India Glycols Limited

November 25, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term / Short-term bank facilities	RBI	300.00 (Reduced from 450.00)	CARE A-; Stable / CARE A2	Downgraded from CARE A- / CARE A2+ and removed from Rating Watch with Developing Implications; Stable outlook assigned
Long-term bank facilities	RBI	446.01 (Reduced from 1,229.79)	CARE A-; Stable	Reaffirmed and removed from Rating Watch with Developing Implications; Stable outlook assigned
Short-term bank facilities	RBI	250.00 (Reduced from 850.00)	CARE A2	Downgraded from CARE A2+ and removed from Rating Watch with Developing Implications

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed the long-term ratings assigned to bank facilities of India Glycols Limited (IGL) at CARE A- while revising the short-term rating to CARE A2 from CARE A2+, and simultaneously the rating has been removed from 'Rating Watch with Developing Implications (RWD)'. This follows the successful completion of the scheme of arrangement, approved by the Hon'ble National Company Law Tribunal (NCLT), Allahabad Bench, effective from September 01, 2026, involving the demerger of the potable spirits and biofuel undertaking into IGL Spirits Limited (ISL) and bio pharmaceuticals business into Ennature Bio Pharma Limited (EBL). Consequently, post demerger, IGL now operates as a separate legal entity and houses the bio-based specialities and performance chemicals (BSPC) segment, which generated revenue of ~₹1,163 crore (PY: ₹1,304 crore) and profit before interest, lease rentals, depreciation, and taxation (PBILDT) of ₹125 crore (PY: ₹122 crore).

Ratings continue to derive comfort from IGL's established and leading position in the bio-based glycols industry, its growing specialty chemicals portfolio, and its integrated manufacturing operations with diversified products offering, which support its business profile. Ratings also factor in the strategic joint venture (JV) with Clariant International AG (51% stake held by Clariant and 49% by IGL), which provides a stable demand avenue for select ethylene oxide derivatives and strengthens IGL's presence in the value-added specialty chemicals segment. Comfort is derived from the stable operating profitability of the JV, which has consistently generated healthy cash accruals and is expected to continue providing regular dividend/cash flow support to the company. The JV remains debt-free and does not envisage major capex requirements in the near-to-medium term, supporting sustained free cash flow generation.

These strengths are partially offset by the company's moderate operating profitability, which remains susceptible to raw material price volatility and industry demand conditions, and its leveraged capital structure. The financial risk profile has improved following debt reduction through utilisation of fresh issue proceeds. With the major capital expenditure programme largely completed, the company is expected to focus on enhancing its efficiencies and further strengthening its credit profile.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in debt coverage metric, particularly, net debt to adjusted PBILDT (including share of JV income) (including LC acceptances) below 3.0x on a sustainable basis.

Negative factors

- Deterioration in capital structure characterised by net debt to adjusted PBILDT (including share of JV income) above 4.50x on a sustained basis.
- Elongation in the working capital cycle.

Analytical approach: Consolidated

[1]SEBI: 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

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

For analysing IGL, consolidated financials have been considered due to strong operational and financial linkages between subsidiaries and JV. Consolidated entities, as on September 30, 2026, are mentioned in Annexure-5.

Outlook: Stable

The stable outlook reflects CareEdge Ratings' expectation that IGL will sustain its market position in the bio-based glycols industry while growing its chemicals segment. CareEdge Ratings expects its financial risk profile to improve in the near-to-medium term with its strategic tie-up with Clariant, and debt reduction initiatives amidst no major capex plans.

Detailed description of key rating drivers

Key strengths

Experienced promoters and long track record of operations

Led by the Bhartia family, the promoters have over four decades of experience in the chemicals, bio-based products, and industrial manufacturing sectors. The company's board is supported by experienced directors, including U.S. Bhartia, Chairman of the group, Pragya Bhartia Barwale, who has been closely associated with the Ennature Biopharma division since its inception, and Jayshree Bhartia.

Established in 1983, IGL pioneered the production of bio-based mono ethylene glycol in India using renewable molasses-based feedstock and has since developed into a diversified chemicals company with a presence across bulk, specialty and performance chemicals, industrial gases and nutraceuticals. Over the years, the promoters have transformed IGL into a leading integrated green chemicals platform with a strong manufacturing base, established customer relationships, and strategic partnerships with global players, such as Clariant.

Diversified products with established global leadership in bio-based chemicals

The BSPC segment comprises bio-based glycols, including monoethylene glycol (MEG), diethylene glycol (DEG), triethylene glycol (TEG) and heavy glycols; specialty chemicals and products comprising glycol ethers, bio-based ethylene oxide and bio-polymers; and industrial gases and others, which include industrial gases and allied products.

IGL enjoys a strong and differentiated market position in the bio-based chemicals industry. The company is the world's only manufacturer of bio-ethylene glycols, including MEG, DEG, and TEG, using bio-ethanol, and is also the world's first and largest manufacturer of bio-based ethylene oxide and its derivatives using renewable feedstocks, such as molasses and grains. The company is also India's largest and only manufacturer of bio-glycol ethers and has a comprehensive portfolio of standard and high-quality biopolymer products, including hydrocolloids.

The company has further strengthened its presence in specialty chemicals through its long-standing JV with Clariant, namely Clariant IGL Specialty Chemicals Pvt. Ltd. (CISC), which manufactures specialty ethoxylates and other performance chemical products. IGL supplies a significant portion of the JV's ethylene oxide requirements, with approximately EO production being sold to the JV constitutes 44% of BSPC segment revenue (excluding bio polymers) in FY26, providing an integrated and stable avenue for value-added downstream consumption. BSPC contributes 51% to the revenue and gases contribute 5% towards the revenue.

The company has a sizeable manufacturing base comprising 175,000 MTPA of glycols capacity, 70,000 MTPA of bio-glycol ethers and acetates capacity, and 7,500 MTPA of new specialty chemicals capacity. Its geographically diversified operations are reflected in an export mix of ~45%, with a customer base of over 100 customers across over 40 countries. These technological capabilities, together with the company's renewable feedstock base and diversified product portfolio, provide a strong competitive advantage and support its established position in the domestic and global bio-based chemicals markets. IGL is increasingly moving up the value chain with a growing contribution from Performance Chemicals, Green Solvents, Biobased Products and other differentiated offerings, creating a more resilient and higher-quality product profile.

Improving financial risk profile of the company

The company (across all segments, such as bio-pharma, and distilleries among others) incurred capex of ~₹830 crore in FY26, including ~₹600 crore in H2FY26. Of the total capex, ~₹400 crore pertained to the capitalisation of the grain-based distilleries at Gorakhpur and Kashipur, while the balance was incurred on smaller projects that were largely completed. The company has also undertaken investments in chemical pilot plants, performance chemicals and Ennature Biopharma's manufacturing capabilities and clinical studies.

IGL before demerger raised ₹467 crore of equity in November 2025, utilised towards debt reduction and capex requirements. Consequently, the erstwhile group's overall gearing improved to 0.69x as of March 31, 2026, from 0.94x a year earlier, while PBILDT interest coverage improved to 3.84x from 2.96x and net debt to PBILDT improved to 3.05x from 4.17x.

As on March 31, 2026, debt attributable to the Chemicals business stood at ~₹1,000 crore, including acceptances. The business had an interest coverage ratio of 1.67x and total debt to PBILDT of 7.99x, reflecting elevated leverage and modest debt-servicing

capacity. However, comfort is undertaken from its 49% stake in Clariant JV, which is a profitable entity and has given dividend of ₹79 crore in FY26 (₹46 crore to IGL). Adjusted debt (including acceptances) to PBILDT (including JV share of income) stood at 5.6x in FY26 and is expected to reduce to 4.0-4.5x levels in FY27, supported by stable income from its JV with Clariant, improvement in standalone operating profitability, and reduction in debt levels through healthy cash accrual generation.

Clariant has comfortable capital structure with nil debt and tangible net worth of ₹793 crore as on March 31, 2026. In FY26, the JV reported TOI of ₹1,306 crore (PY: ₹1,302 crore) with earnings before interest, taxation, depreciation, and amortisation (EBITDA) of ₹161 crore (PY: ₹183 crore). During H1FY27, Clariant reported TOI of ₹786 crore with PBILDT of ₹113.5 crore.

Key weaknesses

Decline in scale of operations though profitability margins improved in FY26

The BSPC segment registered a degrowth following the termination of Coca-Cola, which used to be the largest customer for the company. In FY25, due to the slight moderation in the bio-based glycols (due to oversupply of petrochemical-based MEG and Russia-Ukraine conflict) and glycol ethers segments (due to pronounced decline in international prices of competing products such as Butyl and Propyl Glycol Ethers), the revenue of chemical division fell 18% to ₹1,304 crore in FY25 and further reduced by ~11% to ₹1,163 crore in FY26. The fall in FY26 was primarily due to lower glycol ether sales amid competition from cheaper Chinese imports and alternative propylene- and butylene-based variants, lower EO off-take by the JV owing to reduced price competitiveness, and normalisation of argon prices from the elevated levels witnessed in the previous year. Revenue was also affected by the strategic discontinuation of certain low-margin businesses, geopolitical disruptions in oilfield chemical exports and a scheduled catalyst-change shutdown, which temporarily affected EO supplies and the production of certain downstream chemicals. EBITDA margins improved from 9.4% in FY25 to 10.8% in FY26 supported by the company's shift towards higher-margin performance chemicals and building performance chemicals portfolio while rationalisation of low-margin products.

Geopolitical situation helped improve relative competitiveness for EO and MEG in H1FY27 due to surge in crude prices and availability concerns but has also caused general softening of demand in some end-user markets. Thus, for H1FY27, the company reported an income of ₹719.5 crore (HIFY26: ₹588 crore) registering a 22% growth with stable PBILDT margins at ~10.9%. Going forward, with strong product pipeline and expanding market, this segment is expected to do a revenue between ₹1,300-1,400 crore and PBILDT of over ~₹200 crore (including dividend from JV) in FY27 (against FY26 PBILDT, including JV income of ₹46 crore).

Overall across segments (before demerger), in FY26, the company recorded ~12% increase in revenue to ₹4,209 crore (PY: ₹3,748 crore). PBILDT margin also rose by 228 bps to 15.37% (PY: 13.09%) primarily driven by higher ethanol volumes, lower feedstock costs and better DDGS realisations in the bio-fuel segment.

Vulnerable to input costs volatility

IGL's profitability remains susceptible to volatility in the spread between glycol products and its key raw material, ethyl alcohol, as movements in raw material prices and product realisations may not always be aligned. Consequently, adverse fluctuations in input costs or product prices can impact the company's operating margins. While the ramp-up of specialty chemicals is expected to support profitability over the medium term, earnings from the BSPC segment continue to remain exposed to cyclical demand conditions and raw material price volatility.

Presence in commodity chemical industry and competition nature of industry

IGL operates in the commodity chemicals segment, where profitability remains exposed to demand-supply imbalances, raw material price fluctuations, and intense competition, resulting in inherent margin volatility. However, the company's integrated operations and diversified product portfolio provide some cushion against industry cyclicality.

Liquidity: Adequate

IGL's adequate liquidity is market by healthy GCA expectations of ₹140-180 crore over the next 2-3 years. The scheduled debt repayments in FY27 and FY28 of ₹106 crore and 97 crore, respectively, are expected to be met comfortably from cash accruals in the absence of significant capex. The company has modest free cash and cash equivalents of ₹32 crore (₹26 crore in chemical division) as on March 31, 2026. The average month-end fund-based working capital utilisation (before bifurcation of limits across segments) of the company stood at 77% for the trailing 12 months ending August 2026. IGL (segment basis) has fund-based limits of ₹300 crore and non-fund-based limits of ₹250 crore, out of which the utilisation stood at ~₹380 crore (including vendor financing) as on September 30, 2026.

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.

Governance Risk: The company has complied with statutory conditions of corporate governance as required. Over 50% composition of the Board of Directors is constituted by independent directors, including two female directors as on September 30, 2026.

Applicable criteria

Consolidation
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

Industry classification

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

IGL is a leading manufacturer of bio-based chemicals in India with an established presence in bulk chemicals, specialty chemicals, and performance chemicals. The company is among the few global producers of renewable feedstock-based mono ethylene glycol (MEG) and has a diversified chemicals portfolio comprising EO/MEG derivatives and value-added specialty products serving multiple end-user industries. With integrated manufacturing facilities and a growing specialty chemicals portfolio, the company has strengthened its position in the domestic chemicals industry while benefiting from increasing demand for sustainable and green chemical solutions. Pursuant to the demerger, the BSPC business of IGL, comprising bio-based glycols, specialty chemicals, performance chemicals, industrial gases and allied products, has been housed under IGL (post-demerger chemicals entity), resulting in a focused chemicals business with enhanced operational focus and growth prospects.

Brief Financials (₹ crore) Consolidated	March 31, 2025 (A)	March 31, 2026 (A)	H1FY27 (UA)
Total operating income	3,747.80	4,209.14	719.5
PBILDT	490.61	647.00	78.3
Profit after tax (PAT)	230.92	292.76	56.2
Overall gearing (x)*	0.84	0.58	-
Interest coverage (x)	2.96	3.84	3.31

*Adjusted for LC based acceptances
PBILDT: Profit before interest, lease rentals, depreciation, and tax
A: Audited; UA: Unaudited; Note: these are latest available financial results
Note: FY25 and FY26 financials represent the combined financial performance of all business segments of India Glycols Limited prior to the demerger. H1FY27 represents the financial performance of the chemical segment (post-demerger).

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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	RBI	Not applicable	-		-	28-07-2032	446.01	CARE A-; Stable
Fund-based - LT/ ST-Working Capital Limits	RBI	Not applicable	-		-	-	300.00	CARE A-; Stable / CARE A2
Non-fund-based - ST-BG/LC	RBI	Not applicable	-		-	-	250.00	CARE A2

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 - LT-Term Loan	LT	446.01	CARE A-; Stable	-	1)CARE A-(RWD) (06-Mar-26)	1)CARE A-(RWD) (24-Mar-25) 2)CARE A-; Stable (18-Sep-24)	1)CARE A-; Stable (05-Mar-24)
2	Fund-based - LT/ ST-Working Capital Limits	LT/ST	300.00	CARE A-; Stable / CARE A2	-	1)CARE A- / CARE A2+ (RWD) (06-Mar-26)	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)
3	Non-fund-based - ST-BG/LC	ST	250.00	CARE A2	-	1)CARE A2+ (RWD) (06-Mar-26)	1)CARE A2+ (RWD) (24-Mar-25) 2)CARE A2+ (18-Sep-24)	1)CARE A2+ (05-Mar-24)
4	Fund-based - LT-Bank Guarantee	LT	-	-	-	1)Withdrawn (06-Mar-26)	1)CARE A-(RWD) (24-Mar-25) 2)CARE A-; Stable (18-Sep-24)	1)CARE A-; Stable (05-Mar-24)

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: 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	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	Clariant IGL Specialty Chemicals Private Limited	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.

Contact us

Media Contact	**Analytical Contacts**
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Ravleen Sethi Director **CARE Ratings Limited** Phone: 91-120-4452016 E-mail: ravleen.sethi@careedge.in
Relationship Contact Saikat Roy Senior Director **CARE Ratings Limited** Phone: 912267543404 E-mail: saikat.roy@careedge.in	Sahil Goyal Associate Director **CARE Ratings Limited** Phone: 91-120-4452000 E-mail: Sahil.goyal@careedge.in Jiggya Kapish Lead Analyst **CARE Ratings Limited** E-mail: Jiggya.Kapish@careedge.in

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