

Bharat Plus Ethanol Private Limited

October 06, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	150.00 (Enhanced from 108.29)	CARE BB; Stable	Upgraded from CARE B+; Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Revision in the rating assigned to bank facilities of Bharat Plus Ethanol Private Limited (BPEPL) is on account of ramping up in scale of operations following the completion of the project. Ratings are constrained by profitability being susceptible to volatility of raw material prices, leveraged capital structure and project execution risk. The rating continues to derive strength assured partial long term off-take agreement with oil manufacturing companies (OMCs), extensive support of government in ethanol sector in form of incentives and subsidies, and experience of the promoters in diversified industries.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increasing total operating income (TOI) over ₹250 crore and maintaining profit before interest, lease rentals, depreciation and taxation (PBILDT) margins as envisaged on a sustained basis.
- Improving capital structure marked by overall gearing less than 3x on a sustained basis.

Negative factors

- Lower than envisaged sales owing to untied capacity.
- Declining TOI below ₹120 crore on a sustained basis and moderating PBILDT margin below 7% on a sustained basis.
- Elongation in operating cycle or declining cash accruals leading to liquidity crunch on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

The company's stable outlook reflects its ability to sustain revenue generation and enhance profitability margins going ahead and continue to derive benefit from experience of promoters.

Detailed description of key rating drivers:

Key weaknesses

Profitability being susceptible to volatility of raw material prices amidst inherent agro-climatic risks

With raw material prices accounting for majority of the overall cost and limited pricing control over ethanol sales, BPEPL's profitability is vulnerable to volatility in raw material prices. The key raw material (maize), being agricultural commodity with seasonal availability and pricing of which is affected by factors such as changes in weather conditions including low or high rainfall, production levels, etc.

Leveraged Capital Structure

The company's capital structure remained leveraged, with an overall gearing ratio of 4.00x as on March 31, 2025, compared to 3.58x as on March 31, 2024 majorly owing to the debt funded capex. Further, the net losses incurred during the first year of operations also resulted in erosion of net worth leading to moderated capital structure. The capital structure is expected to further moderate in near term with new debt funded project coming up.

Project execution risk

The company has planned upcoming projects, including a 12 TPH Modern Parboiled Rice Milling Facility, a 350 MT/day Roller Flour Mill, a 50 MT/day Atta Chakki Flour Mill, and 400 TPD Solvent Extraction Plant utilizing rice bran. The total estimated cost for the projects is around ₹65.00 crore, which is proposed to be financed through ₹50.00 crore in debt and the remaining amount through promoter contributions. Land acquisition for all projects has been successfully completed, and the process of securing debt tie up is currently underway. The projects are scheduled for completion by the FY27.

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

Key strengths

Ramp up in scale of operations following the completion of the project

The company has set up the manufacturing facility of ethanol with an installed capacity to manufacture 100 kilolitres per day (KLPD). The commercial production started from March 2024 with the supplies to OMCs beginning from May 2024. The company reported total operating income (TOI) of ₹231.28 crore with PBILDT margins of 7.86% in FY25. As of September 10, 2025, the company recorded TOI of ₹118.71 crore. During its first year of operations, the facility produced approximately 28,000 KL of ethanol.

Assured partial long term off-take agreement with OMCs

BPEPL entered into a long-term agreement with three government OMCs namely Bharat Petroleum Corporation Limited (BPCL), Indian Oil Corporation Limited (IOCL) and Hindustan Petroleum Corporation Limited (HPCL), where OMCs offer jointly an annual off-take quantity of 35KLPD of ethanol against installed capacity of 100 KLPD for ten (10) years from the date of agreement (January 14, 2022) under Ethanol Blending Programme, at prevailing ethanol prices as determined by the OMCs. This off-take agreement quantity constitutes around 35% of the installed capacity. The remaining capacity is offered to the OMCs through a competitive bidding process, thereby providing additional sales opportunities.

Extensive support of government in ethanol sector in form of incentives and subsidies

The company qualifies for a comprehensive set of government incentives such as interest costs being borne by government to the extent of 6% for five years with already received to the extent of ₹4.46 crore in FY25, capital subsidy of ₹5 crore has also been disbursed following the successful completion of the project. In addition, the company is also eligible for monthly employee salary reimbursement up to ₹20000 per month for first five years and Employees' State Insurance (ESI) and Provident Fund (PF) contributions. Further, incentives are also available in the form of reimbursements for SGST, electricity duty, stamp duty, and land conversion fees among others.

Experience of the promoters in diversified industries

BPEPL is promoted by Ajay Kumar Singh and Rekha Singh. Ajay Kumar Singh is a businessman, contractor, real estate developer and a film producer. He has extensive experience in different businesses and is founder-promoter of M/s Singh Infratel Private Limited, a fully integrated infrastructure development company specialising in large telecom and civil projects. In 2018, he created a film production house M/s Lovely World Entertainment for making films in Hindi and regional languages. In 2020, he incorporated RDS Agri Private Limited for sale, service and manufacturing agriculture-based products. The company is also engaged in sale and service of escorts tractors.

Liquidity: Adequate

Liquidity is marked adequate as company generated gross cash accruals of ₹15.15 crore against its term debt repayment obligations of ₹ 8.27 crore. In FY26, the company is expected to generate sufficient gross cash accruals against its debt repayment obligations of ₹ 9.61 crore. The average cash credit utilisation for the past 12 months ended August 2025 stood around 90% as articulated by the lender. Further, the company had free cash and bank balance of ₹2.35 crore as on March 31, 2025.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Chemicals	Chemicals & Petrochemicals	Commodity Chemicals

BPEPL was set up in June 2021, in Buxar, Bihar. The company has set-up a green-field project of grain-based distillery plant to produce fuel grade ethanol for supplying to OMCs such as BPCL, IOCL and HPCL. The company is producing ethanol by using corn maize. Commercial production started from March 2024 (with ramp up of operations from May 2024). The plant is set up in 20 acres of land area and has installed capacity of 100 Kilo Litre Per Day (KLPD).

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)	As of September 10, 2025(UA)
Total operating income	0.05	231.28	118.71
PBILDT	-1.88	18.17	-
PAT	-2.87	-7.06	-
Overall gearing (times)	3.58	4.00	-
Interest coverage (times)	NM	2.18	-

A: Audited UA: Unaudited NM: Not meaningful; Note: these are latest available financial results

Status of non-cooperation with previous CRA: CRISIL Ratings has conducted the review on the basis of best available information and has classified BPEPL as "Not cooperating" vide its press release dated September 23, 2024. The reason provided by CRISIL is failure to receive information on either BPEPL's financial performance or strategic intent.

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-Cash Credit		-	-	-	42.23	CARE BB; Stable
Fund-based - LT-Term Loan		-	-	August 2032	107.77	CARE BB; Stable

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 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	107.77	CARE BB; Stable	-	1)CARE B+; Stable (06-Nov-24) 2)CARE D (25-Jun-24)	1)CARE BB+; Stable (07-Jul-23)	1)CARE BB; Stable (26-Jul-22)
2	Fund-based - LT-Cash Credit	LT	42.23	CARE BB; Stable	-	1)CARE B+; Stable (06-Nov-24) 2)CARE D (25-Jun-24)	1)CARE BB+; Stable (07-Jul-23)	-

LT: Long 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-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender detailsTo view lender-wise details of bank facilities please [click here](#)

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.

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