



**Press Release**  
**Hayati Beverages Private Limited**  
**November 15, 2024**  
**Rating Assigned and Upgraded**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	31.50	ACUITE BB+   Stable   Assigned	-
Bank Loan Ratings	182.00	ACUITE BB+   Stable   Upgraded	-
Total Outstanding Quantum (Rs. Cr)	213.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has upgraded the long-term rating to 'ACUITE BB+' (read as ACUITE double B plus) from 'ACUITE BB' (read as ACUITE double B) on the Rs. 182.00 Cr. bank facilities of Hayati Beverages Private Limited (HBPL). The outlook remains 'Stable'.

Acuite has further assigned the long-term rating of 'ACUITE BB+' (read as ACUITE double B plus) on the Rs. 31.50 Cr. bank facilities of Hayati Beverages Private Limited. The outlook is 'Stable'.

**Rationale for rating**

The rating takes into cognizance the timely completion of the project, easy availability of raw materials in close proximity, positive industry buoyed by support from the government, promoter's flexibility to infuse funds when required; however these strengths are offset by management's inadequate experience in the distillery industry and expected leveraged capital structure.

**About the Company**

Hayati Beverages Private Limited (HBPL) was incorporated on 29<sup>th</sup> August 2020 and is engaged in manufacturing of Bio-Ethanol (Fuel) and Technical Alcohol. The Company has set up 180 kilo litre per day grain based bio-ethanol manufacturing facility along with 5 Mega Watt Captive Power Co-Generation Plant under Ethanol Blended Petrol (EBP) programme launched by Govt. of India under National Biofuels Policy 2018. The company has executed Memorandum Of Understanding (MOU) with State Govt. of Chhattisgarh dated 0<sup>th</sup> November, 2020 to avail all the support for establishment of the above plant.

The Company is based out of Bilaspur, Chhattisgarh and is managed by Mr. Kamaljeet Arora, Mr. Pushkal Arora, Mr. Manoj Kumar Agarwal, Mr. Amit Agrawal, Ms. Priya Arora and Mr. Gaurav Agarwal as its directors.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has considered the standalone business and financial risk profile of Hayati Beverages Private Limited to arrive at the rating.

**Key Rating Drivers**

**Strengths**

**Benefits expected to be derived from experienced promoters**

HBPL is backed by two strong promoter families – Agarwal family who promotes Nandan Group of companies which is into steel industry and Arora family who has 30+ years of experience in agriculture sector. The manufacturing and plant handling is being conducted by Agarwal family and the procurement of raw materials (starch-based grains like Rice, Broken Rice) and grain handling and feedstock quality would make the most of Arora's family. This synergy between the two families would support the business risk profile over the medium

term.

**Secured Off-take along with healthy demand potential for ethanol**

The company has entered into a long-term offtake agreement with oil marketing companies (OMCs) namely Bharat Petroleum Corporation Limited (BPCL), Indian Oil Corporation Limited (IOCL) and Hindustan Petroleum

Corporation Limited (HPCL) for a period of nine years starting January 2022 which leads to negligible off-take risk or demand risk.

The long-term demand outlook of ethanol and biofuel remain favourable on the back of a significant demand-supply gap, along with the Government's focus on reducing crude oil import dependency. Further, with the Central Government's aim to achieve 20 per cent ethanol blending target by 2025, the demand for ethanol is likely to continue.

#### **Easy availability of raw material**

The plant has easy access to raw materials like rice, broken rice, maize, etc due to close proximity of rice mills in Chhattisgarh, commonly referred as the "Rice Bowl of India". The Company also expects to procure maize from National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED). Acuite believe that the proximity to the source of raw materials provides a competitive edge for the company.

#### **Timely completion of the project**

HBPL has commenced its operation from June 2024 whereas the scheduled time for production was July 2024. Acuite believes that the stabilization of the project coupled with healthy off-takes by OMC's would be a key monitorable.

### **Weaknesses**

#### **Expected leveraged capital structure**

The company's capital structure is expected to remain below average marked by moderate net worth base and high gearing over the medium term. The adjusted tangible net worth of the company increased to Rs.34.74 Cr. in FY2024 as compared to Rs.15.09 Cr. in FY2023 due to infusion of capital by the promoters as well as unsecured loans being treated as part of quasi equity of Rs.21.77 Cr. This is because such unsecured loans are subordinated to bank loans. The adjusted gearing is 5.22 times as on March 2024. Gearing of the company is expected to remain high due to expected small accretion to reserves in initial phase of operations over the near term. The debt protection metrics are also expected to remain below average over the medium term. Acuite believes that going forward the financial risk profile of the company is expected to remain below average due to leveraged capital structure and below average debt protection metrics over the medium term.

### **Rating Sensitivities**

- Regular and healthy Off-takes by OMC's
- Improvement in capital structure

### **Liquidity Position**

#### **Adequate**

The company has adequate liquidity as reflected from financial flexibility of promoters to infuse funds in the business from time-to-time. Furthermore, the net cash accruals are expected to be low in the near term due to stabilization stage of operations. So, any shortfall in meeting the debt repayment would be fulfilled by bringing in unsecured loans in the business. The Company is also maintaining a deposit of 3-4 months repayment of interest and instalments to the bank, so shortfall, if any would be met out of it. The fund-based limit was utilized at 81 per cent for the four-months ended September 2024. However, stabilisation of the project and generation of optimum cash accrual will be key rating sensitivity factors

### **Outlook: Stable**

#### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	0.00	0.00
PAT	Rs. Cr.	(2.05)	0.00
PAT Margin	(%)	(42691.80)	0.00
Total Debt/Tangible Net Worth	Times	5.22	4.80
PBDIT/Interest	Times	(1.32)	0.00

**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](http://www.acuite.in).

### Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
17 Jun 2024	Term Loan	Long Term	182.00	ACUITE BB   Stable (Reaffirmed)
24 Mar 2023	Term Loan	Long Term	182.00	ACUITE BB   Stable (Assigned)

**Annexure - Details of instruments rated**

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Quantum (Rs. Cr.)</b>	<b>Complexity Level</b>	<b>Rating</b>
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	31.50	Simple	ACUITE BB+   Stable   Assigned
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Aug 2031	182.00	Simple	ACUITE BB+   Stable   Upgraded ( from ACUITE BB )

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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