

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 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

Instrument	Current (FY2026)					Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	March 26, 2026	FY2026		FY2025		FY2024		FY2023	
				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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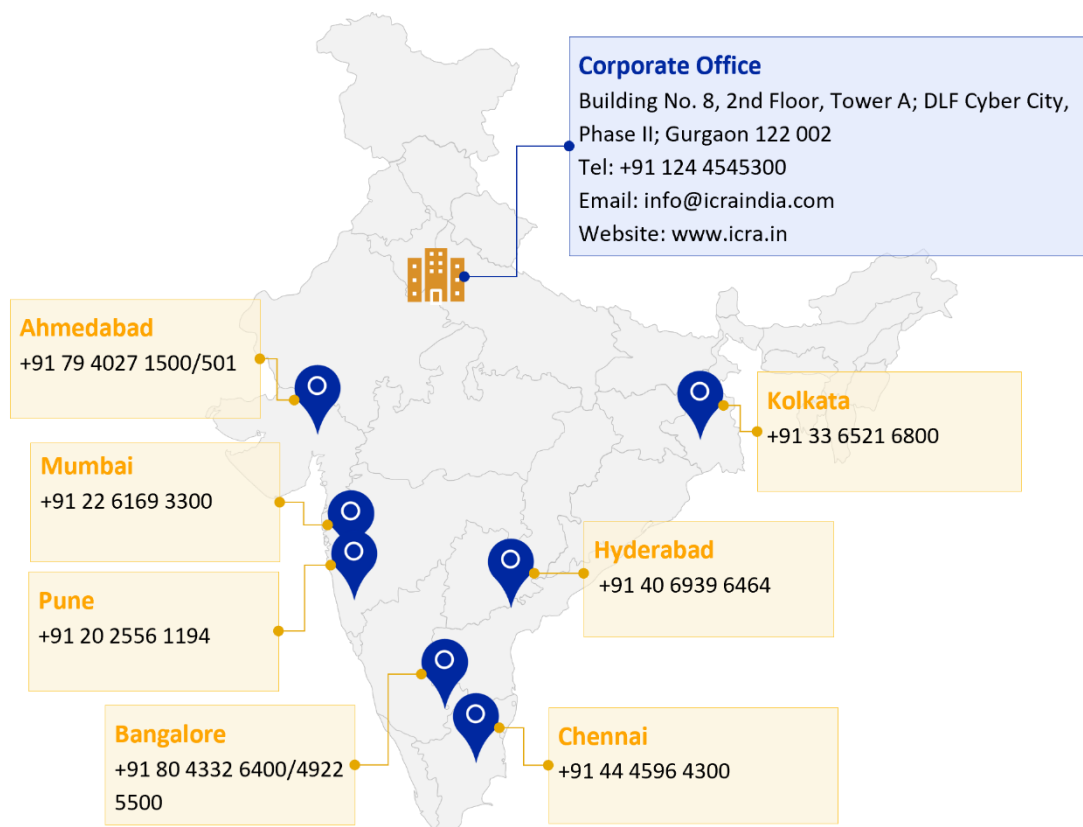


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