Acutaas Chemicals Limited

December 09, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term / Short-term bank facilities	135.00 (Enhanced from 125.00)	CARE A+; Stable / CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Acutaas Chemicals Limited (ACL; formerly known as Ami Organics Limited) continue to derive strength from growing scale of operations, healthy profitability, diversified product portfolio built through organic and inorganic growth and widespread geographical presence. Ratings also factor in extensive experience of promoters in the pharmaceuticals and specialty chemicals industry, comfortable debt protection metrics and strong liquidity.

However, ratings are constrained by execution risk associated with ongoing projects, working capital intensive nature of business, exposure to volatile raw material prices and foreign exchange rates, and presence in a competitive industry that entails inherent regulatory risks.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Volume-backed growth in scale of operations to above ₹2,000 crore with healthy profit before lease rental, interest, depreciation and tax (PBILDT) margin and return on capital employed (ROCE) of above 20% on a sustained basis.
- Maintaining comfortable capital structure and strong liquidity on a sustained basis.

Negative factors

- Total debt/PBILDT beyond 2x on a sustained basis.
- Change in prevailing pollution control/ environmental norms and/or regulatory non-compliances, significantly impacting its business and profitability.

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has adopted a consolidated approach for ACL, considering its strong operational and financial linkages with subsidiaries and joint ventures and common management. Entities consolidated are listed under **Annexure-6**.

Outlook: Stable

The stable outlook on the long-term rating reflects strong business risk profile supported by R&D capabilities, reputed customer base, and diversified product portfolio. CareEdge Ratings expects the entity to maintain a comfortable financial risk profile, supported by healthy cash accruals with low debt reliance.

Detailed description of key rating drivers:

Key strengths

Growing revenue and healthy profit margins

ACL's total operating income (TOI) grew at a healthy compounded annual growth rate (CAGR) of ~31% for five years ended FY25 (FY refers to April 01 to March 31), primarily driven by sales volume growth. The company delivered robust revenue growth of ~40% year-on-year (y-o-y) to ₹1,013 crore in FY25, supported by ~50% growth in the pharmaceutical intermediates segment, while the specialty chemical segment remained largely stable.

In FY25, revenue growth in the pharmaceutical intermediates segment was supported by ramp-up of the CDMO business and steady growth in the core business, while for the specialty chemical segment, growth was driven by strong performance in commodity chemicals, which was offset by a decline in revenue from Baba Fine Chemicals.

ACL's PBILDT margin expanded from 18.39% in FY24 to 23.51% in FY25, primarily driven by a change in the sales mix. Consequently, ACL's gross cash accruals (GCA) almost doubled to ₹193.59 crore in FY25 from ₹100.70 crore in FY24. The overall

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

return indicators also improved and remained healthy, marked by return on capital employed and return on tangible net worth (TNW) of 19.62% and 17.14%, respectively, in FY25 (PY: 10.62% and 6.86%, respectively).
Continuing its growth momentum, ACL reported ~21% y-o-y TOI growth to ₹513.43 crore in H1FY26 (H1FY25: ₹423.40 crore), with sequential improvement in PBILDT and profit after tax (PAT) margin to 28.48% (H1FY25: 18.53%) and 22.57% (H1FY25: 12.34%), respectively, in H1FY26, driven by growth in the pharmaceutical intermediates segment.

Diversified product portfolio built through organic and inorganic growth
ACL holds an established market position in the advanced pharmaceutical intermediates and specialty chemicals space, underpinned by a diversified product portfolio with no product forming over 10-15% of the total sales.

ACL's advanced pharma intermediates segment contributes ~85% to the company's net sales in FY25 (FY24: 79%). Within this segment, meaningful growth in the CDMO business is envisaged over the medium term, supported by a healthy pipeline of products currently under development.

The company is also strengthening its presence in the specialty chemicals segment, which contributed ~15% to net sales in FY25 (FY24: 21%). This segment comprises a broad range of products including fine and performance chemicals as well as semiconductor chemicals, catering to applications across preservatives, personal care, pharmaceuticals and resins, among others. Additionally, ACL manufactures high-value custom specialty chemical products for semiconductor applications under the BFC vertical. The company's foray into battery chemicals (electrolyte additives) is expected to further accelerate growth in this segment going forward. ACL is also undertaking capex for manufacturing semiconductor chemicals in South Korea through a joint venture, which is expected to act as a growth catalyst going forward.

ACL has a dedicated R&D centre, which is recognised by the Department of Scientific and Industrial Research, Government of India, at Gujarat Industrial Development Corporation (GIDC), Sachin, in Surat. It has four manufacturing facilities (including facility of BFC), three in Gujarat and one in Uttar Pradesh. Its Sachin (located at Surat) facility has received approval from Pharmaceutical and Medical Device Agency (PMDA), Japan, with no major observations in inspection and received establishment inspection report (EIR) twice from the United States Food and Drug Administration (USFDA), indicating stringent quality norms followed by the entity. The recently operationalised Ankleshwar facility also received approval from PMDA, Japan with no major observations.

Wide geographical presence
ACL benefits from a geographically diversified customer base spanning across over 55 countries, including Europe, China, Japan, Israel, the UK, Italy, Finland, Latin America and the US. Exports accounted for ~74% of net sales in FY25 (FY24: 56%). The company is insulated from the impact of US tariffs, given its negligible exposure to that market.

It is progressing engagement with new customers in Korea, Japan and Taiwan through BFC for new products. The ongoing joint venture project established in Korea will cater to demand in Korea and other countries, further broadening ACL's global presence and strengthening its international positioning.

ACL has a reputed and diversified customer base. Some customers have been associated with ACL for over a decade reflecting established relations with customers.

CareEdge Ratings believes the company's ability to address diverse end-user needs and comply with stringent requirements enables it to secure repeat and incremental business from existing clients and add new clients in an industry with high entry barriers.

Comfortable debt protection metrics
ACL's TNW increased from ₹1,154.96 crore on September 30, 2024, to ₹1,365.74 crore on September 30, 2025, due to accretion of healthy profits to reserves. With a very low debt level, capital structure continues to remain comfortable, marked by overall gearing of 0.01x on September 30, 2025.

Debt coverage indicators remained strong, marked by interest coverage of 38.30x and 119.86x, and total debt/PBILDT of 0.05x and 0.03x in FY25 and H1FY26, respectively. Supported by healthy operating cash flow generation and funding of capex through strong liquidity, CareEdge Ratings expects overall gearing and total debt/PBILDT to remain comfortable in the near-to-medium term.

Extensive experience of promoters
Nareshkumar Patel, Executive Chairman and Managing Director, and Chetankumar Vaghasia, Wholetime Director, are the promoters of ACL. Founder-promoters have over 25 years of experience in the chemicals industry.

ACL's board of directors comprises eight members, including four independent directors, two of whom are women, all well-qualified with vast industry experience. The top management is ably supported by a qualified professional team for the company's operations.

Key weaknesses

Execution risk associated with ongoing projects
ACL is undertaking capex of ~₹250 crore in FY26 in India, which includes ~₹180 crore for electrolyte additives at Jhagadia, ~₹30 crore for a pilot plant at Sachin, and the balance for maintenance capex. The project cost of the electrolyte additive project has been revised upward to ~₹220 crore (from ~₹177 crore) to accommodate infrastructure for new electrolyte products, and the project timeline is revised to H2FY26 (earlier H1FY26) due to an extended monsoon. Since products are already validated by customers, dispatches will immediately commence, partly mitigating the saleability risk. In H1FY26, ACL incurred ~₹141 crore towards electrolyte additives and the pilot plant, funded through preferential allotment and cash accruals.

ACL is also undertaking ~₹200 crore capex from FY26-FY27 in South Korea to set up a semiconductor chemical manufacturing facility. For this capex, it invested ₹50 crore of equity in Indichem Inc. (a 75%-25% joint venture of Acutaas Advance Materials Limited [AAML; wholly owned subsidiary of ACL] and J and Materials Co. Limited) through AAML in H1FY26. The balance ~₹150 crore will be infused by March 2026 from internal accruals. Currently, the project is at a nascent stage of execution and is expected to start contributing to revenue from H2FY27. Time-bound completion of this capex and realisation of envisaged benefits remain crucial for ACL's growth prospects. Though ACL will benefit from the technical support of J and Materials Co. Limited for its semiconductor chemical venture in South Korea, it is exposed to implementation risk while adhering to stipulated regulatory and compliance norms of its domicile country.

Working capital intensive nature of business
Due to its wide portfolio, ACL needs to maintain sufficient inventory of raw material and finished products. The average debtor days remained at 89 days, whereas the average creditor days were 68 in FY25. Operating cycle stood at 104 days in FY25. Thus, ACL's operations are working capital intensive with gross current assets of 195 days in FY25. However, CareEdge Ratings notes that working capital requirements are funded through internal accruals, with negligible reliance on external working capital limits.

Risk related to volatile raw material prices and foreign exchange rates
Raw material cost remains the major cost component for the company, forming ~72% of total cost of sales. This exposes the company to sharp raw material price volatility. In export sales, ACL revises prices quarterly considering key starting material (KSM) prices and foreign exchange (forex) rates, while domestic sales are on a spot basis. This mitigates the price volatility risk to a certain extent. While the company is a net exporter, adverse forex fluctuation can still impact its profitability. For FY25, ACL reported a foreign exchange gain of ₹6.12 crore (FY24: ₹4.18 crore).

Inherent regulatory risk and competitive nature of industry
ACL is exposed to regulatory risk, as players in the pharmaceuticals industry need to manufacture products that meet the set quality standards of regulators across the globe and per customer requirements. Good manufacturing practice (GMP) must be followed for quality control. The pharmaceuticals industry is highly regulated and requires approvals, licences, registrations, and permissions for business activities. Companies require continuous adherence to defined pollution control norms as mandated by respective pollution control bodies for seamless operations. Non-adherence can lead to a significant impact on business and financial performance. Chemical manufacturing carries inherent environmental and safety risks (effluent, emissions, hazards). Environmental incident or regulatory non-compliance could lead to penalties, shutdowns, or reputational damage.

Liquidity: Strong

ACL had strong liquidity, marked by healthy cash accruals and nil term debt repayment obligations. Its liquidity is underpinned by free cash and bank balance of ₹240.63 crore on September 30, 2025.

Liquidity is also supported by sanctioned fund-based working capital limits, with nil utilisation for 12 months ended September 30, 2025. ACL reported a healthy cash flow from operations (CFO) of ₹118.34 crore in FY25. The current ratio and quick ratio remained comfortable at 3.92x and 3.03x, respectively, on March 31, 2025, compared to 1.73x and 1.18x, respectively, on March 31, 2024.

Environment, social, and governance (ESG) risks

Risk factors	Compliance and action by the company
Environmental	Sachin, Surat plant, has zero liquid discharge since 2015 through soil biotechnology, multi-effect evaporator, reverse osmosis, and reuse of treated water in utility to reduce overall freshwater withdrawal. In the Jhagadia plant, wastewater is treated in an effluent treatment plant and discharged into the NCTL common drain after achieving prescribed limits. ACL has a fully digitised quality control (QC) lab with temperature-controlled facilities, separate for raw material and finished goods. ACL places strong emphasis on occupational health and safety and follows best industry practices. ACL is one of the few companies in India that has adopted environmentally friendly flow chemistry. It has installed 16 MW solar power plant. ACL was accredited with a Platinum Medal by EcoVadis within three years of its initial audit, owing to its focus on green chemistry and sustainability initiatives.
Social	ACL has implemented a corporate social responsibility (CSR) policy, under which it undertakes initiatives for healthcare promotion, education, poverty eradication, hunger alleviation, and conservation of natural resources. It regularly plans training and awareness programmes for employees and workers.
Governance	The company has requisite committees and policies in place, including a succession policy for the board and senior management, business ethics policy, code of conduct, and whistle-blower policy. The board of directors comprises eight members, including four independent directors, two of whom are women. ACL reported no safety-related incidents in FY25.

Applicable criteria

[Consolidation](#)
[Definition of Default](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Rating Outlook and Rating Watch](#)
[Manufacturing Companies](#)
[Pharmaceuticals](#)
[Financial Ratios – Non financial Sector](#)
[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Pharmaceuticals and biotechnology	Pharmaceuticals

Incorporated in 2004 as a partnership firm, ACL (CIN: L24100GJPLC051093) is promoted by Nareshkumar Patel and Chetankumar Vaghasia. Its constitution changed to Private Limited in 2007 and later to Public Limited in 2018.

ACL is engaged in manufacturing advanced pharmaceutical intermediates and specialty chemicals. Under its pharmaceutical intermediates segment, it manufactures molecules that are under clinical trial, or which have been launched in the patented and generic market. Under this segment, it has CDMO arm which works with innovators for their in-patent molecules as well as for their off-patent molecules life-cycle management. It also manufactures specialty chemicals having end-usage in cosmetics, food and personal care, dye and polymer industries, among others. It also has new edged specialty chemicals used in Batteries as well as semiconductor industry.

ACL launched its IPO in September 2021, and its shares listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) on September 14, 2021.

Brief Financials (₹ crore) - Consolidated	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	721.66	1012.99	513.43
PBILDT	132.68	238.19	146.23
PAT	48.71	160.42	115.87
Overall gearing (times)	0.32	0.01	0.01
Interest coverage (times)	22.34	38.30	119.86

A: Audited UA: Unaudited; Note: these are latest available financial results

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	-	-	-	-	135.00	CARE A+; Stable / 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	135.00	CARE A+; Stable / CARE A1+	-	1)CARE A+; Stable / CARE A1+ (26-Dec-24)	1)CARE A; Stable / CARE A1 (23-Nov-23)	-
2	Term Loan-Long Term	LT	-	-	-	1)Withdrawn (26-Dec-24)	1)CARE A; Stable (23-Nov-23)	-

LT: Long term; 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 details

To 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	Acutaas Chemicals Electrolytes Private Limited	Full	Wholly owned Subsidiary
2	Acutaas Advance Materials Limited	Full	Wholly owned Subsidiary
3	Baba Fine Chemicals	Full	Subsidiary
4	Ami Onco-Theranostics LLC	Proportionate	Joint Venture
5	Enchem Ami Organics Private Limited	Full	Wholly owned Subsidiary
6	Indichem Inc.	Proportionate	Joint Venture

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.

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About us:
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