

Balaji Amines Ltd

Q4FY25



Balaji Amines Ltd

Sequential rebound visible, but recovery hinges on pricing stability and demand revival

CMP INR 1,502	Target INR 1,612	Potential Upside 7.3%	Market Cap (INR Mn) INR 48,767	Recommendation ACCUMULATE	Sector Specialty Chemicals
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Result Highlights of Q4FY25:

- Balaji Amine's revenue stood at INR 3,527 Mn., down 14.8% YoY (+12.8% QoQ), led by lower volume (-7.5% YoY) and realizations (-7.8% YoY). Moreover, the revenue was sharply below our estimates (-10.3%) led by weaker volume momentum.
- EBITDA stood at INR 597 Mn., down 38.9% YoY (+30.5% QoQ), sharply below our estimates (-13.4%), led by weaker revenue growth and contraction in gross margins. EBITDA Margin declined by 669bps YoY to 16.9% (+230bps QoQ). Adjusted net profit stood at 401 Mn., down 41.1% YoY (+20.7% QoQ), below our estimate (-9.2%) led weaker operational performance.
- We have revised our FY26E/FY27E EPS estimates by -23.1%/-21.4% respectively, factoring in a more gradual recovery in realizations and margins. Although sequential margin expansion offers initial comfort, sustained pricing stability and a visible uptick in end-market demand remain key near-term triggers. We value Balaji Amines at 20.0x FY27E EPS, implying a target price of INR 1,612. We reiterate our "ACCUMULATE" rating on the stock.**

MARKET DATA

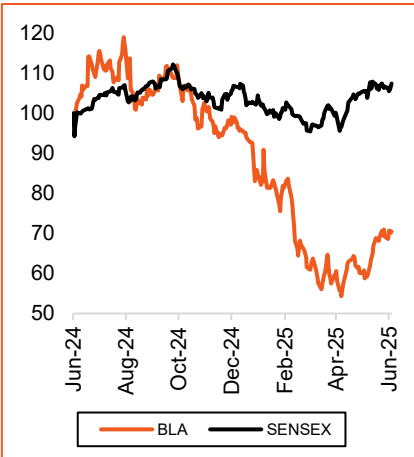
Shares outs (Mn)	32.4
Mkt Cap (INR Mn)	48,767
52 Wk H/L (INR)	2,550/1,127
Volume Avg (3m K)	81
Face Value (INR)	2
Bloomberg Code	BLA IN

KEY FINANCIALS

INR Millions	FY23	FY24	FY25	FY26E	FY27E
Revenue	23,554	16,415	13,971	16,135	19,169
EBITDA	6,091	3,237	2,322	2,929	3,765
PAT	3,255	2,049	1,575	2,078	2,612
EPS	100.5	63.2	48.6	64.1	80.6
EBITDA Margin (%)	25.9%	19.7%	16.6%	18.2%	19.6%
PAT margin	13.8%	12.5%	11.3%	12.9%	13.6%

Source: Company, DevenChoksey Research

SHARE PRICE PERFORMANCE



Q4 recovery offers respite, but full-year performance was hit by weak volumes and realizations

- Total consolidated volume for Q4FY25 stood at 25,872 MT, down 7.5% YoY (+7.4% QoQ). Sequentially growth was led by higher volumes and better realizations, indicating a gradual rebound in operational momentum.
- The Amines segment volume came in at 8,316 MT, down 6.7% YoY (+10.7% QoQ), while the Amines Derivative volumes stood at 8,389 MT, down 13.3% YoY (-4.8% QoQ). Specialty Chemical remained the key contributor for sequential growth, with volumes at 9,167 MT, up 17.9% QoQ (-2.5% YoY).
- During Q4FY25, on average the price realization improved sequentially by 5.1% (-7.8% YoY) to INR 136/kg.
- Total consolidated volumes for FY25 stood at 104,387 MT, down 4.5% YoY, led by a persistent decline in amines derivative segmental volumes (-8.8% YoY).
- Softer volume off-take underscores persistent weaker end-market demand. Moreover, the Amines and specialty chemical segment volumes declined by 2.0% and 2.5% YoY, respectively.
- Realization for the year averaged at INR 134/kg, down 10.9% YoY, as it was negatively impacted by the Chinese oversupply and softer demand growth. The weakness in volume off-take and muted pricing environment weighed on topline, resulting in a 14.9% YoY decline in consolidated revenue to INR 13,971 Mn.

MARKET INFO

SENSEX	82,445
NIFTY	25,103

SHARE HOLDING PATTERN (%)

Particulars	Mar-25	Dec-24	Sept-24
Promoters	54.6	53.7	53.7
FIIIs	5.1	5.2	5.3
DIIIs	1.5	1.7	1.8
Others	38.8	39.5	39.2
Total	100.0	100.0	100.0

*Based on the previous closing

Note: All the market data is as of previous closing

17.1%

Revenue CAGR between
FY25 and FY27E

28.8%

PAT CAGR between
FY25 and FY27E

Balaji Amines Ltd

Press Release and Investor PPT highlights:

Solar Power Plan

- The company **commissioned the first phase of its solar power plant in April 2025**, with a capacity of **8 MW DC (6 MW AC)**. This initiative is expected to **significantly lower power costs across all manufacturing units** and aligns with its broader ESG commitment to carbon emission reduction.

Electronic Grade DMC (Di Methyl Carbonate) commissioned, and a delay in Propylene Glycol commissioning

- The company **successfully commissioned additional equipment for producing Electronic Grade Di-Methyl Carbonate (DMC)** at its existing DMC facility on 28th May 2025, enhancing its capability to serve high-purity end-use segments. **The Propylene Glycol Pharma-grade plant remains on track for commissioning in H1FY26E (earlier: Mar25).**

Capacity Expansion

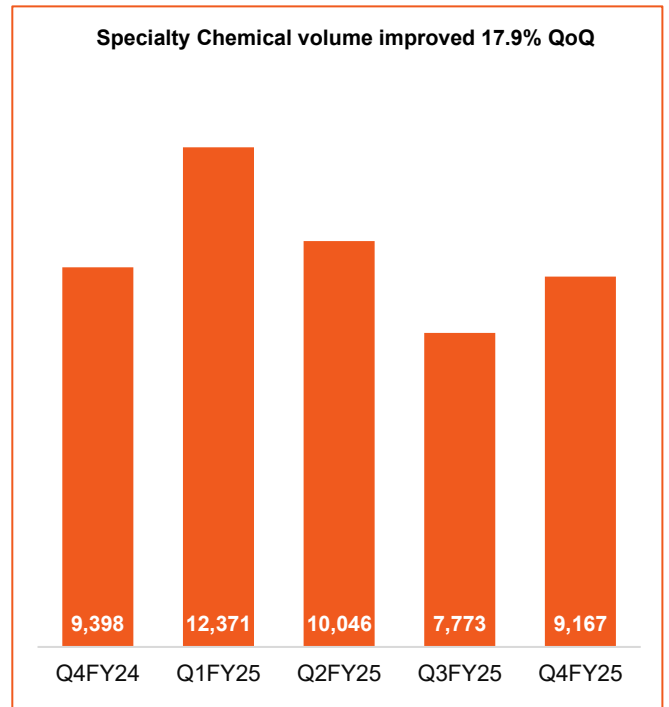
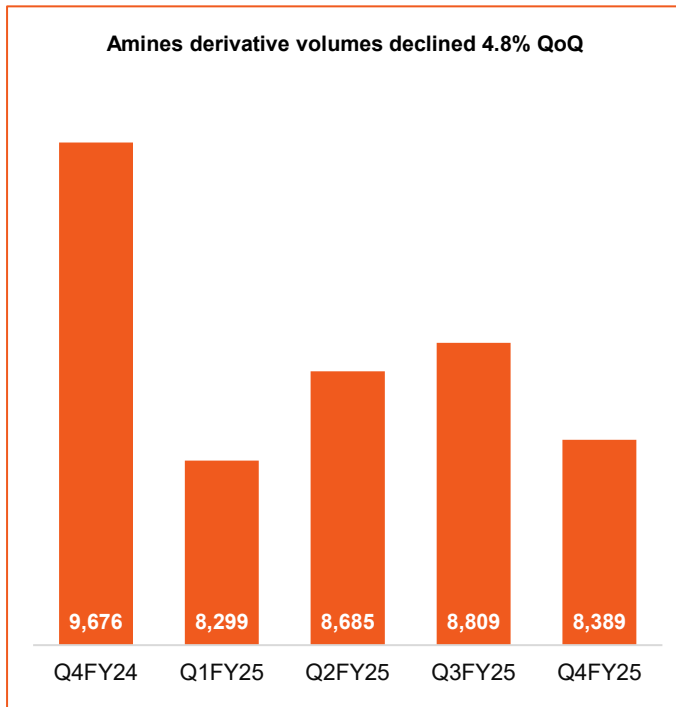
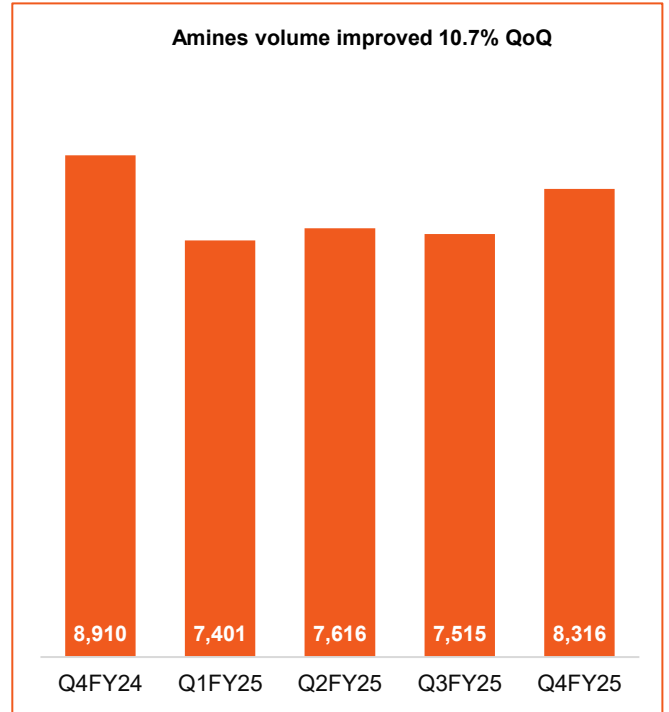
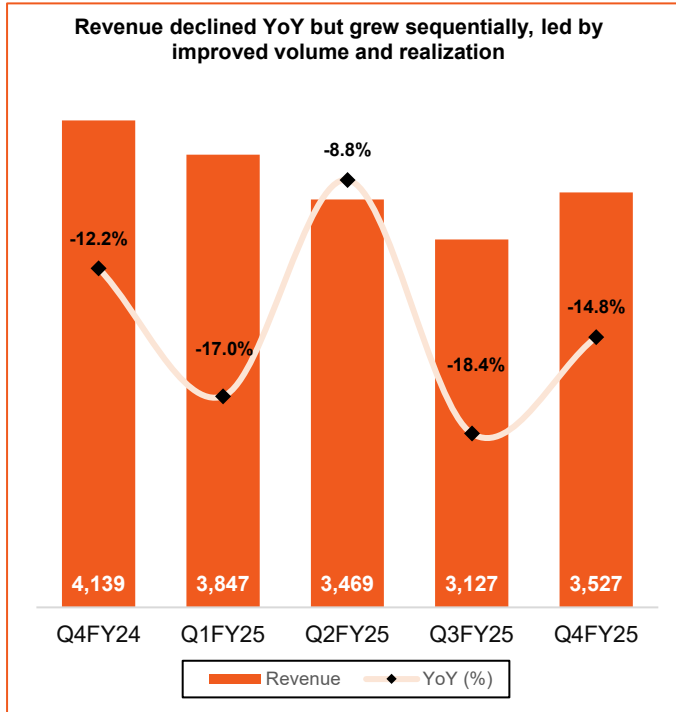
- **Di Methyl Ether:** The **DME project** is currently **under construction** and is **expected to be operational within FY26E** (earlier: Q1FY26E), supporting the company's ongoing capacity expansion and product diversification strategy.
- **N-Methyl Morpholine(NMM):** The **NMM plant, with a planned capacity of 15 MT/day**, is currently **under execution at Unit IV**. With most of the equipment already procured and civil work underway, **the project remains on schedule for commissioning within FY26E**, further strengthening the company's specialty chemicals portfolio.
- **Iso Propyl Amine:** The company has **undertaken modifications at its existing Ethyl Amines facility in Unit-I** to enable the production of Iso Propyl Amines (MIPA/DIPA), with an **estimated capacity of 20–21 MT/day**. **Commissioning of the plant is contingent upon the receipt of the Consent to Operate from the Maharashtra Pollution Control Board (MPCB)**. This strategic repurposing aims to enhance product flexibility and improve asset utilization.
- The company has initiated a project to **upgrade the technology and expand the capacity of its existing ACN plant at Unit-III, MIDC Chincholi, to 60 MT/day**. Detailed engineering work is underway, along with procurement of critical and long lead-time equipment. The plant is scheduled for commissioning in FY27E, reflecting the company's focus on capacity enhancement and process efficiency.
- **The company plans to establish a new manufacturing facility for N-(N-Butyl) Thiophosphoric Triamide (NBPT) with an installed capacity of 2,500 TPA**, which is expected to be undertaken in the next financial year. All ongoing and proposed projects are intended to be funded entirely through internal accruals, reflecting prudent capital allocation.
- As of March 2025, BLA's total installed capacity stood at 286,000 MT. **Post the ongoing capex initiatives, total capacity is expected to increase to 416,000 MT**, reflecting an incremental addition of 130,000 MT.
- Of this, **100,000 MT will be allocated to Di-Methyl Ether (DME) as a substitute for LPG**, while the balance will be distributed across key **specialty chemicals, including NMM (5,000 MT), MIPA/DIPA (6,000 MT), NBPT (2,500 MT), ACN (9,000 MT), and DMAC (7,500 MT)**, thereby supporting product diversification and future growth.

Capex of INR 7.5 Bn earmarked for Balaji Specialty Chemicals Ltd (BSCL)

- In its subsidiary, BSCL, a **capex outlay of approximately INR 7.5 Bn has been earmarked for capacity expansion**.
- Greenfield project for production of Hydrogen Cyanide (HCN), Sodium Cyanide (NaCN) in both 30.0% solution and 100.0% solid forms, and Ethylene Diamine Tetra Acetic Acid (EDTA/EDTA-2Na) is currently under execution and is targeted for commissioning by the end of FY26E.
- Additionally, a **brownfield expansion project is also underway to support further capacity augmentation**.

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Story in Charts



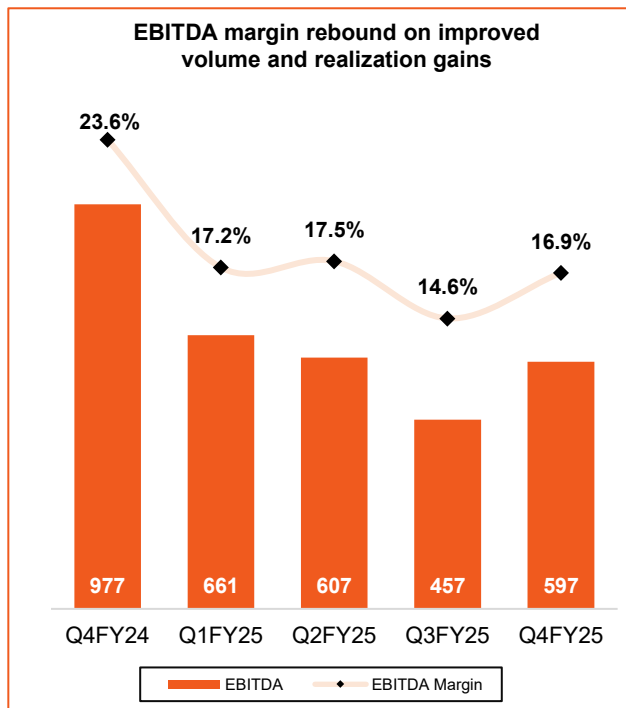
Source: Company, DevenChoksey Research,

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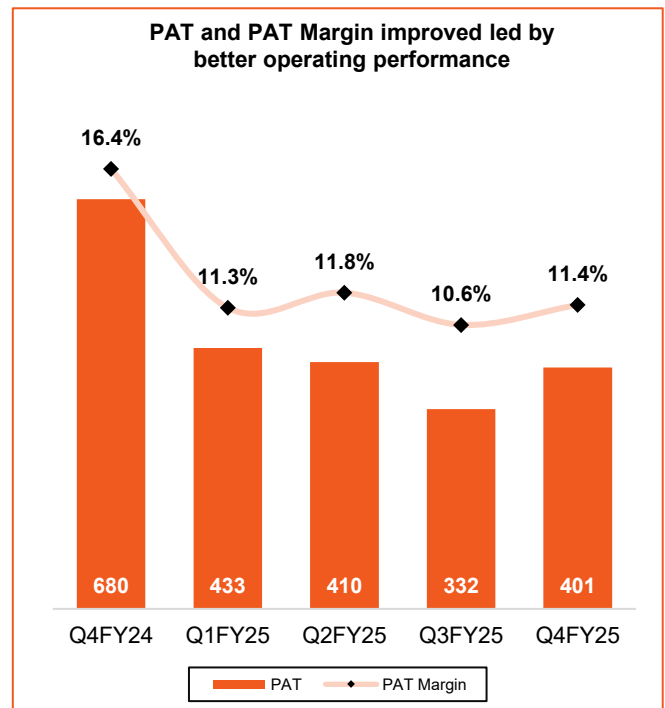
RESULT SNAPSHOT

Particulars (Mn)	Q4FY25	Q3FY25	Q4FY24	QoQ	YoY	FY25	FY24	YoY
Revenue from Operations	3,527	3,127	4,139	12.8%	-14.8%	13,971	16,415	-14.9%
Total Expenditure	2,931	2,670	3,162	9.8%	-7.3%	11,649	13,178	-11.6%
Cost of Raw Materials	1,806	1,685	2,436	7.2%	-25.8%	7,642	9,162	-16.6%
Purchase of Stock	0	0	0	NA	NA	0.0	0	NA
Changes in Inventories	174	91	-304	NA	NA	165	-131	-226.2%
Employee Cost	229	185	245	23.5%	-6.8%	799	823	-2.9%
Other Expenses	722	709	785	1.8%	-8.1%	3,044	3,323	-8.4%
EBITDA	597	457	977	30.5%	-38.9%	2,322	3,237	-28.3%
EBITDA Margin (%)	16.9%	14.6%	23.6%	230 bps	-669 bps	16.6%	19.7%	-310 bps
Depreciation	129	119	123	8.6%	5.3%	484	454	6.7%
EBIT	468	338	855	38.2%	-45.3%	1,837	2,784	-34.0%
Other Income	80	79	88	2.1%	-8.3%	332	296	12.0%
Interest Expense	9	8	13	7.5%	-34.7%	37	64	-42.6%
Share of Associates	0	0	0	NA	NA	0	0	NA
PBT before Exceptional	539	409	929	31.9%	-41.9%	2,132	3,016	-29.3%
Exceptional Items	0	0	0	NA	NA	0	0	NA
PBT	539	409	929	31.9%	-41.9%	2,132	3,016	-29.3%
Tax	135	98	204	38.4%	-33.9%	546	693	-21.1%
Minority interest	4	-20	44	-118.4%	-91.5%	11	274	NA
PAT	401	332	680	20.7%	-41.1%	1,575	2,049	-23.1%
PAT Margin (%)	11.4%	10.6%	16.4%	75 bps	-508 bps	11.3%	12.5%	-120 bps
EPS (in INR)	12.4	10.2	21.0	20.7%	-41.1%	36.3	42.2	-14.2%

Source: Company, DevenChoksey Research



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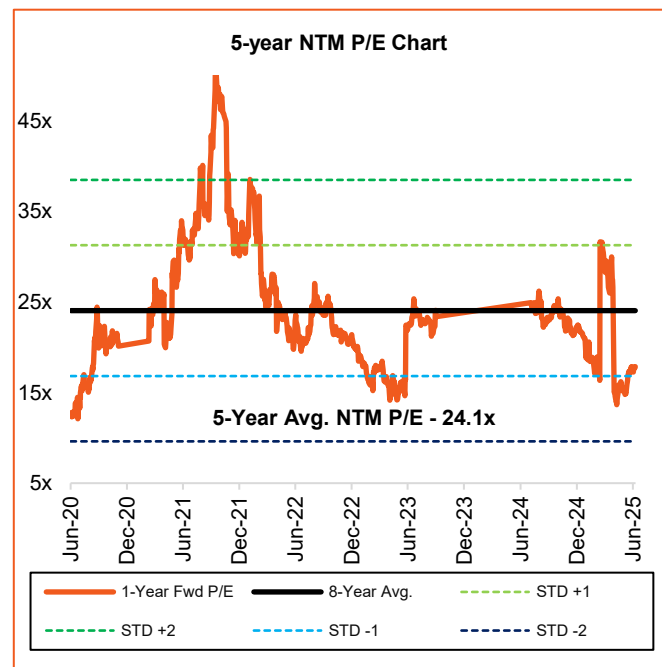
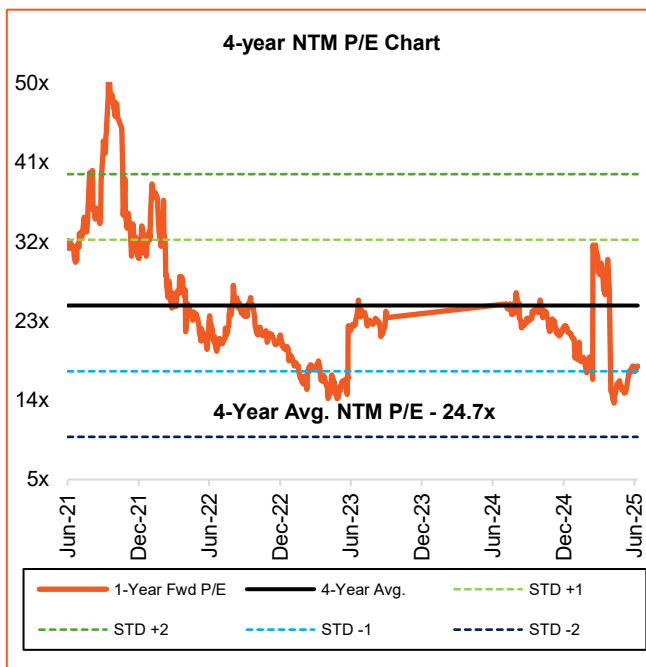
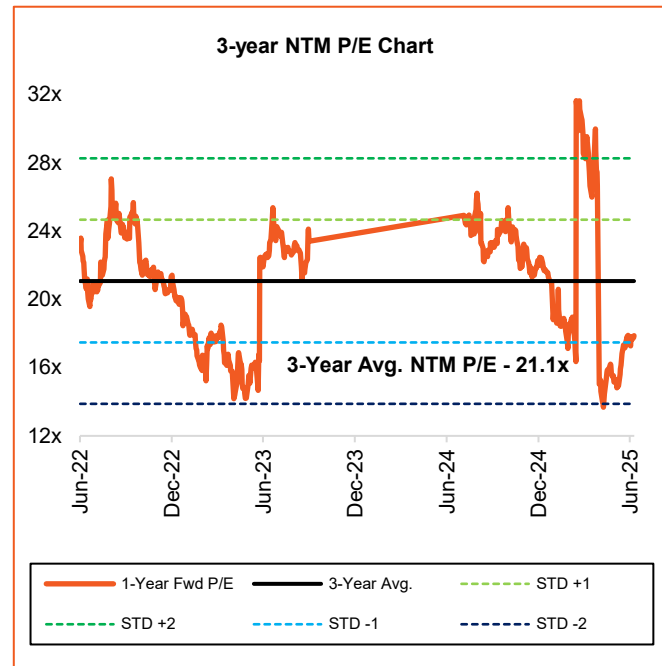
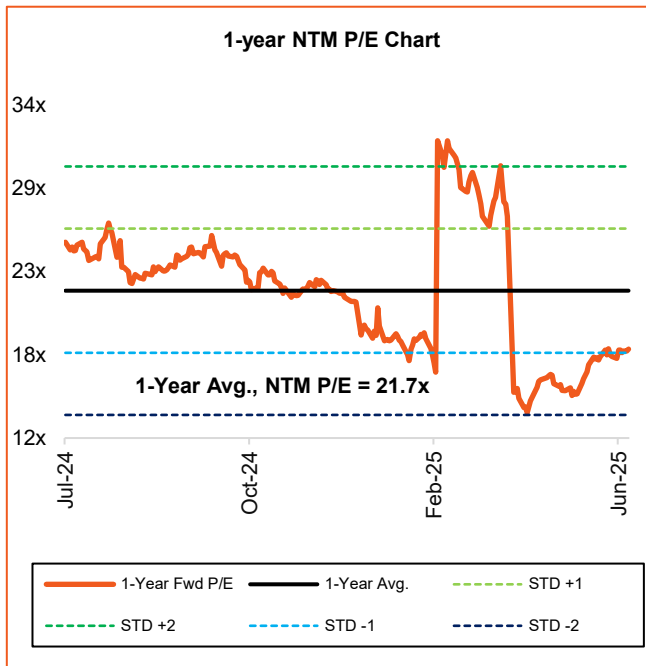


Balaji Amines Ltd

Valuation and view:

Balaji Amines reported a sequential improvement during Q4FY25, driven by recovery in volumes and realizations (+5.1% QoQ). Volume growth was led by Specialty Chemicals and Amines segment, partially offset by persistent weakness in Amines Derivatives. Further, the sequential margin improvement was aided by softer key raw material prices (Ammonia and Methanol), reflecting early signs of demand normalization. The Di-Methyl Ether (DME) project is under construction and is expected to be commissioned within FY26E (vs. Q1FY26E earlier), while the Propylene Glycol Pharma-grade plant is on track for H1FY26E commissioning (vs. March 2025 earlier), indicating minor delays in execution timelines.

We have revised our FY26E/FY27E EPS estimates by -23.1%/-21.4% respectively, factoring in a more gradual recovery in realizations and margins. Although sequential margin expansion offers initial comfort, sustained pricing stability and a visible uptick in end-market demand remain key near-term triggers. We value Balaji Amines at 20.0x FY27E EPS, implying a target price of INR 1,612. We reiterate our “ACCUMULATE” rating on the stock.



Source: Bloomberg, DevenChoksey Research

Balaji Amines Ltd

Exhibit 1: Profit & Loss Statement

INR Mn	FY24	FY25	FY26E	FY27E
Revenues	16,415	13,971	16,135	19,169
COGS	12,612	9,162	7,807	8,810
Gross profit	3,803	4,808	8,328	10,359
Employee cost	823	799	968	1,150
Other expenses	3,323	3,044	3,427	4,026
EBITDA	3,237	2,322	2,929	3,765
Depreciation	454	484	544	649
EBIT	2,784	1,837	2,385	3,115
Finance Costs	64	37	25	25
Other Income	296	332	389	360
PBT	3,016	2,132	2,748	3,451
Tax	693	546	660	828
PAT	2,049	1,575	2,078	2,612
EPS (INR)	63.2	48.6	64.1	80.6

Exhibit 3: Cash Flow Statement

INR Mn	FY24	FY25	FY26E	FY27E
CFFO	2,196	2,554	2,105	2,194
CFFI	(1,598)	(1,392)	(2,611)	(2,640)
CFFF	(750)	(485)	(25)	(25)
Net Inc/Dec in cash	(152)	677	(532)	(471)
Opening Cash	964	812	1,489	957
Closing Cash	812	1,489	957	487

Exhibit 4: Key Ratio

INR Mn	FY24	FY25	FY26E	FY27E
EBITDA Margins (%)	19.7%	16.6%	18.2%	19.6%
Net Profit Margin (%)	12.5%	11.3%	12.9%	13.6%
RoE (%)	10.8%	7.8%	9.3%	10.5%
RoCE (%)	16.1%	10.7%	12.4%	13.9%
RoA (%)	9.5%	7.0%	8.1%	9.2%
P/E(x)	29.8	38.7	29.3	23.3

Source: Company, DevenChoksey Research

Exhibit 2: Balance Sheet

INR Mn	FY24	FY25	FY26E	FY27E
Equity				
Equity Capital	65	65	65	65
Other Equity	18,868	20,119	22,197	24,809
Total Equity	18,932	20,184	22,262	24,874
Non-Current Liabilities				
Borrowings	106	19	19	19
Deferred tax liabilities (Net)	875	984	984	984
Other Non-Current Liabilities	61	37	43	51
Total Non-Current Liabilities	1,042	1,040	1,046	1,054
Current Liabilities				
Borrowings	91	91	91	91
Trade Paybles	778	691	1,518	1,804
Other current liabilities	618	514	594	706
Total Current Liabilities	1,487	1,297	2,204	2,601
Total Liabilities	2,529	2,337	3,249	3,655
Non-Current Assets				
Property Plants and Equipments	8,911	9,981	12,437	14,787
Capital work-in-progress	2,026	2,343	2,343	2,343
Other Non-current assets	555	788	883	1,049
Total Non-Current Assets	11,492	13,112	15,663	18,180
Current Assets				
Inventories	2,869	2,738	3,105	3,531
Trade Receivables	3,194	2,753	3,301	3,765
Cash and Bank	3,398	3,535	3,004	2,533
Other current assets	509	383	438	519
Total Current Assets	9,970	9,409	9,848	10,348
Total Assets	21,462	22,521	25,511	28,528

Balaji Amines Ltd

Balaji Amines Ltd				Rating Legend (Expected over a 12-month period)	
Date	CMP (INR)	TP (INR)	Recommendation	Our Rating	Upside
09-Jun-25	1,502	1,612	ACCUMULATE	Buy	More than 15%
14-Feb-25	1,516	1,640	ACCUMULATE	Accumulate	5% – 15%
20-Nov-24	1,996	2,328	BUY		
09-Aug-24	2,222	2,569	BUY	Hold	0 – 5%
18-May-24	2,211	2,643	BUY	Reduce	-5% – 0
12-Feb-24	2,201	2,831	BUY		
21-Nov-23	2,030	2,172	ACCUMULATE	Sell	Less than – 5%

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