

October 28, 2025

Amines and Plasticizers Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund-based – Working capital facilities	100.00	100.00	[ICRA]A (Stable); reaffirmed
Long term – Interchangeable	(42.00)	(42.00)	[ICRA]A (Stable); reaffirmed
Short term - Non-fund based	28.00	29.75	[ICRA]A1; reaffirmed and assigned for enhanced limits
Short term - Fund based - Others	0.00	50.00	[ICRA]A1; assigned
Total	128.00	179.75	

*Instrument details are provided in Annexure I

Rationale

The ratings assigned to the bank lines of Amines and Plasticizers Limited (APL/the company) factor in its long and established track record of operations and the technical expertise of the promoters in the chemical manufacturing segment. The ratings also factor in the company's healthy financial risk profile, characterised by stable cash accruals along with comfortable capitalisation and debt coverage indicators. The ratings continue to take into account the company's strong position in the domestic market in manufacturing chemical products like methyl diethanolamine (MDEA), ethyl mono ethanolamine (EMEA) and N-methyl morpholine oxide (NMMO).

APL's profitability remained stable in FY2025, supported by healthy volume growth which kept the OPBDITA steady at Rs. 69.0 crore in FY2025 against Rs. 69.1 crore in FY2024. Going forward, the company's profitability should remain largely in line with the FY2025 levels along with a modest growth in revenues, given the stable raw material prices and no challenges on the freight cost front.

In Q1 FY2026, the revenue stood at Rs. 140.3 crore and the operating margins moderated to 9.3% on account of a maintenance shutdown taken in its manufacturing facility. With stable demand, the company's profitability is expected to improve over the Q1 FY2026 levels as the revenue ramps up gradually through the rest of the year. The credit profile remains healthy with an interest coverage ratio of 7.0x in FY2025, supported by lowering of the debt levels. The credit metrics are expected to improve FY2026 onwards as there are no plans to take up any large debt-funded capex while the profitability is expected to be stable.

The supplier concentration risk also remains high for the company as it is dependent on Reliance Industries Limited {RIL, rated [ICRA]AAA (Stable)/[ICRA]A1+} for the sourcing of a major raw material i.e. ethylene oxide (EO). The ratings also take into consideration the vulnerability of profitability to foreign exchange fluctuations as exports contribute to 40-50% of the total revenues. However, the imports provide a natural hedge to the company to some extent. The ratings are also vulnerable to the volatility in utility costs as well as the use of piped natural gas (PNG) to meet the company's energy requirements. The PNG prices are linked to imported liquified natural gas (LNG) prices, which can witness significant volatility, and the company may not be able to pass on these costs to its customers, as was seen in FY2022 and FY2023 when the operating margins had fallen to around 7.1%.

The Stable outlook considers the company's established position in the ethanolamine and morpholine segments and the continued healthy demand supporting volume growth for its products. The same is expected to drive the cash generation, going forward, and keep the credit profile stable.

Key rating drivers and their description

Credit strengths

Long operating track record and experience of promoters - For over four decades, the promoters have been involved in the manufacturing and trading of organic chemicals such as ethanolamines and morpholine. At present, APL is one of the largest producers of ethanolamines, morpholine, alkyl morpholine and gas treating solvents in India. These products find wide application in oil refineries, natural gas plants, ammonia plants, petrochemical plants, pharmaceuticals and agrochemical industries.

Healthy market position in ethanolamine and morpholine derivative segments – APL's main products include MDEA used in the petrochemical industry and at oil refineries, EMEA used in the pharmaceutical industry, and NMMO used as a solvent in the viscose fibre industry. These products contribute to majority of the company's total revenue. APL has a healthy share in these product segments in the domestic market and also caters to reputed companies in the overseas market. It generates 40-50% of its overall revenues from exports, mainly to the UAE, Turkmenistan, the US and Turkey. The morpholine segment continues to face competition from Chinese suppliers which resulted in a moderation of the volumes. While the pressure has continued in Q1 FY2026, the volumes are expected to improve for the rest of FY2026 with the easing of raw material prices.

Comfortable capital structure and coverage indicators – The company's capital structure and coverage indicators have remained comfortable over the years, driven by adequate although volatile profitability, and the limited long-term debt, which has resulted in moderate debt levels. As on March 31, 2025, the gearing improved marginally to 0.3 times (PY: 0.33 times), the interest coverage was 7.0 times (PY: 5.3 times) and the total debt/OPBDITA 1.12 times (PY: 1.04 times). The capitalisation and coverage indicators are likely to improve gradually over the medium term on the back of expected steady accruals and no major debt-funded capex planned in the near term.

Credit challenges

Vulnerability of profitability to fluctuations in raw material prices and utility costs - The company's profitability remains susceptible to the volatility in raw material prices and utility costs which are the major cost drivers. Its orders comprise fixed-price long-term contracts as well as spot contracts and it has the ability to partially pass on the volatility in input costs in some contracts. As a result, its profitability remains vulnerable to the adverse movements in raw material and power costs.

High supplier concentration risk - APL depends on a sole supplier for the sourcing of a major raw material, ethylene oxide (EO). This exposes the company to high supplier concentration risk, wherein the sole supplier dictates the pricing terms and the condition of the raw materials and limits the profitability to an extent.

Foreign currency fluctuation risk - Exports accounted for around 54% of the total revenues in FY2025, which makes the profitability vulnerable to forex rate fluctuations. However, the imports provide a natural hedge to the company to some extent. The company does not hedge its net forex exposure and, thus, remains vulnerable to forex rate movements for the unhedged portion.

Liquidity position: Strong

APL's liquidity is expected to remain strong, supported by free cash balance of Rs. 41.7 crore as on March 31, 2025, cushion in working capital borrowings of Rs. 34.5 crore as on March 31, 2025, and expected net cash accruals of Rs. 40-45 crore per annum amid no major capex plans and modest long term debt/fixed deposit repayments. The overall liquidity position is expected to remain strong as there are no major capex plans, going forward, and the incremental working capital requirements are expected to remain low.

Rating sensitivities

Positive factors – ICRA could upgrade APL's ratings if its scale and profitability margins improve on a sustained basis amid a healthy liquidity profile.

Negative factors – Any deterioration in the scale of operations and profitability margins on a sustained basis, or any stretch in the working capital cycle weakening the overall liquidity profile would have a negative impact on the ratings. A specific credit metric for downgrade would be interest coverage ratio of less than 5.0 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Chemicals
Parent/Group support	Not Applicable
Consolidation/Standalone	ICRA has used the consolidated financials of APL for assigning the ratings. The details of entities that form a part of the consolidated financials are given in Annexure II

About the company

APL was incorporated in 1973 to take over the project of India Carbons Limited (ICL) for manufacturing 3,000 tonnes of plasticizers (DOP-di-octyl phthalate) per annum, the licence for which was received by ICL in 1970. Initially, the company commenced operations by manufacturing plasticizers used in polyvinyl chloride (PVC), which derives its ultimate application in the plastic industry. APL diversified its product profile and started manufacturing different varieties of organic and inorganic chemical compounds like ethanolamines, alkyl alkanolamines, plasticizers, morpholine, alkyl morpholines and gas treating solvents (mainly methyl diethanolamine) and morpholine oxide, which are used in oil refineries, natural gas plants, ammonia plants, petrochemical plants, pharmaceuticals, textile, oilfield chemicals, cosmetics and the agrochemical industry. At present, APL is a pioneer and one of the largest producers of ethanolamines, morpholine, alkyl morpholine and gas treating solvents in India. It is a global supplier of organic chemicals, which find application across various industries.

Key financial indicators (audited)

Company name (consolidated)	FY2024	FY2025
Operating income	647.0	660.7
PAT	39.8	41.0
OPBDIT/OI	10.7%	10.4%
PAT/OI	6.2%	6.2%
Total outside liabilities/Tangible net worth (times)	0.71	0.61
Total debt/OPBDIT (times)	1.04	1.12
Interest coverage (times)	5.28	7.03

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	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	October 30, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Cash credit	Long term	100.00	[ICRA]A (Stable)	Sep 25, 2024	[ICRA]A (Stable)	Aug 31, 2023	[ICRA]A- (Stable)	Aug 08, 2022	[ICRA]A- (Stable)
Interchangeable limits	Long term	(42.00)	[ICRA]A (Stable)	Sep 25, 2024	[ICRA]A (Stable)	Aug 31, 2023	[ICRA]A- (Stable)	Aug 08, 2022	[ICRA]A- (Stable)
Fund based – Others	Short term	50.00	[ICRA]A1	-	-	-	-	-	-
Non-fund based	Short term	29.75	[ICRA]A1	Sep 25, 2024	[ICRA]A1	Aug 31, 2023	[ICRA]A2+	Aug 08, 2022	[ICRA]A2+
Term loan	Long term	-	-	Sep 25, 2024	[ICRA]A (Stable)	Aug 31, 2023	[ICRA]A- (Stable)	Aug 08, 2022	[ICRA]A- (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund based – Cash credit	Simple
Long term – Fund based – Interchangeable	Simple
Short term – Fund based - Others	Simple
Short term – Non-fund based	Very 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 are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Cash credit	-	-	-	100.00	[ICRA]A (Stable)
NA	Interchangeable limits	-	-	-	(42.00)	[ICRA]A (Stable)
NA	Non-fund based limits	-	-	-	29.75	[ICRA]A1
NA	Fund based – Others	-	-	-	50.00	[ICRA]A1

Source: Company

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

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
APL	Parent	Full consolidation
Amines and Plasticizers FZ LLC	100.0 %*	Full consolidation

*Owned by APL

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