



Press Release
MONIKA ALCOBEV LIMITED
January 20, 2026
Rating Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	32.00	ACUITE BBB Stable Upgraded	-
Bank Loan Ratings	10.00	-	ACUITE A3+ Upgraded
Total Outstanding Quantum (Rs. Cr)	42.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded the long term rating to '**ACUITE BBB**' (Read as **ACUITE Triple B**) from '**ACUITE BBB-**' (Read as **ACUITE Triple B Minus**) on Rs.32 crore bank facilities and short term rating to '**ACUITE A3+**' (Read as **ACUITE A three Plus**) from '**ACUITE A3**' (Read as **ACUITE A three**) on Rs.10 crore bank facilities of Monika Alcobev Limited. The Outlook is "Stable".

Rationale for upgrade:

The rating upgrade reflects the company's continuous topline growth driven by addition of new products and brands and registering itself for different products in different states basis the demand scenario in FY25 and in present FY26. In FY25, margins have improved owing to better absorption of marketing costs. The financial risk profile remains healthy and has strengthened post successful IPO issuance, thus increasing net worth, reduced gearing, and comfortable debt protection metrics. Working capital management has improved through deployment of IPO proceeds and reduced reliance on external borrowings, supporting adequate liquidity. However, efficient working capital management and any changes in government regulations will remain key monitorable.

About the Company

Monika Alcobev Limited (formerly Monika Enterprises) is a leading supplier of premium and luxury foreign liquor brands in India, including the Indian Subcontinent and duty-free markets. The company holds exclusive rights to sell multinational liquor brands across all categories and manages the entire value chain—storage, sales, marketing, and distribution. Over the past 13 years, MAL has emerged as one of India's major importers and representatives of international spirits, growing to a workforce of 200+ employees with branches in Mumbai, Delhi, Bangalore, and Goa.

Unsupported Rating

Not Applicable.

Analytical Approach

Acuite has taken a standalone view of the business and financial risk profile of Monika

Alcobeve Limited (MAL) to arrive at the rating.

Key Rating Drivers

Strengths

Established track record and experienced management

MAL is in the business of imported liquor, offering a portfolio of premium and luxury alcoholic beverages. It deals in importing, marketing, sales, and distribution of luxury spirits, wines, and liqueurs, and has an active presence in Travel Retail Duty-Free operations. The Directors of the company are Mr. Bhimji Nanji Patel, Mr. Kunal Bhimji Patel, Ms. Jagruti Prashant Sheth, Mr. Samir Kumar Das and Mr. Ghanshyam Vijaykumar Vyas. The company is geographically diversified into states such as Maharashtra, Karnataka, Goa, Haryana, Telangana, Acuite believes that Monika Alcobev Ltd will continue to benefit from its established track record of operations and experience management over the medium term.

Growth in Scale of operations:

MAL reported revenue growth of 24.81% in FY25, increasing to Rs.236.15 crore from Rs.189.20 crore in FY24, supported by the introduction of new product categories, expanding demand for premium and luxury liquor brands, and the addition of new brands. The company has already achieved Rs.116.87 crore in 6MFY26 compared to Rs.84.31 crore in 6MFY25, indicating sustained growth momentum. MAL's focus remains on the domestic market, contributing 92.84% of revenue, with Maharashtra and Haryana accounting for 45–50%, alongside exports to Asian countries. Operating profitability improved to 19.83% in FY25 from 17.51% in FY24 due to lower marketing expenses as brand presence strengthened, while PAT margin also rose to 9.79% in FY 25 from 8.77% in FY 24. The company enjoys pricing flexibility on their products and also able to pass by forex fluctuations to customers despite no formal hedging policy, ensuring margin stability. Acuite believes that Operational performance of the MAL will improve backed by visible revenue traction during 6MFY26 and also healthy profitability.

Moderate Financial Risk Profile:

MAL's financial risk profile remains moderately healthy, supported by increasing networth, improved gearing and stable debt protection metrics. Net worth rose to Rs.95.82 crore in FY25 from Rs.58.31 crore in FY24, aided by equity infusion and reserves accretion, which led to gearing improving to 1.82x in FY25 from 2.11x in FY24. Debt protection metrics stood comfortable, with ICR and DSCR remaining comfortable at 2.86x and 2.26x in FY 2025, respectively, while TOL/TNW and Debt/EBITDA stood at 2.38x and 3.52x in FY 25. The IPO in July 2025, raising Rs.137.03 crore (net Rs.119.85 crore), further strengthened the capital structure, with proceeds deployed for working capital and prepayment of long-term debt. Acuite believes the financial risk profile will improve further on account of better gearing, reduced interest costs, and the absence of major capex plans.

Weaknesses

Intensive Working Capital Management:

MAL's operations remain highly working capital intensive, with GCA days increasing to 460 days in FY2025 from 392 days in FY2024, primarily due to elongated inventory holding and higher other current assets. Inventory days rose to 288 days in FY 25 from 200 days in FY 24, driven by significant stock build-up for deeper market penetration, import lead times of 90–120 days, and requirements to maintain stock with customs and state corporations. Stock in transit also contributed to the increase. Debtor days, though improved, remain high at 157 days in FY 25 versus 194 days in FY 24, owing to delayed realizations from state distributors and credit support to private distributors. Creditor days stood at 60 days in FY 25 against 43 days in FY 24 aligned with policy. Other current assets surged to Rs.51.59 crore from Rs.27.68 crore due to supplier advances and lien-marked deposits maturity less than 12 months. Acuite believes that working capital requirements to remain intensive over the medium term given the nature of operations and dependence on state distributors.

Government Regulatory Risks

The Indian alcohol industry is characterized by stringent regulations and is primarily regulated by the respective State Governments. Every state has its set of regulations with respect to

distribution and retail channels, registration, taxation and pricing of alcohol. Licenses to produce and bottles are particularly scarce and contract manufacturing is a well-established market entry strategy. Furthermore, players within the industry are susceptible to high excise duties; any adverse change in excise duties can weaken profitability, and consequently affect its credit risk profile.

Rating Sensitivities

1. Working capital Management
2. Movement in Topline and profitability
3. Any changes in Govt. Regulation

Liquidity Position

Adequate

Liquidity of MAL is adequate as the cash accruals generated of Rs. 24.35 Cr. in FY25 against the maturing debt obligation of Rs 1.14 Cr. during the same period. Further, the company is expected to generate net cash accrual in near to medium term ranging between Rs.30 to 40 crore against no significant long-term borrowing. The current ratio stood at 1.47 times in FY2025. Unsecured loans consist of current account balances of partners of predecessor partnership firm taken over as loan in the company. Further, NCA/TD (Net Cash Accruals to Total Debt) stood at 0.14 times in FY2025. The average bank limit for fund-based limits is 83% for 6 months ended Nov'25. Acuite believes that liquidity of the Company will remain adequate in the medium term.

Outlook: Stable

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	236.15	189.20
PAT	Rs. Cr.	23.11	16.60
PAT Margin	(%)	9.79	8.77
Total Debt/Tangible Net Worth	Times	1.82	2.11
PBDIT/Interest	Times	2.86	3.38

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
22 Oct 2024	Packing Credit	Short Term	10.00	ACUITE A3 (Upgraded from ACUITE A4+)
	Cash Credit	Long Term	7.00	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Cash Credit	Long Term	25.00	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
16 Aug 2024	Packing Credit	Short Term	10.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3)
	Cash Credit	Long Term	25.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Cash Credit	Long Term	7.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
24 May 2023	Packing Credit	Short Term	10.00	ACUITE A3 (Assigned)
	Cash Credit	Long Term	25.00	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	7.00	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
ICICI BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
KOTAK MAHINDRA BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	7.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
ICICI BANK LIMITED	Not avl. / Not appl.	Packing Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A3+ Upgraded (from ACUITE A3)

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About Acuité Ratings & Research

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