

Piccadily Agro Industries Limited

May 23, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 402.73 Crore (Enhanced from Rs. 347.96 Crore)	Regulator[^]
Long Term Rating	IVR A/ Stable (Rating Upgraded)	RBI
Short Term Rating	IVR A1 (Rating Upgraded)	RBI
[^] Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.		

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

Rationale

The rating upgrade for Piccadily Agro Industries Limited (PAIL) factors in the robust growth in scale of operations and sustained healthy profitability margins supported by an increase in installed capacity with the completion of the distillery project in Chhattisgarh. The ratings further derive strength from the company's comfortable financial risk profile, as reflected in its moderate leverage and adequate debt coverage indicators. Additional comfort is drawn from the company's integrated operations, ensuring adequate availability of raw materials, as well as its diversified product portfolio, which supports revenue stability and operational resilience. The ratings also continue to benefit from the extensive experience of the promoters, who possess a long operational track record in the industry, coupled with the company's established brand presence and strong market recall.

However, these rating strengths are partially offset by the high working capital-intensive nature of operations, exposure to agro-climatic risks, and susceptibility to changes in Government regulations governing the industry. The ratings also factor in the proposed demerger of the sugar segment and its potential impact on the company's operational and financial profile. The demerger is expected to be completed by the end of FY2027.

Outlook: Stable

The 'Stable' outlook reflects Infomerics' expectation of healthy growth in scale and improvement in profitability over the medium term while maintaining adequate debt protection metrics.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Standalone
Parent/ Group Support	Not Applicable

List of companies considered for consolidation/combined analysis is given at Annexure 4.

Key Rating Drivers with Detailed Description

Strengths

- **Robust growth in scale of operations and healthy profitability**

The total operating income of the company witnessed a CAGR of ~23.07% during last three years ending March 31, 2026. Further, on y-o-y basis the TOI of the company grew by 28.07% and stood at Rs. 1135.06 crore in FY2026 compared to Rs. 886.26 crore in FY2025 on account of increase in sales realisation of its key products. Revenue derived from sugar segment (sugar and other related products) stood at Rs. 233.05 crore in FY2026 compared to Rs. 249.50 crore in FY2025, moderated on account of decline in crushing days. On the other hand, distillery products segment witnessed a significant growth in revenue to Rs. 902.01 crore in FY2026 from Rs. 636.76 crore in FY2025.

Despite increase in scale of operations, the EBITDA margin of the company has declined by 12 bps though remained healthy at 20.74% in FY2026 compared to 20.86% in FY2025 on account of increase in raw material consumption cost. However, the PAT margin of the company has also improved by 49 bps and stood at 12.21% in FY2026 compared to 11.72% in FY2025 on account of decline in interest and finance cost along with increase in other income.

- **Integrated operations with adequate raw material availability**

PAIL benefits from its presence in a sugarcane-growing region, ensuring easy availability of quality sugarcane at lower transportation costs, which supports operational efficiency. Its operations include sugar manufacturing, grain-based distillery production, ethanol production from molasses, and captive power generation through bagasse. The company has also undertaken backward integration through manufacturing of PET bottles and caps for liquor packaging. This diversified product mix reduces dependence on a single segment, supports revenue stability, and enhances growth prospects. Additionally, PAIL has established ethanol supply agreements with Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited, and Bharat Petroleum Corporation Limited, strengthening its market position in the ethanol segment.

- **Comfortable capital structure along with healthy debt coverage metrics**

The capital structure of the company stood comfortable marked by overall TOL/TNW at 0.95x as on March 31, 2026, compared to 0.79x as on March 31, 2025, on account of increase in creditors during the year. The adjusted net worth of PAIL stood at Rs. 777.90 crore as on March 31, 2026, improved from Rs. 583.14 crore as on March 31, 2025. The TNW improved on account of conversion of CCD's into fully paid-up equity shares at premium along with accretion of profits to general reserve. The debt coverage metrics of the company remained healthy marked by improved interest coverage at 8.51x in FY2026 compared to 6.64x in FY2025 on account of decline in interest and finance cost. The DSCR stood comfortable at 4.27x in FY2026 improved from 2.73x during FY2025 on account of improved profitability.

- **Experienced Promoters and long track of record along with strong brand recall**

PAIL has an operational track record since 1997. The long-standing presence of the promoters in the industry has enabled the company to establish strong relationships with both customers and suppliers. The company has developed an established brand presence across various product segments, including country liquor, malt whisky, and rum. Further, the company manufactures premium single malt whisky under its well-recognised "INDRI" brand, which has demonstrated strong market acceptance. Going forward, PAIL is expected to continue benefiting from its established market presence and strong brand portfolio.

Weaknesses

- **High working capital intensive nature of operations**

The sugar and distillery industries are inherently capital intensive in nature. The working capital intensity has increased on account of higher inventory holding of malt to support growing operations. Further, debtor levels remained elevated due to higher sales booked during Q4FY2026. Resultantly, PAIL's operating cycle elongated to 178 days in FY2026 from 144 days in FY2025. Ability of the company to manage working capital cycle remains critical given the expected ramp up in scale of operations.

- **Exposed to agro climatic factors**

Sugarcane and broken rice are the key input into the sugar and distillery industry and is dependent on timely monsoons. Profitability remains vulnerable to agro-climatic factors given

highly uneven pattern of rainfall observed in the last few years, which adversely affects the availability and price of raw material.

- **Exposure to risk related to Government regulations**

The Sugar and Liquor industry is highly exposed to risks related to Government regulations. Various Government Acts governs various aspects of the business, which include the availability and pricing of sugarcane, sugar trade and by - product pricing.

Thus, the company's performance can be adversely impacted by a disproportionate increase in cane prices in any particular year. Further, the profitability remains vulnerable to the Government's policies on sugar international trade, domestic quota, sugar MSP among others. The liquor industry in India is governed by strict Government regulations and license regime that differ from state to state. Further, high taxation and duties also make its operating profitability susceptible to any adverse changes in Government policies.

Liquidity – Adequate

The liquidity profile of the company is expected to remain adequate in the near to medium term on the back of its expected sufficient cash flow from operations vis-à-vis its debt repayment obligations of Rs. 30.35 crore – Rs. 29.62 Crore during FY2027-FY2029. The average utilisation of fund-based limits remained moderate at 92.31% during the last twelve months ended March 2026 indicating a lower cushion. However, PAIL had unencumbered cash and cash equivalent of Rs. 61.43 crore as on March 31, 2026.

Rating Sensitivities

Upward Factors

- Substantial and sustained growth in operating income and improvement in profitability
- Total debt to EBITDA remaining below 1.50x on sustained basis

Downward Factors

- Significant moderation in scale of operations and/or profitability.
- Any further stretch in the working capital cycle driven by pile-up of inventory or stretched receivables, or sizeable capital expenditure affecting the financial risk profile, particularly liquidity.
- DSCR remaining below 3 times on sustained basis.

About the Company

Piccadilly Agro Industries Ltd (PAIL), a Public Limited Company, was incorporated in the year 1994 and started its commercial operations in 1997 as a sugar processing company. Later in 2007, PAIL has set up a distillery unit. At present the company is engaged in manufacturing sugar and distillery products at a manufacturing plant in Karnal, (Haryana) covering an area of around 168 acres. The company has 4 renowned IMFL brand namely INDRI, Camikara, Cashmir and Whistler. The company has established presence in 29 countries and 29 Indian states and UT's, has 30 duty free outlets along with 25000+ retail outlets including on trade in India. Further, also have secured CSD listings for Indri Single Malt and Whistler Blended Malt Whisky, strengthening position in the premium alcobev sector. Further in December 2025, the company has successfully completed its project in Chhattisgarh.

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	886.26	1135.06
EBITDA	184.88	235.46
PAT	104.66	139.56
Total Debt	308.17	530.62
Tangible Net Worth (ATNW)	583.14	777.90
EBITDA Margin (%)	20.86	20.74
PAT Margin (%)	11.72	12.21
Overall Gearing (times)	0.53	0.68
Interest Coverage (times)	6.64	8.51

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

Applicable Criteria

[Rating Methodology for Manufacturing Companies](#)

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

[Criteria for assigning Rating outlook](#)

[Policy on Default Recognition and Post Default Curing Period](#)

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

Status of non-cooperation with previous CRA: None

Any other information: None

Rating History for last three years

Sr. No.	Instruments/Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years			
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	
					-	February 25, 2025	Mar 27, 2024	Jan 23, 2024
1.	Fund based facilities	LT	370.66	IVR A/Stable	-	IVR A-/Stable	IVR BBB+ / Stable	IVR BBB+/Stable
2.	Non- Fund based facilities	ST	32.07	IVR A1	-	IVR A2+	IVR A2	IVR A2

Annexure 1: Instrument/Facility Details

Name of Facility/Security	ISIN	Date of Issuance	Coupon Rate/IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/Outlook	Listing Status	Regulator^	Complexity Indicator
Term Loan-I	-	-	-	Oct 2029	20.54	IVR A/Stable	NA	RBI	Simple
Term Loan-II	-	-	-	February 2033	124.25	IVR A/Stable	NA	RBI	Simple
Term Loan-III	-	-	-	September 2027	2.08	IVR A/Stable	NA	RBI	Simple
IND Mortgage (TL)	-	-	-	June 2031	7.25	IVR A/Stable	NA	RBI	Simple
IND Mortgage (TL)	-	-	-	April 2031	10.49	IVR A/Stable	NA	RBI	Simple
GECL 2	-	-	-	Nov 2027	2.37	IVR A/Stable	NA	RBI	Simple
GECL 2 ext	-	-	-	May 2026	3.68	IVR A/Stable	NA	RBI	Simple
Cash Credit	-	-	-	-	200.00	IVR A/Stable	NA	RBI	Simple
Bank Guarantee	-	-	-	-	23.07	IVR A1	NA	RBI	Simple
Bank Guarantee	-	-	-	-	9.00	IVR A1	NA	RBI	Simple

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure 2: Facility wise lender details:

https://infomericsstorage.blob.core.windows.net/uploads/len_Piccadily_Agro_may26_5f0ea59680.pdf

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

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

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) *	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) *	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings/Loans from overseas lenders/Loans from Multilaterals	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	Refer foot note
15	Issuer Ratings #	Refer foot note
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) @	Investor-side Regulator such as IRDAI, PFRDA

Footnotes:

** Includes securitisation transactions involving assignee payout, acquirer's payout.*

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In Press Release(s) subsequent to issuance(s), CRA shall separately capture the rated quantum details along with names of respective regulators.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

@ These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side regulators have been included.

Note: For activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Analytical Contact**Name: Vipin Jindal****Tel: (011) 45579024****Email ID: Vipin.jindal@infomerics.com****About Infomerics**

Infomerics Valuation and Rating Ltd. ("Infomerics") [Formerly known as Infomerics Valuation and Rating Private Limited], a SEBI-registered and RBI-accredited credit rating agency, is dedicated to delivering independent, transparent, and research-driven ratings. Licensed for credit rating operations since 2015, Infomerics has empowered investors with reliable insights to make informed credit decisions. Driven by robust frameworks and methodologies, enriched by sectoral depth, and defined by analytical precision, Infomerics evaluates a wide spectrum of borrowers including MSMEs, large corporates, banks, NBFCs, state governments, municipal bodies, infrastructure projects, REITs, and InvITs— covering the entire range of debt instruments. With a strong pan-India presence anchored by its Head Office in Delhi and Corporate Office in Mumbai, alongside branches in major cities, Infomerics has rapidly expanded its footprint. Its joint venture in Nepal further underscores its growing influence across South Asia. Over the past decade, Infomerics has emerged as a rapidly expanding force in the credit rating space, achieving broad market recognition and building enduring trust among investors, institutions, and issuers.

For more information and definitions of ratings, please visit www.infomerics.com.

Disclaimer: Infomerics ratings are independent opinions on the credit risk of the issue/issuer as of the date they are assigned and do not constitute statements of fact or recommendations to buy, hold or sell securities. The rating reflects Infomerics' opinion on the relative credit risk of the rated instrument or entity at the time it is assigned. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are based on information and data provided by the issuer or obtained from sources believed by Infomerics to be accurate and reliable. Infomerics does not conduct any audit, due diligence or independent verification of the rated issuer or of the information provided to it unless specifically required under applicable regulatory guidelines. The credit ratings are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities. While reasonable care has been taken to ensure the accuracy of the information herein, it is provided on an 'as is' basis and to the maximum extent permitted by law without warranty of any kind. Infomerics makes no representation or warranty, express or implied, regarding the accuracy, adequacy, timeliness, or completeness of any information contained in this report. All entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. Infomerics, or any of its group companies, may have provided other permissible services other than credit ratings to the rated issuer in the ordinary course of business. To the maximum extent permitted by applicable law, in no event shall Infomerics, its affiliates, or their respective directors, officers, shareholders, employees, or agents be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special, or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income, lost profits, or opportunity costs) arising from any use of this report. Any person accessing or using this report shall do so at their own risk. Infomerics shall have no obligation to update, revise or supplement this report after its publication except as required under applicable regulatory guidelines. The ratings and reports issued by Infomerics are

intended for use in accordance with applicable laws and regulatory requirements governing credit rating agencies in India.