

October 9, 2026

Ghaziabad Organics Limited: Long-term rating upgraded; short term rating reaffirmed; removed from Issuer Non-Cooperating category

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Long term- Fund Based – Cash Credit	4.00	9.00	[ICRA]BB- (Stable); upgraded from [ICRA]B+ (Stable) and removed from ISSUER NOT COOPERATING category	RBI
Long term- Fund Based – Term Loan	33.00	17.95	[ICRA]BB- (Stable); upgraded from [ICRA]B+ (Stable) and removed from ISSUER NOT COOPERATING category	RBI
Short-term-Non Fund Based – Bank Guarantees	7.00	3.00	[ICRA]A4; reaffirmed and removed from ISSUER NOT COOPERATING category	RBI
Long term/ Short term – Unallocated limits	0.00	14.05	[ICRA]BB- (Stable); upgraded from [ICRA]B+ (Stable)/ [ICRA]A4, reaffirmed, ratings removed from ISSUER NOT COOPERATING category	RBI
Total	44.00	44.00		

* 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

ICRA has removed the ratings of Ghaziabad Organics Limited (GOL) from the Issuer Not Cooperating category after receiving adequate information from the client for carrying out a detailed credit assessment. The long-term rating upgrade of GOL factors in the extensive experience of GOL's promoters in the distillery industry and allied businesses. GOL operates a distillery located at Bhojpur near Modinagar, Uttar Pradesh, with capabilities to manufacture ethanol, extra neutral alcohol (ENA) and undertake Indian-made foreign liquor (IMFL) bottling operations. ICRA also notes the change in the company's shareholding structure. Mr. Rajneesh Prakash Tyagi, who holds over three decades of experience in the distillery industry, joined GOL in May 2025. He subsequently acquired around 50% stake in the company from erstwhile shareholders, directly or indirectly. Further, the company reported an improvement in its operating performance in FY2026 after the change in shareholding, with operating profit (OPBDITA) of around Rs. 8.3 crore. However, GOL's ability to demonstrate a sustained track record of profitability improvement remains to be established. The ratings also derive comfort from the company's locational advantage, with ready availability of key feedstocks such as rice and maize in its operating region. This ensures stable raw material availability for ethanol production and its by-products, while supporting operational efficiency and mitigating procurement-related risks.

The ratings are, however, constrained by the company's moderate scale of operations, which exposes it to intense competition within the ethanol industry. The company's financial risk profile remains moderate, characterised by a leveraged capital structure and debt-funded investments, resulting in sizeable debt servicing obligations. Further, the company's profitability is vulnerable to fluctuations in the prices of key feedstocks such as rice and maize, although this risk is partly mitigated by its strategic location in a raw material-surplus region. The ratings are also tempered by the risks associated with operating in a highly regulated ethanol industry. Changes in Government policies regarding final selling price of ethanol by oil marketing

companies (OMCs), feedstock utilisation, ethanol procurement pricing, blending programmes and environmental regulations could materially impact operating performance and cash flows.

The Stable outlook reflects ICRA's expectation that GOL will be able to sustain its operating metrics, supporting steady earnings. This will be aided by the favourable long-term demand outlook for ethanol and assured raw material availability owing to its strategic location. The outlook also factors in ICRA's expectation that any incremental capital expenditure (capex) will be funded prudently. This should enable the company to maintain its debt protection metrics at levels commensurate with the current rating.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters in distillery industry – GOL's promoters have adequate experience in the distillery industry. GOL's technical and operational capabilities are supported by Mr. Rajneesh Prakash Tyagi, who has more than three decades of experience in the distillery sector. He joined GOL in May 2025 and subsequently acquired around 49% stake in the company, directly and indirectly. The promoters' experience in setting up and operating distillery facilities, along with their established industry relationships, has enabled the company to diversify its product portfolio into ethanol, ENA and bottling operations. This has supported operational efficiencies and business growth.

Strategic Location supports easy availability of raw material – GOL's operations are in western Uttar Pradesh, which provides ready access to key feedstocks such as rice and maize used in ethanol and ENA production. The proximity to raw-material-producing regions supports timely procurement, lowers logistics costs, ensures stable feedstock availability, and enhances operational efficiency. The locational advantage also partly mitigates raw material sourcing risks and supports the company's ability to meet its production and supply commitments.

Credit challenges

Moderate scale of operations – GOL has a moderate scale of operations in the regulated ethanol industry with the presence of numerous medium and small-sized players, reflected by an operating income of around Rs. 146 crore in FY2026. Despite diversification into ENA production and bottling activities, the company remains relatively small compared to larger industry players. This limits its economies of scale and financial flexibility, while exposing it to intense competitive pressures in the ethanol and alcohol industry. However, planned capacity additions and operational improvements could support a gradual increase in scale.

Moderate financial risk profile – GOL's financial risk profile remained moderate, characterised by a leveraged capital structure and modest debt protection metrics. Although the company reported an improvement in its operating performance in FY2026 with an operating profit of around Rs. 8.3 crore, its capital structure remains stretched, as reflected in a total debt/TNW of 14.6 times and total debt/OPBDITA of 8.1 times as on March 31, 2026. Further, the company has debt repayment obligations of around Rs. 4.5-5.0 crore annually over the medium term. It is also undertaking a debt-funded capex programme for setting up a captive power plant, which is expected to keep the leverage indicators elevated. Consequently, the debt coverage indicators remain moderate, with interest coverage of 2.1 times and DSCR of 1.0 times in FY2026, thereby constraining the financial flexibility of the company.

Vulnerability to changes in raw material prices – GOL primarily uses maize and rice as its raw material. Raw material costs constitute a significant portion (60-70%) of the overall operating expenses. 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. Nevertheless, the company's location in a raw material-rich region provides some cushion against procurement-related risks and supply disruptions.

Risks of operating in a regulated industry – GOL'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 stretched with limited cash balances and almost full utilisation of the working capital limits as on June 30, 2026. Additionally, the company has planned a sizeable capex of Rs. 20-25 crore in FY2027, which is likely to be funded largely through external debt. The liquidity profile is further pressured by moderately high scheduled debt repayments of Rs. 4-5 crore annually during FY2027-FY2029, which are expected to remain sizeable relative to the company's cash accruals.

Rating sensitivities

Positive triggers – ICRA could upgrade GOL's ratings if the company demonstrates healthy earnings over a sustained period, resulting in an improvement in net worth, credit metrics and liquidity position.

Negative triggers – Pressure on GOL's ratings could arise if there is a decline in revenues and earnings, or any additional large debt-funded capex, resulting in a deterioration of its credit metrics and further weakening of liquidity position on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Ghaziabad Organics Limited (GOL), incorporated in January 1996, operates a distillery unit located at Bhojpur near Modinagar, Uttar Pradesh, spread across approximately 15 acres. The facility manufactures ethanol, extra neutral alcohol (ENA) and undertakes IMFL bottling operations. The plant has ethanol production capacity of approximately 15-18 lakh litres per month, translating to around 1.8 crore litres annually.

Key financial indicators (audited)

Ghaziabad Organics Limited	FY2025	FY2026
Operating income	144.4	146.2
PAT	-15.4	5.6
OPBDITA/OI	-6.3%	5.7%
PAT/OI	-10.7%	3.8%
Total outside liabilities/Tangible net worth (times)	-85.1	19.0
Total debt/OPBDITA (times)	-7.5	8.1
Interest coverage (times)	-2.4	2.1

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
CRISIL	CRISIL B+(Stable)/CRISIL A4; ISSUER NOT COOPERATING	Dec 10, 2025

Any other information: None

Rating history for past three years

Instrument	Type	Current (FY2027)		Chronology of rating history for the past 3 years					
		FY2027		FY2026		FY2025		FY2024	
		Amount rated (Rs. crore)	October 9, 2026	Date	Rating	Date	Rating	Date	Rating
Cash Credit	Long term	9.00	[ICRA]BB- (Stable)	Aug 28, 2025	[ICRA]B+ (Stable); Issuer Not Cooperating	Jun 26, 2024 May 14, 2024	[ICRA]B+ (Stable); Issuer Not Cooperating [ICRA]B+ (Stable); Issuer Not Cooperating	-	-
Term Loan	Long term	17.95	[ICRA]BB- (Stable)	Aug 28, 2025	[ICRA]B+ (Stable); Issuer Not Cooperating	Jun 26, 2024 May 14, 2024	[ICRA]B+ (Stable); Issuer Not Cooperating [ICRA]B+ (Stable); Issuer Not Cooperating	-	-
Non-Fund Based Limits	Short term	3.00	[ICRA]A4	Aug 28, 2025	[ICRA]A4; Issuer Not Cooperating	Jun 26, 2024 May 14, 2024	[ICRA]A4; Issuer Not Cooperating [ICRA]A4; Issuer Not Cooperating	-	-
Unallocated limits	Long term/ Short term	14.05	[ICRA]BB- (Stable)/ [ICRA]A4	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term- Fund Based – Cash Credit	Simple
Long term- Fund Based – Term Loan	Simple
Short-term-Non-Fund Based – Bank Guarantees	Simple
Unallocated limits	Not Applicable

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	Cash Credit	NA	NA	NA	9.00	[ICRA]BB- (Stable)	RBI
NA	Term Loan	Sept 2022	11.9%	FY2030	17.95	[ICRA]BB- (Stable)	RBI
NA	Bank Guarantee	NA	NA	NA	3.00	[ICRA]A4	RBI
NA	Unallocated Limits	NA	NA	NA	14.05	[ICRA]BB- (Stable)/ [ICRA]A4	RBI

Source: Company

[#]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.

[Please click here to view details of lender-wise facilities rated by ICRA](#)

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

ANALYST CONTACTS

Jitin Makkar

+91 0124-4545368

jitinm@icraindia.com

Uday Kumar

+91 124 4545 867

uday.kumar@icraindia.com

Lakhan Kumar Agarwal

+91 124 4545 379

lakhan.agarwal@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



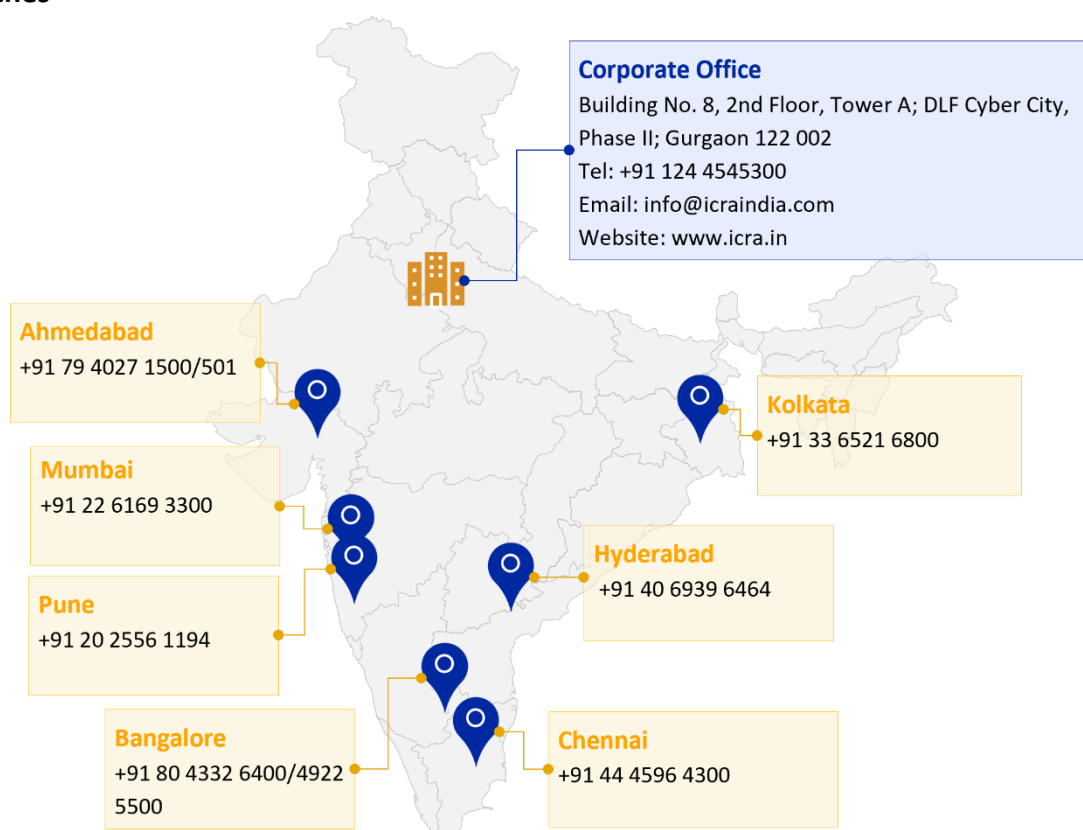
Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.