



Press Release
BOKARO SPIRITS AND ALLIED INDUSTRIES PRIVATE LIMITED
January 27, 2026
Rating Reaffirmed & Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	225.00	ACUITE BB Reaffirmed & Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	225.00	-	-

Rating Rationale

Acuite has reaffirmed and withdrawn its long-term rating of '**ACUITE BB**' (read as **ACUITE double B**) on the Rs. 225.00 Cr. bank facilities of Bokaro Spirits and Allied Industries Private Limited (BSA IPL).

The rating has been withdrawn on account of the request received from the company and No Objection Certificate (NOC) received from the lender. Also, the rating withdrawal is in accordance with Acuite's policy on withdrawal of rating as applicable to the respective facility / instrument.

Rationale for Rating

The rating reaffirmation and withdrawal takes into account the full scale commencement of the plant and commercial sale from March, 2025. Further, the rating considers the minimal offtake risk considering the supply orders received by the company from oil marketing companies (OMCs) and ample demand of ethanol in the market. Further, the rating also reflects the experience of the promoter of more than two decades in the liquor industry. However, these strengths are partly offset by the stabilisation risks pertaining to a limited operational period and moderate financial risk profile along with input price volatility and limited pricing power.

About the Company

Bokaro Spirits and Allied Industries Private Limited (BSA IPL) was incorporated on 12th May, 2021 with the object to carry the business activity related to manufacturing of absolute alcohol (Ethanol), rectified spirit & extra natural alcohol (ENA). The company has set up a 250 KLPD grain (rice) based distillery plant with 6.5 MW co-generation power plant with integrated bottling plant of capacity 3.8 million cases p.a. The manufacturing unit is located at Bokaro, Jharkhand and presently the company is managed by Mr. Amit Kumar Jha and Mr. Prashant Arora.

Unsupported Rating

Not applicable.

Analytical Approach

Acuite has considered the standalone business and financial risk profile of BSA IPL to arrive at the rating.

Key Rating Drivers

Experienced promoters coupled with favourable industry outlook

The promoters of the company have more than two decades of experience in the industry through their existing distillery and brewery set up in Punjab and Jharkhand. Further, going forward, the long-term demand outlook of ethanol and biofuel remains favourable on the back of a significant demand-supply gap along with the Government's focus on reducing crude oil import dependency.

Moderate demand risk

The company plans to sell its ethanol production mainly to OMCs, whereas bottling and ENA are expected to be sold in open market. Further, it has currently received ethanol supply orders from OMCs like Hindustan Petroleum Corporation Limited (HPCL) and Indian Oil Corporation Limited (IOCL) for a total supply of 22,000 KL for Q4FY26. Moreover, the company also has IMFL bottling capacity of ~3.8 million cases p.a. and has started its bottling operations from November 2025 and also has some bottling arrangement in pipeline with some MNCs who are already purchasing ENA from BSAIPL. Also, being in close proximity to HPCL plant, the company is expected to have an ease of supply advantage. The company has recorded top line of ~Rs. 234 Cr. as of 30th November 2025.

Favourable government measures to support cash flows

With the recent announcement on Food Corporation of India (FCI) on reducing the price of rice from Rs.28.00/kg to Rs.22.50/kg for ethanol production, the input cost of the company is expected to reduce leading to improvement in margins. Further, to increase production of ethanol, the Government is taking multiple initiatives for enhancement and augmentation of the ethanol production capacity. The company is eligible for 50% interest subsidy (up to 6% p.a.) for a period of 5 years for the actual interest paid on the term loan availed, reimbursement of 25% VAT (upto 200% of capex) paid for 5 years, Rs 25 crore capital subsidy from state government and incentive on Net SGST for 7 years from date of production.

Weaknesses

Project stabilisation risk

The plant was operational from 15th January, 2025; however, the first commercial sale began from March, 2025 with dispatch to the OMCs. Being the commercial sales of project has commenced recently; the track record of profitable operations is yet to be established. The company's ability to achieve healthy capacity utilisation and generate healthy cash accruals will be important for its credit profile.

Moderate financial risk profile

The company's capital structure is expected to remain moderate marked by moderate net worth base and high gearing over the medium term. The tangible net worth of the company stood at Rs.174.96 Cr. as on 31st March 2025. The gearing stood at 1.52 times as on 31st March 2025 as against 1.79 times as on 31st March 2024.

The total project cost of ~Rs.404 Cr. was funded partly through Rs.225.00 Cr. term loan from State Bank of India, Rs.60.00 Cr. through equity infusion and remaining Rs.119.67 Cr. through USL/quasi equity. The promoters are resourceful and will infuse any incremental funding requirement if the situation arises.

Input price volatility with limited pricing power

Bokaro uses grain (rice) as a raw material for its production. Since grains are seasonal products and its production depends on vagaries of nature, price of which may vary depending on production. On the other side, considering limited pricing flexibility for its key final product as ethanol prices are decided by the government, the company's profitability may get affected.

Rating Sensitivities

Not applicable.

Liquidity Position

Adequate

The net cash accrual is expected to be adequate with the onset of ethanol supply orders. However, this is susceptible to timely implementation of the orders. The cash and bank

balance stood at Rs.16.04 Cr. as on 31st March, 2025. Further, the promoters are expected to infuse equity and unsecured loans to support the business.

Outlook: Not Applicable

Other Factors affecting Rating
None.

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	9.46	0.03
PAT	Rs. Cr.	(15.98)	(4.85)
PAT Margin	(%)	(168.88)	(15519.97)
Total Debt/Tangible Net Worth	Times	1.52	1.79
PBDIT/Interest	Times	(1.65)	(2.82)

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, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite'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
13 Feb 2025	Term Loan	Long Term	225.00	ACUITE BB Stable (Reaffirmed)
16 Nov 2023	Term Loan	Long Term	225.00	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.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Jun 2032	225.00	Simple	ACUITE BB Reaffirmed & Withdrawn

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About Acuité Ratings & Research

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