

June 30, 2026

EPICU Beverages Private Limited: Rating reaffirmed; removed from ISSUER NOT COOPERATING category

Summary of rating action

Instrument [^]	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund-based limits – Cash credit	31.80	31.80	[ICRA]BB+ (Stable); reaffirmed, rating removed from ISSUER NOT COOPERATING* category based on information
Long term – Fund-based limits – Term loans	69.37	69.37	[ICRA]BB+ (Stable); reaffirmed, rating removed from ISSUER NOT COOPERATING* category based on information
Long term – Unallocated	58.83	58.83	[ICRA]BB+ (Stable); reaffirmed, rating removed from ISSUER NOT COOPERATING* category based on information
Total	160.00	160.00	

**Issuer did not cooperate; based on information; ^Instrument details are provided in Annexure II*

Rationale

The rating is based on the consolidated operational and financial risk of EPICU Agro Products Private Limited (EPICU Agro) and EPICU Beverages Private Limited (EPICU Beverages) as both entities operate similar businesses and share operational and financial linkages as well as a common management. The companies are collectively referred to as the EPICU Group or the Group.

The rating action factors in the modest financial risk profile, with lower-than-expected revenues and earnings in the last four years exerting pressure on the debt protection metrics and liquidity position on a sustained basis. Due to continued net losses, the Group's net worth eroded to around Rs. 49 crore in FY2026 (provisional) from around Rs. 170 crore in FY2022. Its revenues have been impacted severely due to lower demand for some of its key products amid extended adverse weather conditions in the peak season, increased competition from other mango drink brands and muted performance of Smoothh (flavoured milk), for which it incurred sizeable debt-funded capex during FY2022-FY2023. This, coupled with adverse movement in raw material prices and under-absorption of fixed overheads, continued to exert pressure on its earnings over FY2023-FY2026. The Group's performance is anticipated to improve gradually from FY2027 onwards, supported by the Goods and Services Tax (GST) rate cut (GST reduced on mango drinks to 5% from 12% in September 2025, with the benefit expected from the current year) and the lower mango pulp and non-alcoholic beverage base (NABB) price charged by Parle Agro Products Limited (Parle). However, the high debt reliance and interest thereon is likely to keep the credit risk profile moderated over the near-to-medium term despite the company having refinanced its long-term debt to reduce elevated yearly repayment obligations. The Group's business also remains vulnerable to agro-climatic risks, given its limited ability to pass on raw material price increases. Further, the timely renewal of the franchisee agreement with Parle continues to be crucial.

The rating, however, draws comfort from the EPICU Group's exclusive manufacturing, sales and distribution franchisee rights for various non-alcoholic beverage brands of Parle across five North Indian states and an established track record of operations. This supports the healthy demand, given Parle's strong market position in the non-alcoholic beverage brands segment. The rating also factors in the Group's established sales and distribution network in its area of operations, the raw material sourcing arrangement that ensures product quality and its track record of meeting Parle's quality standards.

The Stable outlook on the rating reflects ICRA's opinion that the Group's revenue and earnings are expected to improve with increased demand and reduction in the key raw material price. It continues to benefit from its demonstrated track record and established relationship with Parle as well as the steady demand for its products.

Key rating drivers and their description

Credit strengths

Established market position in beverages as sole franchisee of Parle's brands in five northern states – EPICU Group is the sole franchisee of Parle for manufacturing, bottling, packaging and distributing Parle's non-alcoholic beverage brands such as Frooti, Appy Fizz, Appy, Smoothh, etc. in the five northern states of Haryana, Rajasthan, Punjab, Himachal Pradesh and Jammu & Kashmir. The Group operates through its manufacturing facilities in Ambala, Haryana. Moreover, the solid market position of Frooti reflects the strength of the brands and adds favourably to Parle's demand and revenue generation prospects.

Established distribution network and raw material sourcing arrangement – The Group has developed a wide distribution network over the years, with a distributor base and a warehouse in each of these five states. Frooti enjoys a healthy market position in EPICU Group's assigned states, particularly in Haryana. The presence of an established network enables the principal to access the same for its other products like Appy Fizz and Smoothh. The Group also has an established raw material sourcing arrangement, which ensures product quality and reduces risks associated with the procurement of agricultural commodities to some extent, enabling it to maintain the desired product quality.

Credit challenges

Moderation of financial risk profile in last four years due to weak earnings; expected to improve from current year – The Group had undertaken large debt-funded capex during FY2022-FY2024 to increase its existing capacity, improve interchangeability among product lines and establish a manufacturing unit for the new product, Smoothh. During FY2023-FY2024, it witnessed a sharp decline in Appy Fizz's revenue due to the increased tax rates and the slower response for Smoothh, which resulted in lower earnings in FY2023 and FY2024. The demand for both Appy Fizz and Smoothh recovered over FY2025 and FY2026, however, the demand for Appy Fizz remained below its earlier peak levels, while Smoothh continued to witness lower-than-expected traction. The elevated debt levels, coupled with relatively weaker earnings, exerted sustained pressure on the Group's debt protection metrics and liquidity position. It has undertaken refinancing of its debt obligations, leading to a reduction in its annual repayment burden from around Rs. 21 crore to Rs. 12-15 crore each in FY2027 and FY2028, however, moderate earnings in FY2027 and FY2028 with fund flow operations of Rs. 10-15 crore are likely to constrain the improvement in credit metrics. The gradual increase in earnings would remain critical to enhancing the Group's financial risk profile.

Vulnerability of earnings to adverse movement in raw material prices – As a franchisee manufacturer, the Group has limited ability to pass on increased raw material prices and remains vulnerable to adverse changes owing to agro-climatic risks. A weak mango harvest and elevated pulp prices during FY2023-FY2025 adversely impacted the cost structure, resulting in moderation in operating profitability. Furthermore, in FY2026, the Group reported a sharp deterioration in operating performance, with operating losses of around Rs. 16 crore on a consolidated basis. This was primarily on account of a significant increase in mango pulp prices and changes in NABB pricing by Parle. Notably, these two inputs collectively account for 30-35% of the Group's total raw material requirements, thereby amplifying the impact on margins. However, the operating profitability is expected to witness a partial recovery in FY2027, supported by an anticipated moderation in mango pulp prices, reversal of the increase in NABB prices by Parle and improved demand outlook. The latter is driven by the reduction in GST rates to 5% from 12% effective September 2025, which is likely to support volume growth and aid margin recovery.

Timely renewal of agreement with Parle remains crucial – The EPICU Group's manufacturing facilities are used exclusively for Parle. The Group is also Parle's sole franchisee for manufacturing, bottling, packaging and distributing Parle's non-alcoholic beverage brands range. Hence, the timely renewal of the agreement with Parle remains crucial. Any adverse changes in agreement terms with Parle could impact operations. However, no issues have been identified till date.

Intensely competitive non-alcoholic beverages industry – The Group operates in the highly competitive non-alcoholic beverages industry, characterised by strong competition from established players, limiting pricing flexibility and exerting

pressure on volumes and margins. The competitive intensity is particularly evident in the mango fruit drink segment, where Frooti has witnessed a decline in volumes over the last 2-3 years due to competition from Maaza and Slice. These factors continue to constrain demand and keep the Group's earnings profile susceptible to competitive pressures.

Liquidity position: Stretched

EPICU Group's liquidity remains Stretched on account of moderate cash accruals, limited cushion in the cash credit limit and working capital-intensive nature of operations coupled with scheduled debt repayment of Rs. 12-15 crore in both FY2027 and FY2028. The company does not maintain meaningful cash/bank for liquidity support. The Group maintains Rs. 2-4 crore monthly liquidity cushion for day-to-day business needs, including repayment of scheduled debt. The cash flow from operations is likely to improve from FY2027 on account of the anticipated increase in revenue and earnings. ICRA expects the promoters to infuse funds as and when required. The Group has no major capex planned for the medium term.

Rating sensitivities

Positive factors – ICRA could upgrade the rating if there is healthy growth in earnings, resulting in comfortable coverage indicators and an improvement in the liquidity position on a sustained basis.

Negative factors – ICRA could downgrade the rating if there is a decline in the revenue and accrual generation, or a stretch in the working capital cycle or large debt-funded capex, resulting in further deterioration in the debt credit metrics and liquidity profile.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Fast-Moving Consumer Goods
Parent/Group support	Not applicable
Consolidation/Standalone	The rating is based on the consolidated financial statements of EPICU Agro and EPICU Beverages Private Limited.

About the company

The EPICU Group comprises two companies—EPICU Agro and EPICU Beverages. EPICU Agro, established in November 2003, and EPICU Beverages, established in June 2019, are the sole franchisees of Parle for manufacturing, bottling, packaging and distributing Parle's Frooti, Appy Fizz and the newly launched Smooch brands in the five Indian states of Haryana, Rajasthan, Punjab, Himachal Pradesh and Jammu & Kashmir. The Group has manufacturing facilities in Ambala and Alwar. For finished products, it has an established market presence in the assigned states with a network of around 700 distributors and a warehouse in each of these states. As per the latest franchisee agreement, EPICU Beverages acts as the key franchisee, while EPICU Agro as a vendor to EPICU Beverages. The Group is promoted by Mr. Shammi Tandon, Chairman and Managing Director of the EPICU Group, who has over 30 years of experience in the industry. Mr. Ravinder Singh, Director of EPICU Beverages, looks after the overall operations. He is assisted by Mr. Sumit Khanna and Mr. Rahul Bajjal, directors in EPICU Agro. Mr. Khanna and Mr. Bajjal look after the daily business operations of the Group, along with the respective divisional heads.

Key financial indicators

Consolidated	FY2024	FY2025	FY2026*
Operating income (OI)	429.6	378.7	348.2
PAT	(20.8)	(16.0)	(50.0)
OPBDIT/OI	8.3%	4.8%	-4.8%
PAT/OI	-4.8%	-4.2%	-14.4%
Total outside liabilities/Tangible net worth (times)	2.4x	2.7x	5.8x
Total debt/OPBDIT (times)	4.8x	7.1x	-7.2x
Interest coverage (times)	2.5x	1.4x	-1.3x

Source: Company, ICRA Research; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; * Provisional, *provisional financial

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current year (FY2027)				Chronology of rating history for the past 3 years						
	Type	Amount Rated (Rs. crore)	June 30, 2026	FY2027		FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Cash credit	Long term	31.80	[ICRA]BB+ (Stable)	Apr 28, 2026	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	-	-	Jan 03, 2025	[ICRA]BBB (Stable)	Nov 27, 2023	[ICRA]BBB+ (Stable)
											Oct 31, 2023
Term loans	Long term	69.37	[ICRA]BB+ (Stable)	Apr 28, 2026	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	-	-	Jan 03, 2025	[ICRA]BBB (Stable)	Nov 27, 2023	[ICRA]BBB+ (Stable)
											Oct 31, 2023
Unallocated	Long term	58.83	[ICRA]BB+ (Stable)	Apr 28, 2026	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	-	-	Jan 03, 2025	[ICRA]BBB (Stable)	-	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. no.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under regulatory purview of various FSR as under:

Sr. no.	Activity name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI

Sr. no.	Activity name	FSR
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSR other than SEBI.

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long term – Fund-based – Cash credit	Simple
Long term – Fund-based – Term loans	Simple
Long term – Unallocated	Not applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Cash credit	-	-	-	31.80	[ICRA]BB+ (Stable)
NA	Term loans	Jun 2019	9.5-10%	Mar 2030	69.37	[ICRA]BB+ (Stable)
NA	Unallocated	-	-	-	58.83	[ICRA]BB+ (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure III: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
EPICU Agro Products Private Limited	NA	Full consolidation
EPICU Beverages Private Limited	NA	Full consolidation

Source: Company

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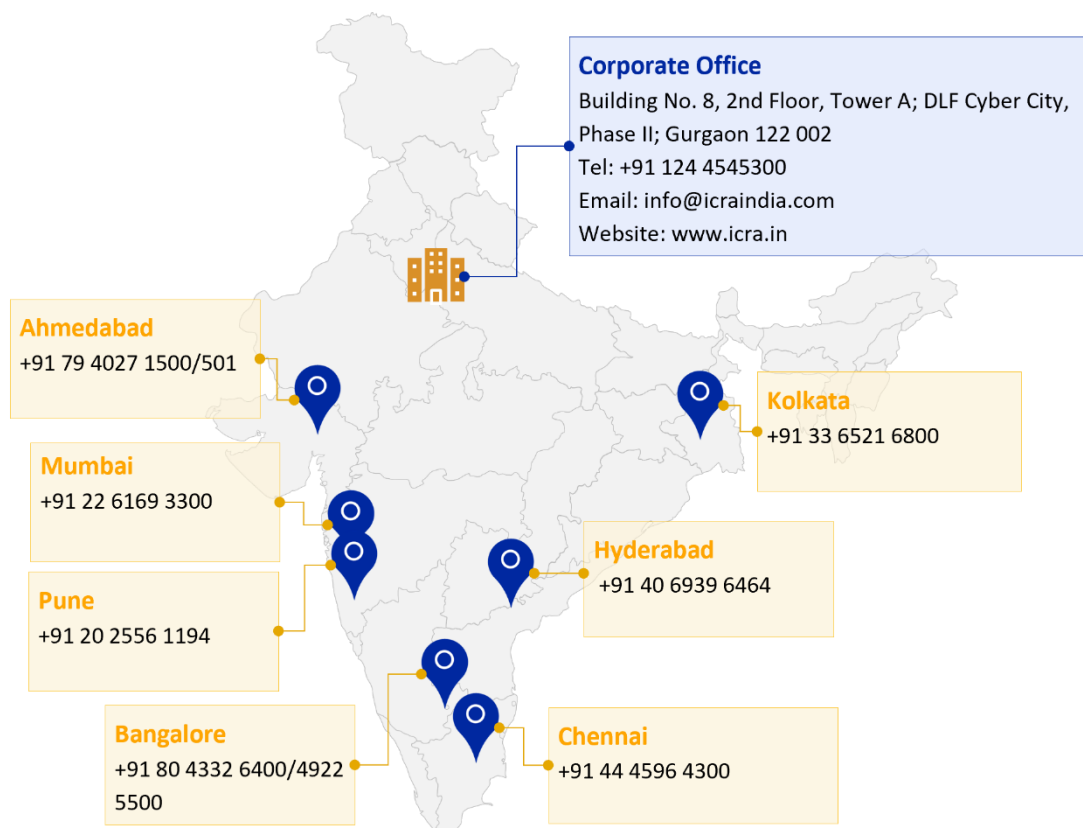
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