



Press Release
SHREEBALAJI BIOSOLUTIONS FUELS LLP
August 04, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	132.91	ACUITE BB Stable Reaffirmed	-
Bank Loan Ratings	5.00	-	ACUITE A4+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	137.91	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed its long-term rating of '**ACUITE BB**' (read as **ACUITE Double Ba**) and short-term rating of '**ACUITE A4+**' (read as **ACUITE A Four Plus**) on the Rs.137.91 Cr. bank facilities of Shreebalaji Biosolutions Fuels LLP (SBF LLP). The outlook is '**Stable**'.

Rationale for rating reaffirmation

The rating reaffirmation takes into account the below average financial risk profile reflected by high gearing ratio, though improved which stood at 6.20 times as on March 31, 2025 (Prov.) as against 12.45 times as on March 31, 2024. The rating takes note of the capital withdrawal risk associated with limited partnership firm. The rating positively factors in the stabilisation of the business operation reflected by achievement of revenue of Rs 269.46 Cr. for the FY2025(Prov.) coupled with improvement in margins. The rating also draws comfort from efficient working capital operations and the adequate liquidity of the firm. Acuite takes a note that the firm has signed a long term agreements with Oil Marketing Companies that reduces the off take risk. The rating also considers the experienced management.

About the Company

Incorporated in the year 2021, Shreebalaji Biosolutions Fuels LLP (SBF LLP) is a limited partnership firm headquartered in Madhya Pradesh and has an ethanol plant with an installed capacity of 120 KLPD (Kilo Liter per day). The plant is a grain-based, use broken rice and maize for the manufacturing of ethanol. The construction was completed in September 2023 and manufacturing started in the month of October 2023. The entity produces Ethanol from Maize and Rice. DDGS(Dried distillers Grain Solids) is the by-product that goes into the cattle feed. The total installed capacity of Ethanol is 40800 KLR per annum and DDGS outcome is 13600 MT per annum. The firm is managed by the partners namely Mr. Manish R. V. Singh and Mr. Madhav Mittal.

Unsupported Rating

Not applicable

Analytical Approach

Acuité has taken a standalone view of the business and financial risk profile of Shreebalaji Biosolutions Fuels LLP (SBF LLP) to arrive at the rating.

Key Rating Drivers

Strengths

Experienced management with a secured offtake agreement with OMC's

SBF LLP was started by Mr. Manish R.V.Singh and Mr. Madhav Mittal, who have experiences in versatile industries for more than two decades such as mining , construction ,real estate and Chemical industry. The firm has already entered into an off-take agreement with OMC's for a term of 10 years. The agreement states a minimum off take of 2.31 Cr. liters of ethanol per year. Additionally, the agreement stipulates that the OMC's shall pay the

value of the order received from SBF within 21 days from receipt of the delivery of ethanol. Acuité believes that management's past experience will benefit the firm over the long term. Further, secured off-take has mitigated the demand risk to a certain extent and this will help the firm to establish itself in the industry.

Stabilisation of operating performance

The manufacturing operations of the firm has started in October 2023 and the firm achieved the revenue of Rs 83.40 Cr. in the FY2024 (6 months of operations). FY2025 was the full year of operations and achieved the revenue of Rs 269.46 Cr. Further the firm is having confirmed unexecuted order book of Rs 43.99 Cr. as on June 2025 and expected to execute within the Q2FY26. With the stabilization in scale of operations, operating margins of the firm stood at 9.71 percent in FY2025(Prov.) as against 8.80 percent in FY2024 on account of stabilisation of full year of operation. PAT margin of the firm stood at 2.15 percent in FY2025(Prov.) as against net losses of Rs 7.38 Cr. in FY2024. A moderate growth in the revenues is expected going forward. Till June-25, firm has achieved the revenue of Rs. 76.51 Cr. and expected to close around Rs 285.00 Cr. to Rs 290.00 Cr. in FY2026. Acuite believes that the operating performance of the firm would improve in near to medium term, supported by further planning of augment capacity in existing installed plant.

Efficient working capital operations

The working capital operations of the firm are efficient in nature marked by improved Gross Current Assets (GCA) days of 85 days as on March 31,2025(Prov.) as against 116 days as on March 31,2024 owing to stable receivables and inventory days. Working cycle stood at the same level i.e.41 days as on March 31,2025(Prov.) and 49 days as on March 31, 2024. Inventory days stood at 38 days as on March 31,2025(Prov.) as against 33 days as on March 31, 2024. The firm procures the raw materials from traders and mills (open markets) across states like Madhya Pradesh, Haryana, Delhi for the average period of 30 days. The creditor days stood at 29 days as on March 31,2025(Prov.) as against 20 days as on March 31,2024. The payment is made within 10-35 days depends on the terms of payment (Payment is made within 10-12 days in case of cash discount and 30-35 days in case of noncash discount). The debtor's days stood at 32 days as on March 31,2025(Prov.) as against 35 days as on March 31, 2024. The payments from the OMC's will be received within 21 days from the date of receipt of material. The average bank limit utilisation for fund-based facilities stood moderate at 40.45 percent and nil utilisation of non-fund-based facilities for the six months ended with June 2025. Acuité believes that the working capital operations of the SBF LLP will remain at the same levels as evident from efficient collection mechanism and moderate inventory holding over the medium term.

Weaknesses

Below average financial risk profile

The financial risk profile of the firm is below -average, marked by aggressive capital structure, moderate net worth, and comfortable debt protection metrics. The tangible net worth of the firm stood at Rs.18.96 Cr. as on March 31, 2025 (Prov.) as against Rs 10.58 Cr. as on March 31, 2024. As on March 31, 2025 (Prov.) the total debt of the firm stood at Rs.117.53 Cr. which consists of long-term debt of Rs 97.37 Cr, Unsecured loan from friends and relatives of Rs 2.96 Cr. and short-term debt of Rs 17.20 Cr. The gearing ratio of the firm remains high though improved to 6.20 times as of March 31, 2025(Prov.) as against 12.45 times as on March 31, 2024. The debt protection metrics are comfortable reflected by Interest coverage ratio (ICR) of 2.85 times and Debt service coverage ratio (DSCR) of 1.40 times as of March 31, 2025 (Prov.) as against 1.20 times and 1.20 times respectively as on March 31, 2024.

Acuite believes that the financial risk profile of the firm is expected to remain same in near to medium terms on account of availment of debt for upcoming capex planning.

Capital withdrawal risk associated with partnership firm (LLP)

Being an LLP, firm is exposed to the capital withdrawal risk. Any significant withdrawal from the partner's capital will have a negative bearing on the financial risk profile of the firm.

Rating Sensitivities

- Improvement in the scale of operation while maintaining its profitability margin as envisaged.
- Sustainable improvement in the financial risk profile specially the leverage and the coverage ratios of the firm.
- Any deterioration in liquidity profile of the firm.

Liquidity Position

Adequate

SBF LLP liquidity is adequate marked by sufficient net accruals of Rs 20.02 Cr. as on March 31,2025(Prov.) as against the long-term debt repayment of Rs 11.09 Cr. for the same period. The current ratio stood at 1.27 times as on March 31,2025(Prov.) The average bank limit utilisation for fund-based facilities stood at 40.45 percent and nil utilisation of non-fund-based facilities for the six months ended with June 2025. Acuité believes that the liquidity of the firm is likely to remain adequate over the medium term on account of sufficient cash accruals against long debt repayments over the medium term. The cash and bank balance stood at Rs 0.28 Cr. as on March

31,2025(Prov.).

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	269.46	83.40
PAT	Rs. Cr.	5.78	(7.38)
PAT Margin	(%)	2.15	(8.85)
Total Debt/Tangible Net Worth	Times	6.20	12.45
PBDIT/Interest	Times	2.85	1.20

Status of non-cooperation with previous CRA (if applicable)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
23 May 2024	Bank Guarantee (BLR)	Short Term	5.00	ACUITE A4+ (Assigned)
	Term Loan	Long Term	106.82	ACUITE BB Stable (Reaffirmed)
	Cash Credit	Long Term	24.00	ACUITE BB Stable (Assigned)
	Stand By Line of Credit	Long Term	2.00	ACUITE BB Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	0.09	ACUITE BB Stable (Assigned)
30 Apr 2024	Term Loan	Long Term	106.82	ACUITE BB Stable (Upgraded from ACUITE BB- Stable)
01 Feb 2023	Term Loan	Long Term	106.82	ACUITE BB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A4+ Reaffirmed
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	24.00	Simple	ACUITE BB Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.10	Simple	ACUITE BB Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Stand By Line of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE BB Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	08 Aug 2022	Not avl. / Not appl.	30 Jun 2032	106.81	Simple	ACUITE BB Stable Reaffirmed

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About Acuité Ratings & Research

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