Press Release
CANDY SPIRITS PRIVATE LIMITED
January 30, 2026
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	43.00	ACUITE BBB+ | Stable | Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	43.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of **'ACUITE BBB+' (read as ACUITE triple B Plus)** on the Rs.43.00 Cr. bank facilities of Candy Spirits Private Limited (CSPL). The outlook is revised from **"Negative"** to **"Stable"**.

Rationale for rating

The revision in outlook takes into account the improved operating profitability as demonstrated by the EBITDA margin, which improved and stood at 1.30% in FY2025 as against 1.00% in FY2024. Moreover, the operating PBT margin of the group increased and stood at 0.50% in FY2025 as against 0.15% in FY2024. Further, the financial risk profile of the group remained moderate, marked by gearing below unity as on March 31, 2025, interest coverage ratio and debt service coverage ratio at 1.83 times and 1.63 times respectively as on March 31, 2025. The rating also factors in the adequate liquidity position of the group with sufficient accruals to repayments and moderate current ratio as well as efficient working capital operations as reflected by GCA days of 67 days as on March 31, 2025. However, the abovementioned strengths are partly offset by the decrease in operating income, which stood at Rs.1553.95 Cr. in FY2025 as against Rs.1777.61 Cr. in FY2024 on account of the decrease in sales volume of liquor cases since the group has closed its operations in West Bengal. The group has clocked Rs.763.30 Crore till H1 FY2026 as against Rs.711.84 Crore till H1 FY2025. Consequently, to bridge the gap caused by this closure, the group commenced operations in Rajasthan in August, 2025 (FY2026) along with existing operations in Mumbai and Goa, which are expected to support the revenue and profitability of the group. However, the ability of the group to scale up its operations while improving its profitability margins in the near to medium term will remain a key rating sensitivity. Acuite also notes that the rating is constrained by supplier concentration risk and vulnerability to the regulatory framework governing the liquor industry.

About the Company

Incorporated in 2005, Candy Spirits Private Limited trades in Indian-made foreign liquor (IMFL), beer, and wines. The Mumbai-based company is one of the prime distributors for all brands of Pernod Ricard India Private Limited, Seagram Distilleries Private Limited (part of the Pernod Ricard group), and Privilege Industries Limited, among other liquor companies, in Western Mumbai. The group has also commenced operations in Rajasthan in FY2026. Mr. Suraj Kundanlal Awatramani, Mr. Deepak Kundanlal Awatramani and Mr. Kishin Kundanlal

Awatramani are the present directors of the company.

About the Group

Candy Enterprises Private Limited

Incorporated in 2005, Candy Enterprises Private Limited trades and distributes Indian-made foreign liquor (IMFL), beer, and wines. The Mumbai-based company is one of the prime distributors for all brands of Pernod Ricard India Private Limited, Seagram Distilleries Private Limited (part of the Pernod Ricard group), and Privilege Industries Limited, among other liquor companies, in Goa, for the hotel sector for some parts of central Mumbai. Earlier, the group also used to operate in West Bengal. However, these operations were closed from April, 2024. Mr. Deepak Kundanlal Awatramani, Mr. Kishin Kundanlal Awatramani and Mr. Suraj Kundanlal Awatramani are the present directors of the company.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

• Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuité has considered the consolidated business and financial risk profiles of Candy Enterprises Private Limited (CEPL) and Candy Spirits Private Limited (CSPL), together known as Candy Group, to arrive at this rating. The consolidation is on account of similar line of business and common management.

Key Rating Drivers

Strengths

Experienced management and long track record of operations

The group started its operations in 2005 and has developed an established market position in Mumbai and Goa. The group is one of the major distributors of Pernod Ricard India Private Limited (Pernod) in the western and some central line areas of Mumbai and Goa, wherein more than 5,000 hotels, restaurants, and permit rooms are served by Pernod. Furthermore, the group has also commenced operations in Rajasthan in FY2026, which is also expected to support the group's scale of operations over the medium term. In addition, the promoters have over four decades of experience in the liquor distribution industry, which has benefitted the company to have established relationships with the suppliers. Acuité believes that the group will continue to derive benefit from its established track record of operations and experience of the management.

Moderate Financial Risk Profile

The financial risk profile of the group is moderate, marked by net worth of Rs.123.12 Cr. as on March 31, 2025 against Rs.119.12 Cr. as on March 31, 2024 on account of accretion of profits into reserves. The capital structure of the group is marked by gearing ratio, which improved and stood at 0.72 times as on March 31, 2025 as against 0.93 times as on March 31, 2024. The coverage indicators are reflected by the interest coverage ratio and debt service coverage ratio, which stood at 1.83 times and 1.63 times respectively as on March 31, 2025. Further, Total Outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 1.53 times as on March 31, 2025 as against 1.75 times as on March 31, 2024 and Net Cash Accruals/Total Debt (NCA/TD) stood at 0.08 times as on March 31, 2025 against 0.10 times as on March 31, 2024. Acuite expects the financial risk profile of the group to remain in similar range with no major debt-funded capex plans in the near to medium term.

Efficient Working Capital Operations

The working capital management of the group remained efficient, marked by GCA days of 67 days as on 31st March, 2025. The group needs to maintain adequate inventory, as and when required, despite the same, the inventory levels remained efficient at 28 days as on 31st March, 2025 as against 27 days as on 31st March, 2024. Subsequently, the debtor days stood constant at 33 days as on 31st March, 2025 and 31st March, 2024 and the creditor days stood at 20 days as on 31st March, 2025 as against 17 days as on 31st March, 2024. Acuité expects the working capital operations to remain in similar range in the near to medium term, supported by the efficient debtor collections and inventory level management of the group.

Weaknesses

Decline in operating income albeit improved operating profitability margins

The revenue of the group stood at Rs.1553.95 Cr. in FY2025 as against Rs.1777.61 Cr. in FY2024 on account of decrease in sales volume of liquor cases in FY2025 compared to the previous year since the group has closed its operations in West Bengal. Consequently, the group is tapping opportunities in new locations to bridge the gap caused by this closure and commenced operations in Rajasthan in August, 2025 (FY2026). The EBITDA margin of the group improved and stood at 1.30% in FY2025 as against 1.00% in FY2024 supported by the increase in sales price realization in FY2025. Further, the PAT margin stood at 0.39% in FY2025 as against 0.58% in FY2024 on account of decrease in income from other sources in FY2025. However, the operating PBT margin of the group increased and stood at 0.50% in FY2025 as against 0.15% in FY2024. Moreover, the group has clocked Rs.763.30 Crore till H1 FY2026 as against Rs.711.84 Crore till H1 FY2025 and expects the revenue and profitability to improve over the medium term, supported by the expected increase in sales volume by operations being started in Rajasthan along with existing operations in Mumbai and Goa. However, the ability of the group to improve its profitability margins while scaling up its operations in the near to medium term will remain a key rating sensitivity.

Supplier concentration risk

Candy Group relies heavily on its primary principle, Pernod Ricard India Private Limited (Pernod) which contributes 65% of the total stock-in-trade of the group, exposing the business to supplier concentration risk. Despite its two-decade partnership with Pernod, any changes in the essential supplier's policy can have an impact on the operations of the group.

Vulnerability to regulatory changes

The liquor industry is administered through a strict license regime for liquor production and distribution. Any adverse change in the government's license authorization policy, such as discontinuing or limiting the renewal of licenses or substantially increasing license fees, could affect the profile of players such as the Candy group.

Rating Sensitivities

- Movement in topline and profitability margins.
- Movement in the financial risk profile.

Liquidity Position

Adequate

The liquidity position of the group is adequate, marked by net cash accruals of Rs.7.12 Cr. in FY2025 against Rs.11.57 Cr. in FY2024. Additionaly, the cash and cash equivalents of the company stood at Rs.16.12 Cr. as on 31st March, 2025. The current ratio stood at 2.74 times as on 31st March, 2025 as compared to 2.30 times as on 31st March, 2024. Further, the average fund-based utilization of the group stood at 9.81 percent for the last six months ended December, 2025. Acuité expects the liquidity position of the group to remain adequate in the near to medium term with sufficient accruals to repayments, moderate current ratio and the absence of any major debt-funded capex plans.

Outlook: Stable

Other Factors affecting Rating
None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	1553.95	1777.61
PAT	Rs. Cr.	6.05	10.38
PAT Margin	(%)	0.39	0.58
Total Debt/Tangible Net Worth	Times	0.72	0.93
PBDIT/Interest	Times	1.83	2.14

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

Not Applicable

Any Other Information

None

Applicable Criteria

• Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm
• Consolidation Of Companies: https://www.acuite.in/view-rating-criteria-60.htm
• Default Recognition: https://www.acuite.in/view-rating-criteria-52.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, 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
04 Nov 2024	Cash Credit	Long Term	8.00	ACUITE BBB+ | Negative (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB+ | Negative (Reaffirmed)
	Cash Credit	Long Term	18.00	ACUITE BBB+ | Negative (Reaffirmed)
	Cash Credit	Long Term	7.00	ACUITE BBB+ | Negative (Assigned)
09 Aug 2023	Cash Credit	Long Term	8.00	ACUITE BBB+ | Stable (Assigned)
	Cash Credit	Long Term	10.00	ACUITE BBB+ | Stable (Assigned)
	Cash Credit	Long Term	18.00	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
H D F C Bank Limited	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE BBB+ | Stable | Reaffirmed | Negative to Stable
CENTRAL BANK OF INDIA	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB+ | Stable | Reaffirmed | Negative to Stable
Standard Chartered Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	18.00	Simple	ACUITE BBB+ | Stable | Reaffirmed | Negative to Stable
H D F C 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 | Reaffirmed | Negative to Stable

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

Sr. No.	Company name
1	Candy Enterprises Private Limited
2	Candy Spirits Private Limited

Contacts

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About Acuité Ratings & Research
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