25th March, 2025

The Manager (Listing)	**The Manager (Listing)**
BSE Limited	**National Stock Exchange of India Limited**
1st Floor, New Trading Ring,	**Exchange Plaza, C-1, Block G,**
Rotunda Building, P.J. Towers,	**Bandra Kurla Complex,**
Dalal Street,	**Bandra (East)**
Mumbai- 400 001	**Mumbai – 400 051**
Scrip Code: 500201	**Symbol: INDIAGLYCO**

Dear Sirs,

Sub: Disclosure under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") – Update on Credit Rating.

Pursuant to Regulation 30 of the SEBI Listing Regulations, we wish to inform you that CARE Ratings Limited ("CARE"), credit rating Agency, has reviewed the ratings of long-term and short-term facilities of the Company, the instrument-wise details whereof are as follows:

Name of the Instrument	Amount (in Rs. Crores)	Rating Assigned	Rating Action
Fund-based LT-Bank Guarantee	72.63	CARE A-; RWD	Placed on Rating Watch with Developing Implications (RWD)*
Fund-based - LT-Term Loan	1405.31	CARE A-; RWD	
Fund-based - LT/ ST-Working Capital Limits	450.00	CARE A- / CARE A2+; RWD	
Non-fund-based - ST-BG/LC	846.98	CARE A2+;RWD	

** post considering,inter-alia, the recent composite scheme of arrangement involving amalgamation and demerger (as approved by the Board of Directors on 4th February, 2025).*

The press release as issued by CARE dated 24th March, 2025 is enclosed.

This is for your information and record.

Thanking you,

Yours truly,
For **India Glycols Limited**

ANKUR JAIN

Digitally signed by ANKUR JAIN
DN: c=IN, st=Delhi,
2.5.4.20=f12d4be1c5c932a2c1642c6dad9bb0e5db224de40e1e72993
08e2b62dfc73e0c, postalCode=110091, street=East Delhi,
pseudonym=3ba84cb22d38849571ef2c66476c2da3,
serialNumber=36bf2107a358d674b88b6a7f2f49ebabe2ecd54621cb2
8fbe5bc6616fcae41f0, o=Personal, cn=ANKUR JAIN
Date: 2025.03.25 17:05:58 +05'30'

Ankur Jain
Head (Legal) & Company Secretary
Encl: As above

CareEdge RATINGS

India Glycols Limited

March 24, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	1,477.94	CARE A- (RWD)	Placed on Rating Watch with Developing Implications
Long-term / Short-term bank facilities	450.00	CARE A- / CARE A2+ (RWD)	Placed on Rating Watch with Developing Implications
Short-term bank facilities	846.98	CARE A2+ (RWD)	Placed on Rating Watch with Developing Implications

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has placed its ratings on bank facilities of India Glycols Limited (IGL) on rating watch with developing implications (RWD). The company has announced composite scheme of arrangement where the holding company, Kashipur Holdings Limited (KHL) is being amalgamated with IGL while the bio-pharma undertaking and spirits and biofuel undertaking are being demerged in separate entities, Ennature Bio Pharma Limited (EBL) and IGL Spirits Limited (ISL). Board of directors' approval has been received. The scheme of arrangement is subject to the requisite approvals and sanction of the jurisdictional bench of National Company Law Tribunal ("NCLT") and also subject to the approval of the shareholders and / or creditors of IGL, central government, or such other competent authority or intermediaries or agencies among others as may be directed by the NCLT. If the current scheme of arrangement is approved, IGL will house glycols and new specialities units, hence effectively being a pure chemical manufacturer. This segment recorded revenue of ₹1626 crore (₹1088 crore) in FY24 (9MFY25) and EBIT margin of 8% (8.8%) in FY24 (9MFY25). It is expected IGL post this process may continue to have average debt coverage metrics, however, net debt to profit before interest, lease rentals, depreciation, and taxation (PBILDT) (including LC acceptances) may remain below 4.5x. This may further strengthen considering scheduled repayments of term loan and organic improvement in PBILDT considering ramp up in new specialities unit. Expectation of net debt to PBILDT above 4.5x may lead to trigger in negative rating sensitivity factor.

Ratings currently continue to take comfort from the company's diversified revenue streams, which mitigate volatility impact in one segment and healthy market position in bio-based glycols, potable spirit (PS), and nutraceutical segment, leading to large scale of operations. The company has also significantly scaled up its biofuel business over the recent couple of fiscals as well. These businesses are expected to be housed in separate entities in case the scheme is executed.

These rating strengths are partially tempered by its improving yet moderate operating profitability which is vulnerable to volatility in input costs and the company's moderately leveraged capital structure and average debt coverage metrics. The company's capital expenditure program (capex) is largely completed and is expected to focus on generating significant cashflows from the same and strengthen its coverage ratio, particularly, net debt (including LC acceptances) to PBILDT below 4.5x by FY25 end. PS business is highly regulated by government.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in debt coverage metric, particularly, net debt to profit before interest, lease rentals, depreciation, and taxation (PBILDT) (including LC acceptances) below 3.5x on a sustainable basis.
- Significant liquidity buffer building up from cash and cash equivalents, or moderate unutilised bank limits, which will be sustained.

Negative factors

- Detrimental impact on one of the business segments, leading to reducing diversification of business risk profile.
- Incremental debt programme or deteriorating profitability, leading to continued net debt to PBILDT above 4.50x by FY25-end.

Analytical approach: Consolidated.

For analysing IGL, consolidated financials have been considered due to common management. The entities consolidated are mentioned in Annexure-6.

Outlook: Not applicable

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

Detailed description of key rating drivers:

Key strengths

Diversified revenue streams mitigating significant volatility in revenues and earnings

IGL primarily operates in four segments: Bio-based Specialities and Performance Chemicals Segment (BSPC) comprises glycols, specialty chemicals, natural gum, and other related goods. PS segment comprises manufacturing and selling ethyl alcohol (Potable). Ennature Biopharma (EB) comprises manufacturing and selling nutraceutical products. The company also started biofuel business in the recent past, which is scaling up significantly. Overall, the BSPC segment contributed 37% (49%) revenue in 9MFY25 (FY24), biofuels contributed 27% (16%), while PS and EB contributed 30% (29%) and 6% (6%) revenue. Against this, contribution towards profit before interest and tax (PBIT) in BSPC, biofuels, PS, and EB segments was 29% (41%), 12% (10%), 54% (51%), and 11% (12%), respectively, in 9MFY25 (FY24). About 14% EBIT was un-allocable towards a particular segment in FY24.

The 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

IGL is the largest manufacturer of bio-based glycols in India and globally. Within the PS segment, it holds a commanding position in the country liquor segment in Uttar Pradesh and Uttarakhand. The company has healthy market position in whiskey, vodka, and rum categories through its key alcohol brands. IGL is also the global leader in Thiocolchicoside API sales, a highly potent muscle relaxant. The company's healthy market position across product verticals leads to its large scale of operations. The company's total operating income (TOI) was ₹3,294 crore (₹2,641 crore) in FY24 (FY23), rising by 25% year-over-year (y-o-y). In 9MFY25, the TOI increased to ₹2918 crore, growing 22% y-o-y. Improvement is largely driven by significant scaling up of its recently established distillery facilities which is being used to supply ethanol to oil marketing companies (OMCs) in India. Revenue pressure persists in the BSPC segment, where revenue from glycol-based products witnessed pressure from share of decline in substitute product prices, lower demand in Chinese and South-East Asian markets, and the management decision to restrict supply to domestic markets due to subdued pricing. Demand for bio-based glycols continue to remain subdued in FY25. Revenue from biofuels increased from ₹9 crore in FY22 to ₹512 crore in FY24 and ₹770 crore in 9MFY25. The company is also witnessing growth in PS segment, with net sales rising to ₹947 crore in FY24 from ₹754 crore in FY23. It recorded net revenue of ₹879 crore in 9MFY25. Revenue from Biofuel is expected to rise to ₹1,000 crore in FY25. This, and ramping-up of operations of new specialities unit is expected to provide further impetus for revenue growth in FY25.

Key weaknesses

Moderate operating profitability, vulnerable to input costs volatility

From FY20-FY24, the company's operating margins (PBILDT margin) were 8.5-12.22% which is moderate. The company's PBIT margin was 8% (8%) in BSPC segment, 17% (13%) in PS segment, 6% in Biofuel, and 19% (25%) in EB segment in FY24 (FY23). Operating margins improved in FY24 supported by price hikes in country liquor by Uttar Pradesh government and Uttarakhand government in country liquor prices and has sustained in 9MFY25.

IGL's BSPC segment profitability remains susceptible to volatility in the spread between glycol products and IGL's raw material ethyl alcohol, since they may not move in tandem. Margins from PS segment also moderated in FY22 due to sharp escalation in ethanol and material cost, and the company's inability to increase selling price as it is controlled by the government. Inversely, the current margin improvement in the PS segment is largely from hike in country liquor prices by the government. The biofuel segment is exposed to volatility in agro commodities which is the basic raw material for ethanol and price determination by OMCs for ethanol, especially in inflationary challenges in economy.

Moderately leveraged capital structure and average debt coverage metrics

IGL has a moderately leveraged capital structure and average debt coverage metrics. Overall gearing (including LC acceptances) stood at 0.98x (0.89x) as on March 31, 2024 (2023), while net debt to PBILDT was 4.91x (5.90x) in FY24 (FY23). Due to improving profitability margin in FY24, the net debt to PBILDT improved, however, continued to remain higher-than-envisaged earlier. Apart from the significant addition of grain-based distillery capacities, establishment of new specialities unit (to manufacture speciality chemicals) and large working capital requirements, the company's debt position remained higher-than-envisaged due to new term loans being availed. The company has raised term loan of ₹500 crore to reduce its annual term loan repayment by replacing the existing term loan with new term loan with longer tenors; reducing its reliance on letter of credit and park some cash for operational/liquidity purpose.

As apprised by IGL's management, CARE Ratings understands the capital expenditure (capex) cycle has largely ended in IGL with no major capex being planned over 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.

Highly regulated liquor industry

The liquor industry is highly regulated in India with each state controlling the production, sales, and duty structure, independently. As a result, there are difficulties in the transfer of production from one state to another and the huge burden of duties and taxes. The states also control licenses for production, distributorship, and retailing. Additionally, there is the risk of introduction of prohibition laws in states, with negative connotations associated with the liquor industry in India.

Liquidity: Adequate

IGL has scheduled repayment obligations of ~₹255 crore in FY25, against which gross cash accruals (GCA) is expected at ~₹330-350 crore. The company had modest free cash and cash equivalents of ₹27 crore as on March 31, 2024, and ₹19.78 crore as on December 31, 2024. The company has working capital limits, which are highly utilised at ~85% over 12-months through February 2025. The company has below unity current ratio and moderately leveraged capital structure, which limits headroom for raising additional debt without adversely impacting credit profile. The company had deferred sale consideration receivable from Clariant IGL Specialty Chemicals Private Limited of ₹71 crore as on March 31, 2024, which has been received in FY25. The company is expected to receive from dividends from its JV, Clariant IGL Specialty Chemicals Private Limited from FY27 onwards (out of FY26 profit after tax) which may further improve cashflow from IGL.

Environmental, social and governance risk assessment:

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
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

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: Bio-based specialities and Performance Chemicals (BSPC), Biofuels, PS, and EB. These segments contributed 49%, 16%, 29% and 6%, respectively, to the company's net revenue in FY24.

Brief Financials (₹ crore) - Consolidated	March 31, 2023 (A)	March 31, 2024 (A)	9MFY25 (UA)
Total operating income	2641	3294	2918
PBILDT	286	402	378
PAT	141	173	167
Overall gearing (times)	0.89	0.98	-
Interest coverage (times)	2.86	3.26	3.15

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 (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		-	-	-	72.63	CARE A- (RWD)
Fund-based - LT-Term Loan		-	-	Sept 2031	1405.31	CARE A- (RWD)
Fund-based - LT/ ST-Working Capital Limits		-	-	-	450.00	CARE A- / CARE A2+ (RWD)
Non-fund-based - ST-BG/LC		-	-	-	846.98	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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	1405.31	CARE A- (RWD)	1)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-; 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	846.98	CARE A2+ (RWD)	1)CARE A2+ (18-Sep-24)	1)CARE A2+ (05-Mar-24)	1)CARE A1 (12-Dec-22)	-
4	Fund-based - LT-Bank Guarantee	LT	72.63	CARE A- (RWD)	1)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 the 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	Common Management
2.	IGL Chem International USA LLC (IGLCHEM US)	Full	
3.	IGL Finance Limited (IGLFL)	Full	
4.	IGL Chemicals and Services Private Limited	Full	
5.	Ennature Bio Pharma Private Limited	Full	
6.	IGL Spirits Ltd		
7.	Clariant IGL Specialty Chemicals Private Limited	Moderate	Joint Venture with 49% stake*, Operational Linkage

*Out of 49%, 3.63% is held by IGL Chemicals and Services Private Limited, a wholly owned subsidiary.

Note on complexity levels of rated instruments: CARE 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

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About us:
Established in 1993, CARE 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 RBI. With an equitable position in the Indian capital market, CARE 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, CARE 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. CARE 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 detailed Rationale Report and subscription information,
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