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Balaji

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CIN : L24132MH1988PLC049387

AMINES LIMITED
...A Speciality Chemical Company
Regd. Off. : 'Balaji Towers', 9/1A/1,
Hotgi Road, Aasara Chowk, Solapur - 413 224.
Maharashtra. (India)

16th May, 2024

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.: Submission of Earnings Call Transcript under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Transcript of Q4FY2024 Earnings Conference Call held on Friday, 10th May, 2024.

The transcript of the said Earnings Call is also available on the website of the Company at https://www.balajiamines.com/investor-relations.php.

This is for your kind information and records.

Thanking you.

Yours faithfully,

For Balaji Amines Limited

LAKHAN SUGANCHAND DARGAD

Digitally signed by LAKHAN SUGANCHAND DARGAD
Date: 2024.05.16 19:10:02 +05'30'

Lakhan Dargad
Company Secretary & Compliance Officer

Encl.: a/a

"Balaji Amines Limited Q4FY24 Earnings Conference Call"

May 10, 2024

MANAGEMENT: MR. D RAM REDDY – MANAGING DIRECTOR, BALAJI AMINES LIMITED

MODERATOR: MR. GAGAN DIXIT – ELARA SECURITIES PRIVATE LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to Balaji Amines Limited Q4 FY '24 Earnings Conference Call hosted by Elara Securities Private Limited.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*"and then "0" on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Gagan Dixit from Elara Securities Private Limited. Thank you, and over to you, sir.

Gagan Dixit: Yes. Thank you. A very warm welcome to everyone to discuss Balaji Amines Q4 FY '24 results. It is our pleasure to be able to bring to you the management of Balaji Amines Limited led by Mr. D Ram Reddy, who is the Managing Director. We would also like this opportunity to congratulate the management on its excellent set of numbers. With these words, I would now hand over the conference to the Balaji Amines Management. Over to you, sir.

D Ram Reddy: Thank you, Gagan. A very good evening and a warm welcome on behalf of Balaji Amines Limited to all of you who have joined us for this Con Call to discuss the Operating and Financial Performance for the Quarter and Financial Year ended FY '24. We appreciate your time and interest in our Company's performance. I hope everyone had an opportunity to go through the Financial Results and Investor Presentation, which have been uploaded on stock exchanges.

We are pleased to announce that our performance in the 4th Quarter points towards a positive trajectory. We have managed to report a resilient performance in Q4 FY '24. Our top line has strengthened compared to the previous quarter with higher volume uptake, leading to improved margins driven by stabilized input costs on both raw materials and utility fronts and setting industry scenario. The rebound in domestic demand coupled with encouraging international market trends is contributing to this momentum and enhancing our margins.

Recent developments include the successful commencement of n-butylamines production at Unit IV boosting an annual installed capacity of 15,000 metric tons. Furthermore, Unit I and Unit III have received BIS certification for morpholine, enhancing our product quality standards. Both methylamine and dimethyl ether projects are progressing well, showcasing our commitment to operational excellence. We remain committed to our debt-free strategy, which continues to serve as a significant advantage for us by providing financial stability, enhanced credit worthiness and into profitability. Our goal is to bring innovative products to market and enhance our product range and develop advanced manufacturing facilities to differentiate ourselves from competitors and capture market share.

Sustaining our leadership position in amines and their derivatives within the Indian market has been integral to our achievements. The broad assortment of specialty chemicals we offer, remains a key differentiator setting up spot from competitors. We foresee the fiscal year 2024-'25 as a period of growth and improved market conditions, guiding us to maintain our leadership in Amines and Specialty Chemicals.

Now let me take you through the Consolidated Financial Operational Performance:

Revenue from operations for Q4 FY '24 stood at INR 423 crores as compared to INR 392 crores in Q3 FY '24. Total value stood at 27,984 metric tons for Q4 FY '24 as against 26,903 metric tons in Q3 FY '24. EBITDA for Q4 FY '24 was INR 106 crores as compared to INR 83 crores in Q3 FY '24. EBITDA margin for Q4 FY '24 stood at 25% as against 21% in Q3 FY '24. PAT for Q4 FY '24 was INR 72 crores as compared to INR 56 crores in Q3 FY '24. Diluted EPS for Q4 FY '24 stood at INR 21 per equity share as against INR 15.24 in Q3 FY '24. For Q4 FY '24, Amines volumes stood at 8,910 metric tons. Amines derivatives volumes stood at 9,676 metric tons and Specialty Chemical volumes stood at 9,398 metric tons.

On a standalone basis, we are a zero-debt Company. Revenue from operations Q4 FY '24 stood at INR 373 crores as compared to INR 314 crores in Q3 FY '24. EBITDA for Q4 FY '24 was INR 95 crores as compared to INR 64 crores in Q3 FY '24. EBITDA margin for Q4 FY '24 stood at 25% as against 20% in Q3 FY '24. PAT for Q4 FY '24 was INR 63 crores as compared to INR 42 crores in Q3 FY '24. Diluted EPS for Q4 FY '24 stood at INR 19.32 per equity share as against INR 12.82 in Q3 FY '24.

Coming to our Standalone Performance for the Financial Year 2024:

Revenue from operations in FY 2024 stood at Rs. 1,359 crores as compared to Rs. 1,736 crores in FY 2023. The EBITDA stood at Rs. 267 crores in FY 2024 as compared to Rs. 339 crores in FY 2023. Our EBITDA margin was 20% in FY 2024. PAT for 2024 stood at Rs. 171 crores from Rs. 228 crores FY 2023. The diluted EPS for FY 2024 stood at Rs. 52.87 as against Rs. 70.18 per equity share in FY 2023.

Now coming to the Consolidated Performance for the Financial Year 2024:

The revenue from operations for Financial Year 2024 stood at Rs. 1,671 crores as against compared to Rs. 2,371 crores in FY 2023. EBITDA for the Financial Year 2024 stood at Rs. 353 crores as compared to Rs. 624 crores in FY 2023. EBITDA margin for FY 2024 was at 21% as against 26% in FY 2023. PAT for the Financial Year 2024 stood at Rs. 232 crores as compared to Rs. 406 crores in the FY 2023.

Update on new projects and new proposed products:

Looking ahead, we have strategic CAPEX and new proposed products, projects, plans in place to fuel our future growth journey. We have initiated the CAPEX for setting up the following plants, which will significantly contribute to expansion. Methylamines, the project implementation is progressing as planned. The project is likely to be commissioned around the end of December 2024. Electronic grade DMC. Electronic grade DMC plant set to commission in FY '24-'25 holds promising prospectus in India EV battery market due to its exclusive production status and a robust installed capacity of 15,000 MT per annum.

Dimethyl ether. At Unit IV, we are currently working on a DME manufacturing project set to be launched by March 2025 along with being a substitute of LPG, DME is used in Aerosols plus Bureau of Indian Standards is eyeing a 20% DME blend with LPG recognizing its benefits

The Company has proposed to set up the following projects. Number one, N-Methyl Morpholine Company, 3,000 tons per annum; and N-(n-butyl) Thiophosphoric Triamide, which is called NBPT, 2,500 tons per annum. Isopropylamine, the Company has proposed to manufacture Isopropylamine, Mono and Di, in the existing plant of Ethylamine at Unit I by modifying the existing Ethylamine plant, which is not in operations as we have set up a new and high output plant for manufacturing of Ethylamines at Unit IV.

Hotel business. With the demand soaring and current occupancy at 85% to 90%, we have decided to add 40 rooms towards the south side of our existing structure building, which should cost us around Rs. 30 crores to Rs. 35 crores providing to meet growing accommodation to maintain strong revenue streams.

We are moving quickly with our plans for a new 20-megawatt solar power plant with MIDC, Solapur, Maharashtra. Phase 1 involves setting up an 8-megawatt capacity expecting to be operational by December 2024. We are also sorting our paperwork for net metering and land conversion to non-agriculture use.

Our steadfast reliance on our core strengths and competencies remains the cornerstone of our strategy, as we explore the integral landscape of the market. These inherent strengths not only serve as our guiding light, but also propel us towards achieving greater excellence in our role as a front runner in the amines and specialty chemical sector. Looking ahead, we are optimistic about the fiscal year 2024-'25, anticipating a period marked by significant growth and favorable market conditions. We foresee promising opportunities on the horizon and we are well positioned to capitalize on them. With our strategic initiatives and robust foundation in place, we are confident in our ability to navigate any challenges that may arise and drive sustained growth in the upcoming year.

Now we can open the floor for questions and answers. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Nirav Jimudia from Anvil Research.

Nirav Jimudia: Good Afternoon Sir. Thanks for the opportunity. I have 2, 3 questions. Sir, one is on a standalone basis, if we compare our volumes this year for the Specialty Chemicals, they are close to around 27,600. When we look at FY '22, these volumes were around 36,000 tons. So, in between these 2, 3 years, our volumes have fallen. So, which of the products would have contributed to this fall in the volumes between these 2, 3 years?

D Ram Reddy: I think you are getting confused. One is standalone, one is consolidated.

Nirav Jimudia: I have excluded the consolidated numbers...

D Ram Reddy: That 36,000 tons you are talking probably it may be consolidated.

Nirav Jimudia: No, no, sir. What I have done is I have excluded the numbers of our subsidiary out of the Specialty Chemicals. So, the rest of the volumes, I presume, would be for the standalone business. That bifurcation happens in…

D Ram Reddy: There may be 1 or 2 quarters, 1 or 2 products, maybe like that. But the way you are talking that 26 versus…..

Nirav Jimudia: No, sir, 36,000 versus 28,000 tons.

D Ram Reddy: Anyway, see, one product that is acetonitrile, there was one boom, if you take that particular period. As of now, we are not doing anything in the acetonitrile plant. That is totally closed, number one. And the other thing is DMF. There was 1 year or 1.5 years, it went more than 70% to 80% capacity operated. But all other times, it 35% to 40% only. This time we are expecting once we start this plant, that is methylamine plant, we are expecting that we continue operating DMF plant with us with the availability of DMA.

Nirav Jimudia: Correct. So, probably, we are currently restricted by the availability of DMA for DMF because of which we are not able to….

D Ram Reddy: Sometimes. Sometimes we will choose whichever is profitable like by a good price I will get for DMA then I'll not go for the DMF. Once the DMA is more available, then we will run both, DMF and as well as selling the DMA also will happen.

Nirav Jimudia: Correct. Sir, how is the markets of NMP, GBL, 2P/NEP during FY '24? Are we seeing some improvement in the demand towards those categories of products? Because I think 2021-'22, you mentioned that even those products were doing well, which are normally the high-margin products for us. So, if you can just walk us through in terms of the update on those products?

D Ram Reddy: Yes. See, these products what happened in between, a lot of reused material was coming. I don't know, the God only can save these people. Many people started using recycled material, which is coming from China, which is after using 2, 3 uses, in the electronics, the material is removed.

So, that material, if you, simple purification even show 99.9%, but large impurities, metal contents will be there, which nobody will test. So, that has given some impact. But going forward, what we are expecting, there are 2, 3 out of 5, 6 people for the lithium battery. There are 2, 3 people are in the front run. If 1 or 2 comes, then our capacity will go 100% for specifically NMP capacity. And 2P will be going full-fledged from last quarter onwards, it is going. Forward also, it will go full-fledged because the PVP K is operating at 100% level.

Nirav Jimudia: Correct. So, let's say, if we take our specialty volume basket as a whole, probably this category of products would be giving us the highest margin. So, when the volume comes back, probably the possibility of improvement in the per kg margins would see an upside from here onwards?

D Ram Reddy: It's not like that. There are many products. So, in one time, one product will behave that depends upon the market. This is the first year we have seen that because a lot of people have started using the recycled material. Probably, the FDA will come to be alert, then these things will change. But even otherwise also, as I said, the coming 1 or 2 years, you will see a lot of consumption will take place in the NMP because of these lithium battery companies.

Nirav Jimudia: Got it. Sir, let's say, if we exclude the specialty volumes and see just the amines and the amines derivatives, predominantly those methyl and ethyl amine products and their derivatives, what's your observation in terms of per kg margins currently vis-a-vis before 2, 3 years? So, have you seen the contraction in the margins happening on the methyl ethyl side on a per kg margins currently? Or ….

D Ram Reddy: I will tell you. The answer is in your question only. See, last, say, 5, 6 years, if you take, past 1 year, that is the COVID period that is last year, '22-'23 was a different period. You cannot compare that period with any other year because that was a bonus period for all the chemical industry and pharma industry. Other than that, 21% to 22% were the EBITDA levels, right? This year also, we have done this quarter, I can say, quarter we have done 25%, but if you take the year, 21% we have done, which is well within the limit as per your concern that specialty did not do well. Still, we have done 21% on a yearly basis. So, see if the specialty adds for this thing, definitely, it will be 23% to 24% of the EBITDA margins.

Nirav Jimudia: Got it Sir. And this improvement is predominantly coming from the methyl chain or the ethyl chain?

D Ram Reddy: That is very difficult to say. It is a combination of the many products, not only methyl also, ethyl also, because there are many products basing on methyl, many products basing on the ethyl using our own consumption. There, the margins will change. So, it is from both.

Nirav Jimudia: Correct. Sir, second question is on the DMC and the propylene glycol plant. So, if you can walk us through how was the capacity utilization in Q4 as well as in FY '24 for both these products?

D Ram Reddy: See, it is operating presently 30% to 40%. You are well aware these plants were meant for the lithium batteries. Actually, lithium batteries companies, last 4-5 years, they were talking. Last 4-5 years. Just in they were coming like this, they were talking. But unfortunately, nobody has done kickstart. Now, we are discussing, there are 1 or 2 companies who visited the plant and who we have seen are serious in their commencement of the production.

Then the DMC will start because this goes in the electrical batteries**.** Otherwise pharma and agro is very small quantities that is about 3,000 to 5,000 tons for this thing. Even consumption of Di Methyl Carbonate was very less in these pharma and agriculture together because 7,000 to 8,000 tons maximum, but we have set up a plant for the 30,000 tons, including the PG, propylene glycol. Because looking into this battery, lithium batteries coming up. So, that has been delayed. Definitely in the coming quarters, probably before end of the year, at least 1 unit should come into the line where we should be benefited.

Nirav Jimudia: Got it. And we are using propylene oxide as a starting material for this DMC and propylene glycol, right?

D Ram Reddy: Yes.

Nirav Jimudia: Our volume growth on a standalone basis was close to 8%, 8.5%. Any guidance for FY '25 in terms of the standalone volume growth, what we are looking at?

D Ram Reddy: Minimum 10%, I'm telling you. I'm telling you very conservatively, but minimum 10% without considering any expansions.

Nirav Jimudia: And Q4 margin should be taken as a base margin on which we should start working on? And / or there could be some improvements going forward? How do you guide on the EBITDA margin?

D Ram Reddy: It should be between 21% to 24%. Minimum 21%, maximum 24% should be there.

Moderator: Sorry to interrupt, sir. I would request for last participant to come with the follow queue to any other questions please. We move to the next question. The next question is from the line of Rajeev Rupani, an individual investor. Please go ahead.

Rajeev Rupani: Good Evening sir, congratulations on the improved of set of numbers. Sir, I had a question on BSC Unit 1. First question is, is the debottlenecking complete? What was the capacity utilization last year and going forward? And number 3, is the raw material issue behind us?

D Ram Reddy: No, there is no raw material issue. Even still, there are some 2, 3 months, again, we have to take 1 or 2 shutdowns for completing this. While doing this debottlenecking, as I told earlier also, we are doing some of the product mix development also. Means like today, we are using MEA, monoethanolamine. Now we have come across in the R&D, we can use the diethanolamine also.

If you use this combination, you will get increased value-added products. Like DETA, PIP will get more. So, those activities going parallel. So, in the current year, you will see in the coming 1 or 2 quarters, you will see both the things, and you will see the capacity improvement as well as this combination improvement you will see.

Rajeev Rupani: Sir, my next question on BSC Unit 2. Now have we received the environment clearance? Number one. Number two, you have given the list of products in the press release. So, could you let us know the phase wise CAPEX and phase wise which products will come up first?

D Ram Reddy: See, We have taken, TOR is already received, right and may take environmental clearance by end of May 2024 or may be first or second week next month. Regarding products, the sodium cyanide will be the first product. And there are 6 products, which are going in the first phase. One is triethyl orthoformate, so we are going to make triethyl orthoformate. In the initial, hydrogen cyanide, sodium cyanide will come. Along with that, by using EDA, EDTA will come and EDTA acetic acid will come. And Benzyl Cyanide (BnCN) will come. Phenylacetic Acid (PAA) will come. Triethyl orthoformate and trimethyl orthoformate. These are the products coming in the first phase, which will take about Rs. 300 crores to Rs. 400 crores investment.

Rajeev Rupani: Sir, we are doing a CAPEX of Rs. 750 crores. So, once all this is complete, how much revenue will this BSC Unit II give us?

D Ram Reddy: It's too early to say, but definitely, it should cross INR 1,000 crores minimum with this unit 2 alone.

Rajeev Rupani: Including all the products?

D Ram Reddy: These first phase which I told you 6 products, just now, I told you. I'm talking about Rs. 350 crores to Rs. 400 crores. And second phase, the additional Rs. 350 crores, which will become total Rs. 750 crores.

Rajeev Rupani: And sir, this will all be through internal accruals and little debt and we had planned the IPO. So, any update on that?

D Ram Reddy: 99%, the first phase will be total internal accruals only. Probably, when we start second phase, again, that depends upon the operation of the first phase. Probably end of the second phase, we may need Rs. 50 crores to Rs. 100 crores borrowing.

Rajeev Rupani: Okay. Sir, my next question was on the methylamines new plant, which is getting commissioned in December. Sir, could you update, once this is commissioned, can we expect higher utilization of our current DMF plant, 30,000 tons? Number one. Guide us on DMF exports, anti-dumping duty on DMF and that there was dumping of DMF by Saudi Arabia. Please update.

D Ram Reddy: See, Rajeev, what is happened. As of now we were working, DMA is a separate plant, right? Methylamine is a separate plant and DMF is separate plant. So, during this working, we will calculate the DMA selling price in the DMF. Once the new plant comes, then one plant of DMA and DMF together will become one plant. So, definitely, we will be running 100% capacity. That is number one. Number two, the methylamine plant also will operate at 100% capacity. As regards to exports, we have started some small exports including to Saudi Arabia, some few containers to Europe also. And now we are discussing with U.S. also. So, this also will take once we go in full operation with this new methylamine plant.

Moderator: Sorry to interrupt, sir. I would request Mr. Rajeev sir to follow up in the question queue for further questions. The next question is from the line of Nilesh Ghuge from HDFC Securities. Please go ahead.

Nilesh Ghuge: Sir, my first question is on our investment in subsidiary. So, we are investing about Rs. 750 crores and coming out with these products. So, how much ethylene diamine will be consumed, let's say, in the first phase out of our capacity of 37,350. And if we do require any additional capacity of ethylene diamine at least for a first phase of this expansion?

D Ram Reddy: No. We don't need anything. We are trying to utilize 35% to 40% of our existing plant EDA. And we are trying to make some of the value-added products other than EDTA like DETA and Piperazine, which I discussed in the earlier years also that the new technology R&D was going down. That has come to a final conclusion, which we will hear in coming 1 or 2 quarters that you will see less of the EDAs coming out for the market from our plant. And you will see more of the value-added products like piperazine, DETA, TETA, TEPA, PEHA. These all products will come in line along with the EDTA derivatives.

Nilesh Ghuge: And sir, when we complete our Phase 2 expansion, as you mentioned earlier in this call, so do we require additional ethylene diamine plant or this plant, this 37,000 is sufficient to take care of that?

D Ram Reddy: We don't need.

Nilesh Ghuge: Okay. And sir, then currently, we are selling this ethylene diamine in the market, right? And there is a good opportunity, import subscription opportunity. So, when we add the value-added products, how much the contribution, based on your estimates, value-add you are doing in the products? Any ballpark number, sir?

D Ram Reddy: It's too early to say that. See, whatever we are talking on, the estimated figure is basing on the pilot and R&D, right? Once that goes in the full stream in commercial basis only, we will be in a position to give you right numbers. But they are all definitely better than the current situation.

Nilesh Ghuge: Yes. And sir, my second question is on the methyl amine side. As you said that you are coming out with the 40,000 that is going to complete by about December '24. So, how much out of this 40,000 will be captively consumed? And yes, that's my question on the proposed capacity out of this 40,000.

D Ram Reddy: See, around 15,000 tons of the DMA will be consumed. Whatever DMA comes will be consumed in our captive only. The existing plants only, we will be catering. The new plant, entire DMA will go to the captive. Little of MMA will go into the market.

Nilesh Ghuge: So, currently, we have 48,000. Out of that 15,000, we are currently consuming captively, rest in the market. And from the proposed capacity, entirely will be captively consumed, correct, sir?

D Ram Reddy: Yes.

Moderator: The next question is from the line of Aditya Khetan from SMIFS Institutional Equities. Please go ahead.

Aditya Khetan: Sir, my first question is on to the demand side. Sir, last year, we had witnessed there was heavy destocking and with all the heightened geopolitical tensions, our numbers were also not coming. So, they were in a bad shape. So, from the coming quarter, we had witnessed improvement in top line and margins. So, what is your assessment on to the demand side and whether these numbers are sustainable for the coming 2 years?

D Ram Reddy: Yes. See, demand, I can say was delayed because of the raw material prices were lower and finished products were lower. That's the reason you have seen the revenues were not up to the mark. But if you see the volume year-on-year basis, there is an improvement of 8.25% of improvement when you compare to last year and current year. So, this shows that definitely, there is an improvement. Secondly, that destocking, yes, there is a improvement in the Indian side. And from the China side, not like earlier, which is coming, but the prices are improved a little favorable to India. So, the reason we could see better results for the current quarter. And we expect this to improve forward in next quarters.

Aditya Khetan: Sir, my second question. Sir, if you can share the capacity utilization for DMF and for the acetonitrile business. And secondly, sir, what is the current status on to the acetonitrile, are we looking to refurbish that plant for some other products like which can fetch it a better utilization. So, what is the plan over there?

D Ram Reddy: Acetonitrile, as I said, we were not working, but if the market improves, it rises. We are still working on that technology, which we said earlier. That is still in the pipeline. Because we have got the other priority products, preferred products, we have not taken that on the front bench. So, that in the coming quarters, if the situation improves in the market, definitely, we will revive that. In the meantime, as you asked that we are also trying for some of the other products if we can do, after doing these all routine expansions, probably, we may work out one or the other product to drive on the acetonitrile plant. What is the other question or what is the other products you said?

Aditya Khetan: DMF capacity utilization. DMF.

D Ram Reddy: DMF, this year, from this quarter onwards, you will see we will be utilizing more than 70%.

Aditya Khetan: And sir, just one last question, sir, on to the n-butylamine side. So, you had mentioned into the presentation that the domestic demand is 8,000 tons. Sir, what is the global demand for this product?

D Ram Reddy: See, we have gone for the 15,000 tons, even though domestic demand is 7,000 to 8,000 tons only. The reason being, if you see, we have shown one product NBPT, so 2,500 tons, we are coming up where this butylamines is consumed in that. The reason we have planned for the higher capacity.

Aditya Khetan: Okay. And what is the global demand figure, sir, for this in n-butylamine?

D Ram Reddy: I do not have in handy, but I'll definitely try to give you. Send a mail, we will try to give, because as of now, I don't have any idea.

Moderator: Thank You. The next question is from the line of Aman from Augmenta. Please go ahead.

Aman Madrecha: Sir, I was listening to some other participants that as and when you commissioned the methylamine plant, and then you will be producing the DMA for DMF. So, like previously, in one of our earlier conversations, you used to mention that whenever the DMF prices is somewhere near Rs. 100 to Rs. 110 per kg, it is viable for us to produce. And currently, if we are seeing that the prices are around, what, Rs. 60, Rs. 70 per kg. So, you are trying to say that like maybe after a year or so when the methylamine plant is commissioned, even if the prices are around Rs. 60 to Rs. 70 per kg for DMF, it will be viable for us, right? We mean this right**.**

D Ram Reddy: Not Rs. 60, current price is Rs. 70. Yes, it is workable at a lower margin. If it is Rs. 100, if you buy the DMF from outside also, it was viable that time, if the DMF price is Rs. 100. Making over DMA, yes, it is viable for making DMF with the own DMA. So, all these days, you were not having sufficient DMA. You were not operating fully rather than you are selling the DMA in the market rather than making the DMF. Now once we get this new plant, we will operate the DMF plant fully, and we will sell the DMA also outside.

Aman Madrecha: So, sir, basically, we are trying to say that we will see all these improvements after a year or so, once the methylamine plant is commissioned?

D Ram Reddy: It is from December onwards.

Aman Madrecha: Okay. And also, sir, for this dimethyl ether plant, which we are commissioning and we have got the license from the Indian Bureau standards, so what is the dynamic, like, for example, how much it is imported currently? So, can you share the market dynamics of the same?

D Ram Reddy: Is this dimethyl ether you are talking?

Aman Madrecha: Yes.

D Ram Reddy: Dimethyl ether, we don't have the license, but the Government of India is having a plan that they are going to make it mandatory to all the LPG manufacturers that they should blend 20% of dimethyl ether, mandatorily. That time, we will have the advantage as being a first manufacturer. But now notification has already come, it is under publication. That is number one. Number two, we are doing all these aerosol manufacturers, you know that sprayer manufacturers, when they're using today LPG, we are going to replace all of them that is number one.

Number two, all the commercial users like industry and hotels and industry where the LPG uses the reading, there we are going to replace the DME. We cannot touch immediately to the domestic because lot of subsidiary and other complications are there, which we have discussed with the government. And our current capacity, we are coming up with a capacity of 100 Thousand Tons, 1 lakh tons.

Moderator: Thank You. The next question is from the line of Ranvir Singh from Nuvama Wealth. Please go ahead.

Ranvir Singh: Thanks for taking my question and congratulations for improvement in numbers. We have a few clarity on DETA, you said that new technologies are being evaluated. So, what is the current utilization in FY '24 for DETA?

D Ram Reddy: DETA is not separate, it's total. As a total, as I told earlier also, I think you have not listened. Presently, the EDA plant, when you run the EDA plant by default, you will get only 5% to 6% of the DETA and 5% to 6% of the PIP. About 3%, 4% of the other products and rest is EDA. Now with the new technology, we are going to get more percent of these products and additional value-added products also. And EDA will be reduced. We are doing all these activities, we have operated the plant at 42% only as against 72% last year. Because every month, you see, you cannot close fully and just to open the plant and do these developments. Every month, we are running about 3 weeks and 1 to 1.5 weeks, we are doing this development.

Ranvir Singh: Okay Fine. And have you captured any revenue from butylamines in FY '24?

D Ram Reddy: Yes. Definitely, I think almost 300 to 400 tons, we might have sold, all the products together.

Ranvir Singh: So, in FY '25, what would be the capacity utilization here in butylamine?

D Ram Reddy: Butylamine, as I said in the earlier question, we have done double to the Indian consumption because we have plans for our captive consumption in coming years. So, we may do, but if you take this total capacity, 15,000 tons versus it will be 30%, 40%. If you take 8,000 tons and then it will become 70%, 80%.

Ranvir Singh: Okay, Understood. And third, on methylamine, that 48,000 capacity currently, so additional 40,000 is phase-wise or that will come 40,000 at once, once that is operational?

D Ram Reddy: At one Stroke.

Ranvir Singh: And on CAPEX, Rs. 750 crores is on BSC. So, what would be the total CAPEX taken on a consolidated level for FY '25?

D Ram Reddy: FY '25 for the Specialty Chemicals, we have given a first phase about Rs. 300 crores to Rs. 400 crores in the specialty for that Unit II where we are talking about the sodium cyanide and that other derivatives. And in Balaji Amines, we have about Rs. 100 crores, Rs. 150 crores balance of the methylamine, balance of the dimethyl ether and solar power plant. One important thing is nobody is asking that captive power plant is going to take care of entire power of all the units in the coming years. We are going to commission this by December end. Before March, this solar park will be commissioned, which will help us taking care of entire power bill, number one. Number two, which will give us the good marks for the green energy, carbon footprint.

Ranvir Singh: Yes. Actually, that was my next question. So, in solar plant, how much CAPEX we are doing there? And how much power saving we can expect from the solar plant?

D Ram Reddy: Actually, total plan is for 20 megawatts for which the investment will go around Rs. 120 crores. But in first phase, we are doing 8 megawatts, which will be finished in this year. This is going to take care of about 60% to 70% of the power bill. That 20 megawatts, assuming all the expansions we have planned, even upcoming plants also will be taken care by this 20-megawatt. So, the day will come, the 100% of the power will be utilized from the solar only after expansions.

Moderator: Sorry to interrupt, sir. I would request Mr. Ranvir to please follow up in the question queue for further questions. The next question is from the line of Riddhesh Gandhi from Discovery Investment. Please go ahead.

Riddhesh Gandhi: Can you give us a little bit of an outlook on the piperazine as well?

D Ram Reddy: Can you repeat your question, please? I couldn't understand.

Riddhesh Gandhi: Yes, if you can give us a little bit of the outlook on actually piperazine?

D Ram Reddy: Piperazine. See, piperazine presently, we are having about on 100% capacity, about 150 tons per month, we have the capacity presently. But since we are adding these mix of various technologies, we are expecting that we should do around 400 to 500 tons per month of Piperazine, if everything goes well. What the R&D has done is, it goes same in the commercial also. Then we will be doing 400 to 500 tons per month. That converts into almost 5,000 tons, which is equivalent to the country's consumption.

Moderator: Yes, sir. The current line of participant has been disconnected. That was the last question for today's call. I will now hand the conference over to the management for closing comments.

D Ram Reddy: Thank you. Thank you, everyone, for joining us, and thank you for the confidence showing on our Company, for staying invested with us. I hope we have been able to answer all your queries. In case you require any further details, you may please contact us or Orient Capital, our Investor Relations partners by e-mail. We will love to answer all your queries. Thank you once again, each and everyone. Thank you all.

Moderator: Thank you. On behalf of Elara Securities Private Limited, that concludes the conference. Thank you for joining us, and you may now disconnect your lines.