

Midas Techno Funda – Vishnu Chemicals Ltd.

Chrome mine acquisition adds new shine

23 Jun 2026

Vishnu Chemicals Ltd. – Fundamental View

Chrome mine acquisition adds new shine

CMP
Rs. 631

1Yr TP
Rs. 750

Rating
BUY

23 Jun 2026

Industry Chemicals

Key Stock Data

Bloomberg	VCL IN
Shares o/s (cr)	6.7
Market cap (Rs. cr)	4,254
52 wk High/Low	652 / 444
20D ADV ('000)	7.2
Index	NSE 500
F&O	N

Latest Shareholding (%)

	Dec 25	Sep 25	Jun 25
Promoters	69.2	69.2	69.2
Institutions	8.0	7.9	7.8
Public	22.8	22.9	23.0
Pledge	0.0	0.0	0.0

Stock Performance (%)

	1M	6M	12M
VCL IN	5.5	19.2	17.8
NSE 500	2.7	(2.5)	1.1

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About the Company:

Vishnu Chemicals Ltd. (VCL) is India's largest manufacturer of chromium and barium chemicals, alongside a growing portfolio of specialty products such as strontium carbonate & sodium sulphate. In its standalone business, the company produces chromium chemicals, with an installed capacity of ~80,000 MTPA across its plants at Visakhapatnam, Bhilai & Kazipally. These products find applications in leather tanning, pigments and dyes, electroplating, wood preservatives, refractories, ceramics & pharmaceuticals. The barium chemicals business is housed under its subsidiary, Vishnu Barium Pvt. Ltd., which has an installed capacity of ~90,000 MTPA of barium carbonate and precipitated barium sulphate at Srikalahasti. The subsidiary, a loss-making business acquired from Belgium's chemical conglomerate Solvay in FY16, has since been turned around into India's largest barium producer. Geographically, FY26 revenue had a balanced domestic-to-export mix of 52:48, with exports spanning over 50 countries across Europe, the Americas, Asia and Africa.

Key Investment Rationale:

- Backward integration via South African chrome-ore mine:** Through its wholly-owned subsidiary Vishnu South Africa Pvt. Ltd. (VSAPL), VCL acquired a chrome-ore mining complex in South Africa with an estimated reserves of ~10 mn tonnes. Of these, ~0.4 mn tonnes are open-accessible (readily mineable near-surface ore), sufficient to meet ~2.5-3 years of VCL's chrome-ore requirement. The management expects mining operations to commence in a phased manner from Q1FY27. Since chrome ore is ~100% imported and the single largest, most volatile input cost for the company, its captive supply is a key long-term growth and margin driver that structurally lowers raw-material dependence.
- Product diversification via subsidiaries:** With a focus on portfolio expansion, VCL acquired Jayansree Pharma Pvt. Ltd. (for ~Rs.52 cr) in Q2FY25 and renamed it Vishnu Strontium Pvt. Ltd (VSPL), leveraging its existing equipment and processes to fast-track its entry into strontium chemistry. Under its DMSO programme, the company will manufacture dimethyl sulfoxide, a high-purity specialty solvent offering a 100% import-substitution opportunity in a market growing at ~12-13% p.a. To this end, VCL plans to undertake ~Rs.320 cr of capex (~Rs.240 cr via term debt & ~Rs.80 cr via internal accruals) to set up a 10,000 MTPA plant in phases (5,000 MTPA in two phases), with production likely to start by FY27-end.
- Strontium carbonate: high-margin import substitute:** Through VSPL, the company commercialized strontium carbonate production in Q2FY26, becoming India's first domestic producer. The product finds applications across glass, ceramics, EV batteries, medical devices, magnets, and paints & pigments. India's ~4,000 MTPA demand is entirely import-dependent, with Mexico and Belgium accounting for ~77% of imports, making the planned 10,000 MTPA plant (expandable to 17,000 MTPA) a compelling import-substitution opportunity. Management has guided gross margins of ~50-52%, well above the group's 45% level. With customer approvals progressing ahead of a FY27 scale-up, the business represents a meaningful medium-term growth and mix-enrichment driver.
- Outlook & valuation:** Near-term demand is supported by export tailwinds, including the EU's 84% anti-dumping duty on Chinese barium carbonate (with 10-15% price hikes already secured), the easing of the ~53% US tariff that had stalled chrome exports (with North America targeted to contribute 14-15% of revenue versus ~9% currently), and the EU-India FTA, which will phase out the ~6% import duty. Structurally, a step-up in capex (~Rs.180-190 cr in FY26 and ~Rs.300 cr planned in FY27E) is funding a broad capacity build-out, including sodium dichromate (82,000 to 92,000 MTPA by Q3FY27), chrome oxide green (20,000 MTPA), chrome metal (6,000 MTPA by FY28), DMSO (10,000 MTPA), and strontium (10,000 MTPA). These initiatives could support revenue growth at 20% CAGR over FY26-28E. Captive ore sourcing and a richer specialty mix will drive EBITDA margin expansion from ~15.6% in FY26 towards guided ~20% mark and underpin expectations for ~34% PAT CAGR over FY26-28E. At the CMP of ~Rs. 631, the stock trades at 17x FY28E earnings. Keeping in view the accelerated growth journey and margin expansion, we value the company at 20x FY28E earnings to arrive at a target price of Rs.750, implying a potential upside of ~20% over the next 12 months.

Key Risks: Chrome-ore/raw-material and FX volatility; elevated working-capital intensity (~109-day operating cycle); execution and customer-approval risks for new projects; and near-term leverage from debt-funded capex.

Rs. cr	FY24	FY25	FY26	FY27E	FY28E
Revenue	1,239	1,395	1,599	1,902	2,294
Growth y/y		12.5%	14.6%	19.0%	20.6%
EBITDA Margin %	15.0%	16.1%	15.6%	17.5%	18.6%
Net Income Margin %	8.0%	8.7%	8.8%	10.1%	11.0%
EPS (Rs)	15.2	18.6	20.9	28.5	37.6
Growth y/y		22.4%	12.4%	36.4%	31.9%
EV/EBITDA			14.8	14.0	11.0
PE			30.2	22.1	16.8

Source: Company reports, Bloomberg, Spark PWM Pvt Ltd

Vishnu Chemicals Ltd

Chemicals	Reco/View Buy	Previous Day's Close Rs. 631	Buying Range Rs. 610 - 640	12M TP Rs. 750	SL (on Closing Basis) Rs. 562	Potential Upside 20%
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- The stock exhibits a strong bullish structure, maintaining a classic higher-high, higher-low pattern on its weekly and monthly charts.
- This long-term uptrend is supported by a recent horizontal trendline breakout on the weekly frame, which the price continues to hold.
- Momentum is further validated by positive RSI and MACD readings on the weekly scale, alongside an aligned Ichimoku buy setup across daily, weekly, and monthly intervals.
- Given this robust chart structure, we anticipate a move toward the 750 target over the next 8 to 12 months.
- Thus, traders may consider buying opportunities at current levels, maintaining a stop-loss at 562 on a daily closing basis.

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Source: Falcon, Spark PWM

Note: Potential upside is calculated based on the average price within the defined buy range.

Vishnu Chemicals Ltd

3-year Price Chart

2-Vishnu Chemicals Limited - 22/06/26



Source: Falcon, Spark PWM

Abbreviation

Bn	Billion
CAGR	Compounded Annual Growth Rate
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EPS	Earnings Per Share
EV/EBITDA	Enterprise Value/ Earnings Before Interest, Tax, and Depreciation
Mn	Million
O/S	Outstanding Shares
P/E	Price/Earnings
Tn	Trillion

Disclaimer (1/2)

Absolute Rating Interpretation

BUY	Stock expected to provide positive returns of >15% over a 1-year horizon	REDUCE	Stock expected to provide returns of <5% – -10% over a 1-year horizon
ACCUMULATE	Stock expected to provide positive returns of >5% – <15% over a 1-year horizon	SELL	Stock expected to fall >10% over a 1-year horizon

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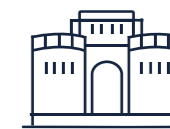
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