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*Balaji*



CIN : L24132MH1988PLC049387

**AMINES LIMITED**

*... A Speciality Chemical Company*

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

26<sup>th</sup> June, 2025

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

The Manager-Listing Department,  
National Stock Exchange of India Limited,  
"Exchange Plaza", 5<sup>th</sup> Floor,  
Plot No. C/1, G Block, Bandra-Kurla Complex,  
Bandra (East), Mumbai – 400 051.

**Scrip Code : 530999**

**Symbol : 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 Q4FY2025 Earnings Conference Call held on Thursday, 19<sup>th</sup> June, 2025.

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,

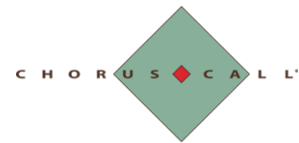
**For Balaji Amines Limited**

**Abhijeet Kothadiya**  
**Company Secretary & Compliance Officer**

Encl.: a/a



“Balaji Amines Limited  
Q4 FY '25 Earnings Conference Call”  
June 19, 2025



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

**MODERATOR: MR. AMOGH DESHPANDE – ELARA SECURITIES**

**Moderator:** Ladies and gentlemen, good day, and welcome to Balaji Amines Limited Q4 and FY '25 Earnings Conference Call hosted by Elara Securities. 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 in the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Amogh Deshpande. Thank you, and over to you, Mr. Deshpande.

**Amogh Deshpande:** A very warm welcome to everyone to discuss Balaji Amines Q4 FY '25 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. I would now hand over the conference to the Balaji Amines management for their opening remarks, which shall be followed by a question-and-answer session. Over to you, sir. Thank you.

**D Ram Reddy:** Thank you. Thank you, Mr. Deshpande. Good evening, everyone, and thank you for joining us today for Balaji Amines earnings call for the fourth quarter and the financial year ended 2025. We appreciate your continued support and interest in our company. I hope everyone had an opportunity to go through the financial results and investor presentation.

Today, I will walk you through our financial performance, key business highlights and our strategic initiatives we are undertaking as we continue to focus on long-term value creation. Let me begin with an overview of the industry landscape. We continue to navigate a mixed demand environment. The pharmaceutical sector has shown stable demand, which has supported our base volumes.

However, the agrochemical segment remained volatile during the quarter -- with only a marginal year-on-year increase in demand. On the pricing front, we are witnessing continued pressure across key product lines.

Turning to our business performance. I'm pleased to share that this year, we made significant strides in expanding our capacity and enhancing our product portfolio. We successfully commenced operations at 3 important facilities, the methylamine plant, the N-Butylamine plant at Unit IV and the rooftop solar panels installed across our units.

In line with our ESG commitments, the first phase of our solar power plant with a capacity of 8-megawatt DC was commissioned in April 2025. This initiative is already helping us to reduce power cost across all plants substantially, which is a positive step toward lowering our carbon footprint. On the product side, we enhanced our existing Dimethyl carbonate plants with new equipment for producing Electronic DMC, which was commissioned successfully in May 2025.

We also expect to commission the Propylene Glycol pharma grade plant in the coming quarter of this financial year 2026. The construction of our Dimethyl ether plant is progressing well with commissioning planned during this financial year. Similarly, N-Methyl Morpholine plant at Unit IV is under active execution.

Most equipment has been ordered and field works are underway with commissioning expected in the financial '25-'26. We also reconfigure our existing Ethyl Amines plant at Unit I to manufacture isopropyl amines, which will have a capacity of around 20 to 21 tons per day. We anticipate commissioning this facility once we receive the necessary pollution control permissions.

Additionally, we are undertaking the capacity expansion for our acetonitrile plant at the Unit III in Chincholi, selling up to 60 metric tons per day, this is expected to be commissioned in the financial year 2026 and '27. Looking ahead, we plan to set up a new plant for the manufacture of NBPT with a capacity of 2,500 tons per annum. This project is expected to commence in the next financial year.

Importantly, all these projects are being funded through internal accruals, highlighting our strong financial position and cash flow generation capabilities.

I would also like to update you on the expansion activities of our subsidiary, Balaji Specialty Chemicals Limited. We are executing a greenfield project worth approximately INR750 crores focused on manufacturing a range of specialty chemicals, including Hydrogen Cyanide, Sodium Cyanide in various forms and EDTA product, Benzyl Cyanide, Phenyl Acetic Acid and Tri Ethyl Orthoformate and Tri Methyl Orthoformate. This project is progressing well, and is expected to be commissioned by the end of financial year '25-'26.

Additionally, a brownfield expansion for EDA-based products at Unit I is on track for commissioning in the financial year '26-'27. With these strategic initiatives underway, let me now take you through the financial highlights for the fourth quarter and the full year ended March 31, 2025.

During Q4 financial year '25, we witnessed an improvement in our business performance compared to the earlier quarter of the financial year. This was largely supported by relatively favorable global microeconomic conditions and a gradual uptick in volumes. As this trend continues, we anticipate a corresponding improvement in both EBITDA and PAT margin in line with the broader recovery seen across the chemical and specialty intermediates industry.

Let me now walk you through the consolidated and stand-alone financials for the quarter. Revenue from operations for Q4 FY '25 stood at INR361 crores compared to INR321 crores in Q3 FY '25. Total values were 25,871 metric tons in Q4, up from 24,107 metric tons in Q3 FY '25. EBITDA for Q4 FY '25 came in at INR68 crores compared to INR54 crores in Q3 FY '25 with an improved EBITDA margin of 19% versus 17%. Profit after tax stood at INR40 crores for the quarter compared to INR31 crores in Q3 FY '25. The segment-wise volumes for Q4 FY '25, Amines volumes stood at 8,316 metric tons. Amines Derivatives volumes stood at 8,389 metric tons and specialty chemical volumes stood at 9,167 metric tons.

On a stand-alone basis, we continue to remain a zero-debt company. Revenue from operations stood at INR327 crores for Q4 FY '25 compared to INR305 crores in Q3 FY '25. EBITDA was INR64 crores compared to INR57 crores the previous quarter with EBITDA margin improving to 20% from 19%. PAT for Q4 FY '25 was INR40 crores, up from INR36 crores in Q3 FY '25.

Now coming to the full year performance for financial year 2025. On a consolidated basis, revenue from operations for FY 2025 was INR 1,430 crores compared to INR1,671 crores in FY 2024. EBITDA stood at INR265 crores compared to INR353 crores with an EBITDA margin of 19% versus 21% last year. PAT stood at INR159 crores compared to INR232 crores in FY 2024. On a stand-alone basis, revenue from operations stood at INR1,296 crores compared to INR1,359 crores in FY 2024. EBITDA came in at INR249 crores from INR265 crores **\*\*** with an EBITDA margin at 19% and PAT for the year was INR156 crores compared to INR171 crores in the previous year.

While the year was marked by challenges across input costs, pricing pressure and the global uncertainty, we believe the steps we have taken on capacity expansion, cost efficiency and portfolio diversification have laid a strong foundation for recovery and growth.

With that, I conclude my remarks. I now open the floor for questions and answers.

**Moderator:** Thank you. The first question comes from the line of Ahmed Madha with Unifi Capital. Please go ahead.

**Ahmed Madha:** Firstly, trying to understand the time lines of all projects and the product expansion. Please correct me if I'm wrong. Is it fair to assume the DME and all the other derivatives such as MIPA/DIPA, NMM NBPT, all will be commercialized by FY '27 end. Is it fair to assume that way?

**D Ram Reddy:** See, I will give you all this -- Dimethyl ether, it will be commissioned in this financial year '25-'26 only. N-Methylmorpholine also by the end of '25-'26, Isopropyl amine, actually, plant is ready, will be commissioned. We are waiting to MPCB clearances consent to operate, maybe we get in a week's time. We will be expecting to commercially commissioned by this week.

**Ahmed Madha:** Okay. And acetonitrile, you said FY '27. Is it?

**D Ram Reddy:** Yes.

**Ahmed Madha:** And in terms of acetonitrile, you are supposed to change the technology for the existing capacity as well. Is that done? And how is that progressing?

**D Ram Reddy:** See, we are -- the upgradation and the expansion is together in the existing plant modifications, which will be commissioned by 2027 with the new technology only.

**Ahmed Madha:** Okay. And so far existing -- I mean, in last FY '25 financial year, our volumes for acetonitrile were close to negligible or there was some?

**D Ram Reddy:** Very negligible. You are right, very negligible.

**\*\* During the call, EBITDA figure was inadvertently said as Rs. 265 crore, please note the EBITDA should be read as Rs. 267 crore as a factual figure, as reported in the financial results.**

**Ahmed Madha:** Okay. Got it. Now just trying to understand the demand side for DME and other derivatives, have we started doing the validation batches and conversation with customers. If you could give us some sense of how that is progressing?

**D Ram Reddy:** Yes. Actually, plant is getting ready. This being the first time manufacturing and being a gas farm, so we are waiting for the certain approval from the PESO point of view. The moment we get that approval, probably we'll start the plant and we'll start distributing the samples and all these things will take place.

**Ahmed Madha:** Okay. Okay. This is for the stand-alone. On the subsidiary side, you said the INR750 crores Greenfield capex will be completed in FY '26 itself. Can you give some sense what...

**D Ram Reddy:** It is in the 2 phases my dear. First phase will be about INR350 crores to INR400 crores. And the rest will be in the second phase. In first phase, we will be doing Hydrogen Cyanide, Sodium Cyanide, that is solution and 100%. And so EDTA derivative. These are the products we are going to make in first phase. And the rest other products will come in the second phase.

**Ahmed Madha:** And second phase will be done by FY '27 or later?

**D Ram Reddy:** Yes, after FY '27. Yes. Once we commission all these plants, then we'll take up those plants.

**Ahmed Madha:** Makes sense. Now for this product, what are the key application segment we are targeting? And also because this is cyanide chemistry, not many people are doing it. If you could give us some sense how we have been able to build this technology through partnership or our own R&D, if you can give some sense so that we understand and appreciate your technology a little bit?

**D Ram Reddy:** You are right. You are right. This Sodium Cyanide is a technology that we very closely target, which is having very few people. And we have taken some basic in-house know-how from the outside country, which has been Indianized and detailing, engineering and designing of the equipment is done by the in-house. And the consumption of these products is majorly into pharmaceutical industry as well as agrochemicals also.

**Ahmed Madha:** Okay. Will it be possible for you to share who the technology partner is?

**D Ram Reddy:** I think it's difficult to share right now probably once we commission all the things, I will definitely like to share.

**Ahmed Madha:** Last question from my side. If you look at last 1 financial year FY '25 and we look at a stand-alone business and just keeping the subsidiary aside for time being, we had top line contraction as well as margin contraction, while if I look for a close competitor, there was -- in the stand-alone business, there was growth as well as margin improvement. I understand the product mix are different and there will be slightly different trends. But would it be -- if you could explain what explains the divergence and also how you are seeing the pricing and volume trends in the base business for FY '26?

**D Ram Reddy:** Yes. See, normally, as you rightly said, the product mix is different from company to company. And then in 1 financial year, one company's products mix may do the better and other companies

products may not have done better. That is the reason why it has happened. And coming to the current financial year, we have seen April, May, we have seen very positive even in the price point of view also we have seen.

But just recently, last 1, 1.5 weeks, we are seeing little pressure on the pricing because of the raw material prices. All these things became a little uncertain worldwide because of the war condition because majority of the petrochemical products, indirectly, it comes impact from the Iran impact.

So probably we will have to wait for the stability, then we will understand how it will go for the next 1 or 2 quarters. But demand is there, only unit prices are going up because of this.

**Ahmed Madha:** Got it. And if we keep pricing aside for time being, for this year, you have visibility of what percentage volume growth, if you can give some range?

**D Ram Reddy:** We are expecting minimum 10% to 12% of the volume growth.

**Moderator:** Next question comes from the line of Rajiv Rupani, an individual investor.

**Rajiv Rupani:** Yes, sir. Sir, my first question is regarding DME. Sir, when we last spoke in November '24 con call, so you had said it will be commissioned by end of this year or maximum Q1 FY '26. And right now, you're not committing a date. So could you please guide us by when it will be commissioned?

**D Ram Reddy:** Thank you, Rajiv. See, plant is ready. Everything is ready. We are waiting for the PESO. PESO means I'll tell you, since it is the first time the product, it will start right from the creating code of the product for applying for the PESO license. That is number one, which is completed. Then we will have to apply for the storage tank, bulk storage tank at our end. Second, bulk storage tank for the customer and also you need to have the guidelines in place. And thirdly, road tankers permission. Fourth, cylinders permission is partly done. I think some of the cylinder permission we have received. Now we are waiting for the road tank permission. And since we are talking about the blending in the LPG, so we were requesting the government that you should give the permission on the existing LPG tankers only.

We should be in a position to utilize because since BIS have already notified that. 20% of the DME share can be mixed firstly, blended into LPG. So we are waiting for all these things. The moment we get it, it's a matter of days to commence.

**Rajiv Rupani:** Okay. And what kind of capacity utilization you expect this year?

**D Ram Reddy:** See it's very difficult, Rajiv to say. The moment we would get the permission, if the acceptance comes from the customer end, we may go minimum 50% to 60% capacity.

**Rajiv Rupani:** Okay. Sir, my next question is on BSC Unit I. Now sir, when we last spoke in November '24, you had guided that the debottlenecking will be completed in 4 months to 6 months. And now in your presentation, you have talked about Brownfield project, which will be commissioned in FY '26, '27. So there is a little confusion on my side. Is it the same or it's different?

**D Ram Reddy:** Yes. All I'll tell you is what we have done, the existing plant, the debottlenecking partly is done because all these modifications and the Brownfield what we have to do is on the running plant only. So we have to do 15 days, we are running and 15 days we are doing some of the works and we are expecting in the next 6 months to 7 months, we should finish everything.

By year-end, paper side, we have given the financial year first quarter of the next financial, we should be in a position to commence in full-fledged for the total Brownfield, whatever we are saying today.

**Rajiv Rupani:** So, sir, what I know is the products for which we had clearance was EDA, Piperazine DETA and AEP. Any other products besides these?

**D Ram Reddy:** Yes. That is TETA, Tri Ethyl Tri Amine, which is also again DETA TEPA, in existing PIP DETA also, we will get the increased quantities from the existing quantity.

**Rajiv Rupani:** Okay. And sir, my next question is currently, your stake in BSC is 55%. Is it possible for the company to increase the stake to, let's say, 75%, 80%?

**D Ram Reddy:** It's very difficult to say at this moment because it is related to the decision of the Board of Directors meeting. So see once you commission the first phase of the Unit II of the subsidiary, then probably there will be some path to discuss on these.

**Rajiv Rupani:** Okay. And also on BSC Unit II, when we spoke in November '24, you said in 11 months, it will be commissioned. And now you have told about end of FY '25-26. So is there a delay of 4 months, 5 months?

**D Ram Reddy:** No. It only 2 months, 3 months delay because of the rains and all. Already erection is underway, some of the things erected and some of the big equipments on the way to come. Probably we will see if you come by next month end that is July and August, you will see a lot of equipment in place.

And we are taking all the equipment direction on the commissioning then trial because being the first time product being a cyanide based product. We are taking precautions and longer term, we are telling you probably end of this financial year, we may be in a position to commission and commercialize at least one or two plants.

**Rajiv Rupani:** Okay. My next question was on this DMC, electronic grade DMC. Have we tied up with the battery makers? Any update on that?

**D Ram Reddy:** We have given one ISO tank to one customer and some part quantity to one customer of electronic grade. We have also given some trial order some 50 tons, 60 tons trial orders we have given. So we just started in the last two weeks only I think one week back only we have given one ISO tank detail to one of the battery chemical manufacturer.

**Rajiv Rupani:** So by when can we expect this plant to be commissioned fully?

**D Ram Reddy:** This all depends on their commissioning, Mr. Rajiv. We are waiting. In fact, even for the battery people also, they started taking. See, along with the DMC, there are other chemicals which will

go. That also we got one more trial one ISO tank which we have already given that is NMP we have given the battery grade material to one of the battery manufacturers. So we – see we have done trials, they also go for their trials in their production. Once they come in, they are commercial, then we will be gearing up our full swing supplies.

**Moderator:** Thank you. Next question comes from the line of Anil Shah with Insightful Investments. Please go ahead.

**Anil Shah:** Yes. Hi, sir. Good afternoon. Okay. So I just wanted to know what exactly will be the spending on capital expenditure over the next -- each of the next 2 years in standalone and separately in a subsidiary, sir?

**D Ram Reddy:** See, standalone as of now, we have only not more than INR200 crores to INR250 crores whatever the products we have identified. And as far as our subsidiary is concerned, it is from - - total figure of INR750 crores. First phase around INR300 crores to INR350 crores and second phase INR350 crores to INR400 crores.

**Anil Shah:** So first phase is INR350 crores. The second phase will be INR400 crores in the subsidiary?

**D Ram Reddy:** Yes.

**Anil Shah:** And in standalone, we will be doing INR250 crores?

**D Ram Reddy:** INR150 crores to INR200 crores. It's partly already done, the N-Methyl Morpholine (NMM) and the solar is all partly completed. Only one product full project is pending. There may be about INR70 crores, INR80 crores. And this part of these expenses are pending, all put together, not more than INR200 crores.

**Anil Shah:** Not more than INR200 crores in standalone.

**D Ram Reddy:** Yes.

**Anil Shah:** Correct. So this is overall -- this is actual capital expenditure spend. This is not the capitalization of CWIP, which is already there. Am I correct?

**D Ram Reddy:** Yes.

**Anil Shah:** So my question to you is, how will -- on a consolidated basis, given that the subsidiary is looking for a pretty large capital expenditure over the next 2 years, on a consolidated basis, if we assume the business to be continuing the way it has over the last 2 or 3 years, how will the balance sheet look at the end of March '27 in terms of net cash, debt...

**D Ram Reddy:** In the last 2, 3 years, I think the last 1 year, the subsidiary was not doing well on account of some import competition because of the product mix since we are doing the Brownfield some modifications we are doing. This financial year end, you will see some 1 month we will get this actual result of this investment.

Yes. Next year, both Unit I, the existing unit definitely will do about INR200 crores to INR300 crores minimum in the Unit I. And in Unit II, the expansion unit also may do another INR300 crores to INR400 crores top line.

**Anil Shah:** You're talking about subsidiary in FY '27?

**D Ram Reddy:** Yes.

**Anil Shah:** So is there a chance that by March '27 annual report, we will be a net debt company on a consolidated basis?

**D Ram Reddy:** Net debt.

**Anil Shah:** Yes.

**D Ram Reddy:** Yes, probably we see if in the 1st phase, we may not see much of the debt, maybe INR100 crores, INR150 crores we may require in subsidiary level. But as far as the standalone is concerned...

**Anil Shah:** Right now, we are net cash. We are almost INR300 crores plus net cash?

**D Ram Reddy:** Yes. See, what happens today, we have the surplus in both standalone as well as the subsidiary. This year, we'll be consuming both cash as well as surplus. In addition, we may consume the working capital basing on the DP available, stocks and DP available, whatever working capital. After that, if anything required at the end of the finishing these two expansions, we may go INR50 crores, INR100 crores only for the debt by '27. I'm just -- approximately I'm telling you.

**Anil Shah:** Sir, just continuing with this question, if I look at last 2 years, we've spent almost about INR440 crores on fixed assets, on basically capital expenditure. Part of it could be maintenance and part is expansion. Out of this INR440 crores, the increase in CWIP is just about INR100 crores, INR120 crores, okay, out of the INR400 crores. INR280 crores have already been capitalized, which tells me that the plant is up and running, but we don't see that kind of growth in revenue and EBITDA and profitability?

**D Ram Reddy:** See, Mr. Shah, what happens any time you go for any expansion, first financial year you will not see any turnover immediately to 80%, 100%. And here we are talking about all the products first time in the country. As far as the solar is concerned, it has already started generating the revenue from April onwards.

And the MIPA, which is going to start this month and DME which we invested about INR150 crores to INR200 crores on that single plant, which will be commissioned because yesterday, I was answering to the other question, we are waiting for the PESO approval. The moment we get the approval, then immediately we may get 50% of the plant utilization in coming period. So next year, definitely, you will see these results.

**Anil Shah:** I understand, sir, but despite INR440 crores of capex spend, our top line is down 40% over 2 years?

**D Ram Reddy:** That's what I am telling you my dear, the plant is yet to start. The money spent, but we are waiting for the permission. The moment we get the permission, we'll start these revenues.

**Anil Shah:** Sir, that number that you're talking about in terms of plant yet to start should show in CWIP, which is just about INR200 crores. 2 years back, that number is INR----10 crores. The increase in CWIP is only INR120 crores. We have spent INR440 crores, which means that the rest of the INR320 crores has been capitalized, which means production is on?

**D Ram Reddy:** See, one plant is already started, that is n-butylamine. Now we are talking about NBPT, which is in continuation of that product, which we have yet to build that plant. The moment we build that plant, this butylamine plant will run at 100% capacity, which is not running today. And the second one, dimethyl ether, which I'm telling will start running this year.

And third, we are spending -- partly we have spent some money on account of advance of equipment for acetonitrile that will also commence by year end. So all these things, we cannot expect immediately. It will take time. We have done only the DMC capacities, which we are waiting for the battery manufacturer to start.

And dimethyl ether which I said we are waiting for the PESO permission. Butylamine, the partly we are running. The part, we have to commission the other plant. So these are all I have to commission. You can say they are part of the same. The moment you produce 100 kgs of material, you are supposed to capitalize the amount. That's the reason you will say that you already capitalized so it will take time.

**Moderator:** Thank you. Next question comes from the line of Aditi Loharuka CD Equisearch Private Limited. Please go ahead.

**Aditi Loharuka:** Sir, could you please share the initiatives which you are taking to scale up the volumes of DME in current year and next year?

**D Ram Reddy:** DME, the total plant capacity is about 100,000 tons. And this year, we are talking about 50,000 tons. So if you go for 50% capacity utilization, it will be around 50,000 tons. And next year, probably we will do 70% which is 70,000 tons.

**Aditi Loharuka:** Okay. And could you please tell that how much revenue will the additional capacity generate?

**D Ram Reddy:** It's very difficult to say right now, Aditi. The moment we start depends upon the prices, probably it will be INR70 to INR75 per kg, approximately, I'm telling you, depends upon the raw material prices at the time of commissioning.

**Aditi Loharuka:** Sir, could you repeat the number, I didn't get you?

**D Ram Reddy:** This is about INR70 per kg.

**Aditi Loharuka:** Okay. And just one query that why has the commissioning of ACN plant been shifted to next year?

- D Ram Reddy:** Because we have other plants in place. ACN is already -- there are two, three manufacturers are there. And we wanted to make sure that the new technology should work. We have done some R&D on that. Now we are sure that the new technology and new equipment we have designed, which is ordered because of that we have taken time.
- Aditi Loharuka:** Okay. So will it be commissioned in H1 of FY '27, should we believe this?
- D Ram Reddy:** Yes, by the end of the current financial year to start of the next financial year.
- Aditi Loharuka:** Okay. And what kind of margins can we expect from ACN?
- D Ram Reddy:** It is very difficult in this volatility market paying for a year is very difficult. But as I said earlier, even now I'm also optimum on the EBITDA of around 19% to 20%.
- Aditi Loharuka:** Okay, sir. Thank you.
- Moderator:** Thank you. Next question comes from the line of Aman Madrecha with Augmenta Asset Managers LLP. Please go ahead.
- Aman Madrecha:** Hi, sir. Thanks for the opportunity. Sir, could you please highlight like how is the marketplace basically across all the products, let's say, like DMAHCL, DME, n-butylamine and all the new products that are coming up. Similarly, like what is the demand and how much is the import like?
- And can there be a situation wherein we could face a situation like a DMF scenario wherein we are not able to utilize the plant because of dumping from other countries. Could you highlight on all the products across like how is the marketplace?
- D Ram Reddy:** Yes. So as regards to DMF, we just started improving our capacity utilization. This year you will see there will be improvement because we are running the -- trying to run the full capacity. And as regards all other products, there was a very positive April and May, we have seen across all the products, there was a good demand. And even pricing also, there was an improvement.
- Only thing is now last 1, 1.5 weeks, we are facing some problem in the raw material prices increases because of this war situation between Israel and Iran. So until otherwise, the stability comes around the world, it's very difficult to say where we stand. But I can guarantee that there are a few products which goes in the essential like life-saving drugs and all, like as you said, dimethylamine hydrochloride, those are running full capacity.
- There is no problem because it is consumables like medicine, human consumption, those are running well. Only thing is we are getting some pressure on the pricing.
- Aman Madrecha:** To this point, for example, because of this tension escalating between Iran and Israel, we are expecting that the methanol prices could shoot up drastically, right, and would impact the profitability?
- D Ram Reddy:** It has already increased. Last 1 week, they have increased about INR7 to INR8, but it has to stay stable. Somebody will take over this instead of Iran, either Saudi or Qatar or Yemen, those

people will jump in and prices will be stable somewhere. Today, they are talking about INR30, INR31. According to us, it should stable somewhere INR27 to INR28 as against we are expecting from INR23 to INR24.

**Aman Madrecha:** And also, sir, like for example, our -- one of the bigger expansion is coming in Dimethyl Ether, 1 lakh ton of capacity. So like how is the marketplace domestically obviously, it's a 20% blending with LPG, etc. But currently, are we -- is the country importing DME from someone or is the first time that DME is used in LPG?

**D Ram Reddy:** Actually, this is what we see as an alternative for the LPG. The country is presently importing more than 30% -- 25% to 30% of the LPG from the outside country. So that's the reason the BIS has given its notification-- saying that you can blend 20% DME into LPG.

So we are working with the Government of India to get a notification to all oil companies to blend this. That is number one. Number two, we have an opportunity to all aerosol consumers wherever the pressure required for the aerosol manufacturing.

We expect that we will replace the entire aerosol market the moment we get the PESO permission. And thirdly, there's a commercial, if we don't succeed immediately for the blending in the LPG, but there is a commercial requirement like commercial hotel industry and industrial use where the LPG is used for the heating.

So there, our product will be definitely viable and we don't need any permissions or anything, we can directly go ahead. Only thing is we are waiting for the permission of PESO, Chief Controller of Explosives Service Center. The moment we get that, nothing will stop us going into the market. We do not need to wait for the blending into the LPG.

**Aman Madrecha:** And also, sir, if you could highlight on how is the EDA doing, Ethylenediamine, because we have been seeing that the subsidiary numbers are deteriorating, the margins are taking a hit. So what is happening on the EDA side of the things, if you could throw some light?

**D Ram Reddy:** You have a right question. See, there was a lot of dumping from China. Then we had approached the government for the antidumping, which is in the process the investigation is going on. And in the meantime, the prices have been improved little. That was the reason we started the plant. Plant is running presently at up to 50%, which we have closed for some time because of the dumping and the competition from China. And we are doing certain modifications also to minimize the EDA in Ethylenediamine and increase the other product portfolio capacity.

**Aman Madrecha:** Understood, sir. So we are currently operating the EDA plant at 40% to 50% utilization, right?

**D Ram Reddy:** Yes, you are right.

**Aman Madrecha:** And lastly, sir, could you throw some light like currently, if I -- like we are not generating any revenue from acetonitrile. We are generating maybe marginal money, let's say, from a DMF. So what are the key products wherein we are generating the money, be it the derivative side, be it the specialty chemical side, like where are we actually generating a good amount of money and the product is also viable?

**D Ram Reddy:** Yes. I think we have given in the annual results press release as well as in my speech, I have mentioned clearly what are the quantities like amines are there, methylamine ethylamine both together and derivative are there like NMP, dimethylamine hydrochloride, DMAC, DMF partly. Many products are there. So like that in specialty chemicals front like NMP is there, Morpholine is there.

So they are all contributing only other than ACN, all the plants are running. Only ACN we stopped because of the modifications and because of the price situation because of the new technology, new up-gradation, new technology. We are not producing presently anything in the acetonitrile plant, but all other plants are running.

**Moderator:** Next question comes from the line of Deep Chitalia from 9 Rays EquiResearch.

**Deep Chitalia:** Sir, my first question is the performance of the subsidiary seems to be more impacted in FY '25. So could you provide some reasons for this poor performance of our subsidiary?

**D Ram Reddy:** The same thing I was telling Mr. Chitalia what has happened because of the -- there are 2 reasons. Number one reason is because of the dumping from China, the competition from China, we were not in a position to run full capacity.

Number two, we have taken up some modifications in the plant, which is a brownfield, which will complete by the end of this financial year, where we will be reducing these low-cost products, we'll be consuming these low-cost products and producing the high- value products like PIP, DETA, TETA, TEPA all these products.

So by the end of this financial year or first quarter of the next year, you will see the results of these modifications and you will see the actual maximum level of running capacity of this subsidiary. And also in the coming financial year, you will see the expansion of first phase some of the plants will be operating for the next financial year. So both put together, you will see the number of -- good numbers at the top level in the next financial year.

**Deep Chitalia:** Understood, sir. Sir, in the incentives which we are supposed to receive for this INR750 crores mega project from the State Government. So how it will get reflected in our numbers?

**D Ram Reddy:** That, we will see whatever the incentive sanctioned will be paid in over a period of 7 years' time. That depends upon whether the GST paid 50%, if GST paid on the sale, you are supposed to claim and the government is going to reimburse that, which we are getting. Some amount is already for the Balaji Amines as well as in subsidiary also. We are already getting some cash in the current financial year.

**Moderator:** Next question comes from the line of Rajiv Rupani, an Individual Investor.

**Rajiv Rupani:** Yes, sir. My question was on DMF. So last we spoke, you had told us, you will apply for some antidumping duty on DMF. And now that our methylamines plant is commissioned, so what kind of capacity utilization we will see in this year? And what is the current prices of DMF?

**D Ram Reddy:** We started running at full capacity when it made loss also because right or wrong, with our government, we have to prove ourselves by making the losses at least 1, 2 financial years, we have to make the losses. Then you are eligible for the -- filing of the antidumping. So there is one file is already pending that EDA's investigation is going on.

After that, if we make these losses, as of now, we are not making eligible losses. We are running reasonably good only. So now we are running at 40% capacity, slowly we are increasing it to 60% to 80% capacity. And while doing this, if we make the losses, we become eligible for the antidumping and we'll be definitely filing the antidumping.

**Rajiv Rupani:** Okay. And I have a follow-up question on BSC Unit I. Sir, you just informed us that we'll be producing less of EDA and more of other products. So our other products, what I know the Piperazine DETA and AEP, we have environment clearance of 4,000 tons for PIP, DETA is 3,150 and AEP is 1,000. Any update on that as we have...

**D Ram Reddy:** No, no, we have a mix of other products like TETA, TEPA also we have applied. Those are also on plate. So we will be getting TETA TEPA. And in addition to that, the existing, as you rightly said, PIP, DETA and AEP will be increased.

**Rajiv Rupani:** Okay. So then can we expect 80%, 100% capacity utilization for the other products...

**D Ram Reddy:** Definitely next year.

**Rajiv Rupani:** Okay. And I have one more question N-Butylamine. What is the current capacity utilization and going forward next year?

**D Ram Reddy:** We are running currently 30% to 35% capacity. I will tell you whatever is the country's consumption, we have covered almost 90% to 95% of the country's imports we have stopped for that product. Because we being a single manufacturer, initially we struggled, but today the stage has come, hardly anything coming from the outside country for this product.

Second thing, we are just sent the samples outside the country and we are evaluating for the REACH registration also for the exports. Third thing, which I just disclosed product called NBPT, N-(n-butyl) Thiophosphoric Triamide. This product is required N- Butylamines. So, that we are going to take up in the next financial year. So, that time this Butylamines is going to be operational more than 80%.

**Rajiv Rupani:** Okay. That was helpful. And my last question was on PG. What is the current capacity utilization and going forward?

**D Ram Reddy:** See, what is happening is PG and DMC both together will come in a plant. And DMC you are aware that the battery chemicals, nobody has it in full swing. This past one time we have given and we have to run both the plant. And in addition to that, we have applied for the pharmaceutical grade, pharma grade Propylene glycol.

So far, we are making only technical grade and food grade. The moment we get that permission, we will get the higher price for the PG and thereby the lower price ability will come for the DMC

for outside country, where we have paid the REACH registration also outside country since China is dumping at below RM cost because they must be using the same formula PG at higher price and DMC at lower price.

So we are waiting for the -- actually, we focus only on DMC. Otherwise, we would have got the PG pharma license earlier if we have focused on PG assuming that the battery chemicals will go fast. And the reason we were concentrating on doing the battery grade DMC and all.

Now we understood that PG also that is important we should do the pharmaceutical grade PG. So we have done some investment and some modification has been upgraded for the pharmaceutical grade and applied for the license. The moment we get the license, then this plant without battery also will survive more than 60%, 70% capacity.

**Moderator:**

Ladies and gentlemen, due to time constraints, we have reached the end of question-and-answer session. I would now like to hand the conference over to the management for closing comments.

**D Ram Reddy:**

Thank you very much. I thank you all the participants, all the investors, shareholders who have shown the interest and confidence on the management and the company. We will not let you down. And thank you once again. We'll put all our efforts to make this company to highest level of the expectations.

And thank you once again, thank you very much. And one more, we welcome anybody who wants to visit the plants where the progress of the expansion can be seen with your eyes. So you can contact our CS who will be guiding you for the plant visits. Thank you once again. Thank you all.

**Moderator:**

Thank you. On behalf of Balaji Amines Limited, that concludes this conference. Thank you for joining us, you may now disconnect your lines.