Press Release
SUPERIOR INDUSTRIES LIMITED
September 26, 2025
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	8.42	ACUITE BBB- | Stable | Assigned	-
Bank Loan Ratings	123.48	ACUITE BBB- | Stable | Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	131.90	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed its long-term rating of **'ACUITE BBB-' (read as ACUITE triple B minus**o)n the Rs 123.48 Cr. bank facilities of Superior Industries Limited (SIL). The outlook is **'Stable '**.

Acuité has assigned its long-term rating of **'ACUITE BBB-' (read as ACUITE triple B minus**o)n the Rs.8.42 Cr. bank facilities of Superior Industries Limited (SIL). The outlook is **'Stable'**.

Rationale for Rating Reaffirmation
The rating reaffirmation reflects improved revenues albeit subdued profitability and continued support from Superior group in the form of infusion of funds and letter of comfort extended for the bank facilities. The rating also draws comfort from experienced management and long operational track record of the company. However, rating remains constrained by moderate financial risk profile and susceptibility of profitability to competitive industry and exposure to regulatory risk.

About the Company

Superior Industries Limited (SIL) was incorporated in 1998 by Mr. Pradeep Agarwal and is engaged in the manufacturing and bottling of alcohol. It started its operations by taking over a beer manufacturing unit of United Breweries (UB) Group in Faridabad and were engaged in the bottling of Kingfisher beer. Later in year 2003, SIL took over an alcohol manufacturing unit in Bareilly (U.P) and in 2016, the company sold its Faridabad unit. As of September, 2021, SIL is operating through its Bareilly unit and is engaged into manufacturing of molasses-based Country Liquor, Ethanol and IMFL. Currently, SIL has a licensed molasses-based capacity of kilo litre per day (74 KLPD) with installed capacity of 30 KLPD of Ethanol unit and 67 KLPD of ENA (Extra Neutral Alcohol) unit.

About the Group
The Superior group is promoted by Mr. Pradeep Agrawal. Superior Drinks Private Limited (SDPL, incorporated in 1989, has bottling and distribution franchisee rights of Coca-Cola soft drinks for Vidarbha and Nagpur. Its facility at Nagpur has installed capacity of 12 million cases per year for manufacturing returnable glass bottle (RGB)-CSD. Narmada Drinks Private Limited (NDPL), established in 1985, has bottling and distribution franchisee rights of Coca-Cola soft drinks for Chhattisgarh. Its unit at Bilaspur has installed capacity of 8 million cases per year for manufacturing RGB–CSD, PET (polyethylene terephthalate)-CSD and 1.5 million cases per year for packaged drinking water. Udaipur Beverages Ltd (UBL), incorporated in 1996, has bottling and distribution franchisee rights of Coca-Cola soft drinks for about 75% of Madhya Pradesh. Its facility at Jabalpur has installed capacity of around 8.5 million cases per year for manufacturing RGB-CSD, PET-CSD and RGB-Mazza. IndoEuropean Breweries Ltd (IEBL), established in 1990, does job work for Coca-Cola for manufacture and distribution of CSD in Aurangabad.

Unsupported Rating

Analytical Approach

For arriving at this rating, Acuité has considered the standalone business and financial risk profile of the Superior Industries Limited (SIL) and subsequently notched up the standalone rating by factoring in support based on personal guarantee of Mr. Pradeep Agarwal and letter of comfort from the Superior group (SG). The assessment of credit profile will be central to the rating of SIL and any further revision in the rating of SG will entail revision in the rating of SIL.

Key Rating Drivers

Strengths

Established track record of operation in Uttar Pradesh (U.P) and experience promoters in Beverage and alcohol Industry

Superior Industries Limited (SIL) was incorporated in 1998 as a private limited company. The company has established presence in the manufacturing and bottling of liquor business of more than two decades leading to longstanding relations with its customers and suppliers. The promoter of the company, Mr. Pradeep Agarwal has extensive experience in the beverages industry since 1990's as he initially started with Coca-Cola India through the franchise agreement for bottling and distribution of its soft drinks, juice and packaged drinking water. The top management is ably supported by a well-qualified and experienced second line of management. SIL's management focus is on the country liquor segment as U.P. is one of the major markets in the country for the product. Acuité believes that the promoter's extensive industry experience in beverage and alcohol industry, established relationships with its customers and suppliers, ongoing capex will aid SIL's business risk profile over the medium term.

Support from group entities

Superior Group and Superior Industries Limited (SIL) are being promoted by Mr. Pradeep Agarwal. Superior group consist of Superior Drinks Private Limited, Narmada Drinks Private Limited, Indo European Breweries Limited, and Udaipur Beverages Limited and are engaged in processing and bottling of soft drinks and packaged water for Coca-Cola India. SIL has received funding support in the form of equity capital from Superior Group and the promoter. Further, Udaipur Beverages Limited has extended Letter of Comfort to the banking institution for the banking facilities availed and personal guarantee has been given by Mr. Pradeep Agarwal to the bank. Acuité derives comfort from the guarantee of promoter and Letter of Comfort extended by the group company.

Stable Scale of operations with subdued profitability

The company maintained a stable scale of operations with operating income increasing to 361.65 Cr in FY25 (Prov.) from 335.48 Cr in FY24 and 199.20 Cr in FY23. The growth in revenue is primarily driven by consistent demand across product segments. However, the company's operating profit margins have slightly declined to 8.47 per cent in FY25 (Provisional) from 9.94 per cent in FY24 and 9.06 per cent in FY23. The decline in margins is attributed to increased input costs and competitive pricing pressures. The company had reported operating PBT of Rs. 1.37 Cr in FY25 as against operating PBT level loss of Rs. 6.37 Cr in FY24. In FY25 the PAT of Rs. 10.26 Cr was supported by non-operating income of Rs. 10.69 Cr which mainly included profit on sale of investment. Further, SIL has ~Rs. 121 Cr recoverable from Vishal Cruise Private Limited (under insolvency process in NCLT) as on March 31, 2025 which is to be written off in next 3-4 years (as indicated by management) which is expected to impact the profitability of the company to a great extent. Acuité believes that the company's ability to sustain revenue growth and profitability would remain a key rating sensitivity.

Weaknesses

Moderate financial risk profile

The company's financial risk profile remains moderate, marked by improving net worth, higher gearing, and moderate debt protection metrics. The net worth of the company improved and stood at Rs. 28.56 Cr. in FY25 (provisional) as against Rs. 18.30 Cr. in FY24. The improvement is mainly due to accretion of profits to reserves. The total debt of SIL stood at Rs. 218.87 Cr in FY25 (prov.) as compared to Rs. 130.91 Cr. in FY24. The interest coverage ratio (ICR) and debt service coverage ratio (DSCR) stood at 5.41 times and 1.34 times respectively in FY25 (Prov), compared to 2.85 and 1.08 times in FY24. The gearing level rose to 7.66 times from 7.15 times, reflecting higher debt levels which are mainly in the form of unsecure loans taken from the group companies. TOL/TNW stood high at 9.76 times in FY25 (Provisional) from 17.29 times in FY24. NCA/TD declined to 0.15 times in FY25 (provisional) from 0.19 times in FY24. Acuité expects the financial risk profile to remain moderate over the medium term, supported by scale expansion and debt-funded capex.

Exposure to high regulatory risk

Indian liquor industry is a highly government regulated industry, with regulations ranging from licensing, production, distribution, inter-state exports, raw material availability and advertisements. There have been continuous regulatory changes in terms of state government's policies towards liquor consumption. The industry is expected to remain highly regulated by the government going forward, exposing the business risk profile to adverse regulatory changes. Furthermore, players within the industry are susceptible to high excise duties. Acuité believes that any government regulation could have significant impact on the operating income and profitability of the company.

Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the "CE" suffix)
Acuite takes into consideration the benefit derived by personal guarantee from the promoter Mr. Pradeep Agarwal and letter of comfort from Superior group (Superior Drinks Private Limited, Narmada Drinks Private limited, Indo European Breweries Limited and Udaipur Beverages Limited).
Stress Case Scenario
While the rating has been derived on the standalone credit risk profile, in case of any stress case scenario, the required support would come from Superior Group in the form of unsecured loans.

Rating Sensitivities
Significant and sustainable improvement in the scale of operations and profitability
Any deterioration in working capital cycle and liquidity profile of the company.
Change in financial risk profile

Liquidity Position
Adequate

The liquidity position of the company is adequate, with net cash accruals of 31.48 Cr as on March 31, 2025 (Provisional), against debt repayment obligations of 21.78 Cr during the same period. The current ratio stood at 0.55 times in FY25 (Provisional), compared to 0.85 times in FY24. Fund-based limits remained highly utilized at ~ 99.50 per cent over the 6 months ended August 2025. The company maintained unencumbered cash and bank balances of ~9 Cr as on March 31, 2025 (Provisional).

Outlook: Stable

Other Factors affecting Rating
None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	361.65	335.48
PAT	Rs. Cr.	10.26	(2.29)
PAT Margin	(%)	2.84	(0.68)
Total Debt/Tangible Net Worth	Times	7.66	7.15
PBDIT/Interest	Times	5.41	2.85

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- https://www.acuite.in/view-rating-criteria-52.htm
- Manufacturing Entities: https://www.acuite.in/view-rating-criteria-59.htm
- Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm
- Group And Parent Support: https://www.acuite.in/view-rating-criteria-47.htm

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
28 Jun 2024	Secured Overdraft	Long Term	15.00	ACUITE BBB- | Stable (Upgraded from ACUITE BB- | Stable)
	Proposed Long Term Bank Facility	Long Term	18.58	ACUITE BBB- | Stable (Upgraded from ACUITE BB- | Stable)
	Secured Overdraft	Long Term	10.00	ACUITE BBB- | Stable (Upgraded from ACUITE BB- | Stable)
	Cash Credit	Long Term	12.00	ACUITE BBB- | Stable (Upgraded from ACUITE BB- | Stable)
	Term Loan	Long Term	21.00	ACUITE BBB- | Stable (Upgraded from ACUITE BB- | Stable)
	Term Loan	Long Term	46.90	ACUITE BBB- | Stable (Upgraded from ACUITE BB- | Stable)
31 Mar 2023	Term Loan	Long Term	31.01	ACUITE BB- | Stable (Downgraded from ACUITE BBB | Stable)
	Secured Overdraft	Long Term	15.00	ACUITE BB- | Stable (Downgraded from ACUITE BBB | Stable)
	Proposed Long Term Bank Facility	Long Term	7.47	ACUITE BB- | Stable (Downgraded from ACUITE BBB | Stable)
	Term Loan	Long Term	60.00	ACUITE BB- | Stable (Downgraded from ACUITE BBB | Stable)
	Secured Overdraft	Long Term	10.00	ACUITE BB- | Stable (Downgraded from ACUITE BBB | Stable)
02 Nov 2022	Term Loan	Long Term	31.01	ACUITE BBB | Stable (Reaffirmed)
	Secured Overdraft	Long Term	15.00	ACUITE BBB | Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	7.47	ACUITE BBB | Stable (Reaffirmed)
	Term Loan	Long Term	60.00	ACUITE BBB | Stable (Reaffirmed)
	Secured Overdraft	Long Term	10.00	ACUITE BBB | Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Yes Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	23.00	Simple	ACUITE BBB- | Stable | Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.89	Simple	ACUITE BBB- | Stable | Reaffirmed
Yes Bank Ltd	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE BBB- | Stable | Reaffirmed
ICICI Bank Ltd	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE BBB- | Stable | Reaffirmed
ICICI Bank Ltd	Not avl. / Not appl.	Term Loan	22 Oct 2024	Not avl. / Not appl.	22 Oct 2032	40.58	Simple	ACUITE BBB- | Stable | Reaffirmed
Yes Bank Ltd	Not avl. / Not appl.	Term Loan	18 Oct 2018	Not avl. / Not appl.	01 Jul 2026	9.12	Simple	ACUITE BBB- | Stable | Reaffirmed
Yes Bank Ltd	Not avl. / Not appl.	Term Loan	23 Aug 2021	Not avl. / Not appl.	31 Aug 2027	32.89	Simple	ACUITE BBB- | Stable | Reaffirmed
ICICI Bank Ltd	Not avl. / Not appl.	Term Loan	22 Oct 2024	Not avl. / Not appl.	22 Oct 2032	8.42	Simple	ACUITE BBB- | Stable | Assigned

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr.No	Company Name
1	Superior Industries Limited
2	Narmada Drinks Private Limited
3	Udaipur Beverages Limited
4	Superior Drinks Private Limited
5	Indo European Breweries Limited

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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