

Styrenix Performance Materials Limited

October 10, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term / Short-term bank facilities	650.00	CARE A+; Positive / CARE A1+	Reaffirmed; Outlook revised from Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings of Styrenix Performance Materials Limited (SPML) continue to derive strength from its established and long track record of operations, leadership position in the domestic Acrylonitrile Butadiene Styrene (ABS) and Styrene Acrylonitrile (SAN) co-polymer markets, with focus on customised speciality products, established position in the Polystyrene (PS) market with state-of-the-art manufacturing facilities, diversified application of products, and stable demand prospects from end-user industries.

However, ratings remain constrained on account of susceptibility of profitability due to volatile raw material prices and foreign exchange rate fluctuations associated with imported raw materials, competition from imports, and presence in a competitive and cyclical polymer industry, which is also exposed to stringent environmental compliance and is susceptible to accidental fires.

Ratings factor healthy operating performance in FY25 marked by strong growth in scale of operations backed by healthy increase in volumes and expectations of sustained healthy operating performance in FY26 backed by substantial scale up of operations on the back full year consolidation of Styrenix Thailand, Thailand-based entity, which was acquired in January 2025 and sustained growth in the volumes in the domestic operations. Acquisition of Thailand-based entity has improved the consolidated business risk profile of the company by providing it with presence across multiple operating geographies, access to newer markets and expansion in the scale of operations. Additionally, the company is also expected to benefit by synergies in operations. In FY25, SPML's total operating income (TOI) grew by 34% year-on-year (yoy) driven by strong volume growth of 23% yoy, partially supported by the contribution from the acquired entity, and growth of 10% yoy in realisation, while profit before interest, lease rentals, depreciation and taxation (PBILDT) margin stood healthy at 11.79% (FY24: 11.90%). Financial risk profile too remains healthy marked by healthy capital structure and debt protection metrics in spite of debt-funded acquisition. The company has large capex plans over the medium term, which is expected to be funded with a moderate/need-based reliance on debt. Accordingly, financial risk profile is expected to remain healthy going forward.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained healthy operating performance.
- Maintaining healthy capital structure marked by overall gearing below 0.50x on a sustained basis.
- Satisfactory progress on the capacity expansion projects.

Negative factors

- Decline in the scale of operations marked by total operating income (TOI) lower than ₹1,200 crore on a sustained basis.
- Deterioration in PBILDT margin to less than 9% on a sustained basis.
- Deterioration in overall gearing beyond 1.00x on a sustained basis.

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has taken consolidated approach for SPML, as there are strong operational and financial linkages among SPML and its subsidiaries. List of companies consolidated has been placed in Annexure-6.

Outlook: Positive

Positive outlook reflects expectations of sustained healthy operating performance of the company, marked by substantial growth in the scale of operations with full-year consolidation of the acquired entity and sustained healthy PBILDT margin. CareEdge Ratings believes that SPML's strong market position and healthy demand prospects will support its business risk profile, along with expectations of need-based reliance on debt to fund the capex, thereby ensuring a sustained healthy financial risk profile. Outlook may be revised to 'Stable' if SPML's operating performance remains lower than expectations.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Detailed description of key rating drivers:

Key strengths

Market leader in ABS and SAN business in India which has diversified application

SPML manufactures various grades of ABS under the brand name 'ABSOLAC' and SAN under the brand name 'ABSOLAN'. It has been a pioneer in this field and continues to remain the market leader in both these product segments in India. The company has also developed and introduced two new brands, 'STYROLOY' for blended products and 'ASALAC' for Acrylonitrile Styrene Acrylate (ASA), which is expected to further enhance its competitive positioning in the industry. The company also has an established presence in the PS segment, which is sold in the brand name of 'STYRENIX PS'. The company has an installed capacity of 100 KTPA of ABS and 100 KTPA of PS as on June 30, 2025. The company operates modern manufacturing facilities, and a state-of-the-art research and development (R&D) centre in Gujarat. ABS and SAN are versatile engineering polymer material and is a preferred choice for structural applications due to their chemical and physical properties. The company's products serve industry segments such as automobile sector, electrical and electronics, household consumer durables, construction, healthcare products, stationery, cosmetic, packaging, toys, and extrusion segments. Demand of ABS and PS is expected to witness a healthy growth supported by growth in the end-user industry.

Healthy operating performance; acquisition to scale up operations

In FY25, TOI increased by 34% yoy to ₹2,982 crore from ₹2,222 crore in FY24, driven by strong volume growth of 23% yoy and 10% yoy increase in overall realisation. The growth has also been partially supported by acquisition of Styrenix Thailand in January 2025, which contributed increase of ~10% yoy in volume sales. PBILDT margin though stood lower at 11.79% in FY25 against 11.90% in FY24 primarily on account of lower profit margin of the acquired entity vis-à-vis margin at standalone level (12.60% in FY25). In Q1FY26, TOI increased by 35% yoy to ₹944 crore from ₹699 crore in Q1FY25 on the back of 40% yoy growth in sales volumes largely contributed by the acquired entity, while standalone volume sales grew by 8%. PBILDT margin remained healthy at 10.22%.

PBILDT margin of the Thai entity remains weak in comparison to the standalone performance primarily in view of lower capacity utilisation and higher fixed costs. Capacity utilisation for the ABS of the Thai unit stood at ~43%. The company is working towards increasing capacity utilisation and scale of operations by taking initiatives including renewed branding, setting up of sales force in new geographies for expanding its offerings, among others. Furthermore, the company is also undertaking efforts towards enhancing operational efficiency of the plants. All these initiatives are expected to augur favourably for profitability margin going forward. The same shall remain key rating monitorable.

CareEdge Ratings believes company's scale of operations to witness a healthy growth of 25% in FY26 supported by sustained growth in volume sales at the standalone level on the back of process improvement coupled with full-year consolidation of Styrenix Thailand sales, while PBILDT margin is expected to remain healthy supported by healthy profitability margin at the standalone level and improved profitability of Thai subsidiary.

Healthy credit profile

SPML's overall borrowings including lease liabilities and acceptances stood at ~₹474 crore as on March 31, 2025, compared to ~₹51 crore as on March 31, 2024. The increase in debt levels was primarily considering ~₹194 crore term loan availed for the acquisition of Styrenix Thailand and higher lease liabilities of ~₹191 crore, of Styrenix Thailand. Consequently, capital structure moderated in FY25, with overall gearing increasing to 0.41x as on March 31, 2025 (FY24: 0.07x), while total debt to gross cash accruals (TD/GCA) stood at to 1.73x (FY24: 0.25x). Despite the moderation, credit profile remains healthy and the same is expected to remain healthy, even after factoring need-based debt it might avail for its planned capex.

Liquidity: Strong

SPML's liquidity is strong marked by healthy cash accruals against nil term debt repayment obligations in FY26. Scheduled repayments for the debt availed in the subsidiary shall commence from FY27, against which cash accruals are expected to remain adequate. There has been no utilisation of its fund-based limits as on date. With an overall gearing of 0.41x as on March 31, 2025, SPML has sufficient gearing headroom to raise additional debt. Also, the company had liquidity of ~₹98 crore as on March 31, 2025. Proposed capex is planned to be expended over the next three years against for which need-based reliance on debt is expected.

Key weaknesses

Volatility associated with prices of crude-linked raw materials and foreign exchange rate fluctuations

SPML's profitability remains susceptible to raw material price volatility and product realisations, which directly impact spreads. Styrene and Acrylonitrile, the major raw materials used in manufacturing ABS, SAN, and PS are primarily imported, while

butadiene, another major raw material is sourced domestically. These raw materials are crude oil derivatives and prone to inherent volatility risk in global crude oil prices. In the past, such volatility had impacted profit margins in few quarters. In FY25, imported raw materials accounted for ~83% of total requirements, exposing the company to foreign exchange rate fluctuations.

However, such risks are largely offset by the formula-based pricing mechanism (mainly in contractual sales arrangement), where sales prices are revised on a periodic basis depending upon raw material procurement prices, resulting in stability in profitability margin over the last few years. Furthermore, SPML has an active hedging policy, where it hedges its foreign currency exposure through forward contracts. Also, upon rupee depreciation, prices of substitutes of SPML's products, which are largely imported products, also rise which helps the company to pass on increased cost to its customers.

Threat of competitive imports from South-East Asian countries; expectations of increase in competitive intensity

India remains dependent on imports for meeting the domestic demand of ABS, with ~45-50% of the requirement being met through imports in the past few years. Taiwan and South Korea remained the major sources, together accounting for ~87% of ABS imports in FY25, with contributions from Thailand and Saudi Arabia as well. In the domestic market, large ABS capacity of 70KT has commenced commercial operations in September 2025, which could result in an increase in the competitive intensity, though the same is expected to be gradual. However, likely opportunity of absorption of incremental capacity in the domestic market, given the current high reliance on imports in view of lower capacity, and focus of the company on specialty grade, partially offsets the risk of imports and higher competitive intensity. The risk is also partially offset by established relationship with the customers coupled with its ability to supply customised and value-added products, supporting its market position as a preferred local supplier.

Risks associated with large size capex plans

SPML has envisaged a capex of ₹650–700 crore planned over the next three years, aimed at expanding its ABS and PS capacities. The capex is expected to be funded largely through internal accruals and available liquidity, with moderate/need-based reliance on debt. Currently, the company is planning to increase ABS capacity from 100 KTPA to 150 KTPA in first phase, which is scheduled to commence commercial operations by December 2026, while the second phase is expected to follow thereafter. The company is considering enhancing its PS capacity in future. The company remains exposed to project implementation risk. Given the large scale of the capex relative to the company's net worth, delay in commencement or ramp-up of operations could impact return indicators.

Environment, social, and governance (ESG) risks

Risk factors	Compliance and action by the company
Environmental	To reduce GHG emissions, the company is leading an environmental initiative in Vadodara, establishing green belts covering 29,922 square metres around its industrial estate and neighbouring villages like Katol, Nandesari, and Moxi. These green belts enhance local ecosystems and showcase a commitment to ecological stewardship. Additionally, to control acidic emissions, the company has done installation of HCL tank scrubber at Nandesari site. SPML's commitment to reducing its carbon footprint and promoting cleaner energy alternatives, energy efficiency includes transitioning from liquid fuels to natural gas, switching to LED lights for street lighting, replacing CFL or MLL lights, use of biodigesters to convert food waste to sustainable natural gas for cooking among others. For reducing/minimising water consumption, the company has installed STP at its Katol and Moxi unit and the treated water is reused for gardening and green belt. Treated wastewater from Effluent Treatment Plant (ETP) at Dahej and Katol is reused for gardening and green belt. The company has conducted environmental aspect and impact studies for activities and adequate control measures like standard operating procedures, engineering controls like pollution control measures/equipment's are adopted as required. Also, periodic environmental monitoring plan for manufacturing sites is in place and implemented.
Social	The company gives paramount importance and is committed to workplace safety and process safety management and an accepted routine practice. The company maintains good safety record with only two recordable injury, "Zero" High consequence work related injury, for last two financial years ended-FY24 and FY25. The company adopts a supportive work environment through regular training program to improve employee skill sets and also safety awareness. The company avoids threats related to employee health, safety and emergency management by regular asset care audits, operational audits, process safety inspections, risk appraisal using scientific

Risk factors	Compliance and action by the company
	methodologies such as HAZOP, JSA, and environmental impact assessments. Actions from risk assessment are implemented including with additional budget provision, to reduce risks to acceptable limits. Workforce training, simulated drills for disaster management engagement with the neighbourhood, and research and development are implemented to increase process safety. The company has established a detailed procedure for reporting and investigating unsafe conditions, incidents and near misses, and managing and reviewing corrective and preventive actions. Moreover, the company has implemented the Behavioural Based Safety Observation (BBSO) program to address and reduce behavioural risk factors. Additionally, sites have Safety Health and Environmental committee, where issues are raised by stakeholders and actions are taken for prevention.
Governance	50% of the SPML's board consists of independent directors. Various department heads and business heads periodically review and update policies, with final approval from management or the board.

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Chemicals	Chemicals & petrochemicals	Specialty chemicals

SPML, a Gujarat-based ABS, SAN, and polystyrene manufacturer was originally incorporated as 'ABS Plastics Limited' on December 7, 1973, by Rakesh Agarwal and his family. Subsequently, there had been several changes of hands in the ownership of the company among various international chemical groups. Lastly, the INEOS Group through its step-down subsidiary, INEOS Styrolution APAC Pte Ltd. (ISAPL) was holding 61.19% equity stake in the company with balance stake being held by the public. Shiva Performance Materials Private Limited (SPMPL, owned by Rakesh Agarwal and his family) acquired 61.19% of the equity share capital of SPML from ISAPL, and another 1.54% equity stake through an open offer in November 2022. Post acquisition, the board of directors were changed from November 17, 2022, and the name of the company was changed from INEOS Styrolution India Limited to Styrenix Performance Materials Limited on January 05, 2023. In June 2024, promoters sold 16.5% stake in SPML. Proceeds from the stake sale have been utilised by the promoter company to repay the debt, which had been availed for the acquisition of stake from ISAPL. As on March 31, 2025, the promoters held 46.2% equity stake in the company.

Brief Financials (₹ crore) - Consolidated	FY24 (A)	FY25 (A)	Q1FY26 (UA)
Total operating income	2,222.17	2,982.42	943.50
PBILDT	264.35	351.54	96.46
PAT	173.18	235.15	51.92
Overall gearing (times)	0.07	0.41	NA
Interest coverage (times)	74.46	54.76	21.02

A: Audited; UA: Unaudited; NA: Not Available; Note: these are latest available financial results

Financials are reclassified per CareEdge Ratings' standards

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based/Non-fund-based-LT/ST		-	-	-	650.00	CARE A+; Positive / CARE A1+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based/Non-fund-based-LT/ST	LT/ST	650.00	CARE A+; Positive / CARE A1+	1)CARE A+; Stable / CARE A1+ (22-Apr-25)	1)CARE A+ / CARE A1+ (RWD) (18-Dec-24) 2)CARE A+; Stable / CARE A1+ (25-Sep-24)	1)CARE A+; Stable / CARE A1+ (06-Sep-23)	1)CARE A+; Stable / CARE A1+ (24-Mar-23) 2)CARE A+ / CARE A1+ (RWD) (27-Dec-22) 3)CARE A+ / CARE A1+ (CW with Developing Implications) (10-Aug-22)

LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based/Non-fund-based-LT/ST	Simple

Annexure-5: Lender detailsTo view lender-wise details of bank facilities please [click here](#)**Annexure-6: List of entities consolidated**

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1.	Styrenix Performance Materials FZE	Full	Wholly owned subsidiary
2.	Styrenix Performance Materials (Thailand) Limited	Full	Wholly owned step-down subsidiary
3.	Styrenix Polymers (Thailand) Co Limited*	Full	Wholly owned step-down subsidiary

*Upto June 26, 2025. Styrenix Polymers (Thailand) Co Limited was merged with Styrenix Performance Materials (Thailand) Limited pursuant to reverse merger on June 26, 2025.

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754-3596 E-mail: mradul.mishra@careedge.in Relationship Contact Saikat Roy Senior Director CARE Ratings Limited Phone: +91-22-6754-3404 E-mail: saikat.roy@careedge.in	Analytical Contacts Hardik Manharbhai Shah Director CARE Ratings Limited Phone: +91-22-6754-3591 E-mail: hardik.shah@careedge.in Rabin Bihani Associate Director CARE Ratings Limited Phone: +91-22-6754-3592 E-mail: rabin.bihani@careedge.in Aayush Mishra Rating Analyst CARE Ratings Limited E-mail: aayush.mishra@careedge.in
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