Forever Distillery Private Limited

March 13, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	154.00	CARE BB+; Stable; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	49.00	CARE BB+; Stable / CARE A4+; 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 & Key Rating Drivers

Forever Distillery Private Limited (FDPL) has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. In line with the extant SEBI guidelines, CareEdge Ratings's on FDPL's bank facilities will now be denoted as **'CARE BB+; Stable; ISSUER NOT COOPERATING/ CARE A4+; 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 assigned to the bank facilities of Forever Distillery Private Limited (FDPL) are constrained by its leveraged capital structure coupled with moderate debt coverage indicators. The ratings also consider the company's project risk for capacity expansion which will be partly funded through bank debt, vulnerability to fluctuations in raw material prices and the inherent risks of operating within a regulated industry. However, the ratings derive comfort from the improvement in operational performance during FY25 (refers to the period April 01 to March 31), revenue visibility supported by established offtake agreements and operational flexibility through dual feedstock processing capabilities and adequate liquidity. Furthermore, the ratings are supported by the company's locational advantages and the presence of qualified and resourceful promoters.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers

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

Key weaknesses

Leveraged Capital Structure and moderate debt coverage indicators

FDPL's capital structure though improved due to accretion of profits, albeit remained leveraged marked by an overall gearing of 2.25x as on March 31 ,2025 (P.Y.: 3.71x). Further, the debt coverage indicators also improved during FY25 on back of increase in profitability in absolute terms yet remained moderate with total debt/GCA of 5.53 years and interest coverage ratio of 3.57x in FY25 (P.Y. 41.41 years and 1.19x respectively).

Project Risk arising out of the sizeable capex plans

For the capacity expansion project of 100 KLPD, with a total cost of Rs.120 crore, FDPL has incurred Rs.70 crore to date. This has been funded through a term loan of Rs.30 crore and remaining through internal accruals and equity infusion. Post completion of the capex, the company's total installed capacity increased 200 KLPD, enabling consistent operations of 100 KLPD on molasses and 100 KLPD on grain, resulting in a fuel cost saving of around ₹6-7 per kilolitre (KL). The company has licence to manufacture 120 KLPD ethanol and 80 KLPD ENA. The capex is expected to be concluded during FY26 (refers to the period April 01 to March 31) within the projected timeline. Hence, Timely execution and achievement of optimum production with offtake of the enhanced capacity will remain a key monitorable for the near future.

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

Vulnerability to fluctuations in raw material prices

The profitability margins of the company are highly sensitive to fluctuations in the prices of molasses and grains, which are influenced by several factors, including production levels, the arrival of the monsoon, and government policies related to the fixation of Minimum Support Price (MSP), exports policies, and other regulations. While the company maintains adequate raw material inventory to mitigate the impact of short-term price volatility, a sustained rise in raw material prices may adversely affect its profitability. However, the current installed capacity of the manufacturing plant, is capable to run both on molasses and grain based raw materials. This dual feedstock capability offers operational flexibility for a cost-efficient production strategy resulting in low reliance on a single raw material. Furthermore, the company is using the byproduct from molasses-based ENA production as fuel which is also expected to reduce the fuel cost by Rs. 6-7 per KL.

Risks associated with operating in a regulated industry

FDPL's operations are highly influenced by government policies and schemes, including interest subvention, ethanol pricing & offtake, and the availability and pricing of raw materials. Government has been fixing remunerative ex-mill price of ethanol derived from C-heavy & B-heavy molasses, and sugarcane juice/ sugar/ sugar syrup. While the prices of ethanol produced from food grains such as Damaged Food Grains (DFG), maize & FCI rice are decided by Oil Marketing Companies (OMCs). Any discontinuation of favorable scheme or a significant reduction in ethanol pricing could negatively impact the company's financial health. Further, high taxation in form of excise duty, license fee, state-level import and export duty, bottling fee, welfare levy, assessment fee, franchise fee, turnover tax, surcharge, etc. making the liquor industry dynamics complex. However, the Central Government's decision to advance the ethanol blending target to 2025 has significantly boosted demand for ethanol, thereby supporting the financial performance of distillery units involved in ethanol production.

Key strengths

Improved operational performance

The operational performance improved in FY25, with the company reporting TOI of Rs. 231.53 crores as against Rs. 163.37 crore in FY24. Further, FDPL's profit margin also improved as a result of the increase scale resulting in a PBILDT margin of 12.41% compared to 6.41% in FY24. Further, the company also posted a net profit of Rs. 4.56 crore compared to a loss during FY24. The company continues to benefit from its secured offtake arrangement with Radico Khaitan for supply of Country Liquor (CL) Tetra packs and also caters to ethanol demand from Oil Marketing Companies (OMCs) through regular tender participation. Further, the company has also entered into a bottling privilege agreement with Allied Blenders effective from June 2025 to March 2029. Thus, during 9MFY26, the company reported TOI of Rs. 237.00 crores

Strategic location of the plant

The raw materials required for ethanol production include various types of damaged cereal grains and molasses, which will be needed throughout the full year of operations. The company operates in the Deoria district of Uttar Pradesh (UP), providing a strategic locational advantage due to the proximity of raw materials, such as grains and molasses, both around the plant and from nearby areas. This location enhances the company's access to essential resources for production.

Qualified & resourceful promoters

Tanmay Modi (Aged 50 years), Anish Modi (Aged 56 years), Manish Kedia (Aged 54 years) are the promoters of the company. Tanmay Modi is a Commerce Graduate having more than two decade of experience in different businesses in automobile, IT, computers etc. Anish Modi has over 30 years of experience in the field of IT, Computers etc. and Manish Kedia, Director on the Board, is a Fellow Member of the Institute of Chartered Accountants of India (ICAI). He has over 26 years of experience in the field of consultancy, taxation, audit, and investment advisory. Further, the promoters have infused funds in form of subordinated unsecured loans of Rs. 43.13 crores & preference shares of Rs. 10.00 crores as on March 31, 2025.

Liquidity: Adequate

The liquidity position of the company remains adequate, with gross cash accruals of Rs. 22.11 crores during FY25, providing cushion against its repayment obligations. Furthermore, the company's operating cycle remained short at 19 days during FY25, supported by efficient receivable realization and inventory management. Further, limit utilization remained moderate at around 60% over the past 12 months as on March 06, 2026, indicating availability of headroom within the sanctioned limits.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

Information Adequacy Risk and Issuer Non-Cooperation
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
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Beverages	Breweries & Distilleries

Incorporated in February 2020, FDPL is engaged in manufacturing of Ethanol, Rectified spirit, ENA, country liquor and by products including DDGS, Carbon dioxide etc. with manufacturing facility of the company is located at Deoria, Uttar Pradesh. The Company's also has its own Country liquor brands such as Billo Rani, Phuljhadi, Kajrari, Gourjeet etc.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	163.67	231.53	237.00
PBILDT*	10.49	28.74	-
Profit after tax (PAT)	-17.79	4.56	-
Overall gearing (x)	3.71	2.25	-
Interest coverage (x)	1.19	3.57	-

A: Audited UA: Unaudited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

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 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-Term Loan		-	-	31-01-2031	154.00	CARE BB+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT/ ST-Working Capital Limits		-	-	-	44.00	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-BG/LC		-	-	-	5.00	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*

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

CareEdge RATINGS

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/ ST-Working Capital Limits	LT/ST	44.00	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable / CARE A4+ (10-Mar-25)	-	-
2	Fund-based - LT-Term Loan	LT	154.00	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (10-Mar-25)	-	-
3	Non-fund-based - LT/ ST-BG/LC	LT/ST	5.00	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable / CARE A4+ (10-Mar-25)	-	-

*Issuer did not cooperate; based on best available information.
LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of the instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - LT/ ST-Working Capital Limits	Simple
3	Non-fund-based - LT/ ST-BG/LC	Simple

Annexure-5: Lender details

To 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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About us:

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