

December 05, 2025

ND Wines Private Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term - Fund-Based facilities	8.00	8.00	[ICRA]BBB- (Stable); reaffirmed
Short term - Fund-Based facilities – working capital demand loan (WCDL)	12.00	20.00	[ICRA]A3; reaffirmed and assigned for enhanced amount
Short term – Non Fund-Based facilities - bank guarantee (Sublimit of WCDL)	(2.00)	(2.00)	[ICRA]A3; reaffirmed
Long term/ Short term – Unallocated Limits	5.00	2.00	[ICRA]BBB- (Stable)/ [ICRA]A3; reaffirmed
Total	25.00	30.00	

*Instrument details are provided in Annexure I

Rationale

The ratings reaffirmation for ND Wines Private Limited (NDWPL) factors in the continued operational and financial support from its parent, Sula Vineyards Limited (SVL, rated [ICRA]A+(Negative)/[ICRA]A1), which holds a 100% stake in the company. NDWPL is expected to continue to benefit from the long and established track record of SVL in the wine manufacturing and distribution business across India and the financial flexibility derived from being a part of the Sula Group. SVL is expected to support NDWPL in funding its working capital and debt servicing requirements, if need arises.

NDWPL undertakes wine manufacturing, selling and distribution of premium wines for the Sula Group across Maharashtra. The company has also opened a wine tasting room, bottle shop, restaurant and gift shop at its premises near Gujarat border. The ratings factor in NDWPL's modest financial profile, characterised by healthy operating profit margin (OPM), given its presence in the premium wine segment and its low debt level. Following commencement of operations at its bottling plant in FY2025, NDWPL reported revenues of Rs. 57.5 crore in FY2025, against revenues of Rs. 2.5 crore in FY2024. ICRA notes that prior to the acquisition of NDWPL by SVL in Q1 FY2025, the former's premises were being used on a lease basis by the latter. NDWPL's OPM improved to 58.4% in FY2025 from 41.7% in FY2024, supported by sales of high margin, premium category wines. Further, the entire process of crushing was done at SVL's facility and the finished products were transferred to NDWPL, resulting in lower overheads for NDWPL for a major part of FY2025. The full impact of in-house manufacturing of wines by NDWPL will moderate its OPM going forward, though the same will remain healthy.

The ratings, however, remain constrained by NDWPL's modest scale of operations and its exposure to agro-climatic and inventory risks on account of its contractual obligation with the farmers. Additionally, the industry's highly regulated environment and dependence on state-specific excise policies pose structural challenges. At present, NDWPL derives the major portion of its revenues from Maharashtra, making policy changes in the state a key risk factor. NDWPL is exposed to the risk of rollback of the Wine Industry Promotion Subsidy (WIPS) by the Government of Maharashtra, which is expected to contribute significantly to the company's operating profits. As per the latest notification by the Maharashtra Government, the company is expected to continue to benefit from WIPS till FY2028, and further extensions remain a key monitorable.

The Stable outlook on the long-term rating reflects ICRA's expectations that NDWPL will sustain its credit profile even as its revenue growth may moderate due to softness in urban demand.

Key rating drivers and their description

Credit strengths

Strong parentage of SVL, a leading player in the Indian wine industry – NDWPL benefits significantly from its strong parentage as a wholly-owned subsidiary of SVL. The parent provides NDWPL with substantial financial flexibility and operational and financial support, as reflected in extension of unsecured loans of Rs. 7.1 crore to NDWPL as on March 31, 2025. This association also ensures access to SVL's extensive distribution network and operational expertise. The strategic backing from SVL is expected to enable NDWPL to leverage synergies in wine manufacturing and tourism, driving growth and stability in its operations.

Financial profile characterised by healthy margins and low debt levels – NDWPL's financial profile is expected to be characterised by healthy margins and low debt levels. In FY2025, the company reported an OPM of 58.4%. While the OPM is expected to moderate going forward due to the full impact of in-house wine manufacturing by NDWPL, it will still remain healthy. As of March 31, 2025, the company's total debt stood at Rs. 24.1 crore and total debt/operating profit before depreciation, interest, tax and amortisation at 0.7 times with an interest coverage of 24.3 times. Going forward, while the debt metrics are expected to moderate to a certain extent owing to a drop in OPM, the same will still remain healthy.

Credit challenges

Modest scale of operations – NDWPL, owing to its nascent stage of operations, has a modest scale of operations, as reflected in revenues of Rs. 57.5 crore in FY2025. However, it benefits from the expertise of SVL as the holding company. Further, the company has operationalised its wine tourism segment in H1 FY2026, which is expected to contribute to revenue growth. Any regulatory changes impacting the wine business, thus impacting NDWPL and SVL's revenue growth, will remain a key monitorable, going forward.

Exposure to regulatory risks – The company operates in a highly regulated industry with state-specific policies, which continue to impact industry volumes in several markets. At present, NDWPL derives 100% of its revenues from sales in Maharashtra. The risk of unfavourable policy changes in the state, including any change to WIPS, remains a major risk factor for the company as well as for the industry. Further, extensive Government controls on advertising and taxes restrict the wine industry's growth to an extent. However, the same creates entry barriers for new players, thereby favouring incumbents such as NDWPL, which are backed by established players like SVL.

Susceptible to agroclimatic and inventory risks – The wine manufacturing industry is seasonal in nature. The quantity of grapes harvested each year is susceptible to weather conditions. During the harvest months of January to March, prolonged rainfall and lack of wind can cause moisture in grapes and reduce the quality. The company is also susceptible to inventory risk that may arise from its contractual obligation with farmers in the absence of ample demand.

Liquidity position: Adequate

NDWPL's liquidity position is adequate, with unutilised fund-based working capital limits (against lower of drawing power or sanctioned limits) of Rs. 15 crore as on September 30, 2025, along with free cash and liquid investments of Rs. 1.2 crore as on June 30, 2025. The company has, on an average, utilised 66% of the sanctioned limits in the last nine months ended in September 2025. Against these, the company has debt repayments of Rs. 1.45 crore per annum in FY2026 and FY2027, and capex plans of Rs. 3-5 crore per annum. The company is likely to be supported by SVL in meeting its interest and debt repayment obligations and capex requirements, if needed.

Rating sensitivities

Positive factors – NDWPL's ratings could be upgraded if the company demonstrates significant improvement in its scale of operations and liquidity position while maintaining healthy profit margins on a sustained basis. Improvement in the parent's credit profile could also trigger a rating upgrade.

Negative factors – Negative pressure on NDWPL's ratings could arise if there is a material decline in revenues or earnings and if any debt-funded capex, or regulatory measures, lead to deterioration in the company's credit profile on a sustained basis. Any moderation in the parent's credit profile or weakening of linkages with the parent could also trigger a rating downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Parent / Group Company: Sula Vineyards Limited (SVL) The ratings assigned to NDWPL factor in the high likelihood of its parent, SVL (rated [ICRA]A+ (Negative)/ [ICRA]A1), extending financial support to it because of close business linkages between them.
Consolidation/Standalone	Standalone

About the company

ND Wines Private Limited is a wholly-owned subsidiary of Sula Vineyards Limited. The company manufactures wines and has also set up a roof top wine tasting room and restaurant, retail shop and gift shop at its premises.

Key financial indicators (audited)

NDWPL	FY2024	FY2025
Operating income	2.5	57.5
PAT	0.4	23.8
OPBDIT/OI	41.7%	58.4%
PAT/OI	17.1%	41.3%
Total outside liabilities/Tangible net worth (times)	0.2	1.3
Total debt/OPBDIT (times)	-	0.7
Interest coverage (times)	-	24.3

Source: Company, ICRA Research; 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

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	FY2026			FY2025		FY2024		FY2023	
	Type	Amount rated (Rs crore)	Dec 05, 2025	Date	Rating	Date	Rating	Date	Rating
Fund-based-Others	Long Term	8.00	[ICRA]BBB-(Stable)	Mar 31, 2025	[ICRA]BBB-(Stable)	-	-	-	-
Unallocated limits- Unallocated limits	Long Tem/ Short Term	2.00	[ICRA]BBB-(Stable)/ [ICRA]A3	Mar 31, 2025	[ICRA]BBB-(Stable)/ [ICRA]A3	-	-	-	-
Non Fund-Based facilities - BG (Sublimit of WCDL)	Short Term	(2.00)	[ICRA]A3	Mar 31, 2025	[ICRA]A3	-	-	-	-
Fund-based-Working capital demand loan	Short Term	20.00	[ICRA]A3	Mar 31, 2025	[ICRA]A3	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term - Fund-Based facilities	Simple
Short term - Fund-Based facilities – WCDL	Simple
Short term – Non Fund-Based facilities - BG (Sublimit of WCDL)	Very Simple
Long term/ Short term – Unallocated Limits	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 I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Long term - Fund-Based facilities	24-06-2024	8.55%	FY2028	8.00	[ICRA]BBB- (Stable)
NA	Short term - Fund-Based facilities - WCDL	24-06-2024	8.20%	NA	20.00	[ICRA]A3
NA	Short term – Non Fund-Based facilities - BG (Sublimit of WCDL)	24-06-2024	NA	NA	(2.00)	[ICRA]A3
NA	Long term/ Short term – Unallocated Limits	NA	NA	NA	2.00	[ICRA]BBB- (Stable)/ [ICRA]A3

Source: Company

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

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

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