

Ankur Biochem Private Limited

April 30, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	392.77	CARE BBB+; Stable; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	30.00	CARE A2; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

Ankur Biochem Private Limited (ABPL) has not paid the surveillance fees for the rating exercise agreed to in its Rating Agreement. In line with the extant SEBI guidelines, CARE Ratings Ltd.'s rating on ABPL's bank facilities will now be denoted as **CARE BBB+, Stable/CARE A2; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings take into account improvement in financial performance in FY24 and 8MFY25, successful commissioning of 310 KLPD ethanol distillery amidst plant operation stabilisation risk, high operational efficiency in FY24 and 8MFY25, reputed clientele backed by repeated orders and LTOA, favourable plant location and experienced promoters and management team. The rating also factors leveraged capital structure and moderate debt protection metrics, volatility in raw material prices and regulated nature of industry.

Analytical approach: Consolidated

CARE Ratings Limited (CARE Ratings) has adopted the consolidated approach considering the common management, similar line of business, and financial linkages of ADPL with its subsidiary. The list of the entity whose financials has been considered in ABPL's consolidated financials is mentioned in Annexure-6.

Outlook: Stable

Detailed description of the key rating drivers:

At the time of last rating on March 10, 2025; the following were the rating strengths and weaknesses (updated for the information available from the company)

Key strengths

Improvement in financial performance in FY24 and 8MFY25

TOI increased sharply 51% yoy to ₹869 crore in FY24 and further to ₹1,008 crore in 8MFY25 attributable to ramp up of operations post commercial commencement of 300 kilo litre per day (KLPD) plant in ABPL in Q3FY24. The operating margins witnessed moderation from 12.68% in FY23 to 10.98% in FY24 due to sharp increase in raw material prices and moderation in average sales realisation of by-products, DDGS. PBILDT levels of the group increased to ₹95 crore in FY24 from ₹73 crore in FY23. Profit after tax (PAT) and GCA stood at ₹25 crore (PY: ₹20 crore) and ₹62 crore (PY: ₹46 crore) in FY24.

In 8MFY25, the company has earned PBILDT of ~₹129 crore on TOI of ₹1,008 crore. Operating margins improved by 200 bps over FY24 in 8MFY25 on back of increase in average sales realisation of ethanol and higher scale of operation led to better recovery of fixed overhead.

Successful commissioning of 310 KLPD ethanol distillery amidst plant operation stabilisation risk

The company, through its subsidiary ADPL, has set up a greenfield Ethanol plant with 310 KLPD capacity in West Bengal at a total project cost of ₹407 crore (estimated project cost of ₹353.24 crore) which has been financed through term loan of ₹312 crore, ₹10 crore from subsidy in the form of interest subvention, equity of ₹18 crore, and the balance ₹67 crore from unsecured loans from promoters and group entities. The plant has already commenced commercial operation in November 2024 (against April 2024 as envisaged earlier) after successful completion of trial run in October 2024. The company has produced ~50 lakh litres of ethanol in the first month of operations and operated at 57% of capacity utilisation (CU). The CU has ramped up to 80% in January 2025 and likely to be ramped up to 100% in ensuing quarters as articulated by management. The plant is susceptible to stabilisation risk as the initial phase of commercial operations often involves fine-tuning processes and systems, which can lead to temporary inefficiencies and increased operational costs. Thus, stabilisation of plant operations will remain key rating monitorable. The capacity addition has increased the revenue potential of the

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

company at consolidated level and its full impact will likely to be reflected from FY26 onward in the form of higher scale of operation and profitability level and consequent improvement in capital structure and debt protection metrics, going forward. The company is entitled to receive various subsidies from the project in the form interest and capital subsidy, which will help in providing cushion to the company for its debt repayments. Against the said project, the company has signed a long-term offtake agreement (LTOA), for supply of 5.28 crore litres of ethanol in a particular ethanol supply year (ESY), on January 10, 2022, with leading OMCs such as HPCL, BPCL, and IOCL for a tenure of 10 years.

High operational efficiency in FY24 and 8MFY25

The installed capacity of the company increased from 200 KLPD in December 2023 to 810 KLPD in November 2024. Out of incremental 610 KLPD, 300 KLPD of ABPL commenced commercial operation in Q3FY24 and 310 KLPD of ADPL commenced commercial operation in November 2024. Accordingly, production of ethanol increased to 1031 lakh litres in FY24 from 634 lakh litres in FY23 and capacity utilisation continued to remain above 100% in the last two fiscals. In 8MFY25, the group has already produced ethanol of 1061 lakh litres and expected to produce 1612 lakh litres in FY25 attributable to commencement of 310 KLPD capacity in November 2024.

As a part of forward integration, extra neutral alcohol (ENA) being produced from the distillery unit is used for bottling of IMFL for Allied Blenders and Distillers Private Limited (ABD) and Mohan Maekin Limited (MML). Average volume of bottling done by ABPL was ~55,441 cases per month in FY24 (against 87,841 cases per month in FY23) and 68,329 cases per month in 8MFY25. Apart from this, the company also sells DDGS, which is a by-product of Ethanol. The company generated ~₹109.2 crore in FY24 (PY: ₹63.70 crore) of revenue from DDGS, which is expected to further increase in ensuing years attributable to addition of capacity in FY25.

Reputed clientele backed by repeated orders and LTOA

The company has established strong relationship over the years with its clients on the back of quality product and successful track record, helping the company in bagging repeat orders. The company's clientele includes liquor giants like Allied Blenders & Distillers Pvt. Ltd., Pernod Ricard India Private Limited, United Spirits Limited, and Mohan Maekin Limited among others. Established and reputed clientele helps in largely mitigating the off-take risk owing to sustained demand for their brands. Further, with the successful commissioning of ethanol distillery plants, the company has started supplying ethanol to government owned OMCs. The group has entered long term agreement with OMCs for ethanol supply of 14.40 crore litres in ABPL, ~87% of installed capacity and 10.23 crore litres in ADPL, ~100% of installed capacity of ADPL. The LTOA agreements are valid for 10 years with Hindustan Petroleum Corporation Limited (HPCL), Bharat Petroleum Corporation Limited (BPCL), and Indian Oil Corporation Limited (IOCL). Going forward, the revenue share from ethanol supply is expected to increase significantly with combined capacity of 810 KLPD being in operation, which will be supplied majorly to these OMCs as part of the government initiative of 20% ethanol blending with petrol by 2025.

Favourable plant location

The distillery unit of ABPL is near Jharkhand-West Bengal border. Neighbouring states, Odisha and West Bengal, are among the fastest growing alcohol markets in India with demand for alcohol in these states surpassing the supplies. Accordingly, the company is operating in a positive demand-supply zone. The company through its subsidiary Ankoor Distilleries Private Limited (ADPL) is also setting up an ethanol plant in West Bengal, largely to cater to the OMCs in the eastern State of India.

Experienced promoters and management team

ABPL's promoters, Mahendra Sharma and Prashant Jaiswal, have a decade long experience in the business of ENA manufacturing and distillery. The company's day-to-day operations are being looked after by both promoters; supported by experienced team of professionals. This apart, the promoters have also provided support to the operation of the company by infusing funds in the form of equity/unsecured loans to support capital expenditure (capex) projects and working capital requirement as and when required.

Key weaknesses

Leveraged capital structure and moderate debt protection metrics

As envisaged, the company's capital structure continued to remain moderate in FY24 marked by moderation in the overall gearing from 3.03x as on March 31, 2023, to 4.27x as on March 31, 2024. The moderation was considering increase in term loan to finance the capex plan in the company and its subsidiary and higher working capital utilisation to support the enhanced scale of operation. Accordingly, debt protection metrics also remained moderate in FY24 marked by interest coverage of TD/GCA of 2.85x (PY: 3.41x) and 12.24x (PY: 9.71) as on March 31, 2024.

Going forward, overall gearing is expected to improve from FY26 onward considering increase in the company's net worth at consolidated level attributable to increasing profitability levels and accretion of the same to reserve.

Volatility in raw material prices

ABPL uses grain (rice and maize) as a raw material to produce ethanol and ENA. Since grains are seasonal products and its production depends on the vagaries of nature, the prices of the same may vary depending on the production. Accordingly, ABPL is required to store it for ~two months. On the other side, considering the limited pricing flexibility for its final products, company's profitability is exposed to raw material price volatility.

Regulated nature of industry

Despite robust demand scenario on the back of central government's ethanol policy, the company is exposed to regulatory risk as distillery industry is regulated in India with each state controlling the production, sales, and duty structure independently. As a result, there are snags in transfer of production from one state to another and huge burden of duties and taxes. This apart the state controls the licenses for production, distributorship and retailing of the same which in turn makes the company even more susceptible to changes in the government's policies.

Environment, social, and governance (ESG) risks- Not Applicable

Applicable criteria

Consolidation

Definition of Default

Liquidity Analysis of Non-financial sector entities

Policy in respect of non-cooperation by issuers

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
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Beverages	Breweries & Distilleries

Promoted by Mahendra Sharma of Asansol, West Bengal, ABPL was incorporated in August 2008. It is engaged in manufacturing ENA at Dubi, Jharkhand, which started commercial operations from August 2012. ENA is used to manufacture Indian-made foreign liquor (IMFL) and Indian-made India liquor (IMIL). ABPL is currently operating a fully convertible ENA to ethanol manufacturing plant with an installed capacity of 500 KPLD and bottling plant having installed capacity of 9000 cases per day and captive power plant of 12.3 MW capacities.

Through its subsidiary, ADPL, the company has set up a greenfield ethanol plant with 310 KLPD capacity in West Bengal at a total project cost of ₹407 crore, which commenced commercial operation in November 2024. Consequently, total ethanol capacity of the company at consolidated level increased to 810 KPLD from November 2024.

Consolidated Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	8MFY25 (UA)
Total operating income	575.11	868.54	1008.04
PBILDT	72.90	95.38	128.82
PAT	19.56	24.77	NA
Overall gearing (times)	3.03	4.27	NA
Interest coverage (times)	3.41	2.85	NA

A: Audited UA: Unaudited NA: Not Available; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Covenants of rated instrument / facility: Annexure-3

Complexity level of various 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-Cash Credit	-	-	-	-	198.41	CARE BBB+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan	-	-	-	September 2032	194.36	CARE BBB+; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee	-	-	-	-	30.00	CARE A2; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for the 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	194.36	CARE BBB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BBB+; Stable (10-Mar-25)	1)CARE BBB; Stable (19-Mar-24)	1)CARE BBB; Stable (06-Jan-23)
2	Fund-based - LT-Cash Credit	LT	198.41	CARE BBB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BBB+; Stable (10-Mar-25)	1)CARE BBB; Stable (19-Mar-24)	1)CARE BBB; Stable (06-Jan-23)
3	Non-fund-based - ST-Bank Guarantee	ST	30.00	CARE A2; ISSUER NOT COOPERATING*	-	1)CARE A2 (10-Mar-25)	1)CARE A3 (19-Mar-24)	1)CARE A3 (06-Jan-23)

*Issuer did not cooperate; based on best available information.

*Long term/Short term.

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities- Not Applicable**Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Bank Guarantee	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	Ankoor Distilleries Private Limited	Full	Subsidiary

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About us:

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