

Amal Limited

October 09, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long-term bank facilities	RBI	20.00 (Enhanced from 6.00)	CARE A+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of rating assigned to bank facilities of Amal Limited (Amal) continues to derive strength from its strong parentage of Atul Limited (Atul; rated CARE AA+; Stable/ CARE A1+), which has an established track record of operations in the chemical industry and a strong credit risk profile; and managerial support that Amal receives from Atul. The rating further derives strength from strategic location of Amal's manufacturing facility, situated near the aromatic facility of Atul, to which the company provides backward integration. The rating also derives strength from satisfactory operating performance supported by the continued strong capacity utilisation, healthy financial risk profile, and adequate liquidity.

However, the rating is constrained by its single-product group portfolio with limited scale of operations, exposure to volatile raw material prices and finished goods prices, and exposure to stringent pollution control norms.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained growth in consolidated scale of operations while maintaining its comfortable leverage.
- Profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin of over 30% on a sustained basis with continued healthy debt coverage indicators.
- Significant increase in off-take by Atul Limited from Amal as well its subsidiary, ASCL.

Negative factors

- Significant deterioration in the credit profile of Atul or weakening linkages.
- Lower-than-envisaged capacity utilisation adversely impacting its returns and debt coverage indicators on a sustained basis.
- Large debt funded capex/acquisition leading to significant deterioration in its capital structure marked by an overall gearing beyond 1.00x.

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has adopted a consolidated approach for Amal considering business synergies and financial linkages with its wholly owned subsidiary. Entities consolidated have been listed under Annexure-5. Through its wholly owned subsidiary, Amal Speciality Chemicals Limited (ASCL), Amal has expanded its sulphuric acid capacity in line with Atul's requirements.

Amal's strong operational and financial linkages with its parent company, Atul, have been factored in while arriving at the rating. Accordingly, CareEdge Ratings have applied its parent notch up framework to arrive at the rating.

Outlook: Stable

The 'Stable' outlook on the rating reflects that Amal shall continue to benefit from operational and financial linkages with its parent, Atul, while maintaining its healthy capital structure in the absence of large debt-funded capex plans in the near term.

Detailed description of key rating drivers

Key strengths

Strong parentage of Atul having long-standing presence in chemical industry and common management

Amal is part of the Atul group. Atul holds 49.86% stake in Amal mainly through its investing company, Atul Finserv Limited. Amal is a subsidiary of Atul through its significant control over Amal's operations. Atul operates one of the largest integrated chemical complexes in India, with a well-diversified product portfolio of ~900 products and 400 formulations divided into two segments:

¹SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

²Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

life science chemicals (LSC) and performance and other chemicals (POC). These products cater to industries, including textiles, paints and coatings, adhesives, dyestuffs, agriculture, fragrances and flavours, cosmetics, personal care, tyres, paper, plastics, pharmaceuticals, aerospace, composites, construction, and glass among others. It has manufacturing facilities across India, with its main site in Valsad spread across 1,250 acres. It has marketing offices in the USA, the UK, the UAE, China, and Brazil. In FY26 (FY refers to April 01 to March 31), Atul had a consolidated revenue of ₹6,317 crore (FY25: ₹5,584 crore) with PBILDT margin of 17.06% (FY25: 16.45%). Amal shares common management with Atul, whose management has extensive experience in the chemical business and a strong financial risk profile. Atul has a strong track record of supporting its group companies.

Strategic location of Amal's plant in the vicinity of Atul's production plant leading to operational synergies with Atul

Amal operates 140 tonne per day (TPD) sulphuric acid plant while through ASCL operates 300 TPD plant at Ankleshwar, Gujarat. Atul had set up facility for sulphuric acid and other derivatives in ASCL with an aim to ensure consistent availability of quality products, safeguard against high volatility in the market prices of these products, and savings in freight cost. Plants of both entities are in the vicinity of Atul's aromatic division manufacturing facility. Atul off-takes its sulphuric acid requirement from Amal, reducing the saleability risk. Amal's business operations serve as backward integration for Atul. proximity to Atul's plant enables Amal to meet Atul's requirements for sulphuric acid and other downstream chemical products at lower transportation cost, ensuring business synergies at group level. Amal derived ~38% of its consolidated revenue from Atul in FY25 (FY25: 35%).

Revenue growth driven by higher realisations; profitability stood subdued owing to elevated sulphur costs

Consolidated revenue increased by 77% y-o-y to ₹240 crore in FY26, driven by a sharp increase of 93% y-o-y in realisation, led by increase in sulphur prices, while volumes increased by 5% y-o-y. Sulphur-based products contributed ~84% of revenue, with the balance from steam sales. Despite sharp increase in revenue, PBILDT margin declined to 14.9% in FY26 from 32.3% in FY25, owing to increase in sulphur procurement costs amid supply tightness and higher global prices. Limited pass through of increase in raw material prices resulted in decline in PBILDT to ~₹36 crore in FY26 from ~₹44 crore in FY25.

Revenue grew 104% y-o-y to ₹97 crore in Q1FY27, supported by continued increase in product realisations with pass through of increase in sulphur prices, even though sales volumes declined by ~15%. PBILDT margin improved to 17.7% in Q1FY27, supported by inventory led gains. Revenue is expected to witness a strong increase in FY27, supported by higher average realisations and continued healthy capacity utilisation. However, profitability levels could remain stable, as continued volatility and high sulphur prices and limited pass through of such higher input cost could restrict improvement in profitability.

Strong financial risk profile

As on March 31, 2026, Amal had nil fund-based borrowings and reported a net worth of ₹120.4 crore (FY25: ₹99.0 crore). Debt protection metrics remained strong, with PBILDT interest coverage improving to 54.57x in FY26 from 21.53x in FY25 due to lower interest costs and absence of debt obligations. The company primarily utilises non-fund-based limits for procurement of raw materials. The company plans to incur capital expenditure (capex) of ~₹25 crore towards projects, including expansion of sulphur dioxide capacity, setting up a steam pipeline to improve steam utilisation, and a sulphur storage facility. Capex is planned to be funded through internal accruals. Financial risk profile is expected to remain strong in the absence of debt-funded capex and continued healthy cash accruals.

Key weaknesses

Operations with high dependence on single product group profile

On a consolidated basis, Amal has an installed capacity of 440 TPD for manufacturing sulphuric acid and related downstream products. The company has a high dependence on a single product group profile. The company operated at full capacity utilisation in FY25-FY26. The company's scale of operations is expected to remain limited. While there has been a strong increase in the scale of operations in FY25-FY26, the same has been largely led by increase in realisation on the back of increase in prices of key raw material, sulphur.

Profitability susceptible to volatile key raw material prices

Sulphur is the primary raw material for production of sulphuric acid and related downstream products, accounting for ~85% of the company's total cost structure. Over the years, sulphur prices exhibited significant volatility, marked by a sharp increase in 2021-2022, culminating in a peak of US\$516/metric tonne (MT) in May 2022. Following this peak, prices experienced a steep decline, reaching US\$90/MT by July 2023. Sulphur prices witnessed a sustained increase in the last two years, with average prices increasing from US\$107/MT in FY24 to US\$157/MT in FY25 and further to US\$418/MT in FY26. In the current year, prices further increased substantially to ~US\$1,050/MT owing to conflicts in West Asia and supply chain disruptions. Volatility in sulphur prices

remains a key factor influencing Amal's cost structure and overall profitability. The company remains susceptible to finished goods prices based on demand from end-user industries.

Risk associated with stringent pollution control norms

Amal's operations are subject to environment-related regulatory compliance requirements, which need to be adhered to strictly. Pollution-related norms are continuously evolving. Accordingly, continuous adherence to defined pollution control norms is mandatory for seamless operations. The company has been complying with the required pollution control norms, and there have not been adverse observations in the last several years. The company's operations are subject to continuous monitoring and compliance obligations, and tightening regulatory norms could lead to increased operational costs and potential disruptions.

Liquidity: Adequate

Amal's liquidity profile is adequate, with cash and equivalents standing at ₹30.7 crore as on June 30, 2026. Gross cash accruals stood at ₹35.0 crore in FY26. The company has no scheduled debt obligations in FY27. Cash accruals and existing cash and equivalents are likely to be sufficient to meet capex and incremental working capital requirements. The company utilises its working capital limits primarily in the form of non-fund-based limits, with utilisation at 79% for 12 months ended June 2026. Current ratio also improved to 2.48x as on March 31, 2026, from 1.89x as on March 31, 2025. With a strong capital structure and strong parentage, the company has headroom to raise debt to meet funding requirements.

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Factoring Linkages Parent Sub JV Group](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Chemicals	Chemicals and petrochemicals	Commodity chemicals

Incorporated in July 1974, Amal is a publicly listed company and a subsidiary of Atul through control over operations. The company is engaged in manufacturing bulk chemicals, including sulphuric acid, oleum, sulphur dioxide and sulphur trioxide at its facility in Ankleshwar, Gujarat, with an installed capacity of 440 TPD. These products are utilised across industries, including dyestuff, personal care, petrochemicals, pharmaceuticals, and textiles, among others.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY26 (UA)
Total operating income	135.3	239.6	96.5
PBILDT*	43.7	35.7	17.1
Profit after tax (PAT)	29.3	22.4	16.7
Overall gearing (x)	0.00	0.00	NA
Interest coverage (x)	21.53	54.57	NM^

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

*PBILDT: Profit before interest, lease rentals, depreciation and tax

^ Not Meaningful, in the absence of interest expenses.

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:

A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based/non-fund-based-Long Term	RBI	Simple	-	-	-	-	20.00	CARE A+; Stable

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 2026-2027	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
1	Fund-based/non-fund-based-Long Term	LT	20.00	CARE A+; Stable	-	1)CARE A+; Stable (12-Sep-25)	1)CARE A+; Stable (10-Oct-24)	1)CARE A+; Stable (27-Sep-23)

LT: Long-term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-5: List of entities consolidated

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Amal Speciality Chemicals Limited	Full	Wholly owned subsidiary

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 Hitesh Avachat Director CARE Ratings Limited Phone: +91-22-6754 3510 E-mail: hitesh.avachat@careedge.in Rabin Bihani Associate Director CARE Ratings Limited Phone: +91-22-6754-3592 E-mail: Rabin.bihani@careedge.in Arun Kadam Lead Analyst CARE Ratings Limited E-mail: Arun.kadam@careedge.in
---	---

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**