March 26, 2026

# The Andhra Petrochemicals Limited: Update on Entity

## Summary of rating action

| Instrument* | Previous rated amount (Rs. crore) | Current rated amount (Rs. crore) | Rating action |
|---|---|---|---|
| **Long term – Fund based – Working capital facilities** | 35.00 | 35.00 | [ICRA]BBB+(Negative); outstanding |
| **Short term – Non-fund based – Working capital facilities** | 2.00 | 2.00 | [ICRA]A2+; outstanding |
| **Long term – Unallocated limits** | 57.18 | 57.18 | [ICRA]BBB+(Negative); outstanding |
| **Total** | **94.18** | **94.18** | |

**Instrument details are provided in Annexure I*

## Rationale

The Andhra Petrochemicals Limited (APL) informed the stock exchange on March 17, 2026, that it has suspended operations at its Visakhapatnam plant effective the same day. The shutdown follows the disruption in supply of its key raw material, propylene, after its supplier Hindustan Petroleum Corporation Ltd. (HPCL) stopped supply due to the ongoing West Asia conflict.

ICRA takes note of the development and will continue to monitor the impact of the supply disruptions on APL's operations.

ICRA notes the company's capital structure is comfortable, long-term debt is nil, and its working capital utilisation is minimal. The liquidity profile has remained strong with healthy cash & cash equivalents and investments totaling ~Rs. 317.1 crore as on September 30, 2025, including liquid investments of Rs. 75.11 crore.

Please refer to the following link for the previous detailed rationale that captures key rating drivers and their description, liquidity position, rating sensitivities: Link

## Analytical approach

| Analytical Approach | Comments |
|---|---|
| **Applicable rating methodologies** | Corporate Credit Rating Methodology<br>Rating Methodology - Chemicals |
| **Parent/Group support** | Not Applicable |
| **Consolidation/Standalone** | The ratings are based on the standalone financials of the company |

## About the company

The Andhra Petrochemicals Limited (APL), promoted by ASL, was incorporated on April 18, 1984. At present, APL, BPCL and IOCL are the producers of oxo-alcohols in India. APL has a manufacturing capacity of 73,000 tonnes per annum (TPA). The product mix includes 2EH, NBA and isobutanol (IBA). Oxo-alcohol is primarily used as a raw material to manufacture PVC plasticisers. It commenced operations from February 1994. APL's factory is located adjacent to HPCL's Visakhapatnam refinery, with which it has entered into a long-term contract to procure propylene, the key raw material in the manufacturing process.

### Key financial indicators (audited)

| APL Standalone | FY2024 | FY2025 | 9MFY2026* |
|---|---|---|---|
| **Operating income** | 788.7 | 501.9 | 376.5 |
| **PAT** | 63.4 | -18.1 | -17.0 |
| **OPBDIT/OI** | 10.7% | -4.6% | -5.7% |
| **PAT/OI** | 8.0% | -3.6% | -4.5% |
| **Total outside liabilities/Tangible net worth (times)** | 0.3 | 0.3 | - |
| **Total debt/OPBDIT (times)** | 1.0 | -3.7 | - |
| **Interest coverage (times)** | 9.8 | -2.5 | -3.3 |

*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; *results*

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for past three years

| | Current (FY2026) | | | | | Chronology of rating history for the past 3 years | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | FY2026 | | FY2025 | | FY2024 | | FY2023 | |
| Instrument | Type | Amount rated (Rs. crore) | March 26, 2026 | Date | Rating | Date | Rating | Date | Rating | Date | Rating |
| Fund based – Working capital facilities | Long term | 35.00 | [ICRA]BBB+ (Negative) | Aug 18, 2025 | [ICRA]A- (Negative) | Sep 12, 2024 | [ICRA]A- (Stable) | Aug 04, 2023 | [ICRA]A- (Stable) | Jun 22, 2022 | [ICRA]A- (Stable) |
| | | | | Feb 05, 2026 | [ICRA]BBB+ (Negative) | | | | | | |
| Non-fund based – Working capital facilities | Short term | 2.00 | [ICRA]A2+ | Aug 18, 2025 | [ICRA]A2+ | Sep 12, 2024 | [ICRA]A2+ | Aug 04, 2023 | [ICRA]A2+ | Jun 22, 2022 | [ICRA]A2+ |
| | | | | Feb 05, 2026 | [ICRA]A2+ | | | | | | |
| Unallocated limits | Long term | 57.18 | [ICRA]BBB+ (Negative) | Aug 18, 2025 | [ICRA]A- (Negative) | Sep 12, 2024 | [ICRA]A- (Stable) | Aug 04, 2023 | [ICRA]A- (Stable) | Jun 22, 2022 | [ICRA]A- (Stable) |
| | | | | Feb 05, 2026 | [ICRA]BBB+ (Negative) | | | | | | |

## Complexity level of the rated instruments

| Instrument | Complexity Indicator |
|---|---|
| **Long term – Fund based – Working capital facilities** | Simple |
| **Short term – Non-fund based – Working capital facilities** | Simple |
| **Long term – Unallocated limits** | Not Applicable |

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** | NA | NA | NA | 35.00 | [ICRA]BBB+ (Negative) |
| **NA** | **Letter of credit/Bank guarantee** | NA | NA | NA | 2.00 | [ICRA]A2+ |
| **NA** | **Unallocated limits** | NA | NA | NA | 57.18 | [ICRA]BBB+ (Negative) |

*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

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

## ICRA Limited

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