November 16, 2026

Thirumalai Chemicals Limited: Update on Material Event

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating outstanding	Financial Sector Regulator#
Long term - Fund based - Term loan	445.00	445.00	[ICRA]BBB(Negative)	RBI
Long term - Fund based - Working capital facilities	334.50	334.50	[ICRA]BBB(Negative)	RBI
Short term – Non-fund based facilities	(684.00)	(755.00)	[ICRA]A3+	RBI
Long term/Short term - Unallocated limits	350.00	275.00	[ICRA]BBB(Negative)/[ICRA]A3+	RBI
Short term – Non-fund based facilities	175.00	175.00	[ICRA]A3+	RBI
Non-convertible debentures	100.00	100.00	[ICRA]BBB(Negative)	MCA
Total	**1,404.50**	**1329.50**		

**Instrument details are provided in Annexure I; # SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.*

Rationale

Material Event

Thirumalai Chemicals Limited (TCL) announced its Q2FY2027 results on November 05, 2026. ICRA notes the improvement in consolidated profitability in H1FY2027, with operating profit increasing to Rs. 71.2 crore compared to the preceding losses, owing to improvement in PAN-OX spreads. However, the coverage indicators remain under pressure and sustained improvement in profitability remains a key monitorable going forward. ICRA takes note of the various refinancing options under consideration by the company to reduce the pressure on coverage metrics and improve liquidity. The overall liquidity profile is expected to be supported by refinancing initiatives, other divestments, and operational cash flows. The timely refinancing of the loan for US project remains a key rating sensitivity and monitorable.

Additionally, the full commissioning and subsequent ramp-up of the US project, TCL Specialties LLC, will remain a key monitorable over the near to medium term. Upon stabilisation, the project is expected to improve the company's product mix and geographical diversification, supporting an expansion in operating margins.

Please refer to the following link for the previous detailed rationale, which covers the key rating drivers and their descriptions, liquidity position, and rating sensitivities. Click here.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Chemicals
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the consolidated financial profile of the company. The details of the consolidation are provided in Annexure II

About the company

TCL started its operations in 1976 at Ranipet in Tamil Nadu as a single product petrochemical company, manufacturing phthalic anhydride (PAN), with a production capacity of 6,000 TPA. Over the years, TCL has expanded its total PAN manufacturing capacity to ~1,72,000 TPA, including Dahej phase 1, and has added other products to its portfolio, which includes food additives such as Malic acid and Fumaric acid, and PAN derivatives such as Di-ethyl phthalate (DEP) and Phthalimide (PID).

In FY2025, the Dahej phase II project was commissioned which added ~96,000-TPA capacity of PAN and ~10,000 TPA of fumaric acid. TCL caters to customers in the construction, auto, paint, food, personal care and pharmaceutical industries. It also has a maleic anhydride (MAN) manufacturing facility in Malaysia under its step-down subsidiary, Optimistic Organic Sdn. Bhd, which is largely non-operational. (OOSB). The company is also expected to fully commence its US project in Q4FY2027, which is a facility for manufacturing MAN and food acids.

Key financial indicators

TCL Consolidated	FY2025	FY2026	H1 FY2027*
Operating income	2,051.4	1,735.5	1,143.1
PAT	-46.1	-167.9	-78.0
OPBDIT/OI	2.7%	-1.4%	6.2%
PAT/OI	-2.2%	-9.7%	-6.8%
Total outside liabilities/Tangible net worth (times)	2.3	2.0	2.3
Total debt/OPBDIT (times)	32.1	-91.3	15.6
Interest coverage (times)	1.1	-0.3	0.7

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. Crore;

*PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore; *Results*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current rating (FY2027)					Chronology of rating history for the past 3 years						
		Type	Amount rated (Rs. crore)	Date & rating in FY2027			Date & rating in FY2026			Date & rating in FY2025		Date & rating in FY2024	
				November 16, 2026	August 13, 2026	June 09, 2026	Jan 12, 2026	Nov 25, 2025	Aug 26, 2025	May 27, 2025	Dec 03, 2024	May 24, 2024	Feb 14, 2024	Aug 04, 2023
1	Term loans	Long term	445.00	[ICRA]BBB (Negative)	[ICRA]BBB (Negative)	[ICRA]BBB+ (Negative)	[ICRA]BBB+ (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Negative)	[ICRA]A (Negative)	[ICRA]A+ (Negative)	[ICRA]A+ (Negative)	[ICRA]A+ (Negative)	[ICRA]A+ (Stable)
2	Fund based limits	Long term	334.50	[ICRA]BBB (Negative)	[ICRA]BBB (Negative)	[ICRA]BBB+ (Negative)	[ICRA]BBB+ (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Negative)	[ICRA]A (Negative)	[ICRA]A+ (Negative)	[ICRA]A+ (Negative)	[ICRA]A+ (Negative)	[ICRA]A+ (Stable)
3	Non-fund based facilities	Short term	175.00	[ICRA]A3+	[ICRA]A3+	[ICRA]A2	[ICRA]A2	[ICRA]A2+	[ICRA]A2+	[ICRA]A2+	-	-	-	-
4	Unallocated	Long term/ Short term	275.00	[ICRA]BBB (Negative)/ [ICRA]A3+	[ICRA]BBB (Negative)/ [ICRA]A3+	[ICRA]BBB+ (Negative) / [ICRA]A2	[ICRA]BBB+ (Negative) / [ICRA]A2	[ICRA]A- (Negative) / [ICRA]A2+	[ICRA]A- (Negative) / [ICRA]A2+	[ICRA]A(Negative)/ [ICRA]A2+	[ICRA]A+(Negative)/ [ICRA]A1	[ICRA]A+(Negative)/ [ICRA]A1	-	-
5	Non-fund based facilities (sub limit)	Short term	(755.00)	[ICRA]A3+	[ICRA]A3+	[ICRA]A2	[ICRA]A2	[ICRA]A2+	[ICRA]A2+	[ICRA]A2+	[ICRA]A1	[ICRA]A1	[ICRA]A1+	[ICRA]A1+
6	Short-term term loans	Short term	-	-	-	-	-	-	-	-	-	-	-	[ICRA]A1+
7	Non-convertible debentures	Long term	100.00	[ICRA]BBB (Negative)	[ICRA]BBB (Negative)	[ICRA]BBB+ (Negative)	[ICRA]BBB+ (Negative)	[ICRA]A- (Negative)		-	-	-	-	-

Sensitivity Label : Public

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term fund based – Term loan	Simple
Long term– Fund-based limits	Simple
Short term non-fund based limits	Simple
Short term non-fund based limits (sub-limit)	Simple
Long term – Non-convertible debentures	Simple
Unallocated limits	Not applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click Here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook	Financial Sector Regulator#
-	**Term loan I**	18-12-2023	NA	03-09-2031	200.00	[ICRA]BBB(Negative)	RBI
-	**Term loan II**	24-10-2024	NA	30-11-2031	200.00	[ICRA]BBB(Negative)	RBI
-	**Term loan III**	01-11-2024	NA	31-12-2031	25.00	[ICRA]BBB(Negative)	RBI
-	**Term loan IV**	15-04-2026	NA	15-04-2029	20.00	[ICRA]BBB(Negative)	RBI
-	**Fund based limits**	NA	NA	NA	334.50	[ICRA]BBB(Negative)	RBI
-	**Non-fund based facilities (sub-limit)**	NA	NA	NA	(755.00)	[ICRA]A3+	RBI
-	**Unallocated limits**	NA	NA	NA	275.00	[ICRA]BBB(Negative)/ [ICRA]A3+	RBI
-	**Non-fund based facilities**	NA	NA	NA	175.00	[ICRA]A3+	RBI
INE338A07021	**Non-convertible debentures**	09-06-2025	11.25%	04-06-2027	33.00	[ICRA]BBB(Negative)	MCA
INE338A07013	**Non-convertible debentures**	09-06-2025	11.75%	04-06-2028	33.00	[ICRA]BBB(Negative)	MCA
INE338A07039	**Non-convertible debentures**	09-06-2025	12.25%	04-06-2029	34.00	[ICRA]BBB(Negative)	MCA

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company name	TCL ownership	Consolidation approach
Cheminvest Pte. Ltd.	100.00%	Full consolidation
Optimistic Organic Sdn Bhd.	100.00%	Full consolidation
Lapiz Europe Ltd	100.00%	Full consolidation
TCL Global B V	100.00%	Full consolidation
TCL INC	100.00%	Full consolidation
TCL SPECIALTIES LLC	100.00%	Full consolidation
TCL Intermediates Pvt Ltd	100.00%	Full consolidation

Source: Company

ANALYST CONTACTS

Girishkumar Kadam
+91 22 6114 3441
girishkumar@icraindia.com

Prashant Vasisht
+91 124 4545 322
prashant.vasisht@icraindia.com

Kushal Kumar B
+91 40 6939 6408
kushal.kumar@icraindia.com

Arvind Srinivasan
+91 44 4596 4312
arvind.srinivasan@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

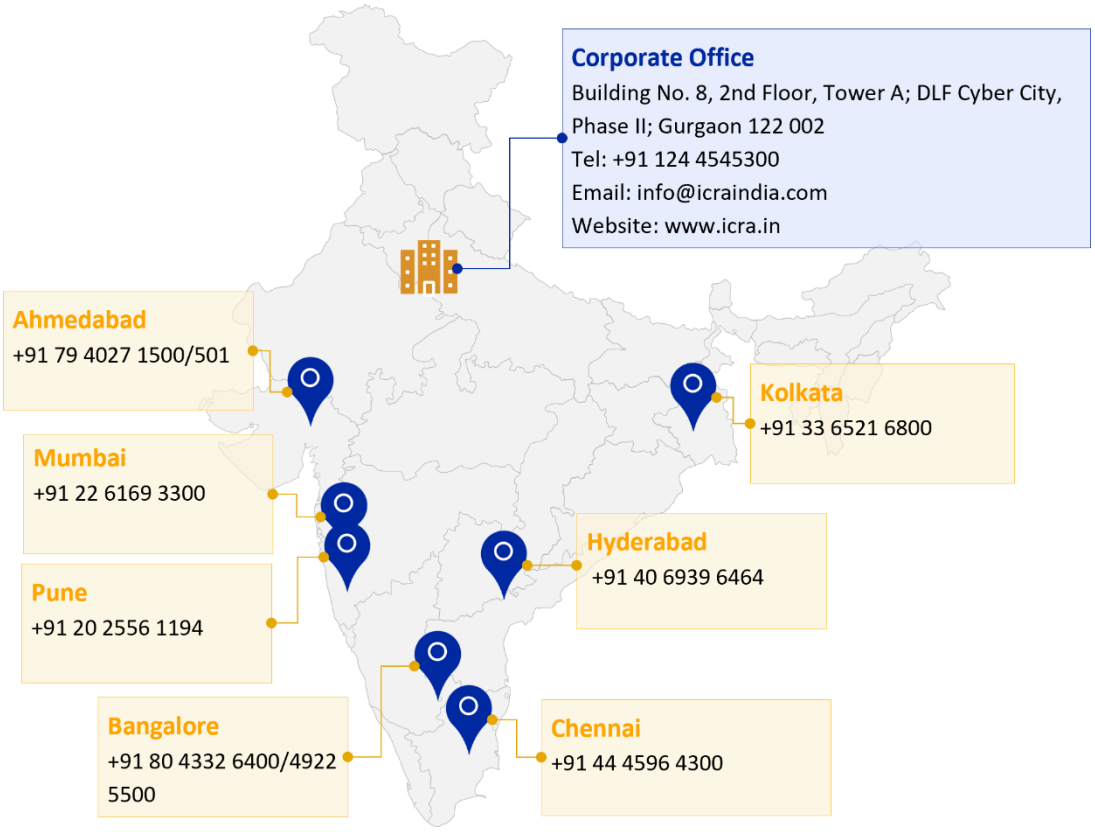
For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.