

Date: October 01, 2025

To,
Secretary
Listing Department
BSE Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400001

National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra – Kurla Complex,
Bandra (E),
Mumbai – 400 051

BSE Scrip Code: 539199

NSE Symbol: SGFIN

Dear Sir/Madam,

Sub: Intimation of confirmation of Credit Rating Outlook from Positive to Stable

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we wish to inform you that **CRISIL Limited**, vide its letter dated September 30, 2025, has confirmed the credit rating for the Bank Loan Facilities of **Rs. 1000 crore** of **SG Finserve Limited**.

Further, CRISIL Ratings has informed about the conversion of rating outlook for all Bank Loan Facilities from **Positive to Stable** and has reaffirmed the rating for the balance Bank Loan Facilities.

The details of the ratings assigned/reaffirmed are as follows:

Long Term-Fund based/Non-fund based bank facilities	Rs. 1000 crore, Crisil AA (CE)/ Stable (Rating outlook Converted from Positive to Stable for Rs. 1000 Crore)
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The report from the credit rating agency covering the rationale for credit rating dated September 30, 2025 is enclosed. This is for your kind information and records.

We request you to kindly take the above information on your record.

Thanking You,

Yours faithfully,
For SG Finserve Limited

Sorabh Dhawan
Chief Executive Officer

SG Finserve Limited

(CIN: L64990DL1994PLC057941)

Regd. Office: 37, Hargobind Enclave, Vikas Marg, East Delhi, Delhi-110092

Corporate Office: - 35-36, Kaushambi, Near Anand Vihar Terminal, Ghaziabad, Uttar Pradesh – 201010, Ph. No.:- 0120-4041400

E-mail: info@sgfinserve.com, Website: www.sgfinserve.com

Rating Rationale

September 30, 2025 | Mumbai

SG Finserve Limited

Rating outlook revised to 'Stable'; Ratings Reaffirmed

Rating Action

Total Bank Loan Facilities Rated	Rs.1000 Crore
Long Term Rating ^{&}	Provisional Crisil AA (CE) /Stable (Outlook revised from 'Positive'; Rating Reaffirmed)
Long Term Rating	Crisil AA (CE) /Stable (Outlook revised from 'Positive'; Rating Reaffirmed)

& A prefix of 'Provisional' indicates that the rating centrally factors in the strength of specific structures, and is contingent upon occurrence of certain steps or execution of certain documents by the issuer, as applicable, without which the rating would either have been different or not assigned ab initio. This is in compliance with a May 6, 2015 directive 'Standardizing the term, rating symbol, and manner of disclosure with regards to conditional/ provisional/ in-principle ratings assigned by credit rating agencies' by Securities and Exchange Board of India (SEBI) and April 27, 2021 circular 'Standardizing and Strengthening Policies on Provisional Rating by Credit Rating Agencies (CRAs) for Debt Instruments' respectively by SEBI.

Note: None of the Directors on Crisil Ratings Limited's 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.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has revised its outlook on the long-term bank facilities of SG Finserve Limited (SG Finserve) to '**Stable**' from 'Positive' while reaffirming the rating at '**Provisional Crisil AA (CE) /Crisil AA (CE)**'.

The revision in outlook is on account of similar action on Crisil Rating's view of credit risk profile of S Gupta Holding Pvt Ltd (SGHPL; formerly known as APL Infrastructure Pvt. Ltd), holding company of APL Apollo Tubes Ltd. This is because the provisional rating on SG Finserve is primarily based on the strength of an unconditional and irrevocable corporate guarantee backed by a defined payment mechanism by SGHPL and the expectation that SGHPL will be able to honor its obligations if there is a devolvement of corporate guarantee.

While SGHPL has sufficient financial flexibility by way of 26.61% stake in APL Apollo Tubes Ltd (AATL) as on June 30, 2025, translating into a market value of Rs ~12,364 crore, as on September 26, 2025, the debt cover (market value of investments/debt cap) may reduce in near to medium term, amidst expectation of increase in SGHPL's overall borrowings (including guaranteed debt being extended to group entities).

The rating continues to consider high strategic importance of SG Finserve to the overall group. The same was also evident from Rs. 450 crore of unsecured loan given by the promoters in June 2024 (which was repaid in January 2025) and Rs. 450 crores of fresh equity warrants issued in October 2024 in the Company. Crisil Ratings expects managerial, operation and financial support from the group to SG Finserve to continue over the medium term. Moreover, the ratings also factor in comfortable capitalisation of the company with net worth of Rs 1042 crore as on June 30, 2025. These strengths are partially offset by company's nascent stage of operations.

Analytical Approach

Crisil Ratings has considered the standalone business and financial risk profiles of SG Finserve along with expectation of strong support from SGHPL. The ratings are based on Crisil Ratings' criteria for rating instruments backed by guarantees. The 'CE' (credit enhanced) suffix reflects the payment structure, which is designed to ensure full and timely payment to lenders on account of the corporate guarantee by SGHPL.

Key Rating Drivers - Strengths

Continuing, unconditional and irrevocable corporate guarantee by SGHPL

The credit-enhanced ratings of SG Finserve are based on an unconditional, continuing, and irrevocable guarantee from SGHPL. The payment structure is designed to ensure full and timely payment to the lender. The proposed guarantee also contains clear mechanism for ensuring repayments to the lenders on the due date by way of well-defined structure. The proposed structure entails that for its term loan facilities, SG Finserve shall fund the repayment account 1 (one) day prior to the due date failing which the guarantee will be invoked on the due date and the guarantor shall immediately pay the dues to the Bank. Further, for the working capital facilities, the Bank shall invoke the guarantee not later than 25th day of the facilities being overdue or unpaid and the guarantor shall within one working day of such invocation, pay the dues to the Bank. Effectively, the guarantor, SGHPL, will pay, on the due date, any amount due and payable by SG Finserve in relation to these instruments, in case of any shortfall in account balance one day prior to debt repayment date by SG Finserve. The guarantee and undertaking together cover the principal, interest and other amounts payable under the loan. The provisional rating is based on the confirmation by the company to share the required documents in line with the structure submitted to Crisil Ratings, post which the provisional rating will be converted into a final rating.

Strategic importance to the APL Apollo group

SGHPL is a holding company with 26.61% stake in AATL as of June 30, 2025 (with market value of Rs ~12,364 crore, as on September 26, 2025). The APL group has a vintage of over 30 years. Since SGHPL is purely a holding company, the group draws strength from its strongest operating company, AATL. AATL with its 11 manufacturing units and geographical diversity, is the largest and the fastest growing ERW steel tubes/ structural products manufacturers in India, with current production capacity of 45 lakhs metric tonnes per annum (MTPA). AATL earned profit after tax (PAT) of Rs. 193.2 crore on total income of ~Rs 4974 crore for the first

quarter of fiscal 2026 as against PAT of Rs. 757 crore on total income of ~Rs 20,689 crores in fiscal 2025. AATL remains a financially strong company with strong capital structure reflected by gearing of 0.14 times as on March 31, 2025. The strategic importance of SG Finserve to the overall group remains very high. The same was also evident from Rs. 450 crore of unsecured loan given by the promoters (which was repaid in January 2025) and Rs. 450 crore of fresh equity warrants issued in October 2024 in the company.

SG Finserve will continue to be engaged in the activities of channel financing for the dealers of AATL, other large corporates and industry leaders in their respective sectors. Further, it will also provide credit facilities to the creditors of AATL. In addition to the proposed corporate guarantee to be given by SGHPL to SG Finserve, it will also benefit by way of a Letter of Comfort for stop supply arrangement from AATL.

Moreover, SG Finserve is expected to continue to have strong operational synergies with AATL and its subsidiaries. SG Finserve has also integrated its systems with AATL to get timely data on the sales done to the dealers and the overall outstanding, also a stop-supply arrangement is maintained, wherein the supply to the dealer will stop in case there is overdue. Further, the promoters will continue to hold majority stake in SG Finserve over the long term.

Comfortable capitalisation metrics

Post the acquisition, the promoters and investors have infused Rs 822.5 crore of equity (including Rs. 112.5 crore received on October 25, 2024) in the company till date. Over the longer term, the promoters are expected to continue to hold the majority and controlling stake in the company. The company's networth stood comfortably at Rs 1042 crore as on June 30, 2025, and Rs 1015 crore as on March 31, 2025. The capitalization is also supported by healthy cash accruals as reflected through PAT of Rs 25 crore with return on net worth of 9.5% in the first quarter of fiscal 2026 and PAT of Rs 81 crore with and return on net worth of 7.98% for fiscal 2025.

Nevertheless, Crisil Ratings expects timely capital infusion from promoters to continue to support growth and in the event of distress. The company plans to avail external borrowings to support growth plan. On a steady state basis, the gearing metrics for the company are expected to remain under 3 times.

Key Rating Drivers - Weakness

Nascent stage of operations with limited seasoning

SG Finserve started its operations in September 2022. The company's loan book has reached Rs 1,891 crore as of December 31, 2023. However, the company had then scaled down its operations last year till September 2024 with AUM of Rs 822 crore, following the pending conversion of its license category. Post conversion of license in October 2024, business resumed with company achieving AUM of Rs 2,246 crore as on March 31, 2025, and Rs 2,504 crore as on June 30, 2025.

SG Finserve is engaged in the activities of channel financing for the dealers of AATL, other large corporates and industry leaders in their respective sectors. Further, AATL has a vintage of these dealers for over 3 decades and for the last decade, the bad debts within AATL have remained within 0.2%. Crisil Ratings believes that the NBFC will continue to benefit from the established track record of the group. Consequently, delinquencies are expected to remain under control (currently it remains nil). However, given the lending segment of the company and nascent stage of business, the company remains exposed to concentration risk. Any higher than anticipated uptick in the asset quality metrics will remain a key monitorable.

Liquidity: Strong

The asset liability management (ALM) as on June 30, 2025, shows no cumulative negative mismatches upto 1 year maturity bucket (the inflows include existing bank limits). As on August 31, 2025, SG Finserve has unencumbered liquidity of ~Rs 344 crore in form of cash and equivalents, investments in liquid assets and unutilized CC/OD lines, which is sufficient to cover more than 1 month of outflows (debt and operating expense).

Outlook: Stable

Crisil Ratings believe SG Finserve will continue to receive strong support from SGHPL. The rating will remain sensitive to any change in Crisil Rating's view on SGHPL.

Rating sensitivity factors

Upward factors:

- Improvement in the credit profile of SGHPL.

Downward factors:

- Weakening in the credit profile of SGHPL.
- Non-adherence to the terms and conditions of transaction structure/payment mechanism.

Adequacy of credit enhancement structure

The guarantee that is proposed to be provided by SGHPL is unconditional and irrevocable and will cover the entire rated amount for bank loans. The payment structure is designed to ensure full and timely payment to the lender. The proposed guarantee also contains clear mechanism for ensuring repayments to the lenders on the due date by way of well-defined structure. The proposed structure entails that SG Finserve, fund the repayment account at least at 't-1' (t being the due date) days prior to the due date, failing which guarantee can be invoked by lenders and SGHPL will have to fund the account by 't', thus ensuring the repayments happen on due date.

Unsupported ratings: Crisil A+

Crisil Ratings has introduced the suffix CE for instruments having explicit credit enhancement feature in compliance with the Securities and Exchange Board of India circular dated June 13, 2019.

Key drivers for unsupported ratings

For arriving at the unsupported ratings, Crisil Ratings has considered the standalone business and financial risk profiles of SG Finserve. Crisil Ratings has also applied its group notch-up framework to factor in the extent of support available from APL Apollo Tubes group.

The ratings factor in strategic importance of SG Finserve to the APL Apollo group's flagship company, AATL and the strong financial flexibility of the promoters. The ratings also reflect the high operational linkages with AATL, since SG Finserve caters to the dealers and suppliers of AATL. However, the rating is largely constrained by its nascent stage of operations.

Additional disclosures for the provisional rating

Crisil Ratings is yet to receive the following documents and understands from the issuer that the same are in the process of being executed shortly:

- Executed guarantee deed
- Loan agreement

The provisional rating shall be converted into a final rating after receipt of transaction documents duly executed within 90 days from the date of issuance of the instrument.

The final rating assigned after conversion shall be consistent with the available documents. In case of non-receipt of the duly executed transaction documents within the above-mentioned timelines, Crisil Ratings may grant an extension of up to 90 days, in line with its policy on provisional ratings

Rating that would have been assigned in the absence of the pending documentation

In the absence of pending documentation considered while assigning provisional rating as mentioned above, Crisil Ratings would have assigned a rating of 'Crisil A+'.

Risks associated with the provisional rating:

The 'Provisional' prefix indicates that the rating is contingent on occurrence of certain steps or execution of certain documents by the issuer, as applicable. If the documents received and/or completion of steps deviate significantly from the expectations, Crisil Ratings may take an appropriate action, including placing the rating on watch or changing the rating/outlook, depending on the status of progress on a case to case basis. In the absence of the pending steps / documentation, the rating on the instrument would not have been assigned ab initio.

About the Company

SG Finserve, originally known as Moongipa Securities Limited, was established in 1994. The promoters of APL Apollo group, namely Mr. Rahul Gupta and Mr. Rohan Gupta, acquired 56.25% stake in SG Finserve on August 20, 2021, post which an open offer was made which concluded on July 22, 2022. The entity was having Type I NBFC license until September 25, 2024 which was later converted into Type II NBFC license on October 3, 2024.

About the Guarantor

Operating since 2006, S Gupta Holding Private Limited (formerly known as APL Infrastructure Private Limited) is a holding company with limited operations in the APL Group. SGHPL enjoys healthy financial flexibility from its stake in APL Apollo Tubes Limited (valued of Rs 12,364 crore, as on September 26, 2025). The company derives majority of its business from trading of shares and steel pipes, as well as dividend from subsidiaries and rental income. The APL group has been in business for over 30 years.

About the Group

Established in 1986, APL Apollo is the largest and one of the fastest growing ERW steel tubes/structural products manufacturers in India, with a current production capacity of 41 lakhs MTPA. The company is a part of the Sudesh group and is promoted by Mr. Sanjay Gupta.

Currently, APL Apollo has 11 manufacturing facilities, with 3 plants in Sikandrabad (Uttar Pradesh); 1 each in Hosur (Tamil Nadu), Murbad (Maharashtra), Hyderabad (Telangana), UAE; and 2 plants in Bangalore (Karnataka) and Raipur (Chhattisgarh). It has also established a wide 3-tier distribution network with around 800+ dealers.

Key Financial Indicators

As on/for the period ended	Unit	Jun-25	Mar-25	Mar-24	Mar-23
Total assets	Rs crore	2746	2,416	1779.4	1,079.2
Total income	Rs crore	68	171	189.7	42.0
PAT	Rs crore	25	81	78.6	18.4
90+ dpd	%	0	0	0	0
Gearing	Times	1.6	1.4	1.2	0.9
Return on managed assets	%	3.8*	3.9	5.5	3.3

*Ratios for June 2025 is annualized

List of covenants

- The guarantor irrevocably and unconditionally hereby agree and give consent that, for its term loan facilities, SG Finserve shall fund the repayment account 1 (one) day prior to the due date failing which the guarantee will be invoked on the due date and the guarantor shall immediately pay the dues to the Bank. Further, for the working capital facilities, the Bank shall invoke the guarantee not later than 25th day of the facilities being overdue or unpaid and the guarantor shall within one working day of such invocation, pay the dues to the Bank. In the event of the Guarantor(s) failure to pay to the Bank the said dues forthwith on demand made by the Bank then in such event, the aforesaid amount shall bear and carry interest at the rate of 18% per annum or such other rate as the Bank may in its absolute discretion stipulate, from the date of demand till payment by the Guarantor(s).
- Notwithstanding anything contained in the guarantee deed, the non-issuance of demand notice or the lender not invoking the guarantee shall not absolve the obligations of the guarantor to pay its obligation on the payment date and even if bank has not issued the demand notice / invoked the guarantee as per clause (b) above, the guarantor shall pay its obligation forthwith and in any case on or before the payment date in the event of failure on the part of the issuer/borrower in repaying the same to the bank (acting for itself and on behalf of and for the benefit of the lender) on payment date/due date.
- The Guarantor shall at all times until the expiry of the Final Settlement Date, except as may otherwise be agreed in writing by the lender, undertake to ensure that all loans from shareholders including, without limitation, any payments in relation thereto shall at all times until the expiry of the Final Settlement Date be subordinated to the lender;
- Without the prior written approval of the lender (acting in accordance with Approved Instructions), the Guarantor shall not, at all times until the Obligations are outstanding, (whether directly or indirectly), change the name of the Issuer, without the consent of the lender (acting in accordance with the Approved Instructions); and undertake any Change of Control.

Any other information: Not Applicable

Note on complexity levels of the rated instrument:

Crisil Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings' complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Working Capital Demand Loan	NA	NA	NA	875.00	NA	Crisil AA (CE) /Stable
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	34.00	NA	Provisional Crisil AA (CE) /Stable
NA	Term Loan	NA	NA	31-Mar-26	40.00	NA	Crisil AA (CE) /Stable
NA	Term Loan	NA	NA	13-Jun-26	51.00	NA	Crisil AA (CE) /Stable

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2025 (History)		2024		2023		2022		Start of 2022
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	
Fund Based Facilities	LT	1000.0	Provisional Crisil AA (CE) /Stable, Crisil AA (CE) /Stable	24-07-25	Provisional Crisil AA (CE) /Positive, Crisil AA (CE) /Positive	04-11-24	Provisional Crisil AA (CE) /Positive	29-09-23	Provisional Crisil AA (CE) /Positive, Crisil AA (CE) /Positive / Crisil A1+	21-10-22	Provisional Crisil AA (CE) /Stable / Crisil A1+	--
			--	25-04-25	Provisional Crisil AA (CE) /Positive, Crisil AA (CE) /Positive	23-07-24	Withdrawn	04-07-23	Provisional Crisil AA (CE) /Positive, Crisil AA (CE) /Positive / Crisil A1+	--	--	
			--	16-04-25	Provisional Crisil AA (CE) /Positive, Crisil AA (CE) /Positive	02-01-24	Crisil AA (CE) /Positive, Provisional Crisil AA (CE) /Positive / Crisil A1+	20-03-23	Crisil AA (CE) /Stable / Crisil A1+	--	--	
			--	21-03-25	Provisional Crisil AA (CE) /Positive, Crisil AA (CE) /Positive	--	--	13-01-23	Provisional Crisil AA (CE) /Stable / Crisil A1+	--	--	
Commercial Paper	ST		--	--	23-07-24	Withdrawn	29-09-23	Crisil A1+	--	--	--	
			--	--	02-01-24	Crisil A1+	04-07-23	Crisil A1+	--	--		
			--	--	--	--	20-03-23	Crisil A1+	--	--		
			--	--	--	--	13-01-23	Crisil A1+	--	--		

All amounts are in Rs. Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Proposed Long Term Bank Loan Facility	34	Not Applicable	Provisional Crisil AA (CE) /Stable
Term Loan	40	Aditya Birla Finance Limited	Crisil AA (CE) /Stable
Term Loan	51	The South Indian Bank Limited	Crisil AA (CE) /Stable
Working Capital Demand Loan	100	HDFC Bank Limited	Crisil AA (CE) /Stable
Working Capital Demand Loan	150	ICICI Bank Limited	Crisil AA (CE) /Stable
Working Capital Demand Loan	300	HDFC Bank Limited	Crisil AA (CE) /Stable

Working Capital Demand Loan	100	Union Bank Of India Limited	Crisil AA (CE) /Stable
Working Capital Demand Loan	100	Axis Bank Limited	Crisil AA (CE) /Stable
Working Capital Demand Loan	125	Bank of Baroda	Crisil AA (CE) /Stable

Criteria Details

Links to related criteria
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for Finance and Securities companies (including approach for financial ratios)
Criteria for factoring parent, group and government linkages

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