



## Press Release

### Edizel Biofuels Private Limited

July 29<sup>th</sup>, 2025

#### Rating

Sr. No.	Instrument/Facility	Amount (INR Crore)	Current Ratings	Previous Ratings	Rating Action	<a href="#">Complexity Indicator</a>
1.	Long Term Bank Facilities	125.17 (Reduced from Rs. 127.84 Crore)	IVR BBB-/Stable (IVR Triple B minus with Stable Outlook)	IVR BBB-/Stable (IVR Triple B minus with Stable Outlook)	Reaffirmed	<a href="#">Simple</a>
2.	Short Term Bank Facilities	10.00 (Enhanced from Rs. 1.00 crore)	IVR A3 (IVR A three)	IVR A3 (IVR A three)	Reaffirmed	<a href="#">Simple</a>
	<b>Total</b>	<b>135.17</b>	<b>(Rupees one hundred thirty-five crore and Seventeen lakhs only)</b>			

Details of facilities are in Annexure 1

#### Rating Rationale

Infomerics Ratings has reaffirmed its rating assigned to the bank facilities for the long-term facilities to IVR BBB- with Stable outlook and for the short-term facilities to IVR A3 of Edizel Biofuels Private Limited (EBPL).

The rating has been reaffirmed on account of promoters' extensive industry experience coupled with healthy demand of biofuels. The rating also takes into consideration with the improvement in the company's scale of operations. However, the ratings remained constrained by the elongated operating cycle, susceptibility of operating margin to volatile raw material prices as well as exposure to government regulations and tender based nature of operations.

The Stable outlook reflects a low likelihood of a rating change over the medium term. Infomerics Ratings believes that Edizel Biofuels Private Limited (EBPL) will continue to benefit from the experienced promoters in the same line of business and company is expected to maintain stable operational performance going forward.



## Press Release

IVR has principally relied on the standalone audited financial results of EBPL up to 31 March 2024 (refers to period April 1st, 2023, to Mar 31, 2024), Provisional results for FY2025 (refers to period April 1st, 2024, to Mar 31, 2025) and projected financials for FY2026 (refers to period April 1st, 2025, to Mar 31, 2026) -FY2028 (refers to period April 1st, 2027, to Mar 31, 2028), and publicly available information/ clarifications provided by the company's management.

### **Key Rating Sensitivities:**

#### **Upward Rating Factor:**

- Significant improvement in the scale of operations with improvement in gross cash accruals.
- Improvement in capital structure wherein the specific credit metric will be overall gearing remaining below unity on a sustained basis.

#### **Downward Rating Factor:**

- Dip in operating income and/or profitability thereby impacting the debt coverage indicators and/or any deterioration in the financial risk profile.
- Any significant rise in working capital intensity or unplanned capex leading to a deterioration in the liquidity position.

### **Detailed Description of Key Rating Drivers**

#### **Key Rating Strengths: -**

##### **Experienced promoters: -**

Edizel Biofuels Pvt. Ltd. (EBPL) is engaged in the manufacturing of biodiesel from various organic raw materials. The company operates state-of-the-art manufacturing facilities with multi-feedstock capabilities, utilizing cavitation and advanced enzyme technologies. EBPL has been promoted by Mr. Ganga Singh Sohan Singh Rajpurohit and Mr. Dharmvir Singh Ganga Singh Rajpurohit, who are jointly responsible for overseeing the overall operations of the company. They play a key role in driving marketing and publicity strategies, effectively leveraging their expertise to communicate with targeted clients and enhance engagement. EBPL is committed to environmental sustainability and actively contributes to the nation's green energy initiatives.

##### **Healthy demand of biofuels**



## Press Release

The biofuel manufactured by the company is intended for use by oil marketing companies (OMCs) under the ethanol blending programme. The Government of India, through the national policy on Biofuels 2018, has set an ambitious target of achieving 5% biodiesel blending by 2030. This policy direction has opened significant opportunities for biofuel manufacturers, as there currently exists a substantial gap between demand and supply in the sector.

### **Improvement in scale of operations**

Total operating income of the company registered a CAGR of 112.90% during FY23 to FY25(Provisional) witnessed a y-o-y growth of 35.50% from Rs. 247.40 crore in FY24 to Rs. 335.23 crore in FY25 (Provisional) on account of higher execution of orders. Adjusted Tangible net worth (ATNW) of the company stood at Rs. 33.18 crore as on March 31, 2024, improved to Rs. 42.90 crore as on March 31, 2025 (Provisional) with the subordination of unsecured loan amounting to Rs.12.24 crore in FY24 and Rs.12.50 crore in FY25(Provisional).

### **Key Rating Weaknesses**

#### **Elongated operating cycle**

Operating cycle of entity remained elongated majorly on account of higher collection period. The biodiesel supplied by EBPL to OMCs is subject to various levels of quality tests before clearing for payment. Thus, the collection period stretched to ~60 days post invoicing. Further for smooth functioning of production process, 10-20 days of inventory is maintained by the company and also, payment is made to creditors on advance terms. Thus, going forward, such elongation in operating cycle is expected to exert pressure on liquidity.

#### **Susceptibility of operating margin to volatile raw material prices**

The key raw material for biofuel manufacturing is palm stearin, used cooking oil and methanol. The prices of the commodities is prone to volatility thus exerting pressure on the margins in case of unfavourable trends in raw material prices. Moreover, the company does not employ any long-term contracts with raw material suppliers to hedge against the volatility in raw material prices. However, OMCs with a one-month time lag compensates for any increase in raw material prices thus mitigating substantial EBITDA impact.

#### **Exposure to Government regulations and tender based nature of operations**

Biofuel production and demand from OMC's are highly dependent on Government regulations. This apart, procurement is done only by Government owned OMCs on a



## Press Release

tender basis. Prices of procurement is also set by the OMCs, thus reflecting a very high dependency on the demand side. Any adverse changes in policies/ directives of the Government can have a significant impact on the company. IVR also takes note of cancellation of tender by OMCs in March 2025 which led to no supply of bio fuels for the period of October 2024 till February 2025. However that remains one of case and since then there has been regular supply of biofuels to OMCS.

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Manufacturing Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

**Liquidity: Adequate**

The liquidity position of the company is expected to remain adequate on account of sufficient cushion in cash generation vis-à-vis debt repayment obligations in the next 3 years. Fund based working capital utilisation stood moderate at 71.22%, for the last 12 months ended May'25. Unencumbered cash and bank balance is Rs. 18.95 Crore as on March 31, 2025. The operating cycle stood at 37 days in FY25(Provisional) which was 5 days in FY24 due to an increase in inventory period from 3 days in FY24 to 29 days in FY25. Current ratio of the company is stood at 0.93x as on March 31,2025 (Prov.).

**About the Company**

Edizel Biofuels Private Limited (EBPL) is a Kheda, Gujarat based Private limited company engaged in the manufacture of Biodiesel. The company was incorporated on 4th April 2019 and its manufacturing operations commenced from September 2022. EBPL uses Palm Stearin and used cooking oil to manufacture biodiesel and sells it to government owned oil manufacturing companies- IOCL, BPCL & HPCL on a tender basis. EBPL has a current manufacturing capacity of 200 KL / Per day.



## Press Release

EBPL is promoted by Mr Ganga Singh S Rajpurohit and Mr Dharamvir Singh Rajpurohit who had a prior experience of 45 years and 20 years respectively in the real estate business. They operate a real estate entity- Karamvir Builders, which is engaged in the construction of commercial and residential projects, predominantly in Nadiad, Gujarat.

### Financials (Standalone): -

(In Rs. Crore)

For the year ended* As on	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	247.40	335.23
EBITDA	12.94	10.68
PAT	5.07	2.12
Total Debt	58.15	124.34
Tangible Net Worth	33.18	42.90
EBITDA Margin (%)	5.23	3.19
PAT Margin (%)	2.05	0.63
Overall Gearing Ratio (x)	1.75	2.90
Interest Coverage (x)	3.83	2.14

\*Classification as per Infomerics' standards

**Details of non-co-operation with any other CRA:** None

**Any other information:** Not Applicable

**Rating History for last three years:**

Name of the Facility/ Instrument	Current Rating (Year: 2025-26)			Rating History for the past 3 years		
	Type	Amount	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
		(INR Crore)	(July 29, 2025)	(May 16, 2024)	-	-
Term Loans / WCTL / CC	Long Term	125.17	IVR BBB- / Stable	IVR BBB- / Stable	-	-
EPC / LC / BG	Short term	10.00	IVR A3	IVR A3	-	-

**Name and Contact Details of the Rating Analysts:**



## Press Release

Name: Vipin Jindal  
Tel: (011) 45579024  
Email: [vipin.jindal@infomerics.com](mailto:vipin.jindal@infomerics.com)

### About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

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**Annexure 1: Details of Facilities**

**(Rs. Crore)**





## Press Release

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility	Rating Assigned/ Outlook
Term Loan 1	-	-	31.08.2029	2.46	IVR BBB- / Stable
Term Loan 2	-	-	31.08.2030	22.22	IVR BBB- / Stable
WCTL	-	-	31.12.2027	0.49	IVR BBB- / Stable
Cash Credit	-	-	-	100.00*	IVR BBB- / Stable
BG	-	-	-	10.00	IVR A3

*\*Bill discounting amounting Rs. 38.00 crore and WCDL amounting to Rs. 25.00 crore is the sublimit of cash credit limit.*

**Annexure 2: Facility wise lender details**

<https://www.infomerics.com/admin/prfiles/len-edizel-jul25.pdf>

**Annexure 3: Detailed explanation of covenants of the rated instrument/facilities:** Not Applicable

**Annexure 4: List of companies considered for consolidated/Combined analysis:** Not Applicable

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com) .