



Press Release
RADHA WINES
January 08, 2026
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	13.71	ACUITE BBB Stable Assigned	-
Bank Loan Ratings	130.75	ACUITE BBB Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	144.46	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE BBB**' (read as **ACUITE triple B**) on the Rs.130.75 Cr. bank facilities of Radha Wines (RW). The outlook is '**Stable**'.

Further, the Acuite has assigned long-term rating of '**ACUITE BBB**' (read as **ACUITE triple B**) on the Rs.13.71 Cr. bank facilities of Radha Wines (RW). The outlook is '**Stable**'.

Rationale for rating reaffirmation

The rating reaffirmation takes into consideration an improvement in the operating performance of RW. The rating also draws comfort from experienced management and established operational track record of the firm. However, the rating is constrained on account of moderate financial risk profile, working capital intensive operations, risk of capital withdrawal inherent in the partnership firm and high regulatory risk in the industry.

About the Company

Mumbai-based, RW was established as a proprietorship firm in 1992, subsequently, the firm was converted to partnership firm in 2012 with Mr. Vinod Kishnani and Mrs. Pooja V. Kishanani as partners. The firm is into trading of Indian Made Foreign Liquor (IMFL). The firm is a sole distributor in the region of Palghar, Thane & Raigad for reputed IMFL players such as United Breweries Limited, Bacardi Martini and Radico Khaitan, among others.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has taken a standalone view of the business and financial risk profile of RW to arrive at the rating.

Key Rating Drivers

Strengths

Established track record of operations and experienced management

Radha Wines (RW) has been operational since 1992. The partners, Mr. Vinod Kishnani and Mrs. Pooja V. Kishnani, possess over three decades of experience in the alcoholic beverage industry. The long operational track record and experienced leadership have enabled RW to develop strong relationships with customers and suppliers. Acuité believes the firm will continue to benefit from the partners' established industry presence and experience, which is expected to support its business risk profile over the medium term.

Improvement in revenue albeit moderated profitability

The firm reported improved operating income of Rs. 777.96 Cr in FY25, up from Rs. 735.58 Cr in FY24, driven primarily by the introduction of new products within its existing portfolio. Until October 2025, RW recorded revenue of approximately Rs.428 crore, supported by seasonal demand for its products. Despite the rise in revenue, profitability remained moderate. The operating profit margin declined to 3.96 percent in FY25 from 4.40 percent in FY24, mainly due to higher manufacturing charges (including loading fees), along with increased administrative and selling expenses. The PAT margin also declined to 2.48 percent in FY25 compared to 2.87 percent in FY24, largely attributable to higher finance costs. During 6MFY26, the firm generated revenue of Rs.361.18 Cr, with EBITDA and PAT margins standing at 1.79 percent and 2.48 percent, respectively. Acuité believes that the business risk profile of the firm will continue to improve in medium term on account of increase in the product profile.

Weaknesses

Moderate financial risk profile

RW's financial risk profile remains moderate, marked by a tangible net worth of Rs. 71.52 Cr as on March 31, 2025, compared to Rs. 55.80 Cr as on March 31, 2024. The net worth includes quasi-equity of Rs 3.05 Cr. The equity base increased from Rs. 52.50 Cr in FY24 to Rs. 68.48 Cr in FY25. The gearing improved yet remained on the higher side, standing at 1.90 times as on March 31, 2025, against 2.41 times as on March 31, 2024. Total debt comprised long-term borrowings of Rs. 0.95 Cr, maturing obligations of Rs.5.63 Cr, and short-term debt of Rs.129.20 Cr. Coverage indicators remained moderate, with an Interest Coverage Ratio (ICR) of 2.54 times in FY25 (2.80 times in FY24) and a Debt Service Coverage Ratio (DSCR) of 1.92 times in FY25 (2.18 times in FY24). The Total Outside Liabilities to Tangible Net Worth (TOL/TNW) improved to 2.27 times in FY25 from 2.92 times in FY24.

Acuité believes that the financial risk profile of the firm is likely to remain moderate in medium term.

Intensive working capital operations

RW's operations remain working capital intensive, reflected in Gross Current Assets (GCA) of 104 days as on March 31, 2025, compared against 102 days as on March 31, 2024. Inventory levels increased to 37 days in FY25 from 33 days in FY24, consistent with the firm's practice of stocking inventory in advance to meet seasonal demand across multiple brands and product categories. Debtor days improved to 46 days in FY25 from 50 days in FY24, with the firm extending an average credit period of 65–75 days to customers. Creditor days remained low at 13 days in FY25 (14 days in FY24), as the firm largely procures on an advance-payment basis, with limited credit received at year-end. Bank limit utilization remained high at approximately 98 percent over the six months ended October 2025. Acuité believes that the firm's ability to maintain its working capital efficiently will remain critical to maintain a stable credit profile.

Inherent risk of capital withdrawal in a partnership firm

Being a partnership firm, RW remains exposed to the risk of capital withdrawal by the partners. The firm has provided an undertaking to maintain a minimum capital of Rs. 68.48 Cr over the medium term. Acuité notes that any significant capital withdrawal may adversely impact the firm's financial risk profile and will remain a key rating monitorable.

Highly regulated business

Indian Alcoholic beverage industry is heavily regulated by the government, with regulations ranging from licensing, production, distribution, inter-state exports, raw material availability and advertisements. There have been continuous regulatory changes in terms of state government's policies towards liquor consumption. Any government regulation can have significant impact on their operating income and profitability.

Rating Sensitivities

- Consistent growth in revenues with sustainability of the profitability margins.
- Any deterioration of its financial risk profile leading to deterioration in debt protection metrics.
- Any elongation of the working capital cycle leading to adverse liquidity position .

Liquidity Position Adequate

The firm has an adequate liquidity position marked by adequate net cash accruals against its maturing debt obligations. The company generated cash accruals of Rs. 19.49 Cr in FY25 as against maturing debt obligations of Rs. 4.08 Cr over the same period. The cash accruals of the firm are estimated to remain in the range of Rs.20-22 Cr during 2027-28 period while its maturing debt obligations is estimated to be around Rs. Rs. 0.95 Cr during the same period. The firm's reliance on working capital borrowings remains high marked by average utilization of working capital limits of ~98 percent during the last six months period ended Oct'25. The firm maintains cash and bank balances of Rs. 2.69 Cr as on March 31, 2025. The current ratio stood at 1.37 times as on March 31, 2025. Acuité believes that liquidity profile is expected to remain adequate on account of adequate cash accruals against moderate repayment obligations.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	777.96	735.58
PAT	Rs. Cr.	19.29	21.10
PAT Margin	(%)	2.48	2.87
Total Debt/Tangible Net Worth	Times	1.90	2.41
PBDIT/Interest	Times	2.54	2.80

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, 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
16 Jan 2025	Proposed Long Term Bank Facility	Long Term	6.64	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	115.00	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	9.11	ACUITE BBB Stable (Reaffirmed)
19 Oct 2023	Cash Credit	Long Term	90.00	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	25.00	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	15.75	ACUITE BBB Stable (Assigned)
04 Jan 2023	Cash Credit	Long Term	90.00	ACUITE BBB Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	95.00	Simple	ACUITE BBB Stable Reaffirmed
AXIS BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	31.29	Simple	ACUITE BBB Stable Reaffirmed
AXIS BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	13.71	Simple	ACUITE BBB Stable Assigned
Punjab National Bank	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	01 Feb 2027	3.56	Simple	ACUITE BBB Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.90	Simple	ACUITE BBB Stable Reaffirmed

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	Contact details exclusively for investors and lenders
Anuja Bele Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

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