



**NEW HEIGHTS.
UNSTOPPABLE DRIVE.**



RATING

MANAGEMENT ★★★★★

BUSINESS ★★★★★

FINANCIALS ★★★★★

VALUATION ★★★★★

Ranking 1 to 5, denoting lowest and 5 highest

01-12-2025



FIN2RESEARCH
Investment Advisor Pvt. Ltd.



ACUTAAS CHEMICAL LIMITED

Sector: Healthcare

Rating: BUY

Range: ₹1,793 - ₹1,829

Target 1/2: ₹2,010 / ₹2,209

Expected Upside Potential: 22%

Stock Info :	
Mkt Cap (₹ in Cr)	13,877.16
52-Weeks Low/High	1,040.50/2,644.00
Traded Volume (Lakhs)	1.76
No. of Equity Shares (Cr)	8.18
Face Value (Rs.)	5.00
NSE Code	ACUTAAS
BSE Code	543349
Free Float Market Cap (Cr)	8,765.73

Source: NSE/BSE

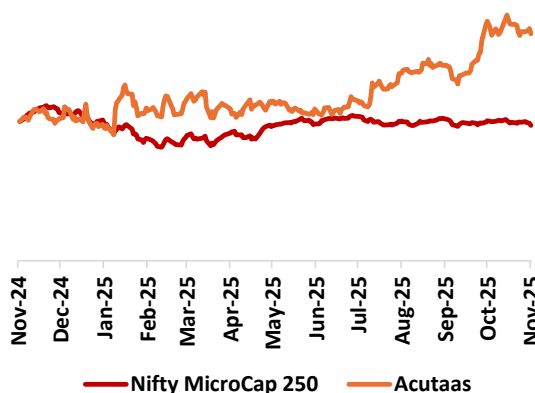
Particulars	FY24	FY25
Debt to Equity	0.32	0.01
EPS	5.83	19.81
Debt Service Coverage	2.86	30.08
EBITDA Margin	17.9	23
ROCE	10.8	16.8
RoE	6.5	16
Net Profit Ratio	5.7	15.7

Source: Company

Particulars	% of Total Shares
Promoters	32.66
Mutual Funds	15.81
Banks/Insurance Companies	6.78
FPIs/FII	16.84
Others	27.91
Total	100

Source: Company,NSE,BSE

Stock Performance



About Company:

Founded in 2004, Acutaas Chemicals Limited is one of India's fastest-growing and innovation-driven specialty chemicals and advanced pharmaceutical intermediates manufacturers, delivering high-performance chemical solutions to global industries. Formerly known as Ami Organics Limited, the company has evolved into a diversified chemical powerhouse that is redefining how complex chemistries, specialty materials and next-generation molecules are developed, scaled and supplied worldwide. Acutaas has built a robust portfolio of 610+ commercialised products, serving ~600 customers across 55+ countries, including several global innovators and long-standing multinational clients. With leadership that spans advanced pharmaceutical intermediates, CDMO services, semiconductor chemicals, battery-electrolyte additives, fine and specialty chemicals, the company today stands at the forefront of high-purity and high-value chemistry in India.

Key Highlights:

□ In financial year 2024–25, the company delivered one of its strongest performances since listing, driven by robust growth across Advanced Pharmaceutical Intermediates, CDMO and Specialty Chemicals. Consolidated revenue rose to ₹10,069 million (up 40.1% YoY), supported by volume expansion, higher realisations and an improved product mix. EBITDA surged to an estimated ~₹2,490 million (up ~83% YoY), with margins expanding sharply on operating leverage and restructuring of low-margin pharma intermediates. Profit After Tax doubled to ₹1,604 million (up 229% YoY), reflecting stronger gross margins, improved efficiency and favourable foreign-exchange gains.

□ In Q2 FY2025–26, the company sustained its growth momentum: revenue reached ₹3,062 million (up 24.1% YoY), EBITDA rose to ₹953 million (up 94.8% YoY), and PAT climbed to ₹719 million (up 91.3% YoY). Gross margins rose to ~56% (from 43%), one of the highest among Indian chemical mid-caps, driven by increased CDMO share and operating efficiency. The company ended FY25 with a debt-free balance sheet, strong cash generation and robust return ratios (ROCE ~19%). These gains reflect disciplined capacity expansion, strong customer traction in regulated markets and favourable sector tailwinds.

□ Headquartered in Surat, Acutaas operates across four advanced manufacturing campuses (Sachin, Ankleshwar, Jhagadia, and Greater Noida) supported by a DSIR-recognized R&D centre. It serves ~600 customers across 55+ countries, with exports contributing ~74% of FY25 revenue, positioning the company among India's most internationalised specialty chemical manufacturers. Its pharma facilities (Sachin and Ankleshwar) hold USFDA EIR and PMDA-Japan GMP approvals, enabling supplies to global innovators. The company secured multiple CDMO opportunities, expanded its regulated-market pharma portfolio, and signed multi-year supply arrangements for VC/FEC electrolyte additives. Its H1 FY26 capex reached ₹141 crore, part of an expected FY26 outlay of ~₹250 crore—entirely funded through internal accruals, reflecting a strong financial position.

□ Acutaas has deepened its engagement with global customers, regulatory bodies and technology partners. The company secured multiple new customers in the US, Europe, Korea, Japan and Taiwan across its pharma, battery and semiconductor verticals. These wins underscore Acutaas's emerging leadership in high-purity chemistry, electrochemical materials and contract development manufacturing.

Key Risks:

□ Global economic uncertainty (inflation, slowdowns in key markets) could dampen demand across industries. The chemical sector remains cyclical – short term cyclical downturns, geopolitical unrest, supply chain disruptions and shortages of critical materials can also pose challenges.

Rating: BUY

Range: ₹1,793 - ₹1,829

Target 1/2: ₹2,010 / ₹2,209

Expected Upside Potential: 22%

SWOT ANALYSIS

Strengths:

First Indian producer of critical Li-ion battery additives, and the only domestic maker of semiconductor-grade photoresists. The company has delivered robust growth and improving margins. In Q2 FY26, consolidated revenue was ₹3,062 M (up 24.1% YoY). H1 FY26 revenue was ₹5,134 M (+21% YoY). Q2 gross profit jumped 59% to ₹1,707 M on higher volumes/pricing, lifting gross margin to ~56% (vs 43% a year ago). Q2 EBITDA was ₹953 M (YoY +94.8%) and Q2 PAT was ₹719 M (YoY +91.3%). This yields a Q2 EBITDA margin of ~31% and PAT margin of ~23%. (H1 FY26 PAT was ₹1,159 M, up ~40% from H1 FY25.)

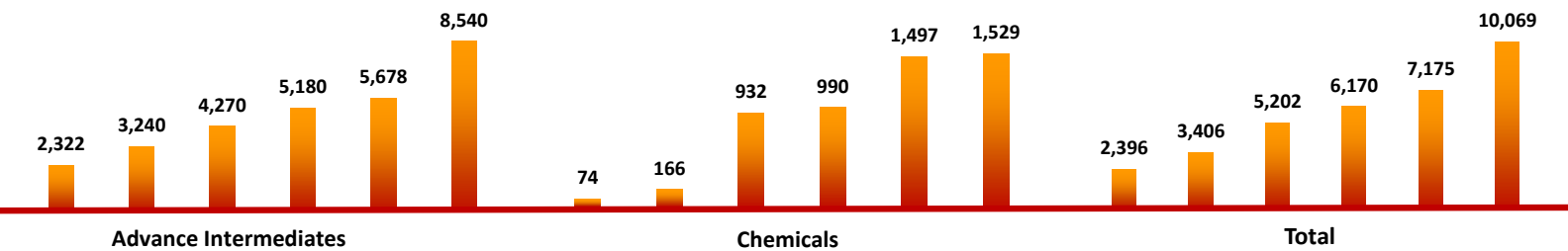
Revenue from Operations - Growth Trends (₹ Mn.)

FY20-25 CAGR:

29.8%

83.2%

33.3%



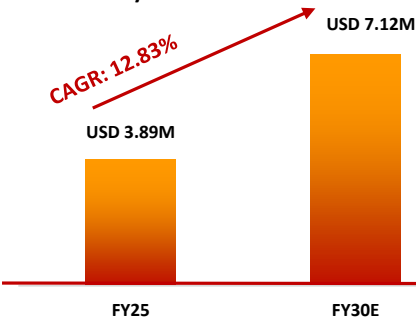
Opportunities:

Battery Chemicals (Electrolyte Additives): The company is well-positioned; it has already launched proprietary additives (VC, FEC) and is building a ₹180cr Jhagadia plant (completion expected Q4 FY2026) dedicated to electrolytes. As the first/only Indian maker of these additives, it has a first-mover advantage to supply global cell makers.

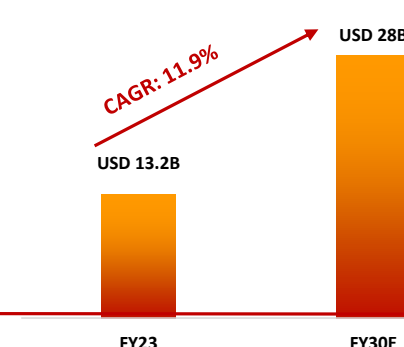
Semiconductor Chemicals: Through its Baba Fine Chemicals acquisition and new Korean JV (Indichem Korea), the company is uniquely placed to capture this. It now has domestic capability to make photoresist and other e-chemicals (no other Indian firm does so) and is building the Indichem plant (ground-breaking done, production from H2 FY2027).

Pharma CDMO and Intermediates: The company aims to leverage this by targeting ₹1,000 Cr (about \$120M) in CDMO sales by FY2028 (as disclosed) through its USFDA/PMDA-compliant plants. Its backlog of new pharma projects and expanded capacities (including the Sachin pilot plant coming online) mean it can capture a growing share of global custom synthesis demand.

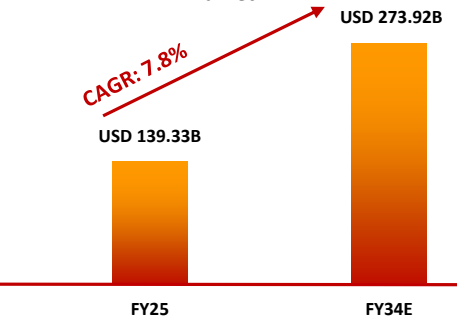
India Electric Vehicle Battery Electrolyte Market



Semiconductor Chemical Market



Active Pharmaceutical Ingredients CDMO Market



Weaknesses:

Despite its growth, the company remains small versus global peers. For example, its FY2025 sales (~₹1,024 cr) are modest compared to large chemical/CDMO players. This size difference limits economies of scale (e.g. raw material procurement) and bargaining power. It also makes the company more sensitive to volume swings in a few key products or clients.

Threats:

The chemical industry is subject to evolving environmental, health and safety norms (e.g. REACH in Europe, RoHS, EPA regulations in US). Stricter regulations on emissions, waste disposal or worker safety could increase compliance costs. Additionally, currency fluctuations (Rupee vs USD, KRW, JPY) pose a risk, as the company earns in dollars/yens but incurs some costs in rupees.

Management Overview



Management Analysis

Board of Directors



Mr. Nareshkumar Ramjibhai Patel

Mr. Nareshkumar R. Patel is the Promoter Director designated as Executive Chairman and Managing Director of Ami Organics Limited. He has been associated with the Company since its inception and has extensive experience in the global generic pharma business. As a specialist in Strategic Business Planning, he has hands on experience in corporate leadership, managing multi technology cross functional teams, developing Research & Development strategies and building new model for growth for the company.

Mr. Chetankumar Chhaganlal Vaghasia

Mr. Chetankumar C. Vaghasia is the Whole-time Director of the Company and has been associated with the Company since its incorporation. Mr. Chetankumar C. Vaghasia has around 22 years of experience in the Speciality chemicals manufacturing sector. He is the promoter Director of Ami Organics Limited and is associated with the Company since its incorporation. He has rich and varied experience in production, operations, strategy & planning, purchase, logistics and people development in the chemical industry.



Mr. Virendra Nath Mishra

Mr. Virendra Nath Mishra is the Whole-time Director of the Company. He holds a Bachelor of Science degree from the Veer Bahadur Singh Purvanchal University, Jaunpur and holds a Master of Science (Chemistry) degree from the Poorvanchal University, Jaunpur. He has been associated with the Company since 2005 and has been appointed as Whole Time Director since March 3, 2021. He has vast knowledge and expertise in heading the production & operations of chemical company.

Mr. Ram Mohan Lokhande

Mr. Ram Mohan Lokhande is the Whole Time Director of the Company. He holds Bachelor of Technology (B Tech) Chemical Engineering degree from National Institute of Technology. He has around 22 years of vast experience with leading pharmaceutical and chemical manufacturing companies in India in managerial roles. He is an API Pharma professional with core competency in API Manufacturing, API Projects, new facility commissioning, Project management and Technology absorption among others.



Mr. Hetal Madhukant Gandhi

Mr. Hetal Madhukant Gandhi is an Independent Director of our Company. He holds a Bachelor of Commerce degree from the University of Bombay and is an associate member of the Institute of Chartered Accountants of India. He has over 38 years of experience in the financial services industry that encompasses private equity investments, credit markets and investment banking. He is the cofounder and managing director of Tano India Advisors Private Limited.

Mr. Girikrishna Maniar

Girikrishna Maniar is an Independent Director of the Company. He holds a Bachelor of Science degree in Chemistry from the University of Bombay and is a fellow member of the Institute of Cost and Works Accountants of India. He has been practicing as a cost accountant since 1988. He has been appointed as an Independent Director of the Company since April 23, 2018.



Mrs. Anita Bandyopadhyay

Mrs. Anita Bandyopadhyay is an Independent Director of our Company. She holds Doctorate degree in Applied Psychology from Kolkata University and Executive MBA from SP Jain Institute of Management & Research, Mumbai. She is an acclaimed HR consultant with extensive expertise in Leadership Development, Talent Management, Performance Management, HR Processes and corporate succession planning.

Mrs. Richa Goyal

Richa Manoj Goyal is an Independent Director of the Company. She holds a Bachelor of Commerce from H.A. Commerce College and LLB degree from Gujarat University and is a fellow member of The Institute of Company Secretaries of India. She is certified trademarks agent and she is currently the managing partner of the law firm 'RM Legal' and was appointed as an Independent Director of the Company on April 1, 2021.



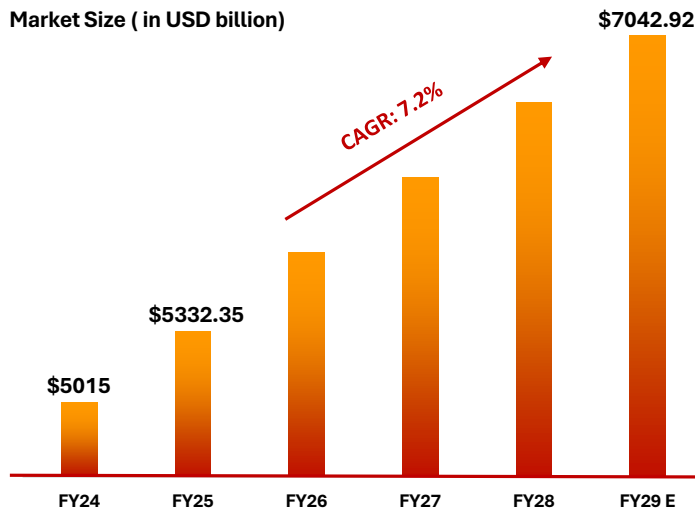
Chemical Industry Overview



Global Chemical Market

Chemicals Global Market

Market Size (in USD billion)



The chemical market size has grown strongly in recent years. It will grow from \$5015 billion in 2024 to \$5332.35 billion in 2025 at a compound annual growth rate (CAGR) of 6.3%. The growth in the historic period can be attributed to global economic conditions, global economic trends, raw material costs, market consolidation, global population growth.

The chemicals market size is expected to see strong growth in the next few years. It will grow to \$7942.92 billion in 2029 at a compound annual growth rate (CAGR) of 7.2%. The growth in the forecast period can be attributed to stringent environmental regulations, shift in consumer preferences, renewable and bio-based materials, geopolitical factors, health and safety prioritization. Major trends in the forecast period include sustainability and green chemistry, digital transformation, circular economy, advanced materials and nanotechnology, supply chain resilience, digitalization and industry 4.0.

The forecast of 7.2% growth over the next five years reflects a modest reduction of 0.2% from the previous estimate for this market. This reduction is primarily due to the impact of tariffs between the US and other countries. This is likely to directly affect the US by increasing industrial production costs, as bulk chemical imports from China and Germany become more expensive. The effect will also be felt more widely due to reciprocal tariffs and the negative effect on the global economy and trade due to increased trade tensions and restrictions.

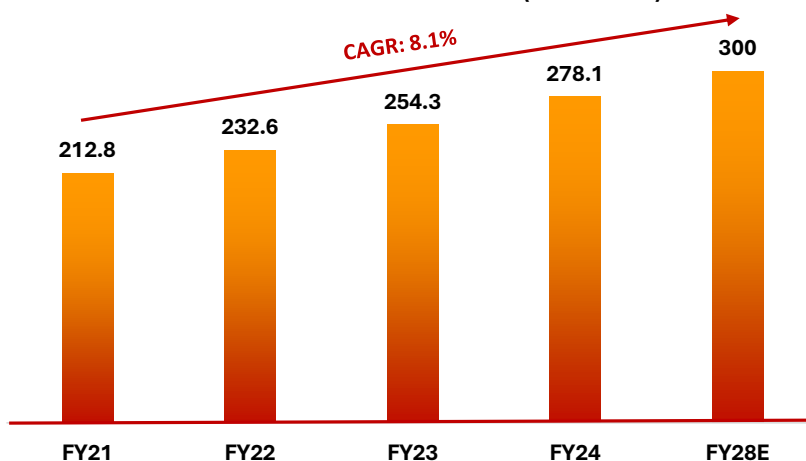
Indian Chemical Market

India's chemicals industry is largely de-licensed, except for a few hazardous chemicals, offering a dynamic landscape for growth and investment. Alkali chemicals dominate the sector, accounting for around 73% of total production. India ranks as the sixth-largest chemical producer globally and third in Asia, contributing approximately 7% to the country's GDP. The industry, estimated at Rs. 21,50,750 crore (US\$ 250 billion) in 2024, is projected to grow to US\$ 300 billion by 2028 and Rs. 86,03,000 crore (US\$ 1 trillion) by 2040, demonstrating strong resilience even amidst global uncertainties.

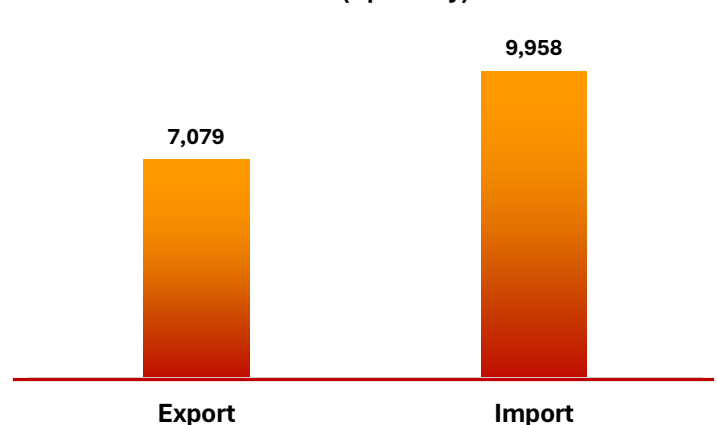
India holds a competitive position in global trade, ranking 14th in chemical exports and eighth in imports (excluding pharmaceuticals). The specialty chemicals market was valued at US\$ 64.5 billion in 2024 and is expected to reach US\$ 92.6 billion by 2033 at a CAGR of 3.8%, driven by demand from agriculture, construction, automotive sectors, industrialization, urbanization, and product innovation. The agrochemicals segment alone, valued at US\$ 15.5 billion in 2024, is expected to grow to US\$ 23.3 billion by 2033, supported by technological advances and innovative formulations.

The forecast of 7.2% growth over the next five years reflects a modest reduction of 0.2% from the previous estimate for this market. This reduction is primarily due to the impact of tariffs between the US and other countries. This is likely to directly affect the US by increasing industrial production costs, as bulk chemical imports from China and Germany become more expensive. The effect will also be felt more widely due to reciprocal tariffs and the negative effect on the global economy and trade due to increased trade tensions and restrictions.

Market Size of Indian Chemical Sector (US\$ billion)



Imports and Exports of Chemicals (US\$ million) - FY26 (April-July)



Business Overview and Segment Overview



Business Overview



Founded in 2004 as a partnership firm to Ami Organics Limited, the company has built a strong reputation over two decades for its expertise in manufacturing, developing, and commercialising specialty chemicals. Recently, Ami Organics Limited has officially changed its name to Acutaas Chemicals Limited, with a focus on continuing its exponential growth. Known for its strong research capabilities, Acutaas Chemicals plays a key role in producing advanced pharmaceutical intermediates and niche specialty chemicals, including electrolyte additives for lithium-ion batteries and photoresist chemicals used in the semiconductor industry.

With a strategic focus on both domestic and international markets, spanning North and South America, Europe, and Asia, the company has established itself as a global player in the specialty chemicals space. Its in-house R&D centre, approved by the Department of Scientific and Industrial Research (DSIR), houses dedicated teams for research and development, quality control, quality assurance, and regulatory affairs. Manufacturing operations are carried out in state-of-the-art facilities located in Sachin, Ankleshwar, and Jhagadia in Gujarat, and Greater Noida in Uttar Pradesh.

Driven by vision for global impact, the company have built a strategically distributed manufacturing network across Gujarat and Uttar Pradesh. These facilities serve as the foundation of our expanding footprint, enabling efficient product distribution across India and to key global markets. Supported by agile logistics and a strong export orientation, the company ensure consistent, reliable, and timely deliveries worldwide.

Since inception the company has exported products to over 55 countries, reflecting an expanding international presence. The company have established trusted relationships with a diverse customer base of ~600 clients, which includes more than 30 customers associated with the company for over a decade, reinforcing its commitment to long-term partnerships.

Key Highlights for the year under review:

Successfully concluded Good Manufacturing Practices (GMP) inspection by Pharmaceutical and Medical Devices Agency, Japan (PMDA) without any critical/major observation, as the agency issued Inspection Result Report declaring the Sachin Facility as a Good Manufacturing Practices (GMP) compliant.

Successfully raised funds worth `500cr. through QIP and Preferential allotment to deleverage balance sheet and support capex.

Achieved robust year-on-year growth of 40.3%, crossing the `1,000 Crore milestone with revenue from operations reaching `1,006 Crore.



Development and entry into new applications with high entry barriers.



Continued focus on operational efficiency to deliver improved margins.



Strengthening position in battery chemicals and semiconductor chemicals.

Manufacturing Units



Sachin Unit

The Sachin facility is a state-of-the-art, multipurpose manufacturing unit dedicated to the production of advanced pharmaceutical intermediates.

The Sachin unit integrates sustainable operations through a zero-liquid discharge (ZLD) effluent treatment plant and soil bio-technology (SBT) system, ensuring minimal environmental impact.

Designed for operational efficiency and scale, the unit houses 13 independent product lines, supported by 40 reactors and 17 dryers. Located nearby, the R&D centre in GIDC, Sachin, complements the manufacturing site with robust capabilities in process and analytical development. The R&D centre drives analytical and method development, along with process synthesis and optimisation, to support operations across all manufacturing plants.

Ankleshwar Unit

The Ankleshwar facility is a newly commissioned, technologically advanced manufacturing unit focused on the production of advanced pharmaceutical intermediates.

The facility is fully automated, incorporating a Distributed Control System (DCS) for centralised monitoring and control of operations, along with a Powder Transfer System (PTS) that enables enclosed, contact-free material handling. These advanced systems enhance process precision, operational safety, and efficiency, while reducing manual intervention.

Developed as a brownfield project and inaugurated in December 2023, the plant features three dedicated production blocks equipped with over 80 reactors and approximately 35 dryers. An efficient effluent treatment plant (ETP) ensures responsible waste management in compliance with environmental norms.



Jhagadia Unit

The Jhagadia facility is a versatile, multipurpose manufacturing unit specialising in the production of parabens, methyl salicylate, and other specialty chemicals.

The plant is equipped with 31 stainless steel and 14 glass-lined reactors, along with automated, dedicated production lines for both paraben and methyl salicylate—ensuring high throughput, consistency, and product quality.

Supporting its operations is a comprehensive effluent treatment system comprising a multiple-effect evaporator (MEE), a reverse osmosis (RO) system, and bioreactors. This advanced setup enables effective purification, organic load removal, and wastewater recycling—reinforcing the unit's commitment to sustainable and environmentally responsible manufacturing. The facility is spread across a sizable land parcel, of which 15,830 square meters was unutilised, now leveraging this space to establish a new plant for Battery Chemicals business.

Greater Noida Unit

The Greater Noida facility, operated under Baba Fine Chemicals, is a specialised unit focused on the production of electronic-grade photoresist chemicals. Designed for precision and purity, this advanced facility supports both laboratory scale and commercial-scale manufacturing to meet the stringent quality standards of the electronics industry.

The unit comprises seven dedicated lab rooms, each equipped with a 500-litre glass-lined capacity, ensuring precise batch processing. Additionally, 14 glass assemblies with a combined capacity of 1,300 litres enable efficient scale-up for larger production volumes without compromising on product integrity.



Segment Overview

Advanced Pharmaceutical Intermediates



₹8,540 Mn
Revenue Generated

160+
Customers Served

17+
Therapeutic Areas

25+
Countries (Customer Locations)

2
Manufacturing Facilities (Surat and Ankleshwar, Gujarat)

22+
Process Patents (5 patents published; 10 patents granted, and 7 patents applied)

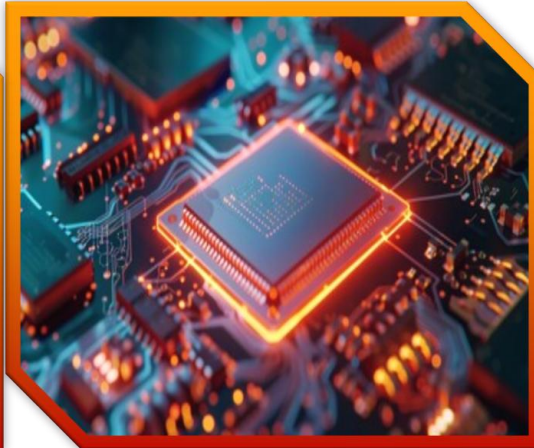
The company is a global manufacturer specialising in advanced intermediates for the pharmaceutical industry. With a strong emphasis on research and development, the company focuses on creating advanced intermediates for both regulated and generic Active Pharmaceutical Ingredients (APIs) as well as New Chemical Entities (NCEs). Over the years, Acutaas Chemicals has developed more than 550 pharmaceutical advanced intermediates across 17 therapeutic segments, including antidepressants, antipsychotics, anticancer, anticoagulants, anti-Parkinson's, and anti-inflammatory drugs.

The Company plays a vital role in the pharmaceutical value chain by delivering innovative and cost-efficient advanced intermediates through continuous process optimisation. In FY2025, Acutaas Chemicals marked significant progress in its growth and innovation journey. The company completed the majority of its capital expenditure at its Ankleshwar facility and secured a long-term supply agreement with a subsidiary of an innovator pharmaceutical company for four new pharmaceutical intermediates targeting a single API under the CDMO model. The new Ankleshwar plant is equipped with advanced technology and operates on a distributed control system, positioning it among the one of first automated facilities for advanced intermediates in India.

Moreover, the Company's manufacturing facility, Unit I, located in Sachin, Surat, engaged in the production of various intermediates for Active Pharmaceutical Ingredients, underwent a Good Manufacturing Practices (GMP) inspection by the Pharmaceutical and Medical Devices Agency (PMDA), Japan, starting June 4, 2024. The inspection concluded successfully on June 7, 2024, with no critical or major observations. Furthermore, PMDA issued Inspection Result Report declaring the Sachin Facility as a Good Manufacturing Practices (GMP) compliant.

Segment Overview

Specialty Chemicals



₹1,529 Mn
Revenue Generated

400+
Customers Served

60+
Products

3
Business Segments

50+
Countries

2
Manufacturing Facilities (Jhagadia, Gujarat and Greater Noida, Uttar Pradesh)

The company is a global manufacturer of specialty chemicals serving a wide range of industries, including battery chemicals, semiconductors, agrochemicals, cosmetics, and polymers. The company is dedicated to delivering high-quality products, with a strong focus on innovation, reliability, and customer satisfaction. This commitment has positioned Acutaas Chemicals as a trusted partner for businesses seeking specialised chemical solutions tailored to their evolving needs.

Company specialty chemicals business is anchored in the ability to deliver targeted, high-performance solutions across critical industries. With a strong focus on formulation precision and functional performance, we cater to a wide range of applications including battery chemicals, semiconductors, personal care, agrochemicals, coatings, electronics, and industrial processes. This vertical is supported by agile manufacturing and a responsive R&D ecosystem that enables efficient scale-up and commercialisation. As demand for customised and sustainable chemistry grows, our specialty chemicals business continues to evolve, strengthening our position as a reliable partner committed to delivering measurable value through innovation, precision, and accountability.

1. Semiconductor Chemicals

In FY2023, The company entered the semiconductor industry by acquiring a 55% stake in Baba Fine Chemicals (BFC), effective April 1, 2023. BFC produces high-value specialty chemicals, including photoresist chemicals critical to semiconductor applications. This acquisition marked a strategic move into a high-entry-barrier market with low competition and a focus on advanced technology.

2. Battery Chemicals

The company entered the battery chemicals space in 2022 through its subsidiaries Ami Organics Electrolytes limited. The company developed essential electrolyte additives for lithium battery cells, becoming global first non-Chinese player to innovate at a scale. Key products in this segment include Vinylene Carbonate, and Fluoroethylene Carbonate, among others.

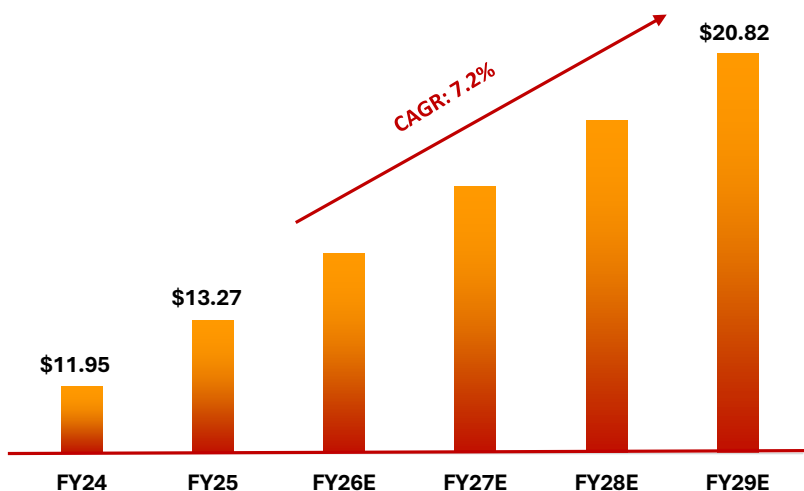
3. Commodity Chemicals

The company manufactures specialty fine chemicals like parabens, methyl salicylate, and niche KSMs for industries such as cosmetics, agrochemicals, and fine chemicals. Over the years, the company offered 60+ products to over 400 customers in 50+ countries.

Segment Overview

Semiconductor Chemicals

Global Semiconductor Chemical Market (Market Size in USD billion)



The semiconductor chemical market size has grown rapidly in recent years. It will grow from \$11.95 billion in 2024 to \$13.27 billion in 2025 at a compound annual growth rate (CAGR) of 11.9%. This robust growth is largely driven by the rising demand for consumer electronics, including smartphones and tablets, as well as the rapid expansion of the EV segment in the automotive industry worldwide. With semiconductors powering a vast range of technologies from medical devices and defense systems to AI, communications, and advanced mobility, the industry's outlook remains highly optimistic.

The photoresist chemicals market is estimated to reach \$3,386.2 Million in 2024 and is projected to grow at a CAGR of 3.6%, reaching \$4,837.2 Million by 2034. While growth was relatively sluggish in the earlier years, it is expected to pick up pace over the next decade. A key growth driver is the rising demand for semiconductors in the electrical and electronics sectors. Besides, the increasing adoption of advanced display technologies is anticipated to further boost market expansion.

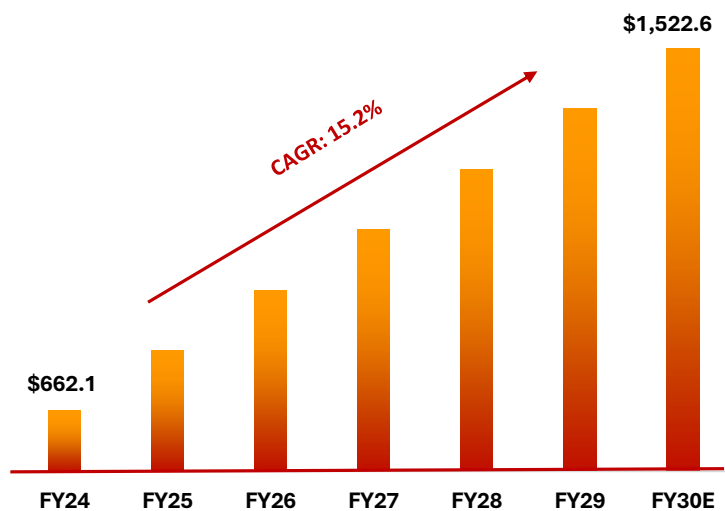
Regionally, the Americas led with a 44.8% annual increase, followed by China at 18.3% and Asia-Pacific (and all others) at 12.5%. In contrast, sales declined slightly in Japan (-0.4%) and more significantly in Europe (-8.1%).

The semiconductor chemicals market in India is expected to reach a projected revenue of US\$ 1,522.6 million by 2030. A compound annual growth rate of 15.2% is expected of India semiconductor chemicals market from 2025 to 2030. This surge is being driven by high demand across key sectors such as mobile handsets, IT, telecommunications, consumer electronics, automotive, aerospace, and defence. Notably, mobile devices, IT, and industrial applications alone account for nearly 70% of the industry's revenue and are expected to continue leading the charge. The automotive and industrial electronics sectors, in particular, offer substantial opportunities for value creation as technology adoption deepens.

Besides, the photoresist chemicals market in India is poised for growth, supported by the country's increasing focus on domestic semiconductor and display manufacturing. Government initiatives such as the India Semiconductor Mission (ISM) and PLI schemes are driving investments in chip fabrication and electronics production, boosting demand for high-purity photoresist chemicals used in photolithography. As India builds its semiconductor ecosystem, the photoresist segment is set to benefit significantly from increased localisation, R&D, and technology partnerships with global industry leaders.

In parallel, the government has set clear targets for increasing local value addition in electronics manufacturing, aiming for 25% by FY2026 and 40% by 2030, to strengthen domestic capabilities and reduce reliance on imports.

India Semiconductor Chemical Market (US\$ in million)



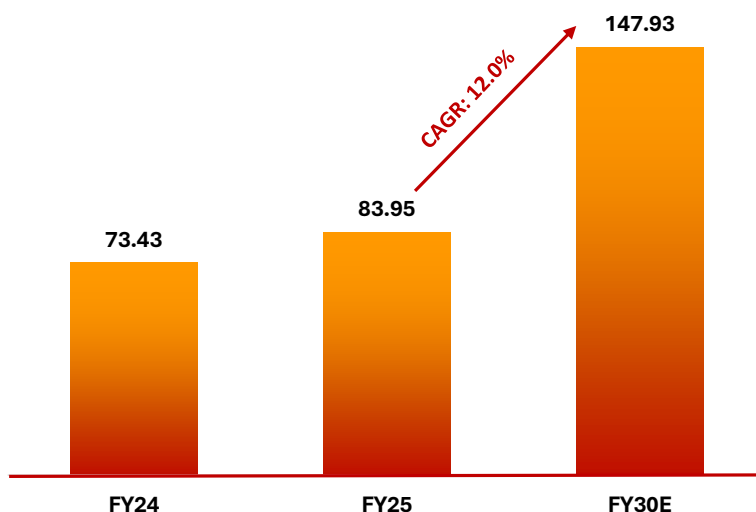
Following the 2022 acquisition of Baba Fine Chemicals, Acutaas now manufactures semiconductor-grade photoresist chemicals (only domestic player). FY25 performance from this was modest. Management reports initial small commercial orders from existing customer Heraeus and new collaborations in Korea, Japan and Taiwan. A new joint venture in Korea (Indichem Co., Ltd.) was formed (groundbreaking in Oct 2025) to localize semicon chemicals; its capex is underway and revenues are expected from H2 FY27. In the medium term, the expanded semiconductor portfolio (Baba Fine in India + Indichem Korea) is viewed as a future growth pillar. Key customers include large chipmakers/electrochem firms, though volumes are small today.

Thus Acutaas can supply semiconductor fabs in Taiwan, Korea, Japan from local plants (lower cost, shorter lead times) – a differentiated offering as many global competitors are distant or tied to specific regions.

Segment Overview

Battery Chemicals

Global Battery Chemical Market (USD in billion)



The global battery chemicals market is projected to grow from USD 83.95 billion in 2025 to USD 147.93 billion by 2030, at a CAGR of 12.0% during the forecast period. The battery materials market is witnessing strong growth driven by rising electrification across industries, increasing adoption of electric vehicles and renewable energy storage, and the expanding use of batteries in consumer electronics.

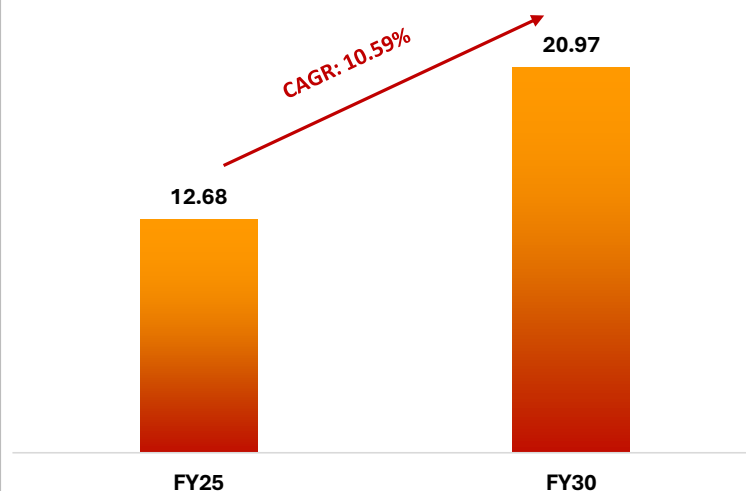
In parallel, the energy storage systems market is expected to expand from 254.7 GW in 2024 to 494.3 GW by 2033, growing at a CAGR of 7.27%. This is driven by rising electricity needs, increased adoption of renewables, and efforts to reduce emissions. These developments are accelerating the demand for advanced battery chemistries and materials, positioning battery chemicals, such as electrolytes, additives, and separators, as key enablers of both mobility and grid-scale energy solutions.

These additives enhance stability, significantly extend the battery's operational life, and improve safety by preventing dangerous thermal runaway events. As the industry aggressively pursues next-generation technologies such as solid-state and sodium-ion batteries, the role of advanced chemical formulations and novel additives will become even more critical in achieving breakthrough performance and securing a sustainable, clean energy market.

The India Battery Market size is estimated at USD 12.68 billion in 2025, and is expected to reach USD 20.97 billion by 2030, at a CAGR of 10.59% during the forecast period (2025-2030). India is expected to be a major investment hotspot for battery companies in the coming years because government policy-level support encourages the manufacturing sector. The global shift towards electrification is driving unprecedented demand for electric vehicles (EVs) and energy storage systems, creating significant growth opportunities for the battery chemicals market. In 2024, EV sales surged by 25%, reaching 17 Million units and pushing global battery demand past 1 terawatt-hour (TWh) for the first time. At the same time, battery pack prices dropped below \$100 per kilowatt-hour, a critical threshold for cost parity with internal combustion engine vehicles.

In parallel, the energy storage systems market is expected to expand from 254.7 GW in 2024 to 494.3 GW by 2033, growing at a CAGR of 7.27%. This is driven by rising electricity needs, increased adoption of renewables, and efforts to reduce emissions. These developments are accelerating the demand for advanced battery chemistries and materials, positioning battery chemicals, such as electrolytes, additives, and separators, as key enablers of both mobility and grid-scale energy solutions.

Indian Battery Chemical Market (USD in billion)

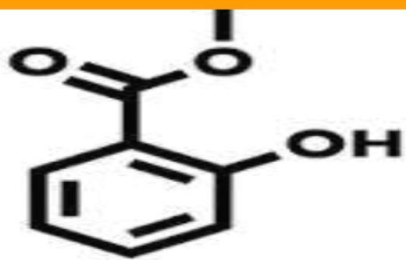


The company entered battery chemicals via its subsidiary Ami Organics Electrolytes (now Acutaas Chemicals Electrolytes). This segment is still in build-out; FY25 revenue was negligible (₹1.54 M). Capex for Jhagadia (Gujarat) electrolyte-additives plant is underway, with commissioning expected in H2 FY26. Management has secured multiple domestic battery-manufacturer customers for vinylene carbonate (VC) and fluoroethylene carbonate (FEC) products. Production is slated to start by Q4 FY26. While no material revenue has yet contributed, management expects this "order-backed" capacity to ramp from FY27 and become a key growth driver.

This includes commodity and fine chemicals (from Jhagadia, Greater Noida, etc.). In FY25 Specialty revenues were ₹1,529 M (up only 2.2% YoY). In Q2 FY26, Specialty chemicals sales were ₹43.6 cr (+7.3% YoY). Growth in FY25 was driven by higher volumes and stable pricing in commodity chemicals, while the acquired Baba Fine (semiconductor-targeted specialty) saw softness. During Q2 the commodity subsegment was up modestly, partially offset by a weaker performance at Baba Fine. Management notes the segment is more stable, with ~14% of revenue but broad end markets (cosmetics, agro, consumer).

Segment Overview

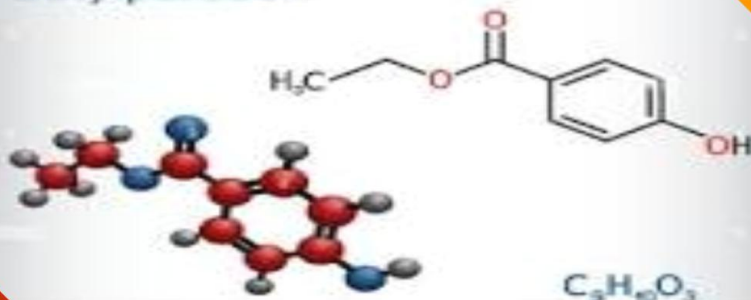
Commodity Chemicals



methyl salicylate

shutterstock.com · 2057280092

Ethylparaben



$C_9H_{10}O_3$

Methyl Salicylate Market

The global methyl salicylate market was valued at over \$225.36 Million in 2024 and is anticipated to have reached \$248.27 Million by 2025, growing at a year-on-year rate of ~10.17%. This growth is largely driven by the increasing use of methyl salicylate in the pharmaceutical sector. Commonly used in pain-relieving creams and topical treatments, it plays a vital role in managing arthritis, joint pain, and muscle aches. Studies indicate that local analgesics, used for both human and veterinary medicine, contains 12% to 20% methyl salicylate, underscoring its importance in pain management formulations.

The Indian methyl salicylate market is experiencing steady growth, driven by rising demand for pain relief products and expanding applications in pharmaceuticals, personal care, and food flavouring. Known for its anti-inflammatory and analgesic properties, methyl salicylate, commonly used in ointments, creams, and gels, is gaining popularity for treating muscle pain, arthritis, and sports injuries. Growing health awareness, lifestyle changes, and a focus on wellness are boosting consumer interest in such products. The increase in disposable incomes and demand for natural, plant-based solutions is further shaping market preferences.

Paraben Market

The global paraben market is expected to reach approximately \$869.9 Million by 2033, up from \$468.9 Million in 2023, growing at a CAGR of 6.7% over the forecast period from 2023 to 2033. Parabens are widely recognised for their cost-effectiveness and preservative efficiency, making them essential across cosmetics, pharmaceuticals, and food industries. Demand is primarily driven by their critical role in cosmetics and personal care, where they prevent microbial growth and extend product shelf life. Moreover, their use in the food and beverage industry is on the rise, particularly in processed items like sauces and dressings, supporting the global trend towards convenience foods.

The Indian parabens market is witnessing steady growth, supported by strong demand from the cosmetics, personal care, food, and pharmaceutical industries. Parabens are widely used as effective and affordable preservatives, helping extend shelf life and prevent microbial contamination in products such as creams, shampoos, packaged foods, and medicines. As India's FMCG sector continues to expand and personal care consumption rises, particularly in urban areas, the demand for parabens remains robust. The cost-efficiency of parabens compared to other preservative options makes them especially popular among mid-range product manufacturers.

The Commodity Chemicals business serves as a foundation of scale, supporting a wide range of industrial applications across geographies. With a product portfolio comprising over 30 established offerings, this channel enables consistent, high-volume supply for various sectors, including personal care, agriculture, coatings, and more. In line with our focus on process innovation, the company has undertaken operational optimisation and process improvements to enhance efficiency and productivity. With multiple products in the pipeline, this channel is actively evolving to meet market demand through continuous innovation and process refinement.

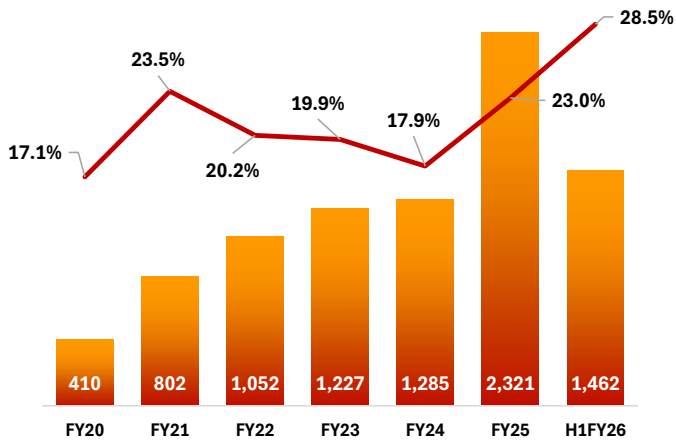
The company Specialty Chemicals division (including commodity, cosmetics and semiconductor-aligned chemicals) generated ₹1.53 bn in FY25, growing a modest 2% YoY after a strong 22% expansion in FY24. In Q2 FY26, Specialty revenues stood at ₹436 mn, up 7.3% YoY, with robust growth in the commodity chemicals subsegment driven by higher volumes and stable pricing, partially offset by subdued performance at Baba Fine. The segment accounts for 15–17% of consolidated revenues and operates at roughly 52% capacity utilisation at the Jaghadia site, providing headroom for growth. Management is guiding for a 10–15% CAGR in the traditional Specialty/Commodity chemicals franchise over the near term, with incremental upside over the medium term as the semiconductor-linked portfolio gains traction.

Financials & Valuation

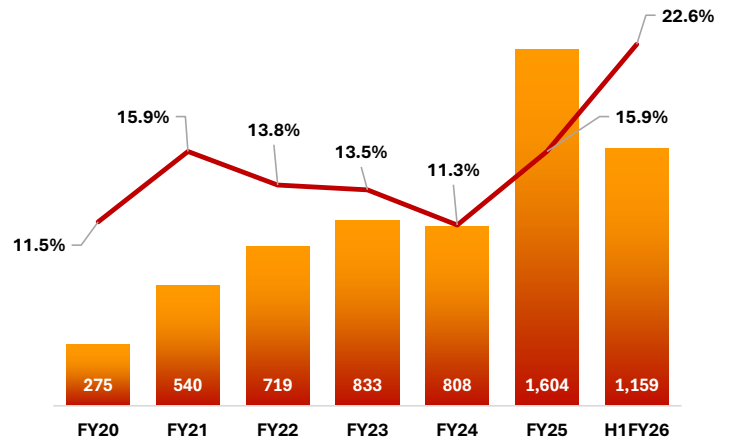


Financial Snapshot

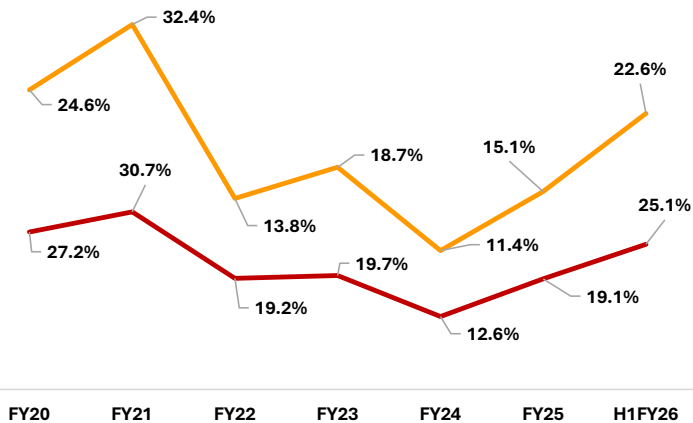
EBITDA (₹ Mn) & EBITDA Margins (%)



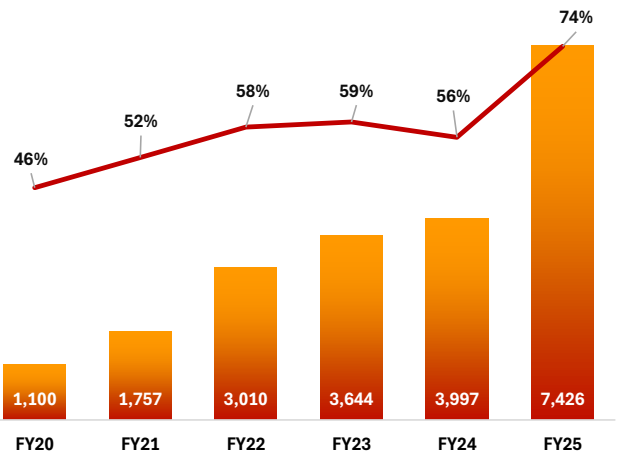
PAT (₹ Mn) & PAT Margins (%)



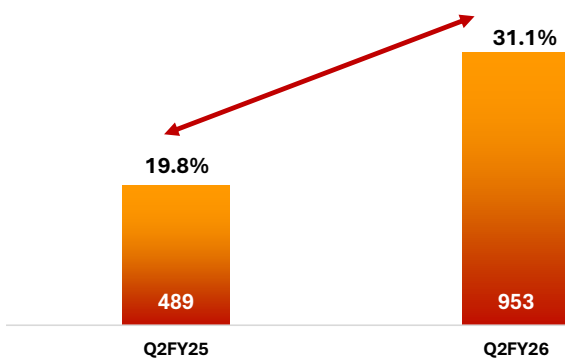
ROE & ROCE



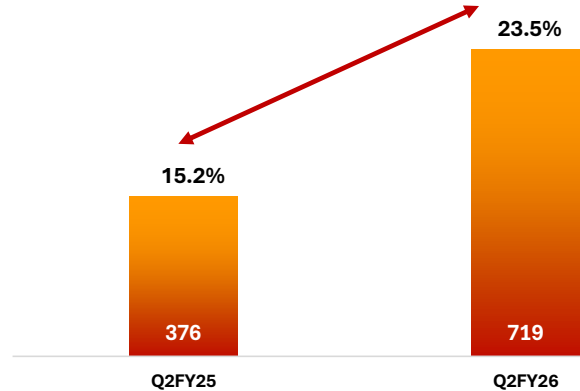
Export Revenue (₹ Mn) & % Change



EBITDA (₹ Mn) & EBITDA Margin



PAT (₹ Mn) & PAT Margin



Financial Statements

Income Statement

Particulars	2023	2024	2025
Revenue From Operation	6,167	7,175	10,069
COGS	3,309	4,117	5,522
Gross Profit	2,858	3,058	4,547
SG&A	1,632	1,773	2,227
Cash Operating Profit	1,226	1,285	2,320
Depreciation & Amortization	123	161	266
EBIT	1,103	1,124	2,054
EBIT Margin (%)	17.89%	15.67%	20.40%
Other Income	43	75	169
Interest Expense	24	59	62
EBT	1,122	1,140	2,161
Exceptional profit/(loss)	0	(321)	0
Tax Expense	289	332	557
PAT	833	487	1,604
PAT Margins (%)	13.51%	6.79%	15.93%

Cash Flow Statement

Particulars	2023	2024	2025
Profit before tax	11,217	8,190	21,616
OCF Before WCC	12,627	13,169	23,509
Total WC changes	3,628	1,782	7,001
CF from operations	8,999	14,951	16,508
Direct taxes paid	(2,445)	(2,435)	(4,674)
Cash from Operating Activities (A)	6,554	12,516	11,834
Purchase of PPE/Intangible Assets	(7,835)	(28,091)	(19,464)
Right of Use Asset	(1,805)	56	
Interest received	218	229	1,080
Others	6,118	(8,733)	(4,010)
Cash from Investing Activities (B)	(3,304)	(36,539)	(22,394)
Finance Cost	(241)	(594)	(620)
Dividend Paid	(1,094)	(1,093)	(1,228)
Others	110	25,623	27,960
Cash from Financing Activities (C)	(1,225)	23,936	26,112
Net inc/(dec)	2,024	(86)	15,552
Cash and Cash at beginning	1,030	3,053	2,970
Exchange gain/loss	0	3	0
Cash and Cash at the end	3,054	2,970	18,522

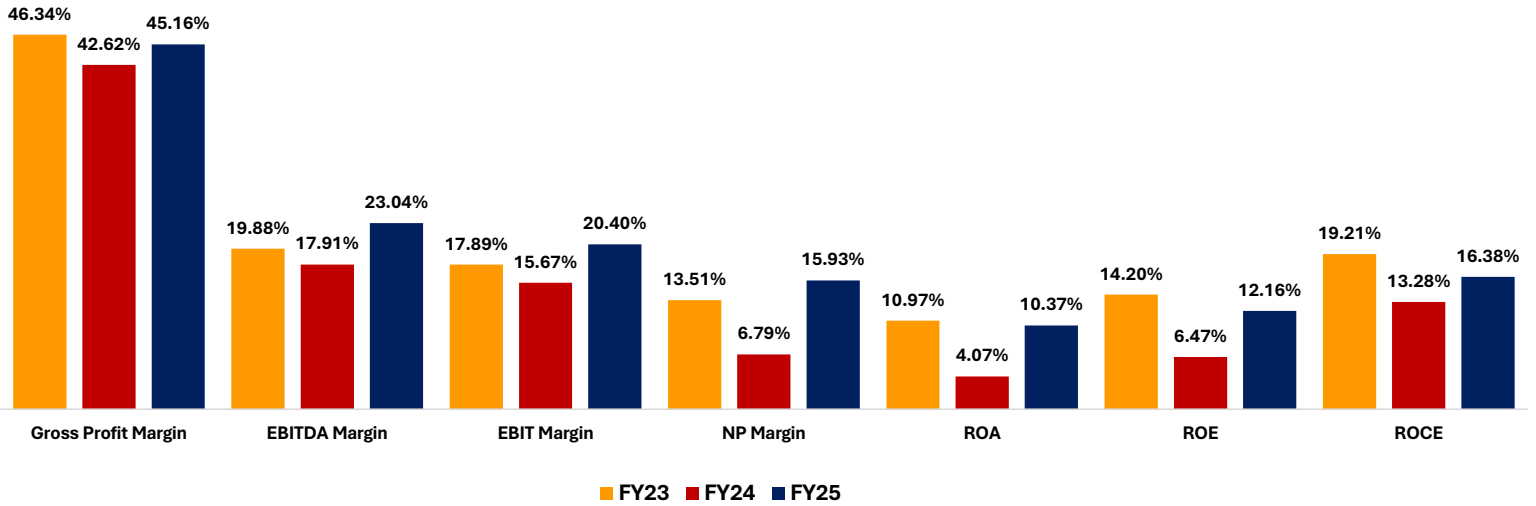
Balance Sheet

Particulars	2023	2024	2025
Property, plant and equipment	1,844	3,229	4,629
Right of use assets	374	372	424
Capital work-in-progress	255	1,254	1,303
Goodwill	203	568	568
Other Intangible Assets	211	103	83
Investments	17	2	2
Other financial assets	65	26	49
Current tax assets (net)	32	25	2
Other non-current assets	129	447	517
Total non-current assets	3,130	6,026	7,577
Inventories	1,192	1,567	1,799
Trade Receivables	2,303	2,064	2,905
Cash and cash equivalents	305	297	1,852
Other bank balances	281	236	637
Loans	13	16	22
Other current assets	445	753	701
Total Current Assets	4,539	4,933	7,916
Total Assets	7,669	10,959	15,493
Shareholder's equity	5,939	6,828	13,201
Financial Liabilities	6	1,136	48
Provisions	7	14	25
Deferred tax liabilities (Net)	88	130	196
Total Non-Current Liabilities	101	1,280	269
Borrowings	30	1,030	82
Trade Payables	1,420	1,346	1,560
Other current liabilities	65	343	136
Provisions	114	132	245
Current tax liabilities (Net)	0	0	0
Total Current Liabilities	1,629	2,851	2,023
Total liabilities	1,730	4,131	2,292
Total Equity and Liabilities	7,669	10,959	15,493

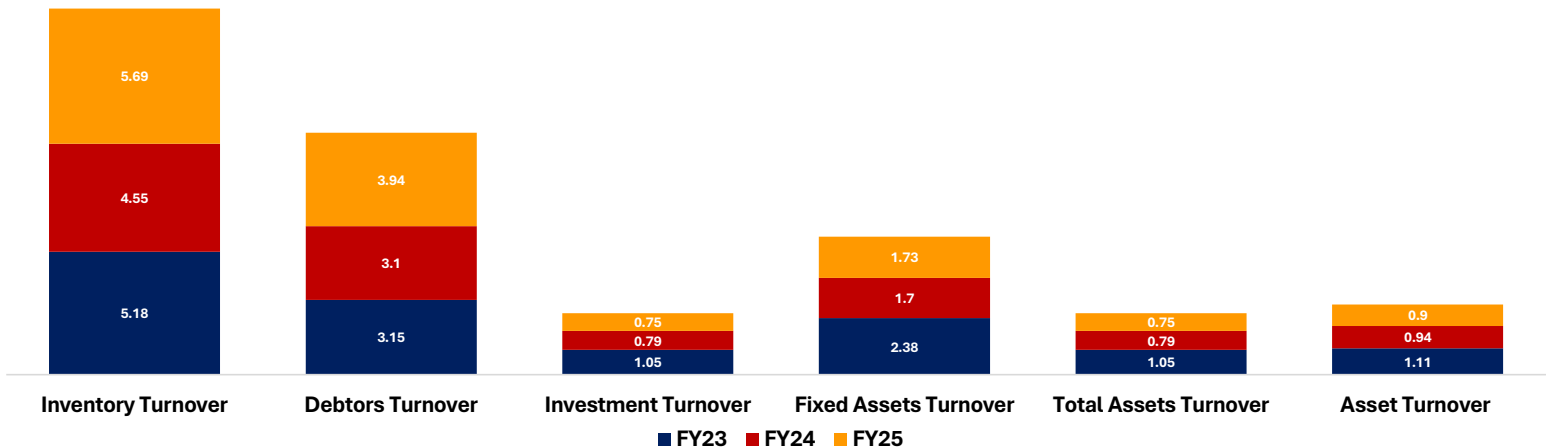
The company delivered a powerful financial performance in FY25, marked by a significant earnings inflection and a substantially strengthened balance sheet. Revenue surged 40% YoY to ₹10,069 crore, driven by robust demand, while operational leverage led to a notable expansion in profitability — the EBIT margin widened to 20.4% (up ~473 bps YoY) and PAT skyrocketed to ₹1,604 crore (a 3.3x increase from FY24). This profit recovery was purely operational, as FY24 was marred by an exceptional loss. The company has transformed its financial structure, with shareholder's equity more than doubling to ₹13,201 crore and borrowings collapsing from ₹1,136 crore to a negligible ₹48 crore, effectively creating a net cash position. This deleveraging enhances financial flexibility drastically. However, the rapid growth has intensified working capital needs, with trade receivables and inventories increasing by ~41% and ~15% respectively in FY25. This, coupled with sustained high capital expenditure, resulted in Cash from Operating Activities (₹11,834 crore) being outstripped by investing outflows (₹-22,394 crore) in FY25, funded successfully through a large inflow from financing activities (₹26,112 crore). The balance sheet is now robust, but the focus must shift to managing the rising working capital intensity and converting top-line growth into consistent free cash flow.

Ratio Analysis

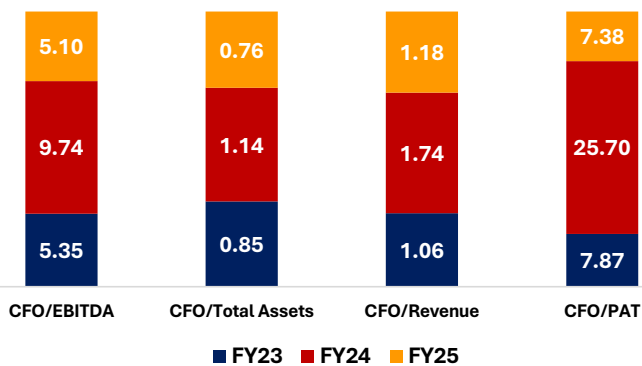
Probability Ratios



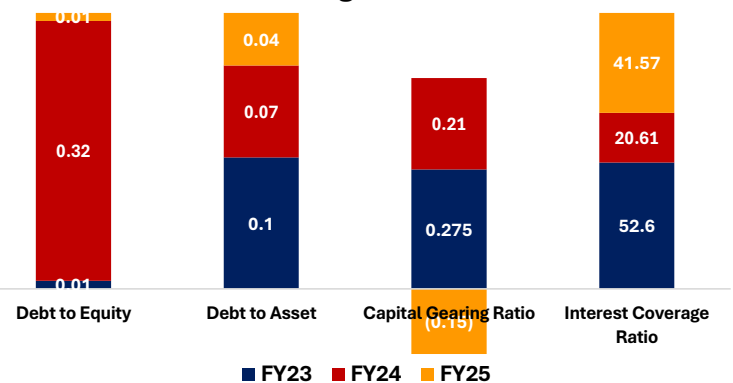
Efficiency Ratios



Cash Ratios

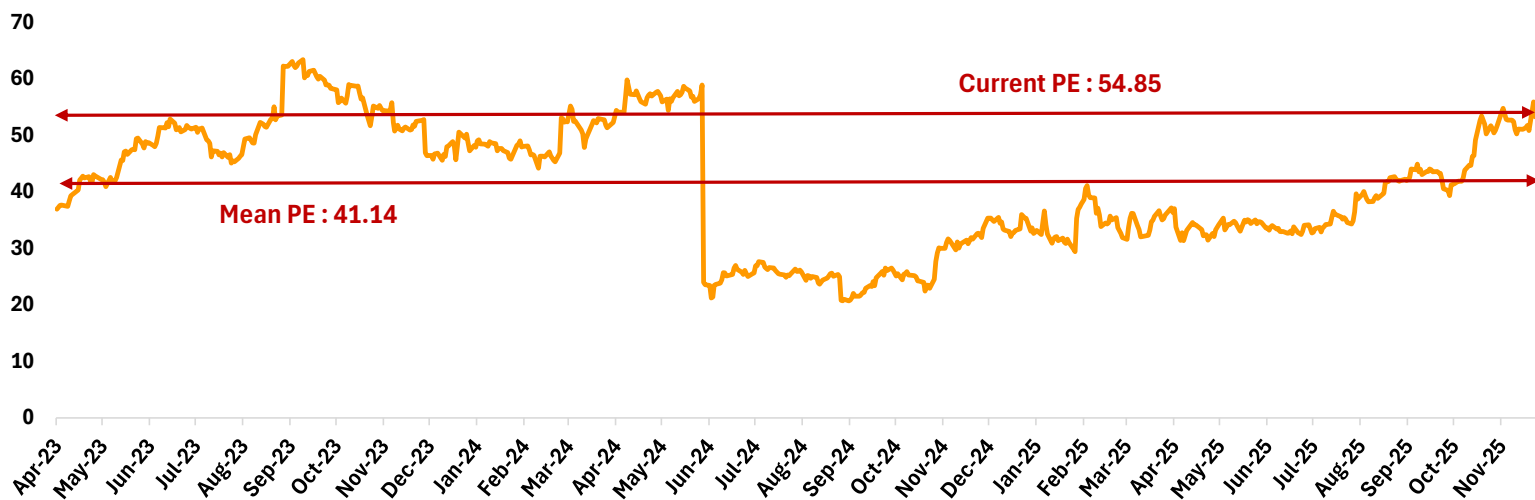


Leverage Ratios



Valuation

P/E Ratio



Acutas Chemical's Price-to-Earnings (PE) ratio currently stands at 54.85, trading at a significant premium to its historical mean PE of 41.14. This elevated multiple reflects sustained investor confidence in the company's unique positioning, margin expansion trajectory, and its strategic early-mover advantage in high-growth, critical chemical segments.

This premium valuation is underpinned by Acutas's distinct strengths. The company is the first and only Indian producer of critical Li-ion battery additives and semiconductor-grade photoresists, granting it a formidable competitive moat. The growth runway supports the valuation premium. Acutas is strategically positioned to capitalize on secular tailwinds in battery chemicals (electrolyte additives) and semiconductor chemicals.

Target-Price



Target:- SD+1: ₹2,010 SD+2: ₹2,209

We believe Acutas Chemical presents a compelling investment opportunity, driven by its unique competitive moat as the sole domestic manufacturer of critical electronic chemicals and its demonstrated trajectory of explosive profitable growth. The company's strategic first-mover advantage in Li-ion battery additives and semiconductor-grade photoresists, combined with a rapidly scaling high-margin CDMO business, justifies a premium valuation. Our target price of ₹2,010 is based on forward earnings and reflects a premium to its historical mean, supported by industry-leading gross margins of ~56%, a debt-free balance sheet, and superior return ratios (ROCE ~19%).

Recommendation:

Given the company's uncontested market positioning, robust financial metrics, and clear visibility into multi-year growth drivers from its battery, semiconductor, and pharma verticals, we recommend a BUY rating on Acutas Chemical. Investors seeking exposure to India's self-reliance in critical high-tech chemicals and a proven specialty chemical growth story should consider Acutas Chemical a strategic addition to their portfolio.

Disclaimer

RATING SCALE: DEFINITION OF RATINGS

- **BUY** –We expect the stock to deliver more than 10%-20% returns over the next 9 months.
- **ACCUMULATE** –We expect the stock to deliver 5% -12% returns over the next 9 months.
- **REDUCE** –We expect the stock to deliver 0% -5% returns over the next 9 months.
- **SELL** –We expect the stock to deliver negative returns over the next 9 months.
- **NR** –Not Rated. Fin2Research is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
- **RS** –Rating Suspended. Fin2Research has suspended the investment rating and price target for this stock, either because there is not a Sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.
- **NA** –Not Available or Not Applicable. The information is not available for display or is not applicable.
- **NM** –Not Meaningful. The information is not meaningful and is therefore excluded. **NOTE** –Our target prices are with a 9-month perspective. Returns stated in the rating scale are our internal benchmark.

DISCLAIMER ANALYST CERTIFICATION:

I Amit Negi Research Analyst, author, and the name subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect my views about the subject issuer(s) or securities. I also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above-mentioned Analyst of this report has not received any compensation from the companies mentioned in the report in the preceding twelve months and does not serve as an officer, director, or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

Investments in the securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by Sebi and certification from NISM in no way guarantee the performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum, or risk-free return to the investors. Fin2research Investment Advisor Private Limited (FIA) is the source of information and opinions in this report, which may be subject to change at any time. Any and all content in this report is confidentially sourced only for that intended audience and may not be altered, transmitted (in whole or in part), copied into another medium, or reproduced elsewhere without the written permission of Fin2research Investment Advisor Private Limited (FIA). Although we will endeavor to update the information contained herein for reasonable reasons, Fin2research Investment Advisor Private Limited (FIA) has no obligation to update or keep this information current. Due to regulatory, compliance, or other reasons, Fin2research Investment Advisor Private Limited (FIA) may be unable to do so.

The accuracy of this report is not guaranteed and it relies on information from public sources that have not been independently verified. This report and the information contained in it are for informational purposes only and should not be used or considered as an offer document or as an invitation to buy, sell, or subscribe to securities or other financial instruments. Although it is distributed to all clients at the same time, not all clients can receive this report at the same time. Fin2research Investment Advisor Private Limited (FIA) will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting, or tax advice or a representation that any investment or strategy is or would be appropriate for your particular circumstances.

The securities mentioned and opinions expressed in this document might not be appropriate for all investors, who have to make their very own investment decisions, primarily based totally on their very own investment objectives, economic positions, and needs of the particular recipient. This may not be taken in substitution for the exercising of independent judgment through any recipient. The recipient must independently compare the investment risks. Any number of factors, including fluctuations in interest rates and foreign exchange rates, could affect the value and return on investment. Fin2research Investment Advisor Private Limited (FIA) disclaims all responsibility for any form of loss or damage resulting from using this material. Future performance is not always predicted by past performance. Before making an investment in the securities markets, investors are recommended to review the Risk Disclosure Document to understand the risks involved. Actual results may differ materially from those set forth in projections. Statements that are deemed forward-looking are not guarantees and could change at any time. As of the final day of the month before the research report was published, none of the following parties owned 1% or more of the equity securities of the company mentioned in the study: Fin2research Investment Advisor Private Limited (FIA), all of its subsidiaries, research analysts, or any family members of any of these parties.

The material contained in this study may not align with previous reports published by Fin2research Investment Advisor Private Limited (FIA) or reach a different conclusion. Fin2research Investment Advisor Private Limited (FIA) and its Research Analysts have not participated in any market-making activities on behalf of the firms listed in the report. We contend that no regulatory authority has taken any significant disciplinary action against Fin2research Investment Advisor Private Limited (FIA) that would have an impact on the company's ability to conduct equity research analysis. The distribution, publication, availability, or use of this report by any person or entity that is a citizen or resident of, or located in, any locality, state, country, or other jurisdiction is not authorized or intended, as it may violate legal requirements or subject Fin2research Investment Advisor Private Limited (FIA) and affiliates to registration or licensing requirements in such jurisdictions. Certain groups of investors or all jurisdictions may not be able to purchase the securities covered here. It is expected of everyone who may come into possession of this material to become aware of and abide by these restrictions.

THANK YOU

Fin2Research Investment Advisor Pvt Ltd (FIA) CIN: U70200DL2023PTC413207IA

Registration No: INA000018425

Registered Office: Plot No A 2nd Floor, Street New Bungalow Road, Malka Ganj, Delhi North Delhi, 110007 Delhi Phone no: 9711885801

Email: customercare@fin2research.com

Website: www.fin2research.com

For Research Query: www.researchdesk@fin2research.com