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CIN : L24116MH1989PLC052224



October 8, 2026

BSE Limited

Listing Department,
P. J. Towers, 1st Floor,
Dalal Street, Mumbai – 400 001.

Scrip Code: 524200

National Stock Exchange of India Ltd.

Listing Department,
Exchange Plaza, Plot No. C/1, 'G' Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051.

NSE Symbol: VINATIORGA / Series: EQ

Dear Sir/Madam,

Subject: Intimation of Credit Rating under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

Pursuant to Regulation 30(6) read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform that CARE Ratings Limited has reviewed and reaffirmed the credit ratings on the bank facilities of the Company.

Please find below the details of the rating of the bank facilities as under:

Facilities/Instruments	Amount (₹ crore)	Rating	Rating Action
Long-term/Short-term bank facilities	237.00	CARE AA+; Stable / CARE A1+	Reaffirmed

A copy of the press release and rationale issued by the rating agency is enclosed herewith.

This intimation is being also uploaded on website of the Company at www.vinatiorganics.com.

Kindly take the above on your record.

Thanking you,

Yours faithfully,

For **Vinati Organics Limited**

MILIND
ARVIND
WAGH

Digitally signed
by MILIND
ARVIND WAGH
Date: 2026.10.08
20:20:19 +05'30'

Milind Wagh

Sr. Vice President – Company Secretary

ICSI Membership No. FCS: 7125

Encl: As above

Lote Works : Plot No. A-20, MIDC Industrial Area, Lote Parashuram 415 722 Tal. Khed, Dist. Ratnagiri, Maharashtra, India.

Phone : (02356) 273032 - 33 • **Fax**: 91-2356-272448 • **E-mail**: vinlote@vinatiorganics.com

Regd. Office & Mahad Works : B-12 & B-13/1, MIDC Industrial Area, Mahad 402 309, Dist. Raigad, Maharashtra, India.

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Vinati Organics Limited

October 08, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long-term / Short-term bank facilities	RBI	237.00	CARE AA+; Stable / CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Vinati Organics Limited (VOL) continues to derive strength from its strong market position in 2-acrylamido-2-methylpropane sulfonic acid (ATBS) and isobutyl benzene (IBB) globally. CARE Ratings Limited (CareEdge Ratings) believes that VOL's competitive advantage in both segments is likely to be sustained in the medium term, as manufacturing processes are complex and act as significant entry barriers for new players. Ratings also reflect the long track record and extensive experience of promoters in the specialty organic chemical industry. These strengths, together with an increasingly diversified product portfolio, wide geographic reach and backward-integrated operations, support strong business profile reflected from healthy profitability, and strong cashflow generation. Ratings also factor in promoters' extensive experience in the specialty chemicals industry and VOL's strong financial risk profile, characterised by negligible leverage and strong liquidity, which provides substantial headroom to undertake its planned capex and diversification initiatives without materially increasing financial risk.

However, ratings remain constrained by VOL's exposure to volatility in raw-material prices and foreign exchange rates, moderation in demand for certain key products, and execution and commercialisation risks associated with its ongoing capacity expansion and diversification capex. Given the relatively stable revenue base from the established ATBS and IBB businesses, ongoing capacity expansion and diversification initiatives, including scale-up of operations at subsidiary Veeral Organic Private Limited (VOPL), are expected to be key growth drivers in the medium term. Consequently, timely stabilisation and ramp-up of these capacities, achievement of envisaged utilisation levels and generation of commensurate returns from the sizeable investments remain key monitorables.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significantly growth in total operating income (TOI), considering increased demand from existing products and effective diversification in product profile while maintaining healthy operating margin.
- Improvement in return on capital employed (ROCE) to above 25% on a sustained basis.

Negative factors

- Significant debt-funded organic or inorganic expansion undertaken by the company that will adversely impact its capital structure marked by an overall gearing higher than 0.3x.
- Weakening of its ROCE below 15%, having an adverse impact on its debt coverage indicators.

Analytical approach: Consolidated

CareEdge Ratings has adopted a consolidated approach, considering operational linkages between the parent company and its subsidiaries. List of entities consolidated with VOL is mentioned under Annexure-5.

Outlook: Stable

Stable outlook reflects expectation of sustained business and financial risk profiles, supported by healthy cash flow generation and absence of large debt-funded capex or acquisitions in the medium term.

¹SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

²Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Detailed description of key rating drivers

Key strengths

Vast experience of promoters in the specialty chemical business

VOL is promoted by Vinod Saraf, a first-generation entrepreneur with over five decades of experience in the chemical industry. The company's day-to-day operations are managed by a team of qualified and experienced professionals. Under his leadership, VOL has consistently expanded its manufacturing capacities and product portfolio, emerging as the world's largest manufacturer and supplier of IBB and ATBS, with a significant share in both products. His daughter, Vinati Saraf Mutreja, also plays an active role in managing the business as the Managing Director and Chief Executive Officer (CEO).

Established global market position with a strong and well-diversified business & product profile

VOL has an established global presence across its key product segments, supported by market leadership in ATBS and IBB, a diversified product portfolio and long-standing relationships with leading global customers. The company has further strengthened its business profile through diversification into butyl phenols and antioxidants (AO). VOL is also expanding into new chemistries through its wholly owned subsidiary, Veeral Organics Private Limited (VOPL), including anisole, 4-MAP, TAA, and PTAP, catering to applications across polymerisation inhibitors, resins, fragrances, and other specialty chemicals. The company benefits from long-standing relationships and contracts for IBB and ATBS with global customers, such as Chemtall, BASF, Mitsubishi, SNF and Dow, while exports contribute ~56% of revenue across over 40 countries, including the United States (the US), Europe, Japan and China. The recent US tariffs had negligible impact on VOL's business, considering the exemption available for ATBS and the limited substitutability or availability of alternate markets for the residual product portfolio.

Healthy operating performance and integrated operations

In FY26, VOL's TOI remained broadly stable due to lower ATBS demand and the delayed commissioning and ramp-up of VOPL. Profit before interest, lease rentals, depreciation and taxation (PBILDT) increased by 15.59%, with the margin improving to 30.67%, supported by lower raw-material costs, backward integration, and operating efficiencies. Going forward, TOI is expected to recover with improvement in ATBS demand and the gradual ramp-up of VOPL, while the PBILDT margin is expected to normalise and remain healthy at ~26% to 27%. Along with that VOL's robust backward integration, including in-house Isobutylene (IB) production and the recent addition of butyl phenols, ensures security of critical raw materials. VAPL's merger further enhances synergies in AO production, improving cost efficiency, operational resilience, and supporting downstream specialty chemical expansion, while reducing dependence on external suppliers.

Strong financial risk profile

To scale up operations and diversify its revenue base, the company has consistently expanded capacities of its existing product lines, while introducing new products. Healthy cash flows from operations have enabled VOL to fund its capex entirely through internal accruals, maintaining a strong capital structure. The company's total borrowings declined to 26.71 in FY26 from ₹76.41 crore in FY25. In FY26, VOL paid a dividend of ₹77.75 crore, representing 17.52% of its profit after tax. With the repayment of short-term borrowings, the company's overall gearing improved to 0.01x in FY26 from 0.03x in FY25.

Liquidity: Strong

The company maintains a strong liquidity position, considering gross cash accruals (GCA). Cash and bank balances, and liquid investments, stood at ₹195.72 crore as of FY26 includes ~190.45 in mutual funds. There is almost nil fund-based utilisations, while non-fund-based utilisation was ~61%, providing additional liquidity headroom. In FY26, the company generated GCA of ₹576.56 crore. The company does not have long-term debt, and its capex plans are expected to be funded entirely through internal accruals and existing cash and bank balances.

Key weaknesses

Exposure to raw-material volatility and foreign-currency fluctuations

Crude derivatives, such as toluene, propylene, acrylonitrile and methyl tert-butyl ether (MTBE) are key raw materials required for manufacturing IBB and ATBS. The company procures these inputs from domestic refineries and local suppliers, with prices linked to international benchmarks. VOL follows a cost-plus pricing model, enabling fluctuations in raw-material costs to be passed on to customers, although with a time lag. Its backward integration into Isobutylene and Butyl Phenols provides greater supply security and partially mitigates raw-material price volatility. Being a net exporter, the company remains exposed to foreign-exchange fluctuations. As on March 31, 2026, the company reported net unhedged USD exposure of ₹263.16 crore compared to ₹269.99 crore as on March 31, 2025, while the Euro exposure changed to a net liability of ₹7.80 crore from a net asset exposure of ₹13.86 crore.

Execution risk and ramp risk associated with capacity expansion and diversification

VOL continues to hold a dominant market position in ATBS and IBB, with an estimated global market share of ~65%, constraining incremental market-share expansion in these mature segments. Accordingly, the company's ongoing capacity expansion and diversification into newer products are expected to drive the next phase of revenue growth and scale-up. VOL has completed the first phase of its ATBS expansion, increasing capacity from 40,000 MT to 50,000 MT, with the balance expansion expected to be completed in FY27. In parallel, the company is expanding its product portfolio through MEHQ (Monomethyl Ether of Hydroquinone), Guaiacol, Anisole, 4-MAP (4-Methoxyacetophenone), TAA (p-Tolylacetic Acid), and PTAP (p-Tolylacetoneitrile). However, moderation in ATBS demand and technical challenges associated with the new production process at VOPL have delayed the envisaged ramp-up. Successful commercialisation and scale-up of these capacities will be important for augmenting revenues, diversifying the earnings base and reducing dependence on incremental growth from the mature ATBS and IBB segments. While margins may normalise from the elevated FY26 level, they are expected to remain healthy at ~26% to 27%, supported by backward integration, cost efficiencies, and an improving product mix.

Environment, social, and governance (ESG) risks

Particulars	Risk Factors
Environmental	VOL reported 40 MW of captive solar capacity, including VOPL, in its ESG dashboard. Renewable sources met ~56% of VOL's electricity consumption. Effluent treatment and water-recovery systems support resource conservation, with Zero Liquid Discharge implemented at the erstwhile Veeral Additives site.
Social	Against its FY26 Corporate Social Responsibility (CSR) obligation of ₹10.29 crore, VOL spent ₹6.42 crore on eligible projects and transferred ₹3.87 crore relating to ongoing projects to the Unspent CSR Account. Initiatives covered education, healthcare, livelihoods, sanitation, and environmental sustainability.
Governance	Notably, 50% of its board comprises independent directors (four of eight directors) including four women directors.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Consolidation](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Chemicals	Chemicals and petrochemicals	Specialty chemicals

Incorporated in 1989, VOL is one of India's leading manufacturers and exporters of specialty organic intermediates and monomers. The company is the world's largest producer of IBB and ATBS, holding a 65% global market share in these products. VOL also operates India's largest manufacturing facilities for AOs and is the country's only producer of Tertiary Butyl Acrylamide (TBA), TB Amine, and Butyl Phenols. The company's specialty chemical portfolio continues to serve a diversified set of industries including pharmaceuticals, personal care, polymers, construction, and agrochemicals. With four manufacturing facilities at Mahad and Lote, Maharashtra, VOL offers a portfolio of over 30 products serving multiple end-use industries.

Brief Financials (₹ crore)	FY25(A)	FY26(A)	Q1FY27(UA)
Total operating income	2267.40	2267.35	695.91
PBILDT*	601.54	695.32	170.49
PAT	405.25	443.75	108.86
Overall gearing (times)	0.03	0.01	-
Interest coverage (times)	314.94	500.23	17049.00

A: Audited; UA: Unaudited; Note: These are latest available financial results.

*PBILDT: Profit before interest, lease rentals, depreciation, and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

For complexity level of instruments rated refer to Annexure-1.

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:

A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST-CC/PC/Bill Discounting	RBI	NA	-		-	-	237.00	CARE AA+; Stable / CARE A1+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Non-fund-based - ST-BG/LC	ST	-	-	-	-	1)Withdrawn (09-Oct-24)	1)CARE A1+ (09-Oct-23)
2	Fund-based - LT/ ST-CC/PC/Bill Discounting	LT/ST	237.00	CARE AA+; Stable / CARE A1+	-	1)CARE AA+; Stable / CARE A1+ (06-Oct-25)	1)CARE AA+; Stable / CARE A1+ (09-Oct-24)	1)CARE AA+; Stable / CARE A1+ (09-Oct-23)
3	Fund-based - LT-Cash Credit	LT	-	-	-	-	1)Withdrawn (09-Oct-24)	1)CARE AA+; Stable (09-Oct-23)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-5: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Veeral Organics Private Limited	Full	Wholly owned subsidiary
2	Vinati Organics USA Inc.	Full	Wholly owned subsidiary

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

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