

Cuttack Agrivet Private Limited

April 02, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	162.22 (Reduced from 169.40)	CARE BB+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation in rating assigned to the Bank Facilities of Cuttack Agrivet Private Limited (CAPL) is on account of ramp up in scale of operations post commencement of operations from June 2024 amid steady profitability margins in FY25. CARE takes note of savings in coal procurement cost due to coal linkage agreement with Mahanadi Coalfields Ltd in current FY leading to improvement in profitability margin.

The rating assigned to the bank facilities of Cuttack Agrivet Private Limited (CAPL) continues to be constrained by profitability being susceptible to volatility of raw material prices and leveraged capital structure. CARE takes note of additional capex being incurred by the company by availing additional term loan of Rs.15.75 crore for technical upgradation of few of its machineries to improve the capacity utilization levels. CARE also notes significant debt repayment obligation from FY27 onwards leading to thin debt service coverage indicator despite expectation of further ramp up of capacity utilization.

However the rating derives strength from experienced promoters albeit no prior experience in running an ethanol plant, partial long-term off-take agreement with three government OMCs, favourable plant location, captive power plant and eligibility for government incentives.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Scaling up of turnover to Rs.250 crore while achieving PBIDT margins of 12.5% on sustained basis.

Negative factors

- Delay in stabilization of operations leading to turnover being lower than Rs.180 crore and PBIDT margin below 10%.

Analytical approach: Standalone

Outlook: Stable

The Stable outlook on the long-term rating of the company is based on the expectation that CAPL will continue to benefit from locational advantage, off-take agreements with OMCs and India's growing appetite for ethanol-based fuel and government policies being seen as the primary driver of demand expansion.

Detailed description of key rating drivers:

Key weaknesses

Profitability being susceptible to volatility of raw material prices

With raw material costs accounting for majority of the overall cost and limited control over selling prices of ethanol, CAPL's profitability is vulnerable to volatility in raw material (key ingredients – maize) prices. The key raw materials (maize and rice) being agricultural crops, is of seasonal nature, the availability and pricing of the which is affected by factors such as changes in weather conditions including low or high rainfall, production levels, etc. Thus, the price of raw material fluctuates throughout the year. And the product will be sold to OMCs at specified rate. Hence, if there is adverse fluctuation in expenditure for operation, the same cannot be passed on to the customer. Accordingly, stability in raw material prices is critical and any adverse movement in the same may affect the project sustainability.

Leveraged capital structure and moderate debt coverage indicator

The company's capital structure is expected to remain leveraged due to the ethanol project being funded at a debt equity ratio of 4.49:1. As on March 31, 2025, the overall gearing of the company slightly improved and stood at 3.03x (FY24: 3.96x) on

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

account of infusion of funds by promoters. The promoters have infused Rs. 6.95 crore unsecured loan and Rs.5.43 crore equity in FY25. Also, the company has received sanction of term loan of Rs.15.75 crore for technical upgradation of few of its machineries which can help improve the capacity utilization levels drawdown of which is expected in FY26. The said unsecured loan infused in FY25 will continue to remain in the company to fund capex requirement including technical upgradation of machineries and working capital requirement. Debt coverage indicators stood moderate, as marked by moderate PBILDT interest coverage of 1.99x and total debt to GCA (TD/GCA) of 12.51x in FY25 (10 months of operation).

The company is undertaking technical upgradation of few of its machineries (including CO2 plant) to further ramp up its capacity utilization at a project cost of ~Rs.21 cr funded through term loan of Rs.15.75 crore and rest through unsecured loans/cash accruals. The company has already incurred Rs.10 crore funded through term loan of Rs.3.5 crore and unsecured loans/cash accruals for the remaining amount and the same is expected to get completed by Q1FY26.

Working capital intensive nature of operations

The company's business model requires significant working capital support. To manage fluctuations in availability of agro-based raw materials, it maintains adequate inventory levels to ensure uninterrupted production. The average collection period stood at around 23 days, while inventory holding period stood at 26 days in the first year of operations.

Key strengths

Experienced promoters albeit no prior experience in running an ethanol plant

CAPL is promoted by Mr. Mohit Singla and Mrs. Richa Singla. Mr. Mohit Singla is the founder chairman of Trade Promotion Council of India (TPCI). Mr. Singla is also the promoter of Craftsmith Private limited which is an alcobev company involved in the production of hard spirits and distribution of the same in several Indian states including Orissa, UP, Punjab and Goa. The company is engaged in bottling of its own brands like "Kilburn", "four by four", "Stubbs" and Trek. However, the promoters have no prior experience in setting up and running an ethanol plant.

Ramp up in scale of operations in FY25 and 9MFY26 post COD in Jun 2024

The ethanol plant (125 KL per day) started its commercial operations in June 2024 and has been able to ramp up its operations with capacity utilization of 75% in FY25. The company earned PBIDT margin of 10.51% with TOI of Rs.210 crore in FY25 (being operational for 10 months).

In 9MFY26, the company earned PBIDT margin of 15% on TOI of Rs.162.15 crore. Operations of the plant was impacted in October 2025 for ~15 days due to fire incident. The company has received insurance claim of Rs.0.36 crore pertaining to fire incident. Improvement in operating margin is mainly due to lower coal cost and slight dip in raw material prices (maize). The company has entered into coal linkage agreement with Mahanadi Coalfields Ltd (MCL; 30,000 MTPA from Jun 2025 and another 25,000 MTPA from Dec 2025) leading to savings in coal purchase cost (monthly cost savings of Rs.0.25 crore from Jun 2025 and Rs.0.40 crore from Dec 2025) which was earlier being sourced from open market. For current ethanol year (Nov 2025 - Oct 2026), the company has secured orders through tenders for ~3.63 crore litres (2.49 cr litres from maize and 1.14 cr litre from FCI rice), which will ensure capacity utilization of ~80%. The CO2 plant is expected to become operational from July 2026 and expected to generate additional revenue and profits going ahead as articulated by management.

Partial long-term off-take agreement with government OMCs

The company has entered into a long term with three government OMCs namely Bharat Petroleum Corporation Limited (BPCL), Indian Oil Corporation Limited (OICL) and Hindustan Petroleum Corporation Limited (HPCL) vide agreement dated Jan 12, 2022, wherein OMCs will buy 3.63 crore litres per annum of Ethanol (out of total capacity of 4.50 crore litres p.a.) at Rs.71.8 per litre from CAPL which is being produced by using maize and rice as feedstock. As per the agreement the Company will supply from January 15, 2024, and the agreement is valid for a period of 10 years. However, the company can sell the excess capacity to the government OMCs on tender basis.

Favourable plant location

The plant site is located at Banara, Dampara Tehsil in Cuttack, Odisha and it is well connected through roads, railways, and market. So raw material sourcing and dispatch of product will not be challenging factor. The main raw material is maize and both Odisha & nearby states like Bihar are large maize producing states. Furthermore, the plant is located at a short distance from the nearest depo of OMC's. As a result, the company would be able to derive higher income as transportation charges as per slab system. The distance between the nearest depo and the plant is around 28 kms however, the company would receive transportation charges for a distance of 75 kms.

Captive Power Plant

The company has installed captive power plant of 4.0 MW to meet the requirement of electrical power for the plant.

Eligibility for government incentives

CAPL is also eligible for the various government incentives as per Odisha Industrial Policy Resolution (IPR), 2022 such as 20% capital investment subsidy for plant & machinery (excluding land & building), 100% exemption from payment of electricity duty for a period of 10 years, 100% reimbursement of SGST for a period of 5 years, and 50% of interest subsidy on a quarterly basis for a period of 5 years from NABARD.

The company expects to receive capital subsidy of Rs. 25 crores over a period of 5 years. The company has received interest subsidy of Rs.1.5 crore for Q1FY26 and expects to receive Rs.6 crore for full FY26.

Liquidity: Stretched

Liquidity position of the company is expected to remain stretched in near future as it remains crucial for the company to improve capacity utilization. In FY25 and 9MFY26, the company has earned GCA of Rs.11.13 crore and Rs.15.69 crore respectively. Debt repayment obligation stands at Rs. 9.71 crore in FY26 and jumps significantly to Rs.20.29 crore in FY27 which is expected to be met out of cash accruals. Debt Service Coverage ratio is expected to remain thin for FY27 despite ramp up of capacity utilization. The average utilization of its fund based CC limits stood at around 83% and maximum utilization being almost full for last 6 months ending Feb 2026. The entity has also availed non-fund-based limits of Rs.6 crore with average utilisation of 70% during last 6 months ended Feb 2026.

Environment, social, and governance (ESG) risks: NA

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

Incorporated on July 19, 2022, Cuttack Agrivet Private Limited (CAPL) is being managed by Mr. Mohit Singla and Mrs. Richa Singla. The Company has set up a distillery to produce 125 Kilo Litres per day (KLPD) ethanol and 4.0 MW co-gen captive power generation plant at Banara, Dampara Tehsil in Cuttack, Odisha. The company primarily produces Ethanol for blending with Petroleum as biofuel, DDGS (Dried Distillers Grain in Soluble) cattle feed from maize and Co2 (Carbon Di Oxide) for industrial and beverages use. The commercial operations of the project began from June 2024.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	0.00	209.24	162.15
PBILDT*	0.00	22.05	24.32
Profit after tax (PAT)	0.00	3.05	9.63
Overall gearing (x)	3.96	3.03	2.53
Interest coverage (x)	0.00	1.99	3.67

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

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		-	-	-	30.00	CARE BB+; Stable
Non-fund-based - LT-Bank Guarantee		-	-	-	6.00	CARE BB+; Stable
Term Loan-Long Term		-	-	January 2032	126.22	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	Term Loan-Long Term	LT	126.22	CARE BB+; Stable	1)CARE BB+; Stable (02-Apr-25)	-	1)CARE BB; Stable (18-Mar-24) 2)CARE BB-; Stable (02-May-23)	-
2	Fund-based - LT-Cash Credit	LT	30.00	CARE BB+; Stable	1)CARE BB+; Stable (02-Apr-25)	-	1)CARE BB; Stable (18-Mar-24)	-
3	Non-fund-based - LT-Bank Guarantee	LT	6.00	CARE BB+; Stable	1)CARE BB+; Stable (02-Apr-25)	-	1)CARE BB; Stable (18-Mar-24)	-

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: NA

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - LT-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

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Saikat Roy Senior Director CARE Ratings Limited Phone: 912267543404 E-mail: saikat.roy@careedge.in</p>	<p>Analytical Contacts</p> <p>Arindam Saha Director CARE Ratings Limited Phone: +91-033-4018-1631 E-mail: arindam.saha@careedge.in</p> <p>Punit Singhania Associate Director CARE Ratings Limited Phone: +91-033-4018-1620 E-mail: punit.singhania@careedge.in</p> <p>Rajeev Jaiswal Analyst CARE Ratings Limited E-mail: Rajeev.jaiswal@careedge.in</p>
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**