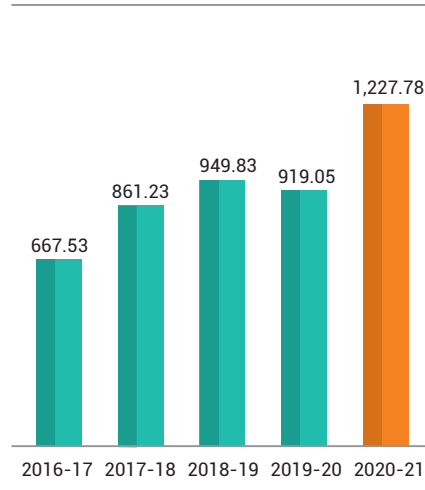
Our Robust Financial Performance

Reflection of continued progress

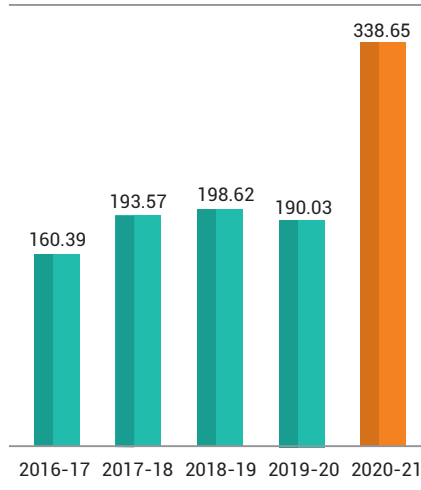
Despite the pandemic, the Company's financial performance was exceptional which is a reflection of our continued progress. The standalone Amines business revenue grew by 33.59% YoY and stood at ₹ 1,227.78 Cr. as on 31st March, 2021. EBITDA posted a record-high margins of 27.31%, while the EPS jumped from ₹ 35.11 to ₹ 71.52 in 2020-21, as compared to the previous year. The growing demand for the Company's products, in the wake of Covid-19, and sustained growth of the Indian pharmaceutical industry on account of 'China Plus One' business strategy adopted by western countries can be attributed to such a stellar performance.



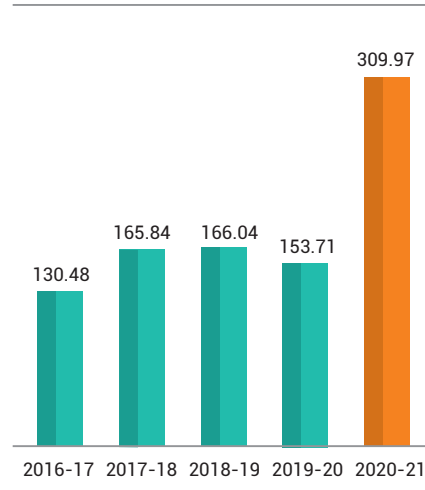
Net Sales (₹ in Cr.)



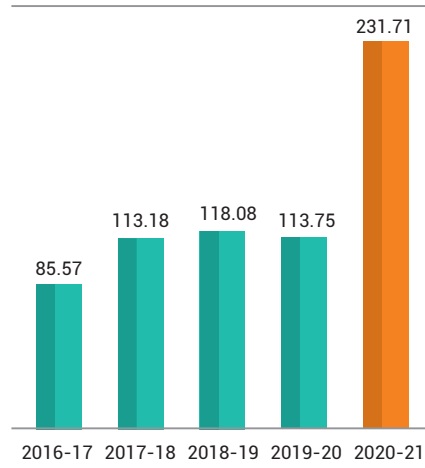
EBITDA (₹ in Cr.)



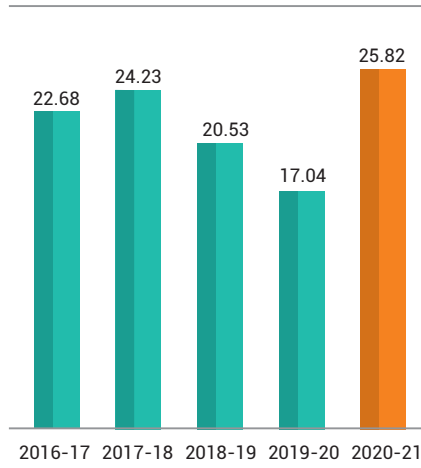
PBT (₹ in Cr.)



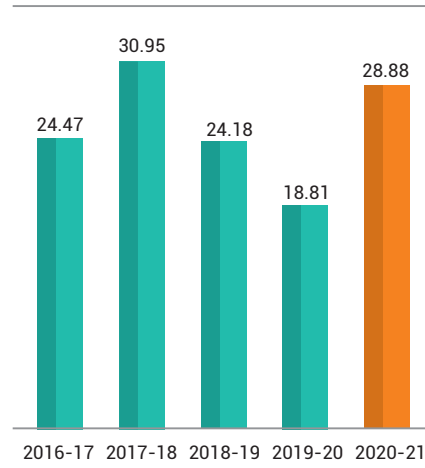
PAT (₹ in Cr.)



RoE (%)



RoCE (%)



EBITDA: Earnings Before Interest Tax and Depreciation | PBT: Profit before Tax | PAT: Profit after Tax
 ROE: Return on Equity | ROCE: Return on Capital Employed