

December 31, 2024

Assam Petro-Chemicals Limited: Moved to Non-Cooperating category, Ratings downgraded to [ICRA]B+ (Stable); outlook revised to Stable; based on best available information

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-Term - Fund based-Term Loan	890.67	890.67	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Downgraded from [ICRA]BB+ (Negative); Outlook revised to Stable from Negative and rating moved to the 'Issuer Not Cooperating' Category
Total	890.67	890.67	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has downgraded and moved the ratings of Assam Petro-Chemicals Limited (APL) to the 'Issuer Not Cooperating' category due to lack of adequate information. The rating is denoted as “[ICRA]B+(Stable); ISSUER NOT COOPERATING”

As part of its process and in accordance with its rating agreement with Assam Petro-Chemicals Limited (APCL), ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Chemicals Policy in Respect of Non-Cooperation by a Rated Entity
Parent/Group support	In its earlier rating approach, ICRA expected APL to benefit from the strong parentage of Oil India Limited (OIL). ICRA also expected that OIL will provide significant operational synergy to APL in terms of regular supply of key raw materials for manufacturing methanol and extended credit period
Consolidation/Standalone	Standalone

About the company

Assam Petro-Chemicals Limited (APL), promoted by the Government of Assam (GoA) and the Assam Industrial Development Corporation (AIDC), was incorporated as a public limited company in 1971 to produce methanol and formaldehyde (formalin). The commercial production of the methanol unit had started in 1976 and it was the first company in India to manufacture methanol using natural gas. Based in Namrup in Assam, APL manufactures methanol and formaldehyde (formalin) which is

widely used in the plywood and agro-based industries. At present, the company has a methanol manufacturing capacity of 100 TPD (33,000 MTPA) and a formalin manufacturing capacity of 125 TPD (41,250 MTPA). APL has recently set up a 500-tonneper-day (TPD) methanol manufacturing plant based on natural gas as feedstock at Namrup, along with a downstream 200-TPD formalin plant at Boitamari (near Bongaigaon), in West Assam. The methanol and formalin project has commissioned recently in March 2023.

Key financial indicators (audited)

APL Standalone	FY2023	FY2024
Operating income	104.1	87.8
PAT	-67.4	-78.6
OPBDIT/OI	-62.9%	-88.4%
PAT/OI	-64.7%	-89.6%
Total outside liabilities/Tangible net worth (times)	1.9	3.1
Total debt/OPBDIT (times)	-14.2	-15.2
Interest coverage (times)	-16,359.8	-36.9

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. Crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current (FY2025)			Chronology of rating history for the past 3 years					
		Amount Rated (Rs Crore)	Date	Rating	FY2024		FY2023		FY2022	
					Date	Rating	Date	Rating	Date	Rating
Term Loan	Long Term	890.67	Dec 31, 2024	[ICRA]B+(Stable); ISSUER NOT COOPERATING	Oct 13, 2023	[ICRA]BB+ (Negative)	Mar 24, 2023	[ICRA]BB+ (Negative)	Jul 15, 2021	[ICRA]BBB (Negative)
									Dec 10, 2021	[ICRA]BB+ (Stable)

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term Fund-based – Term loan	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or

complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
-	Term Loan	22-Dec-2017	9.85%	March 2031	890.67	[ICRA]B+(Stable); ISSUER NOT COOPERATING

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-II: List of entities considered for consolidated analysis – Not Applicable

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About ICRA Limited:

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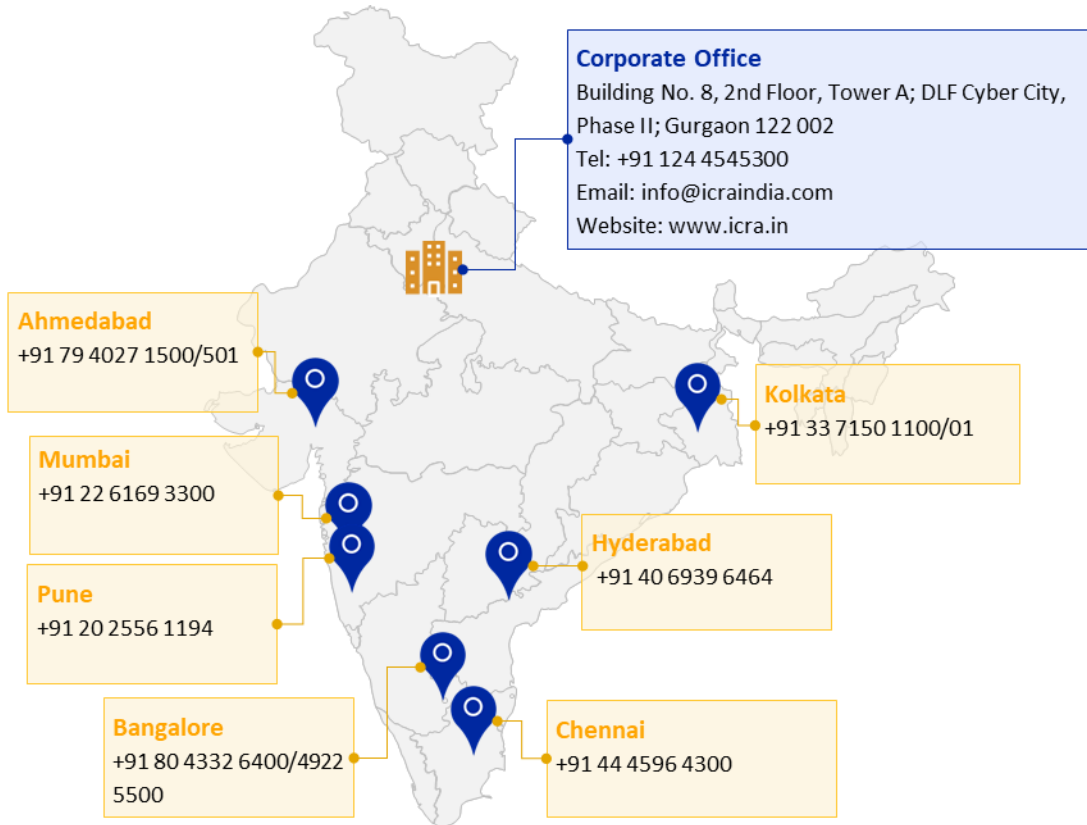
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