India Glycols Limited

March 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	1,229.79 (Reduced from 1,405.31)	CARE A- (RWD)	Continues to be on Rating Watch with Developing Implications
Long-term / Short-term bank facilities	450.00	CARE A- / CARE A2+ (RWD)	Continues to be on Rating Watch with Developing Implications
Short-term bank facilities	850.00 (Enhanced from 846.98)	CARE A2+ (RWD)	Continues to be on Rating Watch with Developing Implications
Long-term bank facilities	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of India Glycols Limited (IGL) continue to be placed on 'Rating Watch with Developing Implications' (RWD) following composite scheme of arrangement announced by the company, under which the biofuel (BF) and potable spirits (PS) undertakings will be demerged into IGL Spirits Limited (ISL) and the bio-pharma (BP) undertaking into Ennature Bio Pharma Limited (EBL), while Bio-based specialities & Performance Chemicals (BSPC) segment (excluding biopolymers) will continue to remain under IGL. Board of Directors has also approved a revised scheme under which Kashipur Holdings Limited (KHL) will not merge into IGL. The scheme is subject to approvals from the National Company Law Tribunal (NCLT), shareholders, creditors, central government and other regulatory authorities. Shareholding of demerged entities will be in the same proportion of IGL's shareholding. The scheme is expected to be completed within six months. CARE Ratings Limited (CareEdge Ratings) will closely monitor developments in this regard and will review ratings once necessary approvals are in place and the transaction is completed in entirety reflecting the exact implications on the separate entity's financial, operational and managerial risk profile. CareEdge Ratings has also withdrawn ratings assigned to the 'bank guarantee' amounting to ₹72.63 crore based on the request from the company and receipt of 'No Dues Certificates' received from the banks that had extended facilities rated by CareEdge Ratings.

If the scheme of arrangement is approved, IGL will house only the glycols and new specialities units, effectively becoming a pure chemical manufacturer. This segment recorded revenue of ₹1,342 crore in FY25 and ₹901 crore in 9MFY26, with EBIT margins of 9.33% and 11.56%, respectively. CareEdge Ratings expects the company to maintain average debt coverage metrics post the restructuring, with net debt to PBILDT (including letter of credit [LC] acceptances) not expected to exceed 4.5x. This ratio is expected to strengthen further due to scheduled term-loan repayments and organic improvement in PBILDT as the new specialities unit ramps up. Expectation of net debt to PBILDT above 4.5x on sustained basis may lead to trigger in negative rating sensitivity factor.

Ratings currently continue to derive comfort from the company's diversified revenue streams, which reduce exposure to volatility in single segment, and strong market position in bio-based glycols, PS and nutraceuticals segment, leading to large scale of operations. The company has also significantly scaled up its BF and PS businesses in recent years, further strengthening its operating profile. These businesses are expected to be housed in separate entities as the scheme is executed.

These rating strengths are partially offset by the company's improving yet moderate operating profitability, which remains vulnerable to input cost volatility. The PS business also remains highly regulated by the government. The capital structure is moderately leveraged, with average debt coverage metrics, although improvement is visible following the use of preferential issue proceeds for debt reduction. The company's capex programme is largely completed and is expected to generate higher cashflows in the near term, supporting further strengthening of the financial risk profile.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in debt coverage metric, particularly, net debt (including LC acceptances) to profit before interest, lease rentals, depreciation, and taxation (PBILDT) below 3.5x on a sustainable basis.

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

- Significant liquidity buffer building up from cash and cash equivalents, or moderate unutilised bank limits, which will be sustained.

Negative factors

- Incremental debt programme or deteriorating profitability, leading to continued net debt to PBILDT above 4.50x by FY26-end.

Analytical approach: Consolidated.
For analysing IGL, consolidated financials have been considered due to common management and strong operational and financial linkages between subsidiaries and joint venture. Entities consolidated are mentioned in Annexure-6.

Outlook: Not applicable

Detailed description of key rating drivers:

Key strengths

Diversified revenue streams mitigating significant volatility in revenues and earnings
IGL operates across four major segments - BSPC, comprising of glycols, specialty chemicals, natural gum, and other related goods, PS segment comprising manufacturing and selling ethyl alcohol (Potable), BF segment, comprising of ethanol and EB segment comprising of manufacturing and selling nutraceutical products. Overall, the BSPC segment contributed 36% (49%) revenue in FY25 (FY24), biofuels contributed 28% (16%), while PS and EB contributed 31% (29%) and 6% (6%) revenue. Against this, contribution towards operating profits in BSPC, biofuels, PS, and EB segments was 27% (37%), 12% (8%), 56% (44%), and 12% (8%), respectively, in FY25 (FY24). Diversified revenue streams protect against significant volatility in business performance from sharp downturn in a single segment.

Large scale of operations supported by healthy market position in its area of operations
The company is the largest manufacturer of bio-based glycols, holds a strong position in country liquor in Uttar Pradesh and Uttarakhand, and is the market leader in Thiocolchicoside API. Overall, the company achieved 14% revenue growth to ₹3,748 crore in FY25, with PBILDT margin improving to 13.09%. In 9MFY26, revenue grew 11% y-o-y to ₹3,239 crore, and margin improved to 15.04%. CareEdge Ratings expects revenue to exceed ₹4,400 crore in FY26 with PBILDT margin above 14.25%.

In BSPC, revenue declined by 18% to ₹1,342 crore in FY25 due to moderation in bio-based glycols and glycol ethers; however, EBIT margin improved to 9.33% considering cost control. In 9MFY26, revenue was ₹901 crore with stronger 11.56% margin. CareEdge Ratings expects slight revenue moderation in FY26 due to oversupply of petroleum-based MEG and increased competition from China.

The PS segment recorded 25% revenue growth to ₹1,163 crore in FY25, supported by country liquor price hikes, and EBIT margin improved by 471 bps to 22.05%. Revenue for 9MFY26 was ₹1,024 crore with stable 21.20% margin. This segment is expected to remain the primary profit contributor and continue its growth momentum in FY26–FY27.

BF revenue rose 104% to ₹1,044 crore in FY25, however, margin declined by 59 bps due to rising raw material prices without adequate price hikes from oil marketing companies (OMCs). In 9MFY26, revenue increased to ₹1,165 crore with a higher 7.30% margin. Sustained performance in this segment will depend on timely upward revision in ethanol procurement prices.

In EB, revenue grew 7% to ₹219 crore in FY25, but margins weakened to 9.46% due to competition and input cost pressures. In 9MFY26, revenue was ₹144 crore with a margin of 2.92%. Post-demerger, the addition of the Guar Gum sub-segment is expected to contribute ₹65–₹70 crore revenue with strong 25–30% margins, which is expected to support segment profitability in the near term.

The company has announced a demerger, under which PS and BF will move to India Spirits Limited, EB will also be placed under Ennature Bio Pharma Limited, and IGL will retain glycols and new specialty chemicals. The scheme has Board approval, and remaining approvals are expected within six months. Restructuring is expected to enhance capital allocation, management focus, and resource efficiency across businesses.

Key weaknesses

Average financial risk profile of the company though improving post equity infusion

The company's financial risk profile remains moderate due to the significant capital expenditure undertaken for expanding grain-based distillery capacities, converting one of its plants from rectified spirits to extra neutral alcohol (ENA), and setting up manufacturing facilities for new specialities unit, which was financed largely through external borrowings. As a result, overall gearing increasing from 0.66x as on March 31, 2024, to 0.84x as on March 31, 2025. However, overall gearing adjusted for LC-based acceptances improved from 0.98x as on March 31, 2024, to 0.94x as on March 31, 2025, as some new imports did not require LC owing to long-standing supplier relationships. PBILDT interest cover moderated to 2.96x from 3.26x due to higher finance cost, while net debt (adjusted for LC-based acceptances) to PBILDT improved from 4.91x in FY24 to 4.31x in FY25.

In Q3FY26, the company raised ₹467 crore through a preferential issue, most of which was utilised for debt reduction. Total debt including LC-based acceptances reduced to ₹1,863 crore as on December 31, 2025, and further to ₹1,793 crore as on January 31, 2026. CareEdge Ratings expects adjusted overall gearing to decline to ~0.7x by FY26-end, while net debt to PBILDT is expected to reduce in the range of 2.5x-3.0x and further reduce gradually in FY27 and onwards supported by steady profitability and minimal debt funded capex plans.

As apprised by IGL's management, CareEdge Ratings understands capital expenditure (capex) cycle largely ended in IGL with no major capex being planned in the medium term. The focus is expected to be on consolidating businesses' performance with current capacities, increase its cashflow from operations and subsequently strengthen its debt coverage metrics.

Exposure to volatility in key raw material costs

IGL's BSPC segment profitability remains exposed to volatility in the spread between glycol products and its primary raw material, ethyl alcohol, as the movements in product realisations and input costs often do not align. In the PS segment, margins had weakened in FY22 due to a sharp rise in ethanol and material costs, and the company's inability to increase selling prices as they are government regulated. Recent improvement in PS margins has been supported by government-led increases in country liquor prices. The BF segment also remains vulnerable to fluctuations in agro-based raw materials used in ethanol production and to procurement price determination by OMCs, particularly in an inflationary environment. CareEdge Ratings expects these cost-related volatilities and regulatory pricing dependencies to continue influencing profitability across segments in the near term.

Highly regulated liquor industry

The liquor industry in India remains highly regulated, with each state independently controlling production, sales and the duty structure. This results in challenges related to inter-state transfer of production and leads to a high incidence of duties and taxes. States also regulate licensing for production, distribution and retailing. The sector faces the risk of prohibition in certain states due to the negative social perception associated with alcohol. CareEdge Ratings expects these regulatory complexities and uncertainties to remain a structural challenge for the industry and to potentially constrain growth in the medium term.

Liquidity: Adequate

IGL's liquidity is adequate, marked by gross cash accruals (GCA) of ₹390 crore in FY25 and expected GCA in the range of ₹440-550 crore in FY26-FY27, against, scheduled repayment of ₹337 crore in FY26 and ₹277 crore in FY27. In Q3FY26, the company did a preferential issue of ₹467 crore, a major portion of which was utilised towards reduction of debt. Total planned capex for FY26 is ₹150 crore, and surplus accruals after capex and dividends are being utilised to prepay the debt to lower the interest outgo. The company has modest free cash and cash equivalents of ₹7 crore as on March 31, 2025 (with another ~₹69 crore held as margin money), which stood at ₹8 crore as on November 30, 2025. Improvement in capital structure with improvement in overall gearing provides headroom for raising additional debt without adversely impacting credit profile. Average month-end fund based working capital utilisation of the company stood at 81% for twelve months ending January 2026.

The company is expected to receive dividends from its JV, Clariant IGL Specialty Chemicals Private Limited amounting to ₹40 crore per annum, which shall further improve cashflow from IGL.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks:

Environmental Risk: IGL through its bio-based glycols provides sustainable solutions for customers to identify, evaluate and select right materials and choose high-performance materials that advance their environmental and business goals. The company produces bio-based glycols against crude-based glycols prevalent at a larger scale due cheaper price. Its foray in ethanol for biofuels partly reduces greenhouse gas emissions. Hence, risk from environmental impact of operations is limited.

Social Risk: The company has been undertaking programmes under its corporate social responsibility (CSR) activities in sanitation and safer drinking water, health care, and promoting education, among others and has spent on corporate social responsibility aligned with statutory requirement. However, social risk arises largely out of its liquor business, which is highly regulated due to its harmful impact on human health.

Governance Risk: The company has complied with statutory conditions of corporate governance as required.

Applicable criteria

Consolidation & Combined Approach
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments
Withdrawal Policy

About the company and industry

Industry classification

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

IGL manufactures green technology-based bulk, specialty, and performance chemicals and natural gums, spirits, industrial gases, sugar, and nutraceuticals. It operates under three broad segments: BSPC, BF, PS, and EB. These segments contributed 36%, 28%, 31% and 6%, respectively, to the company's net revenue in FY25.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	3294	3748	3239
PBILDT*	402	491	487
Profit after tax (PAT)	173	231	206
Overall gearing (x)#	0.98	0.94	NA
Interest coverage (x)	3.26	2.96	NA

A: Audited UA: Unaudited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax
Adjusted for LC based acceptances

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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Bank Guarantee		-	-	-	0.00	Withdrawn
Fund-based - LT-Term Loan		-	-	31/03/2027	1229.79	CARE A- (RWD)
Fund-based - LT/ ST-Working Capital Limits		-	-	-	450.00	CARE A- / CARE A2+ (RWD)
Non-fund-based - ST-BG/LC		-	-	-	850.00	CARE A2+ (RWD)

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 - LT-Term Loan	LT	1229.79	CARE A- (RWD)	-	1)CARE A- (RWD) (24-Mar-25) 2)CARE A-; Stable (18-Sep-24)	1)CARE A-; Stable (05-Mar-24)	1)CARE A; Stable (12-Dec-22)
2	Fund-based - LT/ ST-Working Capital Limits	LT/ST	450.00	CARE A- / CARE A2+ (RWD)	-	1)CARE A- / CARE A2+ (RWD) (24-Mar-25) 2)CARE A-; Stable / CARE A2+ (18-Sep-24)	1)CARE A-; Stable (05-Mar-24)	1)CARE A; Stable (12-Dec-22)
3	Non-fund-based - ST-BG/LC	ST	850.00	CARE A2+ (RWD)	-	1)CARE A2+ (RWD) (24-Mar-25)	1)CARE A2+ (05-Mar-24)	1)CARE A1 (12-Dec-22)

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
						2)CARE A2+ (18-Sep-24)		
4	Fund-based - LT-Bank Guarantee	LT	-	-	-	1)CARE A- (RWD) (24-Mar-25) 2)CARE A-; Stable (18-Sep-24)	1)CARE A-; Stable (05-Mar-24)	1)CARE A; Stable (12-Dec-22)

LT: Long term; ST: Short 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 - LT-Bank Guarantee	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - LT/ ST-Working Capital Limits	Simple
4	Non-fund-based - ST-BG/LC	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	IGL Chem International PTE. LTD	Full	Subsidiary
2	IGL Chem International USA LLC (IGLCHEM US)	Full	Subsidiary
3	IGL Finance Limited (IGLFL)	Full	Subsidiary
4	IGL Chemicals and Services Private Limited	Full	Subsidiary
5	Ennature Bio Pharma Private Limited	Full	Subsidiary
6	IGL Spirits Limited	Full	Subsidiary
7	Clariant IGL Specialty Chemicals Private Limited (Erstwhile IGL Green Chemicals Private Limited) (on June 30, 2021 from the time of allotment of equity shares to JV Partner)	Moderate	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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