

Vinati Organics (VO) - SELL

Company Update

Current Market Price (CMP)
Rs. 1,714

Fair Value (FV)
Rs. 1,280

Rationale:

- FY25 annual report shows that investments in subsidiary Veeral Organics (VOPL) rose to Rs490 cr from Rs170 cr.
- VOPL's revenues were only Rs10.5 cr in FY25 with a net loss Rs10 cr.
- Growth for next 3 years expected to be driven by ATBS, butyl phenols and antioxidants.
- Expanding its solar capacity, which now contributes 58% of the company's energy needs.
- We leave estimates unchanged and retain SELL with an unchanged FV of Rs1,280.

(ATBS - 2-Acrylamido 2-Methylpropane Sulphonic Acid; CAGR- Compounded Annual Growth Rate; DCF-Delayed Cash Flows; EPS- Earnings Per Share; EBITDA- Earnings Before Interest Tax, Depreciation & Amortization; P/E- Price to Earnings)

Company update:

👍 Positives:

- Invested nearly Rs500 cr into VOPL, that houses the anisole derivatives project.
- It is stated that Q2FY26 and Q3FY26 will see the launch of numerous products.
- Annual report states that phase-1 of ATBS expected to be commercialized in Q2FY26.
- The company also says that its R&D team is developing 3-4 new products.

👎 Negatives:

- The annual report does not have a mention of the accident at the Lote plant that happened in late July 2025.

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