

Sultania Trade Private Limited

September 12, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	155.00	CARE BB+; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BBB-; Stable and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. (CARE Ratings) has been seeking information from Sultania Trade Private Limited (STPL) to monitor the rating(s) vide e-mail communications/letters dated July 16, 2025, July 24, 2025, and August 20, 2025, among others and numerous phone calls. However, despite our repeated requests, STPL has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The rating on STPL bank facilities will now be denoted as CARE BB+; Stable; ISSUER NOT COOPERATING*.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings have been revised on account of non-submission of the requisite information for monitoring the ratings. The rating further takes into account established experience of the promoters in alcohol beverage distribution industry, long-term association with reputed alcohol manufacturers for wholesale distribution of alcoholic beverages in Mumbai region, growing scale of operations, its comfortable financial risk profile, thin profitability owing to trading nature of operations, presence of its operations in highly regulated and competitive liquor industry in India and high geographical concentration of its operations.

Analytical approach: Standalone

Outlook: Stable

The 'stable' outlook reflects CARE Ratings expectation that, STPL shall benefit from vast experience of the promoters in alcohol beverage distribution industry, its established presence in Mumbai, Maharashtra and its long-term association with reputed alcohol beverage suppliers.

Detailed description of key rating drivers:

At the time of last rating on September 02, 2024, the following were the rating strengths and weaknesses:

Key strengths

Experienced promoters with an established track record of operations in alcohol beverage distribution industry

STPL is promoted and managed by Mr. Omprakash Sultania (Chairman and Managing director), who has an experience of around three decades in alcohol distribution in Mumbai. He is ably supported by Mr. Vikas Gupta, who looks after finance and accounts related functions in the company. A team of experienced professionals and other family members are duly supporting both the directors in their day to day endeavours.

The promoters are also engaged in retail of imported as well as indigenous alcohol beverages through seven outlets/ shops in Western Mumbai region through a group company i.e. Wine Nook Dealers Private limited (WNDPL).

Long-term association with reputed alcohol manufacturers

STPL has established long-term association with reputed alcohol beverage manufacturers namely United Spirits Limited (USL), Carlsberg India Pvt Ltd (Carlsberg) and Agave Industries (I) Ltd. During last three years ended March 2024, STPL has expanded its product portfolio and geographical reach through addition of few renowned bands. CARE Ratings believe, STPL will continue to remain benefitted from its long-term association with existing reputed suppliers and its recent tie-ups.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Growing scale of operations

STPL's TOI grew from Rs.760 crore in FY20 to Rs.1480 crore in FY24, registering a Compound annual growth rate (CAGR) of 18% on account of increase in demand for alcoholic beverages post Covid pandemic, expansion of its product portfolio with focus on premium range of existing alcohol suppliers along with diversification of distribution geography for USL's beverages. CARE Ratings expects, marginal growth in its operation on back of STPL's recent tie-up with Anheuser-Busch InBev SA/NV (ABInv) for sale of Beer in few regions of Mumbai along with proposed tie-up for distribution of Wine of a reputed wine manufacturer in Mumbai.

Comfortable financial risk profile

STPL's capital structure remained comfortable marked by below unity overall gearing in last five years ended on FY24 on account of no major debt funded capex and low dependency on external borrowings for meeting working capital requirements along with augmentation of networth base through infusion of equity by the promoters and accretion of profits to reserves.

Despite thin profitability, STPL's debt service indicators remained comfortable marked by PBILDT interest coverage of 5.77x in FY24 (4.43x in FY23) and total debt to PBILDT of 1.25 years in FY24 (3.46 years in FY23).

With no proposed major debt funded capex and moderate dependence on external borrowings, STPL's financial risk profile is expected to remain comfortable in the medium term.

Key weaknesses

Thin profitability due to trading nature of operations

Due to wholesale trading nature of operations with thin mark up on cost, STPL's PBILDT margin remained in the range of around at 1.50% - 1.65% during last four years ended on FY24.

Marginal improvement in PBILDT margin is expected owing to achievement of economies to scale and supply of better margin premium products.

Susceptibility of its operations to regulatory changes in the state

The alcohol beverage industry is highly regulated in India with each state government having its own policy for production, distribution, retailing and duty structure independently. Any adverse changes in regulatory framework for distribution and supply of the alcoholic beverage in the State may have huge impact on operations of alcohol distributors.

High geographical concentration and intensely competitive operations

STPL's operation remain concentrated to few specific regions of Mumbai, exposing STPL to risk of changes in local demand-supply scenario, regulatory and political upheavals in the state. Further, STPL faces intense competition from distributors of other alcohol manufacturers.

Nevertheless, established presence of the promoters in the regional market for around three decades, large portfolio and increasing alcohol consumption mitigates the risk to an extent.

Liquidity: Adequate

STPL's liquidity remain adequate as it has negligible scheduled long-term debt repayment obligations against gross cash accruals of Rs.14 crore in FY24 and sufficient cushion available in the form of un-utilised sanctioned cash credit facilities.

STPL's operating cycle remained lean at 30-35 days on account of timely collection from trade receivables within 20-25 days and moderate inventory holding period of 15-22 days, supported by credit of around 5-10 days from suppliers.

The average utilisation of sanctioned working capital limits remained at around 24% in trailing 12 months ended in June 2024. STPL is under process of availing enhancement in its existing sanctioned working capital limits, which will further aid to STPL's liquidity.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

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About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Commercial Services & Supplies	Trading & Distributors

Mumbai, Maharashtra based Sultania Trade Private Limited (STPL) is promoted by Mr. Omprakash Sultania in February 1999. STPL is primarily engaged in distribution of imported as well as indigenous alcoholic beverages (including Scotch, Whisky, Vodka, Beer and other spirits) of reputed alcohol manufactures in greater Mumbai region and Thane, Bhiwandi in Maharashtra.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	1,358.18	1,482.87
PBILDT	22.46	25.22
PAT	12.34	14.83
Overall gearing (times)	0.93	0.69
Interest coverage (times)	4.43	6.31

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based-Long Term		-	-	-	155.00	CARE BB+; Stable; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based-Long Term	LT	155.00	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BBB-; Stable (02-Sep-24)	-	-

*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based-Long Term	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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