



Bodal Chemicals Ltd.
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By online submission

Sec/20-21/88
Date: 10-11-2020

To,
The General Manager,
Department of Corporate Services
BSE Ltd.
1st Floor, New Trading Ring,
Rotunda Building, P. J Tower,
Dalal Street, Fort
Mumbai-400 001
BSE Code: 524370

To,
The General Manager,
National Stock Exchange of India Ltd.
Exchange Plaza,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (E), Mumbai-400 051.
NSE Code: BODALCHEM

Dear Sir /Madam,

Sub: Q2 & H1 of FY21 – Earning Updates on Results on the Quarter and Half Year Ended September 30, 2020.

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find enclosed herewith Earnings Release on the Results for Quarter and half year ended September 30, 2020.

Kindly take the same on record.

Thanking you,
Yours faithfully,
For, BODAL CHEMICALS LTD

Asmitosh B Bhatt
Company Secretary
Encl: a/a



HEAD OFFICE:

Plot No. 123-124, Phase-1,
G.I.D.C, Vatva, Ahmedabad- 382 445.,
Gujarat, India.

www.bodal.com

CIN No. : L24110GJ1986PLC009003

Tel: +91 79 2583 5437
2583 4223, 25831684
Fax: +91 2583 5245, 25836052
E-mail: bodal@bodal.com



Bodal Chemicals Limited

CIN: L241I0GJ1986PLC009003

Registered Office: Plot No. 123-124, Phase-1, G.1.D.C, Vatva, Ahmedabad, Gujarat, India
India.

Q2 & H1 of FY21 – Earning Updates

Revenue from Operations reported at ₹3,929.15 mn in H1FY21 and ₹2,828.33 mn in Q2FY21

EBITDA stands at ₹ 177.75 mn in H1FY21 and ₹316.36 mn in Q2FY21

PAT at ₹11.55 mn in H1FY21 and ₹178 mn in Q2FY21

(H1FY21 & Q2FY21 figures are standalone)

Ahmedabad, 10th November, 2020: Bodal Chemicals Limited, a leading manufacturer and exporters of multiple chemical products including Dyestuffs, Dye Intermediates, Basic Chemicals, and its variants has announced its Q2 and Half yearly earning updates for FY2021;

Standalone Financial Statement Highlights for Q2 of FY2021 v/s Q2 of FY2020

Particulars (INR MN)	Q2 FY 21	Q2 FY 20
Revenue from Operations	2,828.33	2,575.21
Other Income	69.60	27.87
Total Revenue	2,897.93	2,603.08
Total Expenses	2,663.94	2,417.40
EBITDA	316.36	279.10
EBITDA Margin (%)	10.92%	10.72%
Depreciation & Amortization Expenses	64.42	59.84
Finance Cost	17.95	33.58
PBT with Exceptional Item	233.99	185.68
Exceptional Items	-	-
PBT	233.99	185.68
Current Tax	-	-7.44
Deferred Tax	58.99	-48.77
Tax	58.99	-56.21
PAT	175.00	241.89
Other comprehensive profit / loss	3.99	-1.60
Net PAT	178.99	240.29
TOTAL Comprehensive PAT Margin %	6.18%	9.23%
Diluted EPS	1.43	1.98

Standalone Financial Performance Comparison – Q2 FY20 v/s Q2 FY21

- The total Revenue from operations increased by 9.8% from 2,575 mn in Q2 FY20 to ₹ 2,828 mn in Q2FY21
- EBITDA increased by 13.4% from ₹ 279 mn in Q2 FY20 to ₹ 316 mn in Q2 FY21
- EBITDA margins improved by 1.8% from 10.72% in Q2 FY20 to 10.92% in Q2 FY21
- Net profit stood at ₹ 179 mn in Q2 FY21, compared to ₹ 240 mn in Q2 FY20

Standalone Financial Statement Highlights for H1 of FY2021 v/s H1 of FY2020

Particulars (INR MN)	H1 FY 21	H1 FY 20
Revenue from Operations	3,929.15	5,798.67
Other Income	139.98	73.63
Total Revenue	4,069.13	5,872.30
Total Expenses	4,064.07	5,242.11
EBITDA	177.75	803.00
EBITDA Margin (%)	4.37%	13.67%
Depreciation & Amortization Expenses	128.18	115.99
Finance Cost	44.51	56.82
PBT with Exceptional Item	5.06	630.19
Exceptional Items	-	-
PBT	5.06	630.19
Current Tax	-	126.12
Deferred Tax	1.49	-26.45
Tax	1.49	99.67
PAT	3.57	530.52
Other comprehensive profit / loss	7.98	-2.83
Net PAT	11.55	527.69
PAT Margin %	0.28%	8.99%
Diluted EPS	0.03	4.34

Standalone Financial Performance Comparison - H1 FY20 v/s H1 FY21

- The total Revenue from operations declined by 32% from ₹5,798.67 mn in H1 FY20 to ₹3,929.15 mn in H1 FY21
- Cost of material reduced by 30% from Rs. 3,669.56 mn in H1 FY20 to Rs. 2,553.02 mn in H1 FY21
- EBITDA declined by 78% from Rs. 803.00 mn in H1 FY20 to ₹ 177.75 mn in H1 FY21 and EBITDA margins reduced from 13.67% in H1 FY20 to 4.37% in H1 FY21
- Finance Cost reduced by 22% from Rs. 56.82 mn in H1 FY20 to Rs. 44.51 mn in H1 FY21
- Net profit stood at Rs. 11.55 mn in H1 FY21, compared to Rs. 527.69 mn in H1 FY20
- Current Assets stood at Rs. 4,836.30 mn in H1 FY21, compared to Rs. 5,456.05 mn in H1 FY20
- Current Liabilities stood at Rs. 3,290.06 mn in H1 FY21, compared to Rs. 4,030.39 mn in H1 FY20
- Net Cash flow from operations increased from Rs. -15.05 mn in H1 FY20 to Rs. 779.26 mn in H1 FY21

Subsidiaries Performance for Q1 FY21 v/s Q2 FY21

Particulars (INR mn)	SPS Plant		Trion		BCTPL		BCL - China		Sener Boya	
	Q1FY21	Q2FY21	Q1FY21	Q2FY21	Q1FY21	Q2FY21	Q1FY21	Q2FY21	Q1FY21	Q2FY21
Revenue	42	320	1	1	1	30	20	29	101	290
EBITDA	(4)	13	(7)	(24)	0	0	(1)	0	14	1
PAT	(20)	(8)	(20)	(34)	(1)	0	(1)	0	(9)	(9)

Note: EBITDA include other income and PAT include other comprehensive income

Key Highlights of Bodal Chemical Limited;

- With 30+ years of experience and Impressive educational background of leaders coupled with extensive knowledge of the chemical industry enables the BCL to meet its strategic goals
- At present, there are 9 manufacturing Units in Gujarat, 1 at Uttar Pradesh and 7 Depots with 25+ distributors network across India. It also has trading and marketing subsidiaries in India, Turkey, China, and Bangladesh.
- BCL is one of the few companies in India with fully integrated operations. This allows approx. 48% of the Basic Chemical to be captively consumed by Dye Intermediates and approx. 43% of Dye Intermediates output to be consumed by Dyestuffs, giving Bodal a cost-competitive advantage
- Bodal produces 12+ variants of Basic Chemicals, 25+ variants of Dye Intermediates and 150+ variants of Dyestuffs for 600+ customers
- Total Revenues from Operations increased by 157% (10% CAGR) to Rs 12,318 Million in 2019-20 from Rs 4,793 Million in 2009-10
- EBITDA increased by 200% (12% CAGR) to Rs 1,580 Million in 2019-20 as compared to Rs 527 Million in 2009-10
- At the CMP of ₹62.9, Stock is trading at PE of 13.57x and PB of 0.79x (As at 10th November 2020)

A. Operational Highlights of H1 FY21 performance

Bodal has progressed in its capacity utilization in the 2nd Quarter, post Covid impact on Q1FY21 and has reinforced to ~82% for Dye intermediates production, ~44% for Dyestuffs and ~106% for Basic Chemicals utilizations in Q2 FY21 which was nearly around 19%, 15% and 45% respectively in the 1st quarter of FY21.

Stabilised production of the Thionyl Chloride (TC) plant that operates at a capacity of 36,000 tonnes reached to 75.6% utilization in Q4 FY 20. Post COVID impact, TC has noted an upturn demand scenario resulting utilization to ~52% in Q2 FY21. TC plant will play a vital role in strengthening Bodal's forward and backward integration going forward.

In Q2 FY21, the acquired marketing Unit in Turkey witnessed a sales growth by reporting ~200 MT pm sales which was initially 80-100 MT pm and further expected to strike 300 MT pm in next 6-12 month.

Production levels at Liquid Dyes have improved and utilization reached to around 40% in Q2FY21 due to higher demand from paper & packaging industry and it is believed to improve further in near term due to strong demand outlook of an end-use industry. Also, the sales from these product have marked effective contribution in the margins for H1 FY21

Revenues from Dyestuffs increased by **168%** from Rs. 392 mn in Q1FY21 to Rs. 1,051 mn in Q2FY21, likewise sales from Dye intermediates grew by **198%** from Rs. 398 mn in Q1FY21 to Rs. 1,187 mn in Q2FY21 and from Basic Chemical it grew by **127%** from Rs. 145 mn in Q1FY21 to Rs.330 mn in Q2FY21, whereas revenue from others grew by **56%** from Rs. 158 mn in Q1FY21 to Rs. 246 mn in Q2FY21. Exports revenues stood at Rs 1,005 mn in Q2FY21 and its share in total revenues stood at 36%

Production of Dyestuffs declined by 2% from 3,983 MT in Q2FY20 to 3,864 MT in Q2FY21, for Basic Chemicals (including Thionyl Chloride) increased by 3% from 53,405 MT in Q2FY20 to 55,054 MT in Q2FY21 and for Dye Intermediates it declined by 9% from 6,765 MT in Q2FY20 to 6,174 MT in Q2FY21.

Disclosures of material impact of COVID 19

The manufacturing operations were resumed only in mid-May and thereafter scaled up, Although BCL has responded with agility, speed and resilience, together with a structured process of proactive planning, to operate in the 'new normal'. A series of concerted actions were also been taken to realign the manufacturing infrastructure so as to respond to the multiple challenges arising out of restricted mobility of people and goods, curbs on working hours and industrial operations

B. Management Comments

Commenting on the performance of H1 FY21, Mr. Suresh Patel, Chairman & Managing Director said, ***“With our diligent product development and rigorous integration, we aim to maximize our production capacity along with increasing foothold in newer geographies from our well-built acquired marketing & trading units to address global demand for Dyestuffs. Bodal has also been involved in adding the capacity for Dyestuffs and Dye Intermediates which shall contribute significantly in the revenue lines and margins for the next financial year. Also, our action plan would be placed to increase the utilization to ~70-80% from 40% for the Dyestuffs in the next 2 years.***

We have had revived quarter and first half observing the improvement in profitability in our business, which demonstrated the strong relationship with our clients despite the challenges that the COVID-19 pandemic has presented.

Our segmental performance in the first half of the year highlights the resiliency of our business even during the most challenging times. From Q1FY21 to Q2FY21, revenues from Dyestuffs grew by 168%, Dye Intermediates by 198% and Other Basic Chemicals by 127% driven primarily by the ongoing strong performance of our Marketing and distribution units.

With our approx. 50% in-house raw material, we also aim to expand our product line efficiently and operate at cost optimization level.

Outlook for H2 FY21 Performance

Bodal’s continuous effort to expand the Dyestuffs capacity has heightened the overall integration across segment and has resulted in the brand building and sales push along with a move to be a globally recognized B2C player in Dyestuffs and this shall able to boost the margin profiles for FY 21 and improve going forward. This will also build a direct relationship with customers with a brand positioning in global market.

The VS plant at SPS should be fully operation from December 2020. It has all the approvals in place to commence manufacturing of Vinyl Sulphone (VS). SPS currently produces H-acid which are the key

contributors to the sales in current business and it will continue to generate significant sales with the capacity addition for VS

Trion plant is operational from Q2FY21. TCCA is highly demanded in USA markets. Bodal has also begin to explore customer acquisition channels to streamline the distribution network for TCCA. Also, TCCA is expected to mark a lucrative contribution in profitability.

Increase in utilization levels of Co-generation plants will add to margins of the company in coming time. BCL targets to save around INR 8-10 crore annually from the power plant. Thionyl Chloride (TC) plant which marked a peak utilization of 85.8% for the Jan'20 – Feb'20 month, we expect TC plant to reach the same utilization in coming quarters and contribute significantly in the sales as well as margins for the year ahead.

Also, the acquisitions of Marketing & Trading units in Turkey, China & Bangladesh have begun to contribute in the topline with their strong presence in their respective markets. Reviving demand of end use industry and opening of economies have attributed to the sales from these units.

About Bodal Chemicals Limited;

Bodal Chemical Ltd was incorporated in 1989 by Mr. Suresh Patel, a first-generation entrepreneur by setting up a small Vinyl Sulphone plant at Vatva - Ahmedabad (Gujarat).

Bodal is the most integrated Dyestuffs Company in India and also the biggest manufacturer of Dye Intermediates in India. The Company's product range covers Dyestuffs, Dye Intermediates and Basic Chemicals. It has a unique and integrated product line and presence across value chain for Dyestuffs. Out of the total production, about 41% is exported to over 45 countries across the world.

For further information on the Company, please visit www.bodal.com

Meet Chande
IR, Bodal Chemicals Ltd
Contact: +91 98250 29079
Email: ir@bodal.com

Krunal Shah/ Vinayak Shirodkar
Captive IR Strategic Advisors Pvt. Ltd.
Contact: +91 22 4347 2247
Email: krunal@cap-ir.com / Vinayak@cap-ir.com

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