July 17, 2026

PRATISHTHA SPIRITS PRIVATE LIMITED: [ICRA]BB (Stable); assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Long-term – Fund-based – Cash credit	5.16	[ICRA]BB (Stable); assigned	RBI
Long-term – Fund-based – Term loan	80.36	[ICRA]BB (Stable); assigned	RBI
Long-term – Unallocated	9.48	[ICRA]BB (Stable); assigned	RBI
Total	**95.00**		

*Instrument details are provided in Annexure I

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments, which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Rationale

The assigned rating of Pratishtha Spirits Private Limited (PSPL) favourably factors in the extensive experience of the Poddar Group, Kolkata, the promoter group of PSPL. The Group has diversified business interests across various sectors, including agricultural products trading, poultry products, polypropylene bag manufacturing, wheat flour milling, and construction and infrastructure development, among others. Further, PSPL derives strength from its parent company, Pratishtha Commercial Private Limited (PCPL), which is also a part of the Poddar Group. PCPL has over three decades of experience in food grain trading, including maize, which is particularly relevant for PSPL, as maize is the primary raw material used in ethanol production. The Group's long-standing presence in the maize trade provides an established procurement network and backward integration benefits, supporting the company's raw material sourcing capabilities. The rating also draws comfort from the company's long-term ethanol offtake arrangement for 10 years with reputed oil marketing companies (OMCs), which provide steady revenue visibility. PSPL has entered into a tripartite ethanol supply agreement with Bharat Petroleum Corporation Limited (BPCL), Indian Oil Corporation Limited (IOCL), and Hindustan Petroleum Corporation Limited (HPCL). Under the arrangement, the company has secured an assured offtake of approximately 0.99 crore liter per annum, equivalent to 28-30% of its installed capacity, thereby providing a stable demand base and supporting revenue visibility.

The ratings are, however, constrained by the nascent stage of operations, as the company commenced commercial production recently from the last week of June 2026 (trial run commenced from February 2026), and its ability to achieve a timely and satisfactory scale-up of operations remains to be demonstrated. The stabilisation of operations, achievement of optimal capacity utilisation, and generation of adequate cash accruals will remain key monitorables. Further, the debt protection metrics are expected to remain subdued over the next 2-3 years owing to the debt-funded project. Additionally, PSPL remains exposed to regulatory risks inherent in the ethanol industry, as ethanol prices are determined by OMCs and subject to periodic revisions, while key input costs, including raw materials and fuel, are largely market-driven. The company's profitability is also susceptible to fluctuations in maize prices, given the significance of maize as the primary feedstock, and the ability to manage such cost volatility will remain a key monitorable, going forward.

The Stable outlook on the long-term rating reflects ICRA's expectation that PSPL will continue to benefit from the extensive experience, established procurement network, and financial support of its parent, PCPL, which should facilitate a gradual stabilisation of operations and steady improvement in its scale of operations and accrual generation over the medium term.

Key rating drivers and their description

Credit strengths

Experienced promoters with diverse industry experience and support from Group entities – PSPL is promoted by Mr. Jay Prakash Poddar, Mr. Manoj Kumar Poddar, Mr. Suresh Kumar Poddar, Mr. Rahul Poddar, and family. The company is part of the Poddar Group and shares a common management team with other Group entities. The promoter group has diversified business interests across various sectors, including agricultural products trading, poultry products, polypropylene bag manufacturing, wheat flour milling, construction and infrastructure development, among others. This diversification provides the Group with broad business experience and operational expertise across various industries. Further, the promoter group has over three decades of experience in maize trading, which is particularly relevant for PSPL, as maize is the primary raw material for ethanol production. The Group's established procurement network and enduring relationships with suppliers are expected to support efficient raw material sourcing for PSPL.

Firm offtake agreement with OMCs with minimum guaranteed volume – PSPL has entered a long-term ethanol supply arrangement with leading OMCs, namely IOCL, HPCL, and BPCL, under a tripartite agreement valid for 10 years. The agreement provides for a minimum annual offtake commitment of 0.99 crore litres, offering a stable demand base and supporting revenue visibility for the company. While the contracted quantity covers a portion of the company's installed ethanol production capacity of 3.6 crore litres per annum, the balance is proposed to be sold through tenders floated by the OMCs and other private players.

Credit challenges

Nascent stage of operations; credit metrics to remain suppressed during initial phase on account of majority debt-funded capex – PSPL commenced commercial operations from the last week of June 2026. Given its limited operating track record, the company remains exposed to execution and stabilisation risks associated with a newly commissioned ethanol manufacturing facility. The company is yet to demonstrate its ability to sustain operations at the envisaged scale, achieve optimal capacity utilisation, and ensure timely offtake of its ethanol production. Consequently, the stabilisation of operations, achievement of targeted operating efficiencies, and generation of adequate cash accruals will remain key monitorables. The project has entailed a total capital outlay of approximately Rs. 138 crore, funded through term loans of around Rs. 80 crore, equity infusion of around Rs. 26 crore, and unsecured loans from promoters amounting to around Rs. 32 crore. As a result of the sizeable debt-funded capital expenditure and the nascent stage of operations, the company's credit profile is expected to remain suppressed, marked by moderate leverage and weak debt coverage indicators in the near to medium term.

Susceptibility of profitability to volatility in raw material costs – PSPL primarily uses maize as its raw material. Raw material costs constitute a significant portion (60-70%) of the overall operating expenses, and any sharp increase in procurement prices, particularly during periods of low crop availability or adverse agricultural conditions, can exert pressure on the company's operating margins. While the Government of India (GoI) periodically revises ethanol procurement prices under the Ethanol Blended Petrol (EBP) programme, the timing and extent of these revisions may not always fully offset sudden rises in feedstock costs, resulting in margin compression.

Risks associated with operating in a regulated industry – PSPL's operations are vulnerable to regulatory risks inherent in the ethanol industry, which remains significantly influenced by Government policies and regulations. The revenue profile, profitability, and growth prospects of ethanol manufacturers are closely linked to the GoI's ethanol blending programme, administered through periodic tenders floated by OMCs. Any adverse changes in blending targets, procurement policies, feedstock eligibility norms, pricing mechanisms, environmental regulations, or other industry-specific directives could impact the company's operational and financial performance.

Liquidity position: Stretched

The liquidity profile of the company is likely to remain stretched in the near term, given its nascent stage of operations and the resultant limited cash accrual generation. The company currently has limited sanctioned working capital facilities (cash credit limit of around Rs. 5 crore), which may constrain financial flexibility during the initial phase of operational ramp-up. Further, the debt repayment obligations remain sizeable in FY2027 relative to the expected cash flows from operations. Accordingly, the company's ability to achieve a timely scale-up in operations and generate adequate cash accruals will remain a key monitorable. Nevertheless, the management is expected to support the funding requirement, if required, to meet debt servicing and operational requirements during the stabilisation phase.

Rating sensitivities

Positive factors – ICRA could upgrade the rating if the company can scale up its operations profitably with improvement in liquidity and debt protections metrics, on a sustained basis. The rating may also be upgraded if the credit profile of the parent, PCPL, strengthens materially while maintaining strong parent support linkages with PSPL.

Negative factors – Lower than expected scaling up of operations, adversely impacting the business/ financial risk profile of the entity could lead to a rating downgrade. Material weakening of PSPL's linkages with its parent, PCPL, or a significant deterioration in the credit profile of the parent entity may also result in ratings downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	PCPL holds 54.23% equity stake in PSPL (as of March 31, 2026). ICRA expects PSPL's parent, PCPL, to extend operational and financial support to PSPL, should there be a need. PSPL has business linkages with PCPL and shares a common name with its parent company.
Consolidation/Standalone	Standalone

About the company

Pratishtha Spirits Private Limited has established a grain-based ethanol distillery at Panagarh Industrial Park, West Bengal, with an installed ethanol production capacity of approximately 100 KLPD. Commercial production commenced from the last week of June 2026 (trial runs completed in February 2026). To support operations, the company has established a 2-MW captive power plant to meet a significant portion of the ethanol plant's energy requirements. The power generated is primarily intended for captive consumption.

As on March 31, 2026, Pratishtha Commercial Private Limited, part of the Kolkata-based Poddar Group, held around 55% of the total equity stake in PSPL. PCPL is primarily engaged in the trading of agricultural commodities and animal feed products. Its key traded products include soybean de-oiled cake (DOC), mustard/rapeseed DOC, and maize. In addition, the company deals in various pulses and grains.

Key financial indicators (audited)

PSPL – Standalone*	FY2025	FY2026**
Operating income	-	-
PAT	-	-
OPBDIT/OI	-	-
PAT/OI	-	-
Total outside liabilities/Tangible net worth (times)	-	-
Total debt/OPBDIT (times)	-	-
Interest coverage (times)	-	-

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; *Project company with no operations till FY2026; ** Provisional numbers*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instruments	Current (FY2027)			Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
	Type	Amount rated (Rs. crore)	Jul 17, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based – Cash credit	Long-term	5.16	[ICRA]BB (Stable)	-	-	-	-	-	-
Fund-based – Term loan	Long term	80.36	[ICRA]BB (Stable)	-	-	-	-	-	-
Unallocated Limits	Long term	9.48	[ICRA]BB (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund-based – Cash credit	Simple
Long term – Fund-based – Term Loan	Simple
Long term – Unallocated	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook	Financial Sector Regulator#
NA	**Long term – Fund-based- Cash Credit**	NA	NA	NA	5.16	[ICRA]BB (Stable)	RBI
NA	**Long term – Fund-based – Term Loan**	FY2024	7.5%-8.5%	FY2033	80.36	[ICRA]BB (Stable)	RBI
NA	**Long term – Unallocated**	NA	NA	NA	9.48	[ICRA]BB (Stable)	RBI

Source: Company

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Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis – Not applicable

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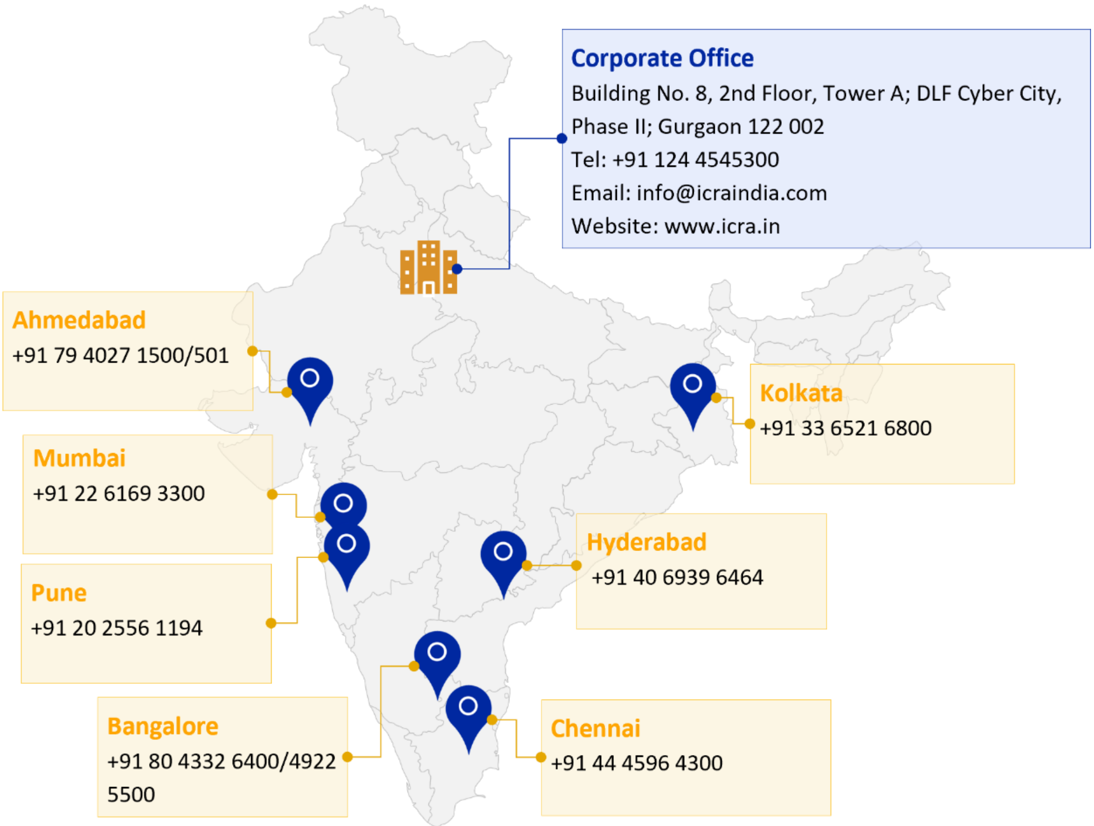

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