September 30, 2025

VIC Enterprises Private Limited: [ICRA]AA+ (Stable); assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Non-Convertible Debentures	100.00	[ICRA] AA+ (Stable); assigned
Total	**100.00**	

**Instrument details are provided in Annexure I*

Rationale

The rating assignment for VIC Enterprise Private Limited (VEPL) favourably factors in the status of the holding entity as one of the principal holding companies of Dabur India Limited (DIL; rated [ICRA]AAA(Stable)/[ICRA]A1+), and the strong financial flexibility derived from the market value of VEPL's investments in DIL (~Rs. 11,300 crore, for its 12.29% stake as on September 24, 2025). VEPL acts as the family office for Mr. V.C. Burman for his investments in Dabur, which is the company's primary investment (in terms of market value), along with other major operational entities including Eveready Industries India Limited (EIIL), Religare Enterprises Limited (REL), Burman Estate Pvt. Ltd. (BEPL), and Burman Hospitality Private Limited (BHPL). The total value of investments held in subsidiaries and associates by the entity stood at Rs. 12,854 crore (at market value of listed shares as of September 24, 2025).

These strengths are partially offset by the significant revenue (from dividend income) and investment concentration in DIL, with the company's dividends accounting for almost the entire dividend income and ~88% of the combined book value of investments of the entity as on September 24, 2025. Nonetheless, the rating derives comfort from DIL's established leadership position in the FMCG industry, its strong credit metrics, and healthy cash surplus. Thouh DIL's performance in recent years was impacted by weak discretionary spending in urban areas, rising competition and inflationary pressure, the dividend has remained largely stable (Rs. 5.2-5.5/share). The dividend inflow is expected to improve further in FY2026, with a dividend of Rs. 5.25/share already announced and an interim dividend expected by November 2026, aided by expected improvement in performance. Given its track record, ICRA expects consistent dividend income from DIL will continue over the medium term.

ICRA notes that the entity has made incremental investments in connection with the fund-raising initiative being undertaken by REL, which intends to raise Rs. 1,500 crore through a preferential issue of warrants. VEPL is expected to contribute Rs. 150 crore over FY2026 and FY2027 to increase its stake in the entity to 7.97% from 7.57%. The structure of the transaction involves an upfront payment of 25% (approximately Rs. 37.5 crore), with the remaining 75% due to be paid within 18 months. Further, the entity is a major shareholder (a 33.9% stake as of March 31, 2025) in BHPL, which holds the exclusive franchise for Taco Bell stores in India and operates around 136 stores. BHPL is yet to break even, and the annual support requirement is estimated at a maximum of Rs. 50-60 crore per annum, with improvement expected as consumption trends strengthen. ICRA also notes that VEPL maintains a healthy liquidity, with steady dividend inflows from DIL and an investment portfolio spread across subsidiaries and associates (Rs. 12,854 crore at market value of listed shares as of September 24, 2025). It also has liquid investments of Rs. 630 crore (spread across mutual funds and stocks), providing a sufficient buffer to fund its incremental investment requirements in the foreseeable future.

VEPL is free from any bank or institutional debt as of March 31, 2025, and the entity has pursued a disciplined and measured approach to investing in business ventures. Debt on the company's books is entirely from related parties and promoter group entities, with excess cash from these entities parked with VEPL. These debts are largely interest-free and have an undefined repayment schedule (payable when able upon request), aiding the company in maintaining a healthy coverage ratio. Even though the company has a strong liquidity profile, it intends to raise funds to further strengthen its liquidity profile and maintain a strong credit profile. ICRA will continue to monitor the quantum and the nature of fund raises planned by the company and their impact on its credit profile.

The Stable outlook on the rating reflects ICRA's belief that VEPL will continue to benefit from the significant market value buffer of its investments in DIL, along with stable dividend income, helping it maintain a strong credit profile and financial flexibility.

Key rating drivers and their description

Credit strengths

Strong financial flexibility for being one of principal holding companies of DIL — The financial risk profile of VEPL is supported by a stable stream of dividend income from DIL and minimal incremental funding requirements for its principal investee companies. Notably, against a book value of investment in DIL of Rs. 5.6 crore, representing a negligible proportion of the total book value of investments, the market value of the holdings stood at approximately Rs. 11,359 crore as of March 31, 2025. This substantial market value of the investment in DIL provides VEPL with strong financial flexibility to raise debt, if necessary. VEPL also holds investments in EIIL, valued at Rs. 254.8 crore at book value, with a corresponding market value of Rs. 353.91 crore as of March 31, 2025. Additionally, its investment in REL is recorded at Rs. 588.6 crore at market and book value as of March 31, 2025. Besides, VEPL's portfolio includes investments in unlisted real estate assets, which possess significant monetisation potential, further enhancing its financial resilience.

Strong credit profile of DIL, the principal contributor of dividend income — VEPL serves as a direct holding company of DIL, along with other entities within the Burman family group. Its primary source of income is the dividend received from DIL, with only marginal contribution from other investee companies (a modest dividend of approximately Rs. 50 lakh from EIIL) and returns from other liquid investments. Despite challenges such as subdued urban discretionary spending, rising competition, and inflationary pressure, DIL's dividend payouts have remained relatively stable in the range of Rs. 5.2-5.5 per share. The dividend inflow is expected to improve further in FY2026, with a dividend of Rs. 5.25 already announced and an interim dividend expected by November 2026, aided by an anticipated improvement in performance. Given its track record, ICRA expects consistent dividend income for VEPL from DIL over the medium term, which provides comfort.

Healthy financial risk profile with no external debt due to measured and disciplined investment approach — VEPL remains free from bank and institutional debt, reflecting a disciplined and measured approach to capital allocation and investment in business ventures. The debt reflected on its books has been exclusively sourced from related parties or promoter group entities, wherein the surplus liquidity has been parked with VEPL. These borrowings are largely interest-free and carry no defined repayment schedule, being payable on demand. Even as the company has a strong liquidity profile, it intends to raise funds to further strengthen its liquidity profile and maintain a strong credit profile. ICRA will continue to monitor the quantum, and the nature of fund raises planned by the company and their impact on its credit profile.

Credit challenges

Concentration of investment in DIL and significant dependence on its dividend payout — DIL contributes nearly the entire dividend income earned by VEPL, making the holding company heavily reliant on DIL's operational and financial performances for its cash flows. DIL's strong credit profile and consistent history of dividend declarations offer a degree of comfort. However, the FMCG sector continues to face headwinds, including fluctuating consumer demand, rising input costs, and intensifying competition across categories. Additionally, structural shifts in consumer preferences and evolving retail dynamics may introduce volatility. VEPL's financial flexibility also remains closely tied to DIL's performance, as its investment in DIL constituted around 88% of the combined market value of investments of the entity as on September 24, 2025.

Liquidity position: Strong

The liquidity profile of VEPL is expected to remain strong, aided by consistent dividend inflows from DIL (expected to be around Rs. 150-180 crore per annum). The entity had available cash and liquid investments of ~Rs. 316 crore as on March 31, 2025 (post liquidity haircut over liquid investments, in line with ICRA's liquidity assessment policy). Against the same, it has investment commitments of Rs. 250-300 crore over FY2026-FY2027 and has no external debt repayment obligations. Despite some demand volatility, ICRA expects DIL to maintain its strong position in the FMCG industry and healthy credit profile over the medium term. This is likely to ensure a consistent flow of dividends to its promoter companies and aid their investment obligations. Further, VEPL is expected to raise Rs. 100 crore in the form of NCDs to help finance its investment in REL.

Rating sensitivities

Positive factors – ICRA could upgrade VEPL's rating if, inter alia, there is a material increase in the market value of its investments and dividend income along with diversification of its income streams.

Negative factors – Pressure on VEPL's rating could arise for reasons including a deterioration in the credit profile of the key investee company (DIL) or a significant decline in dividend income, or a reduction in market value of its investments, resulting in market value of its unencumbered equity shares in the listed companies falling below 6.0 times of the outstanding external debt on a sustained basis**.**

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Investment Company
Parent/Group support	Not applicable
Consolidation/Standalone	The rating is based on the standalone financials of the entity

About the company

VEPL Enterprises acts as the family office for Mr. V.C. Burman for his investment in DIL, which is the primary investment of the company (in terms of market value) along with other major operational entities including Eveready Industries, Religare Enterprises, Burman Estate Pvt. Ltd., and Burman Hospitality. The total quantum of investments held in subsidiaries and associates by the entity stood at Rs. 12,850 crore (at market value of shares in listed entities as of March 31, 2025).

Key financial indicators (audited)

VEPL	FY2023	FY2024	FY2025*
Operating income	128.4	312.2	272.4
PAT	61.8	221.1	185.3
OPBDIT/OI	90.6%	95.7%	90.7%
PAT/OI	48.1%	70.8%	68.0%
Total outside liabilities/Tangible net worth (times)	0.2	0.2	0.1
Total debt/OPBDIT (times)	2.0	1.4	0.8
Interest coverage (times)	7.8	16.6	18.7

*Source: Company, ICRA Research; *Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore*

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current rating (FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Sep 30, 2025	Date	Rating	Date	Rating	Date	Rating
Non-Convertible Debentures	Long Term	100	[ICRA]AA+ (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Non-Convertible Debentures	Simple

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 I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
Yet to be placed	**Non-Convertible Debentures**	NA	NA	NA	100.00	[ICRA]AA+ (Stable)

Source: Company

Annexure II: List of entities considered for consolidated analysis – Not applicable

ANALYST CONTACTS

Jitin Makkar
+91 12 4454 5368
jitinm@icraindia.com

Srikumar Krishnamurthy
+91 44 4596 4318
srikumar.k@icraindia.com

Rohan Kanwar Gupta
+91 124 4545 808
rohan.kanwar@icraindia.com

Akshit Goel
+91 124 4545 857
akshit.goel@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches