

## Bhatia Wine Merchants Private Limited

January 09, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	47.31	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 Limited has been seeking information from Bhatia Wine Merchants Private Limited (BWMPL) to monitor the ratings vide e-mail communications dated December 31, 2025; December 16, 2025 and numerous phone calls. However, despite our repeated request, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Limited has reviewed the rating on the basis of the best available information which however, in CARE Ratings Limited's opinion is not sufficient to arrive at a fair rating. The ratings on BWMPL's 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.**

The rating has been revised due to unavailability of critical information and lack of clarity on future growth strategy, which is critical for assessing the credit risk profile of the company.

For arriving at the ratings, CARE Ratings Limited has taken a combined view of the operational and financial profiles of BWMPL and Golden-Prince Wines India Private Limited (GPWIPL), collectively referred as 'Group' due to the managerial, operational, and financial linkages between the two entities.

The rating continues to remain constrained by profitability susceptible to volatility in input prices, working capital intensive nature of operations and exposure to group companies. CARE Ratings Limited also takes note of the reference of BWMPL in media reports related to an on-going investigation by the Enforcement Directorate (ED) in Chhattisgarh.

The rating derives strength from long experience and track record of the Group in liquor industry along with established clientele, satisfactory capacity utilisation, high entry barriers in liquor industry, improved financial performance in FY24 (refers to the period April 1 to March 31) albeit with moderated operating margins and satisfactory capital structure and modest debt coverage metrics.

### Analytical approach: Combined.

For arriving at the ratings, CARE Ratings Limited has taken a combined view of the operational and financial profiles of BWMPL and GPWIPL, as these companies are engaged in similar line of operations under a common management and have financial and operational linkages. Details of entities combined has been mentioned in Annexure-6.

**Outlook:** Stable.

### Detailed description of key rating drivers:

At the time of last rating on January 07, 2025, the following were the rating strengths and weaknesses (updated for the FY25 financial results and available media releases.)

### Key weaknesses

#### Profitability susceptible to volatility in input prices

The group sources raw materials such as grains, ENA, glass bottles, and packing materials from the market at spot rates, which are inherently volatile. In FY24, raw material costs made up approximately 74% (previous year: 73%) of the group's total sales costs. Any increase in raw material prices could negatively impact the company's profitability, as the prices of finished goods are regulated by the government.

#### Exposure to group companies

The group has exposure to other related group companies in the form of loans and advances as well as investments. The said exposure stood at Rs.29.30 crores as on March 31, 2023, and has grown to Rs.32.43 crores which is ~29% (~26% as on March 31, 2023) of its net worth as on March 31, 2024.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

**Working capital intensive nature of operation**

The group's operation is working capital intensive in nature as it has to offer credit period for 30-45 days to its customer which primarily includes state owned corporations and has a policy to maintain inventory for about two months. Thus, the group must rely upon the bank borrowings to fund its working capital requirement. However, the group's operating cycle improved from 48 days in FY23 to 41 days in FY24 on account of better collection period which improved from 46 days in FY23 to 32 days in FY24. The average utilization of working capital borrowings was high at ~99% during the last twelve months period ended October 2024 for GPWIPL and ~97% for BWMPL.

**Project risk**

The group is in the process of incurring a total capex of around Rs. 50 crores to enhance its ENA capacity from current 60 KLPD to 120 KLPD along with facility upgradation, out of which it has already expended around Rs. 28 crores in FY24. In FY25, the group has taken a term loan of Rs.18.26 crores and the project are expected to achieve its COD in Sep'25. The expansion will be carried out in the existing premises. The group is also contemplating to incur capex in the medium to long term, though the same is majorly in the planning stage. Under the said expansion, the group under, plans to start a 120 KLPD convertible ENA plant in Orissa.

**Provisional Attachment of properties by Directorate of Enforcement(ED)**

The Enforcement Directorate (ED) has provisionally attached properties belonging to BWMPL as part of its ongoing investigation into the Chhattisgarh liquor scam. This action has been taken under the Prevention of Money Laundering Act (PMLA), 2002 and forms a part of a broader probe involving two other major distilleries in the state.

**Key strengths****Long experience and track record of the group in liquor industry along with established clientele**

The Bhatia group of Bilaspur (Chhattisgarh) is a well-established regional player in the liquor industry, boasting over four decades of experience. The group is involved in bottling, manufacturing, and selling Indian Made Foreign Liquor (IMFL) and country liquor (CL), with manufacturing facilities located in Chhattisgarh and Odisha. BWMPL began operations in June 2007 with a manufacturing unit in Saragaon (Bilaspur). Meanwhile, GPWIPL started in 2003, setting up an IMFL manufacturing unit in Sirgitti (Bilaspur) and another unit in Chandikhol (Paradeep), Odisha in FY17.

The group's extensive experience and moderate capacity have positioned it as one of the few entities in Chhattisgarh with the necessary licenses for producing CL and IMFL. The group's revenue primarily comes from catering to the needs of Chhattisgarh State Marketing Corporation Limited (CSMCL), Chhattisgarh State Beverages Corporation (CSBC), and Odisha State Beverages Corporation of India (OSBCI), accounting for 90-95% of its sales. The government enters into annual contracts with state distillers for the supply of country liquor. Additionally, the group bottles IMFL for Radico Khaitan Ltd, Pernod Ricard India Pvt Ltd, Allied Blenders & Distilleries Pvt Ltd, and Jagatjit Industries Ltd under contractual agreements.

**Satisfactory capacity utilization (CU)**

The CU for the spirit manufacturing plant which stood at 84% in FY23 remained fairly at similar levels at ~82% despite the state legislative elections affecting the operations; in 6MFY25, the utilisation has been low at 62% on account of Lok Sabha elections and revision in retail rates by the government leading to lower consumer demand. However, under the bottling business, the CU improved to ~89% in FY24 (PY: 87%) and in 6MFY25, the utilisation has sustained at 83%. The CU is expected to remain around current levels in near to midterm.

**High entry barriers owing to high regulation and capital intensity**

The organized alcohol industry is predominantly controlled by a few major players. The government imposes various duties such as excise duty, sales tax, license fees, and countervailing duty, which differ from state to state. State-level regulations are subject to unexpected changes, exposing the industry to regulatory risks. Additionally, there is a nationwide ban on all forms of direct and indirect liquor advertising, prompting market players to use surrogate advertising. As a result, the high level of regulation and significant capital requirements make it challenging for new entrants to operate in this environment, giving existing players a competitive edge.

**Improvement in financial performance in FY24 and H1FY25**

In FY24 the group registered over 7% growth in its revenues and the same stood at Rs 342 crores (PY: Rs. 319 crores). The margins, however, have continued to remain moderate in FY24 at 8.19% (PY: 8.44%) owing to fluctuations in raw material prices, which could not be passed on to customers immediately, especially for country liquor which is sold to government at the contract prices which are set at the beginning of the year.

In 6MFY25, the group has reported estimated healthy revenues around of Rs. 158 crores after netting off Duties, Taxes and interparty transactions. PBILDT and PAT has remained at steady levels in 6MFY25 at 9.78% & 2.84% respectively, and it is expected to remain similar levels in the near future.

### Satisfactory capital structure and modest debt coverage metrics

The capital structure improved in FY24 marked by a debt equity ratio of 0.18x and overall gearing of 0.85x as on March 31, 2024 (as against 0.33x and 1.01x as on March 31, 2023). The improvement was largely on account of accreditation in net worth and timely servicing of debt obligations in FY24 and repayment of a substantial portion of unsecured loans. TD/GCA improved to 6.70x as on March 31, 2024 as against 7.63x as on March 31, 2023; however, continued to remain high on account of highly utilised working capital limits.

The gearing levels though is expected to moderate a little in the short term due to the planned debt laden capex, the same is expected to remain comfortable in short to medium term.

### Applicable criteria

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

[Definition of Default](#)

[Consolidation](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Beverages	Breweries & Distilleries

Incorporated in 1997, BMWPL, is promoted by the Bhatia group of Bilaspur (Chhattisgarh) is engaged in bottling, manufacturing, and sale of Country Liquor (CL) and Indian Made Foreign Liquor (IMFL) with manufacturing facility located at Saragaon (Bilaspur), Chhattisgarh. The manufacturing unit has a capacity of producing 18,000,000 Litres Per Annum (LPA) of Extra Neutral Alcohol (ENA) and around 5,500,000 cases of CL and IMFL annually.

Incorporated in 2001, GPWIPL is also promoted by the Bhatia group of Bilaspur (Chhattisgarh). The company is engaged in bottling, manufacturing, and sale of Indian Made Foreign Liquor (IMFL) with 3 CARE Ratings Ltd. Press Release manufacturing facility located at Sirgitti (Bilaspur) Chhattisgarh and Chandikhol (Paradeep), Odisha. The total bottling capacity of the company stands at 1,524,440 cases annually. GPWIPL purchases a part its ENA requirement from BWM.

Combined Brief Financials (₹ crore)	March 31, 2023 (UA)	March 31, 2024 (UA)	H1FY25 (UA)
Total operating income	318.91	341.75	157.67^
PBILDT*	26.92	27.98	15.42
Profit after tax (PAT)	8.88	9.57	-
Overall gearing (x)	1.01	0.85	-
Interest coverage (x)	2.53	2.65	-

Combined unaudited (UA) financials of BMWPL and GPWIPL; Note: these are latest available financial results

^Revenue after netting off Duties & Taxes and interparty transactions.

\*PBILDT: Profit before interest, lease rentals, depreciation and tax

Standalone Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	258.94	258.61
PBILDT *	18.34	20.09
Profit after tax (PAT)	6.31	6.36
Overall gearing (x)	0.70	0.89
Interest coverage (x)	2.96	2.46

Standalone audited (A) financials of BMWPL; Note: these are latest available financial results.

\*PBILDT: Profit before interest, lease rentals, depreciation and tax

### Status of non-cooperation with previous CRA:

India Ratings has conducted the review on the basis of best available information and has classified BMWPL as “Not cooperating” vide its press release dated June 25, 2025. The reason provided by India Ratings is non-furnishing of requisite information for monitoring of ratings.

CRISIL Ratings has conducted the review on the basis of best available information and has classified BMWPL as “Not cooperating” vide its press release dated April 11, 2025. The reason provided by CRISIL Ratings is non-furnishing of requisite information for monitoring of ratings and non-submission of NDS for the last three months.

**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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	45.76	CARE BB; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	March 2025	1.55	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 - LT-Term Loan	LT	1.55	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BBB-; Stable (07-Jan-25)	1)CARE BBB-; Stable (07-Feb-24) 2)CARE BBB-; Stable (30-May-23)	1)CARE BBB-; Stable (31-Mar-23)
2	Fund-based - LT-Cash Credit	LT	45.76	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BBB-; Stable (07-Jan-25)	1)CARE BBB-; Stable (07-Feb-24) 2)CARE BBB-; Stable (30-May-23)	1)CARE BBB-; Stable (31-Mar-23)

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

LT: Long 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 - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

**Annexure-5: Lender details**

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

**Annexure-6: List of entities consolidated**

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Golden Prince Wines India Private Limited	Full	Operational and Financial linkage along with common management.

**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.

## Contact us

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