



Press Release

Shri Gang Industries and Allied Products Limited

December 12, 2025

Ratings

Facilities	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	26.90 (enhanced from Rs. 22.90 crore)	IVR BBB/Stable (IVR Triple B with Stable Outlook)	IVR BBB- /Stable (IVR Triple B Minus with Stable Outlook)	Rating Upgraded	Simple
Total	26.90	Rupees Twenty-Six Crore and Ninety Lakh only			

Details of Facilities are in Annexure-1

Facilities wise lender details are at Annexure-2

Detailed explanation of covenants is at Annexure-3

Detailed Rationale

Infomerics Valuation and Rating Limited (Formerly Infomerics Valuation and Rating Private Limited) (IVR) has upgraded the long-term rating to IVR BBB/Stable (IVR Triple B with Stable Outlook) for the bank facilities of Shri Gang Industries and Allied Products Limited (SGIAPL).

The rating is supported by the company's strong promoter background, experienced leadership, and consistent growth in revenue and profitability. It is further strengthened by an improved capital structure with strong debt-coverage metrics, as well as an established manufacturing partnership with rolling orders that ensure stable demand. A favourable industry outlook also contributes to the company's growth prospects. However, these strengths are partially offset by the company's vulnerability to raw-material price fluctuations, exposure to regulatory risks, and the highly competitive nature of the industry.

For the Stable Outlook, IVR believes that the company is well-positioned to benefit from the rising demand for spirits (ENA), which is expected to gain from growing market demand and supportive government policies.

IVR has principally relied on the standalone audited financial results of SGIAPL up to FY2025 (Audited) Results (refers to period from 1st April 2024 to 31st March 2025) and three years



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projected financials from FY2026 to FY2028, and publicly available information/ clarifications provided by the company's management.

Upward factors

- Significant and sustained growth in scale of business with further improvement in profitability margins thereby leading to overall improvement in cash accruals.
- Sustenance of improvement in capital structure with improvement in debt protection metrics on a sustained basis.

Downward factors

- Moderation in total operating income and/or moderation in profitability due to decline in sales.
- Moderation in the capital structure and/or moderation in debt protection metrics.
- Any changes in government policies negatively impacting the company's operation.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Strong Promoter Background and Experienced Leadership Driving Sustained Growth:**

The company benefits from experienced and dedicated leadership team with deep industry expertise and a proven track record of growth. Mr. Arun Kumar Sharma, Whole-Time Director, with over 28 years of experience in the liquor industry, leads the Distillery Unit and has played a key role in driving the company's progress. The Board comprising seasoned professionals brings diverse experience across various departments. The senior management team also adds 15 to 40 years of expertise in their respective domains. Backed by strong leadership and sound governance, the company achieved a revenue of Rs. 324.22 crore in FY25 and has demonstrated growth with a CAGR of ~59% over the past three years.

- **Consistent Growth in Revenue and Profitability:**

The company has demonstrated strong financial performance with consistent growth in both scale and profitability. TOI increased by ~12.32%, from Rs. 288.65 crore in FY24 to Rs. 324.22 crore in FY25, driven by higher sales volumes of spirits rising to 2.00 crore bulk litre in FY25 and an improvement in average realization price per bulk litre.



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Profitability also strengthened with EBITDA margins improving from 10.36% in FY24 to 14.93% in FY25 and PAT margins improving from 5.11% in FY24 to 9.03% in FY25.

- **Strengthened Capital Structure with Strong Debt Coverage Metrics:**

The company significantly strengthened its capital structure and reduced leverage during FY25. This was supported by a substantial improvement in ATNW, which nearly doubled to Rs. 28.46 crore as on March 31, 2025, from Rs. 14.63 crore as on March 31, 2024, driven by healthy profit retention and capital infusion through compulsory convertible preference shares. Consequently, financial leverage improved notably, with overall gearing improving to 1.91x as on March 31, 2025, from 4.76x as on March 31, 2024. The Total Debt/GCA ratio and Total Debt/EBITDA ratio also improved to 1.37 years and 1.12x in FY25 respectively, reflecting lower debt levels and stronger EBITDA and cash accruals. Notwithstanding the improvement in net worth and reduction in liabilities the TOL/ATNW ratio remained elevated, yet it improved considerably to 3.98x as on March 31, 2025, from 9.24x as on March 31, 2024. Coverage indicator continued to remain comfortable, with ISCR improving to 5.11x in FY25.

- **Established Manufacturing Partnership with Rolling Orders Ensuring Sustained Demand:**

The company has a valuable and long-term manufacturing agreement with United Spirits Limited (USL) for bottling renowned IMFL brands such as Black Dog, Black & White, Vat 69, McDowell's No. 1 Whisky, Signature, and Royal Challenge. Along with bottling, the company also supplies spirits (excluding Scotch) to USL for further production. The company has further expanded its customer base by commencing bottling operations for Three Brothers Distilleries LLP for their brands Northern Pride and 55 Degree North under a dedicated agreement. These strategic partnerships underscore the company's credibility and strong industry position. The company's order book comprises approximately 1.20 crore bulk litres of spirits and includes a rolling bottling order from the clients, ensuring continued demand and revenue visibility. This sustained order flow reflects the company's strong market presence and operational efficiency.

- **Favorable Industry Outlook Supporting Growth Opportunities:**

The Indian liquor industry continues to demonstrate strong growth potential, driven by rising disposable incomes, rapid urbanization, and evolving consumer preferences toward branded and premium alcoholic beverages. Demand for Extra Neutral Alcohol (ENA) and



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spirits remains strong, supported by increasing consumption in both the IMFL and country liquor segments, as well as growing demand from institutional buyers and bottling units. Furthermore, government initiatives promoting ethanol blending and grain-based distilleries have created additional growth avenues for established manufacturers. With stringent licensing norms and state-specific regulations creating high entry barriers, experienced and compliant players like the company enjoy competitive advantage and strong market positioning.

Key Rating Weaknesses

- **Vulnerability to Raw Material Price Fluctuations:**

A key challenge for SGIAPL is its vulnerability to fluctuations in the prices of key raw materials, particularly grains like rice, which are essential for ENA production. As grain prices are seasonal and influenced by factors such as weather conditions, crop yields, and market demand, sudden increases can raise production costs and impact profitability. This dependence on volatile input costs exposes the company to external market risks, potentially affecting margins and overall financial performance.

- **Exposure to Regulatory Risks:**

SGIAPL operates in a highly regulated liquor industry, where each state has its own rules governing production, distribution, pricing, and licensing. This creates operational complexity and inconsistency across markets. Additionally, high taxes and duties further increase the cost structure. As a result, the company remains vulnerable to changes in government policies, licensing requirements, and tax structures, which could affect its operational efficiency, profitability, and growth prospects, making regulatory compliance a critical area of focus.

- **Exposure to Intense Industry Competition:**

SGIAPL operates in a highly competitive liquor industry, facing rivalry from both established national players and regional manufacturers. The presence of multiple brands in the IMFL and spirits segment puts pressure on pricing, margins, and market share. Additionally, competitors with stronger distribution networks and marketing capabilities may limit the company's growth potential. This competitive landscape requires continuous focus on operational efficiency, product quality, and strategic partnerships to maintain market position and sustain profitability.



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Analytical Approach: For arriving at the ratings, IVR has analysed SGIAPL's credit profile by considering the standalone financial statements of the company.

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

SGIAPL has adequate liquidity as seen by gross cash accruals of Rs. 39.54 crore in FY25 as against repayment of long-term borrowings amounting to Rs. 7.72 crore. Further, the company is expected to generate cash accruals in the range of Rs. 38.48 crore – Rs. 49.36 crore as against its debt servicing obligation of ~Rs. 17.19 crore – Rs. 3.28 crore in FY26-28. The overall working capital limits of the company are utilized to the extent of ~56.46% during the past 12 months ended November 2025 indicating adequate liquidity buffer. All these factors reflect adequate liquidity position of the company.

About the Company

Shri Gang Industries and Allied Products Limited (SGIAPL) is a publicly listed company on the Bombay Stock Exchange (BSE) engaged in the alcoholic beverages industry. The company focuses on the production and sale of liquor for human consumption and operates a manufacturing facility in Sandila, Hardoi, Uttar Pradesh. This facility is involved in both Extra Neutral Alcohol (ENA) production and the bottling of Indian Made Foreign Liquor (IMFL).

The distillery at Sandila has a capacity of 66 KLPD (kilolitres per day) of grain-based ENA, which serves as the primary ingredient in various alcoholic beverages. Additionally, the company runs a bottling unit with an annual output of 42 lakh cases. The total area owned by SGIAPL spans 115,243 square meters, with a built-up area of approximately 46,097 square meters (4,96,186.13 square feet). The facility is well-equipped to manage both distillation and bottling operations, ensuring high production efficiency and quality standards.



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Financials (Standalone):

For the year ended*/As on	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	288.65	324.22
EBITDA	29.92	48.39
PAT	14.79	29.33
Total Debt	69.65	54.33
Adjusted Tangible Net worth	14.63	28.46
EBITDA Margin (%)	10.36	14.93
PAT Margin (%)	5.11	9.03
Overall Gearing Ratio (x)	4.76	1.91
Interest Coverage Ratio (x)	2.98	5.11

**Classification as per Infomerics' standards*

Status of non-cooperation with previous CRA: NIL

Any other information: NIL

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2025-26)				Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	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
				Current Rating	April 02, 2025			
1.	Fund Based	Long Term	26.90	IVR BBB/ Stable	IVR BBB-/ Stable	-	-	-

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About Infomerics:

Infomerics Valuation and Rating Limited (Infomerics) (Formerly Infomerics Valuation and Rating Private Limited) was founded in the year 1986 by a team of highly experienced finance



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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.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com.

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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	May 2031	16.90	IVR BBB/Stable
Cash Credit	-	-	-	10.00	IVR BBB/Stable



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Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/LEN_Shri_Gang_Industries_and_Allied_Products12_Dec25_2d9291eabf.pdf

Annexure 3: Detailed explanation of covenants of the rated securities/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 [Complexity Level of Rated Instruments/Facilities](#).