

Price: 1,424

Recommendation: Buy

Industry: Commodity Chemicals

Sector: Commodities

Report Date: 19-Apr-2025

India Glycols Limited is undergoing a strategic restructuring to demerge into three entities: IGL Spirits, Ennature Bio Pharma, and its core Chemical business. This move aims to enhance focus and attract investments. The Chemical division will focus on green chemicals, IGL Spirits on liquor and bio-fuels, and Ennature Bio Pharma on herbal and biopolymer products. The company is expanding in bio-fuels and spirits, driven by government programs, and aims to boost its ethanol capacity. Financially, it reported a 22.7% increase in net turnover and a 19.9% rise in EBITDA.

Sales		Profit & Loss		Profitability Matrix	
Current Year	3828 Cr	Operating Profit(Year)	468 Cr	Operating Profit Margin	12.2 %
Previous Year	2650 Cr	Operating Profit(Quarter)	124 Cr	EBITDA Margin	10.95 %
Current Quarter	975 Cr	PAT (Year)	149 Cr	Net Profit Margin	4.52 %
Previous Quarter	961 Cr	PAT (Quarter)	43.8 Cr	EPS	54.2
Revenue (QYoY)	904 Cr				
Valuation Matrix		Growth(YoY)		Growth(QoQ)	
Trailing P/E	26.3	Sales Growth	28.2 %	Sales Growth	1.46 %
PEG Ratio	438	PAT Growth	33.04 %	Sales Growth QYoY	7.85 %
EV/EBITDA	12.3	EPS Growth	10.61 %	PAT Growth	11.17 %
P/B	2.48	Dividend Yield	0.56	PAT Growth QYoY	15.87 %
Capital Allocation		Holdings		Leverage	
RoE	9.00 %	Promoter	61.0 %	Debt/Equity	0.93
RoA	3.03 %	FII	2.24 %	Debt	1655 Cr
RoCE	11.1 %	DII	0.91 %	Market Cap	4410 Cr
RoIC	7.08 %	Public	35.8 %	Enterprise value	5962 Cr
		No of Shares	3.10 Cr	Cash Equivalents	103 Cr

source : Company filings

Company's Overview Based on Recent Concall and Performance:

India Glycols Limited has embarked on a significant restructuring initiative, aiming to demerge into three distinct entities: IGL Spirits, Ennature Bio Pharma, and the core Chemical business. This strategic move is designed to provide each business with a sharper focus, allowing them to operate independently and attract targeted investments. The demerger is expected to unlock shareholder value by reducing the risk of one business impacting another and improving management and resource allocation. The Chemical business will concentrate on green chemicals and specialty products, while IGL Spirits will encompass the liquor and bio-fuel sectors. Ennature Bio Pharma will integrate the herbal and biopolymer divisions, enhancing its market presence and operational efficiency.

The company's business strategies are centered around penetrating developed markets, particularly for Ennature Biopharma, which is working towards US FDA audit compliance to enhance its marketability. Innovation is a key focus, with efforts to develop better delivery formats for products like curcumin and nicotine, which are valued for their therapeutic benefits. Additionally, the company is pushing for branded nutraceuticals, aiming to establish itself as a co-brand with major players, akin to the "Intel inside" model. This approach is expected to bolster the company's brand presence and drive growth in the nutraceutical sector.

Looking ahead, India Glycols is poised for growth, with a strong emphasis on expanding its bio-fuel and potable spirits businesses. The bio-fuel segment has shown remarkable growth, driven by government blending programs, and is expected to continue its upward trajectory. The potable spirits business, particularly in the country liquor segment, has demonstrated robust performance, with a dominant market share in regions like Uttarakhand. The company plans to augment its ethanol capacity to support this growth, ensuring a steady supply for its spirits business. The chemicals business, while facing some challenges, is expected to benefit from a focus on value-added specialties and incremental CAPEX to expand its portfolio.

From a financial perspective, the company has reported strong results, with a 22.7% increase in net turnover and a 19.9% rise in EBITDA for the nine months ending FY25. The bio-fuel and potable spirits segments have been key drivers of this growth, while the Ennature Biopharma business has faced margin pressures despite topline growth. The company's joint venture has also performed well, with a 75% increase in EBITDA, attributed to improved product mix and export focus. While the restructuring and growth strategies present a positive outlook, the company acknowledges the need for continued innovation and market penetration to sustain its competitive edge.

INDIAGLYCO Daily Closing One Year Price Chart



Name	Mar Cap (Rs. Cr.)	P/E	ROE	Sales(G) QoQ	Sales(G) QYoY	PAT(G) QoQ	PAT(G) QYoY
Allied Blenders	8952.12	74.86	1.93%	12.22%	8.82%	20.47%	26431.82%
United Breweries	56778.36	129.32	10.06%	-5.50%	9.64%	-60.56%	-38.91%
Piccadily Agro	5566.49	52.60	30.61%	-1.42%	2.63%	0.53%	17.01%
Tilaknagar Inds.	4914.62	25.63	24.58%	-9.18%	-9.63%	-7.38%	23.21%
India Glycols	4410.16	26.29	9.00%	1.44%	7.79%	11.13%	16.01%

Aspect	Commentary
Revenue	The company shows a robust revenue increase, with a significant year-over-year growth of 28.2%. This indicates strong market demand and effective sales strategies. The quarter-over-quarter growth is modest, suggesting stable performance. The revenue growth is a positive indicator of the company's market position and operational efficiency.
Profit & Loss	The profit and loss statement reveals a healthy operating profit margin of 12.2%, with a net profit margin of 4.52%. The year-over-year PAT growth of 33.04% highlights effective cost management and revenue generation. The quarterly PAT growth of 11.17% further supports the company's profitability trajectory.
Profitability Matrix	The profitability matrix shows a solid operating profit margin of 12.2% and an EBITDA margin of 10.95%. The net profit margin stands at 4.52%, reflecting efficient cost control and revenue management. The EPS of 54.2 indicates strong earnings performance, supporting investor confidence and potential for future growth.
Valuation Matrix	The valuation matrix presents a trailing P/E of 26.3, suggesting market confidence in future earnings. The PEG ratio of 438 indicates high growth expectations. The EV/EBITDA of 12.3 and P/B of 2.48 reflect the company's valuation relative to its earnings and book value, indicating investor optimism.
Growth (YoY)	Year-over-year growth metrics are strong, with sales growth at 28.2% and PAT growth at 33.04%. EPS growth of 10.61% indicates increasing profitability per share. The dividend yield of 0.56% provides a modest return to shareholders, reflecting the company's commitment to distributing profits.
Growth (QoQ)	Quarter-over-quarter growth shows a steady increase, with sales growth at 1.46% and PAT growth at 11.17%. The sales growth QYoY of 7.85% and PAT growth QYoY of 15.87% highlight consistent performance. These metrics suggest the company is maintaining its growth momentum effectively.
Capital Allocation	The capital allocation metrics reveal a RoE of 9.00% and RoA of 3.03%, indicating efficient use of equity and assets. The RoCE of 11.1% and RoIC of 7.08% reflect the company's ability to generate returns on capital employed and invested capital, supporting sustainable growth.
Holdings	The holdings structure shows a strong promoter holding of 61.0%, indicating confidence in the company's prospects. FII and DII holdings are relatively low, at 2.24% and 0.91% respectively, while public holding is 35.8%. This distribution suggests a stable ownership structure with potential for increased institutional interest.
Leverage	The leverage metrics indicate a debt/equity ratio of 0.93, reflecting a balanced approach to financing. The total debt of 1655 Cr is manageable relative to the market cap of 4410 Cr and enterprise value of 5962 Cr. Cash equivalents of 103 Cr provide liquidity, supporting financial stability and operational flexibility.

Analyst viewpoint: India Glycols Ltd is experiencing robust business momentum, characterized by consistent growth in key financial metrics and strategic restructuring efforts. With quarter-over-quarter sales rising by 1.46% and PAT growing by 11.17%, the company continues to deliver solid operational performance. The strategic decision to demerge into three focused business entities—IGL Spirits, Ennature Bio Pharma, and its core Chemical division—positions the company for targeted growth and improved capital allocation. This move is aligned with expanding its bio-fuel and potable spirits sectors, particularly benefiting from government blending initiatives and a dominant market share in key regional markets like Uttarakhand. The earnings per share, currently robust with an increase of 10.61%, indicates a strong earnings capability, bolstered by a substantial operating profit margin of 12.2%, enhancing investor confidence.

Valuation metrics, such as a trailing P/E of 26.3 and an EV/EBITDA of 12.3, underscore a positive outlook and market confidence in the company's prospective growth. Effective growth strategies, including increasing its ethanol production capacity and leveraging innovations within Ennature Biopharma, are expected to sustain the growth trajectory. However, it is notable that the Ennature Biopharma division has faced margin pressures despite topline growth, which should be continuously monitored to ensure overall profitability. Overall, India Glycols is favorably positioned for short to mid-term growth, supported by strong financials, strategic initiatives, and a confident market stance.

Please read detailed disclosure on next page.

Explanation of Investment Rating*	
Investment Rating	Expected Return (over 12-month)
BUY	>=15%
SELL	<-10%
NEUTRAL	>-10% to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (hereinafter referred to as the Regulations).

1. GOALZEN CAPITAL SERVICES PRIVATE LIMITED is a SEBI-Registered Research Analyst having SEBI registration number INH000013448. GOALZEN CAPITAL SERVICES PRIVATE LTD ("GoalFi" or "We"), the research entity, is engaged in providing research services on securities and information on personal financial products. This Research Report (called Report) is prepared and distributed by GOALZEN CAPITAL SERVICES PRIVATE LIMITED with brand name 'GoalFi' (brand name trademarked to research analyst and company director 'Robin Arya') and used by GOALZEN CAPITAL SERVICES PRIVATE LIMITED with mutual consent.

2. GOALZEN CAPITAL SERVICES PRIVATE LIMITED, its partners, employees, directors or agents, do not have any material adverse disciplinary history as on the date of publication of this report.

3. I, Robin Arya, author/s and the name/s in this report, hereby certify that all of the views expressed in this research report accurately reflect my/our views about the subject issuer(s) or securities. I/We also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. I/we or my/our relative or GOALZEN CAPITAL SERVICES PRIVATE LIMITED do not have any financial interest in the subject company.

4. I/we or my/our relative or GOALZEN CAPITAL SERVICES PRIVATE LIMITED do not have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. I/we or my/our relative or GOALZEN CAPITAL SERVICES PRIVATE LIMITED do not have any material conflict of interest. I/we have not served as director / officer, etc. in the subject company in the last 12-month period.

5. I, Robin Arya, do not hold this stock as part of my investment portfolio at the date of recommendation. I/analysts in the Company have not traded in the subject stock thirty days preceding this research report and will not trade within five days of publication of the research report as required by regulations.

6. GOALZEN CAPITAL SERVICES PRIVATE LIMITED has not received any compensation from the subject company in the past twelve months. GOALZEN CAPITAL SERVICES PRIVATE LIMITED has not been engaged in market making activity for the subject company.

7. In the last 12-month period ending on the last day of the month immediately preceding the date of publication of this research report, GOALZEN CAPITAL SERVICES PRIVATE LIMITED has not received compensation or other benefits from the subject company of this research report or any other third-party in connection with this report.

Analyst Certification:

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Disclaimers:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent.

This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment.

The investment discussed or views expressed may not be suitable for all investors. Certain transactions - including those involving futures, options, another derivative product as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document.

This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of GOALZEN CAPITAL SERVICES PRIVATE LIMITED. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject GOALZEN CAPITAL SERVICES PRIVATE LIMITED to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt GOALZEN CAPITAL SERVICES PRIVATE LIMITED or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold GOALZEN CAPITAL SERVICES PRIVATE LIMITED or any of its affiliates or employees responsible for any such misuse and further agrees to hold GOALZEN CAPITAL SERVICES PRIVATE LIMITED or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of GOALZEN CAPITAL SERVICES PRIVATE LIMITED only.

GOALZEN CAPITAL SERVICES PRIVATE LIMITED has a contractual arrangement with a vendor - Smallcase Technologies Private Limited (STPL) whereby STPL provides technology solutions and related back-end infrastructure along with support for back-office related operations & processes. STPL does not provide any investment advice or recommendation nor does it make any claim of returns or performance with respect to any advice or recommendation.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Terms & Conditions:

These Terms and Conditions govern the use of the research subscription services provided by GOALZEN CAPITAL SERVICES PRIVATE LTD ("GoalFi" or "We"). By subscribing to our services, you agree to these terms, if you disagree with any part of the terms, you must not use our services.

Payment and Renewal:

The subscription fee is non-refundable. No such requests over email or any other channel requesting for refund or for pro-rata refund will be acknowledged if smallcase constituents or research provided is accessed by the user. Please do not subscribe if you disagree with any part of the terms. Subscription renewals will be charged the standard rate unless otherwise notified.

Limitation of Liability:

GoalFi provides research based on data and analysis. The subscriber acknowledges that all investment decisions carry inherent risks, and GoalFi shall not be liable for any losses incurred based on our research.

No Investment Advice:

The content provided under the subscription is purely for informational purposes and should not be construed as investment advice. GoalFi, being a SEBI Registered Research Analyst (RA), provides research insights and not investment advisory services.

Termination:

GoalFi reserves the right to terminate the subscription at any time due to non-compliance with these terms or any other reasons deemed appropriate by us and no refund will be made.

No Guarantee: While we strive to provide accurate and reliable research, there is no guarantee on the returns or performance of the recommendations. Investing in securities involves risks, and there's the potential for losing money.

Review and Update: Our research products are reviewed and updated periodically to reflect the latest market conditions and insights. However, market conditions can change rapidly, and there's no guarantee that the conditions on which recommendations and insights are based will remain the same.

Research Analyst Details:

Name: Robin Arya

Email: smallcase@goalfi.in

Contact: +91-9394306085

GOALZEN CAPITAL SERVICES PRIVATE LIMITED

CIN: U66190TS2023PTC176030

Address: Co ikeva Office 10, Level 3, NSL Centrum, Serene Estate Pvt Ltd, Site No. Phase I and II, Opp KPHB Colony Lane Opp. Forum Mall Kukatpally, HYDERABAD, TELANGANA, 500072

Support Telephone: +91 9063309052, Support Email – support@goalfi.in

Customer having any query/feedback/ clarification/ In case of grievances for any of the services rendered by GOALZEN CAPITAL SERVICES PRIVATE LIMITED, write to hello@goalfi.app

Website: goalfiresearch.smallcase.com