

KBK Biotech Private Limited

April 02, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	138.22	CARE BB; Stable; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	77.78	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 and key rating drivers

KBK Biotech Private Limited (KBK) 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 KBK's bank facilities will now be denoted as CARE BB; Stable/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 take into account the non-payment of surveillance fees.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

Key weaknesses

Moderate scale of operations and profitability

KBK's TOI had significant growth from ₹220.30 crore in FY24 to ₹371.88 crore in FY25 (FY refers to the period April 01 to March 31). The increase in TOI is primarily attributable to higher revenue generated from the sale of 476 lakh litres of ethanol during FY25 compared with 275 lakh litres sold in FY24. However, KBK's PBILDT margin has remained in declining trend in past five years and stood at 6.24% in FY25 (FY24:8.08%) due to increased raw material prices.

In 9MFY26, KBK reported TOI of ₹638.39 crore and PBILDT margins of 12.92%. Scaling up of expanded capacity and improvement in profitability will remain key rating monitorable.

KBK has recently expanded its installed capacity to 485.5 KLPD and the facility become operational from October 2024. With scaling up of the facility, KBK is expected to achieve TOI of ₹500 crores. Hence, scaling up of the operations from new facility with improvement in profitability will remain monitorable for credit rating perspective.

Leveraged capital structure

With decline in overall debt, KBK's capital structure improved marginally but stood leveraged as marked by overall gearing of 2.97x as on March 31, 2025 (PY: 3.33x) with high reliance on external term debt. TOL/TNW also stood high at 4.16x for FY25 (PY: 4.15x). With improvement in operating profitability in absolute terms and stable interest cost, debt coverage indicators improved and stood moderate marked by PBILDT interest coverage of 4.48x in FY25 (PY: 3.08x) and high total debt to GCA (TD/GCA) of 8.89x in FY25 (PY: 17.31x).

Susceptibility of margins to raw material availability, its prices and regulatory changes

Prices of key raw materials, rice and maize, are subject to seasonal fluctuations and weather conditions, production levels, and supply-demand dynamics. Shortages in raw materials can drive up prices and may impact KBK's profitability.

In India, ethanol producers face regulatory risks such as shifting government policies, changes in pricing and subsidies, evolving environmental standards, transport and distribution challenges (including inter-state transportation), trade policy effects, taxation changes, and land and water use regulations that influence production feasibility.

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

Key strengths

Experienced promoter with a track record of operations in distillery business

KBK was incorporated in the year 2015 by Mr. K. Balarama Krishna along with his two sons and brings over two decades of experience in business management. His sons Mr. K Murali Krishna, looks after finance and day to day operations and Mr. K. Suresh Kumar, looks after overall marketing and management of the company. The company is supported by qualified promoters along with other well-educated management personnel. KBK has started operations in July 2019 with 59 KLPD of installed capacity and has been expanded to 485.5 KLPD in December 2024.

Reputed Client base with offtake agreement

KBK has entered into off take agreements with IOCL, HPCL and BPCL for 3.30 crore litre (~23% of installed capacity) of Ethanol every year for 10 years. Further, KBK has developed strong relationships with other private OMCs and pharma companies such as Nayara Energy Limited, Vasudha Pharma Chem Ltd, Rampex Labs Pvt. Ltd etc for supply of remaining ethanol. In 9MFY26, the top 10 customers contribute around 98% of the TOI.

Applicable criteria

[Definition of Default](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

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

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Beverages	Breweries & Distilleries

Kakinada (Andhra Pradesh) based KBK Biotech Private Limited (KBPL) was incorporated in November 2021 and it is engaged in manufacturing and sales of spirits, potable alcohol ENA, Fuel Ethanol and its by-products and has its own power generation capacity. KBPL has an installed capacity of 485.5 KLPD Ethanol as on December 31, 2025, located at Chinabrahmadevam Village, Kakinada, Andhra Pradesh.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	220.30	371.88	638.39
PBILDT*	17.81	23.20	82.46
Profit after tax (PAT)	6.87	10.02	48.18
Overall gearing (x)	3.33	2.79	NA
Interest coverage (x)	3.08	4.48	5.61

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

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Acuite has continued the ratings of KBK under 'Issuer not cooperating' category vide press release dated April 23, 2025, considering its inability to carry out a rating exercise in the absence of the requisite information from the company.

ICRA has continued the ratings of KBK under 'Issuer not cooperating' category vide press release dated April 07, 2025, considering its inability to carry out a rating exercise in the absence of the requisite information from the company.

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST-Cash Credit		-	-	-	76.78	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	1.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*
Term Loan-Long Term		-	-	30-11-2030	138.22	CARE BB; Stable; ISSUER NOT COOPERATING*

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

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-Cash Credit	LT/ST	76.78	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	1)CARE BB; Stable / CARE A4 (02-Apr-25)	-	-	-
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	1.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	1)CARE BB; Stable / CARE A4 (02-Apr-25)	-	-	-
3	Term Loan-Long Term	LT	138.22	CARE BB; Stable; ISSUER NOT COOPERATING*	1)CARE BB; Stable (02-Apr-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 instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT/ ST-Cash Credit	Simple
2	Non-fund-based - LT/ ST-Bank Guarantee	Simple
3	Term Loan-Long Term	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.

Contact us

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