



Press Release
RADHA MARKETING
July 23, 2025
Rating Assigned, Reaffirmed and Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	17.21	ACUITE BBB+ Negative Assigned	-
Bank Loan Ratings	104.70	ACUITE BBB+ Negative Reaffirmed Stable to Negative	-
Bank Loan Ratings	1.01	-	Not Applicable Withdrawn
Total Outstanding Quantum (Rs. Cr)	121.91	-	-
Total Withdrawn Quantum (Rs. Cr)	1.01	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of 'ACUITE BBB+' (read as ACUITE Triple B Plus) on the Rs. 104.70 crore bank facilities of Radha Marketing (RM). The outlook is revised from 'Stable' to 'Negative'.

Acuite has also assigned the long-term rating of 'ACUITE BBB+' (read as ACUITE Triple B Plus) on the Rs. 17.21 crore enhanced facilities of Radha Marketing (RM). The outlook is 'Negative'.

Acuite has also withdrawn the Rs. 1.01 crore short term facility without assigning any rating as it is a proposed facility. The rating is being withdrawn on account of request received from the Company. The rating withdrawal is in accordance with Acuite's policy on withdrawal of ratings as applicable to the respective facility / instrument.

Rationale for Rating

The revision in the outlook from "Stable" to "Negative" reflects deterioration in operating performance and elongation of the working capital cycle. The rating reaffirmation reflects Radha Marketing's established operational track record in the Alco-Bev industry. It also factors in the subdued revenues and profitability and moderate financial risk profile, marked by moderate net worth, gearing, and average debt protection metrics. However, the rating is constrained by the highly regulated nature of the Alco-Bev industry and capital withdrawal risk associated with the partnership firm.

About the Company

Radha Marketing, established in 1997 in Mumbai, began as a proprietorship and transitioned into a partnership in 2013 between Mr. Pratik Kishnani and Ms. Nikita Kishnani. A family-run business, it operates independently under their leadership, with strategic guidance from their father, Mr. Vinod Kishnani, a veteran in liquor trading. The firm is an authorized distributor for major alcohol brands like AB-InBev, Radico Khaitan, and Bacardi, serving central and western Mumbai.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has taken a standalone view of the business and financial risk profile of RM to arrive at the rating.

Key Rating Drivers

Strengths

Established Track Record of Operations and Experienced Management

Radha Marketing, operational since 1997, has built a strong track record in its line of business. The firm is led by Mr. Pratik Kishnani and Ms. Nikita Kishnani, who bring over two decades of experience in the beer and alcohol industry. Their expertise has enabled the firm to cultivate robust relationships with both customers and suppliers. During the year, Radha Marketing expanded its product portfolio and widened its distribution network within Mumbai. Acuite believes that the firm will continue to benefit from the partners' established industry presence, which is expected to support an improvement in its business risk profile over the medium term.

Moderate Financial Risk Profile

Radha Marketing has a moderate financial risk profile, characterized by moderate net worth, moderate gearing, and average debt protection metrics. RM's net worth stood at Rs. 54.44 crore as on March 31, 2025 (Prov.) compared to Rs. 50.41 crore as on March 31, 2024. The company's gearing was 1.87 times as on March 31, 2025 (Prov.) as against 2.05 times as on March 31, 2024. As on March 31, 2025 (Provisional), the total debt stood at Rs. 101.81 crore, compared to Rs. 103.21 crore as on March 31, 2024. The FY25 (Provisional) debt comprises long-term debt of Rs. 0.75 crore, short-term debt of Rs. 99.62 crore, and maturing debt obligations of Rs. 1.44 crore. The interest coverage ratio (ICR) deteriorated and stood at 2.01 times in FY25 (Prov.) compared to 2.57 times in FY24. Debt service coverage ratio (DSCR) also deteriorated marginally and stood at 1.54 times in FY2025 (Prov.) as against 1.92 times in FY2024. Acuite believes that, the financial risk profile of the firm would remain moderate over the medium term.

Weaknesses

Moderation in Sales and Profitability

The firm's revenue moderated to Rs. 414.06 crore in FY25 (Prov.), down from Rs. 510.69 crore in FY24. This decline was primarily due to a disruption in product supply, despite sustained demand. The firm's operating profit margin slightly improved to 4.70 per cent in FY25 (Prov.), compared to 4.65 per cent in FY24. However, the PAT margin declined to 2.42 per cent in FY25 (Prov.) from 2.94 per cent in FY24. Acuite believes that the firm's medium to long term performance will be supported by improved product availability, favourable regulatory developments, and sustained demand growth.

Moderately intensive working capital operations

Radha Marketing has moderately intensive working capital operations, with average gross current asset (GCA) elongated and stood at 133 days in FY2025 (Prov.) as compared to 116 in FY2024, mainly due to an increase in inventory days which have increased to 66 days in FY2025 (Prov.) from 57 days in FY2024. Debtor days remained stable at 44 days in FY25 (Prov.). The average credit period extended to customers is around 60 days. Creditor days stood at 7 days in FY25 (Prov.) compared to 15 days in FY24. Most purchases are made on an advance payment basis, though some credit is received from suppliers at the end of March 2025. Acuite believes the operations of the firm would remain working capital intensive, driven by high inventory levels.

Highly regulated nature of business

The alcohol industry in India operates under stringent regulations. The movement of liquor between states is governed by diverse tax laws and numerous regulatory requirements, making interstate sales and distribution particularly challenging.

Capital withdrawal risk associated with Partnership firms

Being a partnership firm, Radha Marketing is exposed to the risk of capital withdrawal. Acuite believes that any significant withdrawal of capital by the partners could adversely impact the firm's financial risk profile and will therefore remain a key rating monitorable.

Rating Sensitivities

- Consistent improvement in Revenue with Sustainability of Profitability Margins
- Any Further Deterioration in Financial Risk Profile and Liquidity
- Any Further Elongation in the Working Capital Cycle

Liquidity Position

Adequate

Liquidity is adequately supported by RM's net cash accruals, which stood at Rs. 10.14 crore as of March 31, 2025 (Prov.), against a debt repayment obligation of Rs. 3.08 crore. The firm's cash and bank balances were Rs. 2.52 crore as of March 31, 2025 (Prov.). The current ratio stood at 1.48 times as of March 31, 2025 (Prov.). Working

capital operations remained moderately intensive, as reflected in gross current asset (GCA) days of 133 for FY2025 (Prov.) compared to 116 in FY2024, due to higher inventory levels. The firm has also availed an additional Rs. 20.00 crore cash credit facility to meet working capital needs. The average bank limit utilization for the six-month period ending May 2025 stood at 98.71 per cent for fund-based limits.

Outlook: Negative

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	414.06	510.69
PAT	Rs. Cr.	10.02	15.01
PAT Margin	(%)	2.42	2.94
Total Debt/Tangible Net Worth	Times	1.87	2.05
PBDIT/Interest	Times	2.01	2.57

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>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite 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
24 Apr 2024	Proposed Short Term Bank Facility	Short Term	1.01	ACUITE A2 (Assigned)
	Cash Credit	Long Term	10.00	ACUITE BBB+ Stable (Assigned)
	Covid Emergency Line.	Long Term	1.11	ACUITE BBB+ Stable (Assigned)
	Covid Emergency Line.	Long Term	3.59	ACUITE BBB+ Stable (Assigned)
	Cash Credit	Long Term	90.00	ACUITE BBB+ Stable (Reaffirmed)
25 Jan 2023	Cash Credit	Long Term	64.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Cash Credit	Long Term	26.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
09 Dec 2022	Cash Credit	Long Term	64.00	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	26.00	ACUITE BBB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	100.00	Simple	ACUITE BBB+ Negative Reaffirmed Stable to Negative
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.79	Simple	ACUITE BBB+ Negative Reaffirmed Stable to Negative
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	17.21	Simple	ACUITE BBB+ Negative Assigned
Punjab National Bank	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	31 Oct 2026	1.91	Simple	ACUITE BBB+ Negative Reaffirmed Stable to Negative
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.01	Simple	Not Applicable Withdrawn

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About Acuité Ratings & Research

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