MDVL Polytech Private Limited

July 02, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	86.00	CARE BBB-; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The ratings assigned to the bank facilities of MDVL Polytech Private Limited (MDVL) continue to derive strength from its experienced promoters with long track record of operations in the bottling industry, key manufacturer and supplier of preforms to Brindavan Bottlers Pvt Ltd (BBPL) serves as its backward integration. It is a part of renowned Ladhani group which has an established market position by virtue of exclusive franchise agreement with Coca-Cola India Private Limited for different regions managed by separate companies and promoters. The ratings also derive strength from the growing scale of operations during FY25 (refers to the period from April 1 till March 31) with healthy PBILDT margins. The company also has an adequate liquidity position at combined level, characterised by sufficient cushion in cash accruals versus repayment obligations and moderate cash and liquid investments.

However, the ratings continue to remain constrained by moderate capital structure, exposure towards group entities in form of corporate guarantee and advances towards group companies, geographic concentration of revenue, risk pertaining to changing consumer preferences, seasonality in demand and regulatory risks.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in scale of operations of Rs. 650 crore or above at combined level while sustaining PBILDT margins at 15% or above at combined level.
- Improvement in overall gearing to below 0.70x on a sustained basis at combined level.
- Ability of the company to effectively manage its working capital requirements thereby reducing reliance on external borrowings leading to improvement in overall liquidity position.

Negative factors

- Higher than envisaged increase in debt leading to deterioration in overall gearing above 1.50x at combined level.
- Delay in receipt of support from group companies leading to tightening of liquidity position.
- Decline in scale of operations below Rs. 400 crores or PBILDT margins below 10% at combined level

Analytical approach: Combined

The operational and financial risk profile of MDVL and BBPL has been combined as there are operational and financial linkages between the two entities. MDVL is a backward integration entity for BBPL and around 70% sales of MDVL is towards BBPL. Moreover, BBPL also provided CG towards MDVL Polytech. Further, the 2 directors of MDVL are also directors in BBPL.

Outlook: Stable

Stable outlook reflects CARE's expectation that the company will continue to benefit from experienced promoters with long track record of operations and support from well-renowned Ladhani group.

Detailed description of key rating drivers:

Key strengths

Experienced and resourceful promoters

The management of MDVL is carried out by the Ladhani family which has been involved in the business of bottling for Coca-Cola beverages since last 30 years and involved in preform business since the last 10 years. Prakash Ladhani, Vivek Ladhani, Mohan Das Ladhani and Paritosh Ladhani are the common directors in the group companies. The promoters have over time built healthy relationship with Coca-Cola which supports the business. Also, support from group companies, in terms of both revenue and

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

shareholding mitigates the demand risk, which also provides a steady revenue stream. Furthermore, the promoter group is resourceful and has been pumping funds in the form of unsecured loans in the company.

Part of well-established group

MDVL is part of LD Ladhani group which is involved in various industries such as bottling, hotel, power, dairy, etc. The Ladhani group has four major companies (called flagship units) in beverage segment: Amrit Bottlers Private Limited, Brindavan Agro Industries Private Limited, Brindavan Beverages Private Limited and Brindavan Bottlers Private Limited, each owned by different brother. In the bottling segment, the group has a long-standing association of more than three decades with the Coca-Cola. Several companies of the group are engaged in manufacturing, bottling and trading of aerated water and RTS fruit juice under the franchisee of Coca Cola India.

Established relationship with Coca-Cola having strong brand positioning

MDVL is set-up as a backward integration entity for BBPL to manufacture preforms for the bottles. The majority of sales of around 70% of MDVL is towards BBPL and BBPL in turn sells to its group company SLMG Beverages Pvt Ltd. There are 4 legacy units Amrit Bottlers Private Limited, Brindavan Agro Industries Private Limited, Brindavan Beverages Private Limited and Brindavan Bottlers Private Limited of Ladhani group. Each owned by different brother. All the 4 legacy units are engaged in the business of bottling for Coca Cola and having separate distribution rights in separate territories Bareilly, Faizabad, Lucknow and Agra respectively. There was a refranchise agreement with Coca Cola in FY2020 and SLMG has acquired the distribution rights earlier held by the four legacy units. After integration of acquired territories and revised arrangement of distribution rights, SLMG now caters to the entire UP region (excluding part falling in the National Capital Region), Uttarakhand and Bihar where SLMG is the sole distributor for carbonated soft drinks (CSD), juices and packaged drinking water for Coca-Cola. CARE Ratings notes that Coca-Cola's strong brand positioning and high brand recall among consumers coupled with a strong distribution network across urban and rural areas reduces the risk of volatility in SLMG's revenues and profitability over the medium term.

Growth in scale of operations along with healthy profitability margins

The company reported improvement in operational and financial performance in FY25 characterised by growth in TOI and healthy profitability margins. TOI at combined level increased to ₹505.59 crore in FY25 against ₹374.63 crore in FY24 reporting year-over-year (y-o-y) growth of ~35%. The increase in total income is mainly on account of increase in quantity and prices of products owing to better demand. The company also reported healthy PBILDT margins at combined level of 15.54% in FY25 from 15.36% in FY24, largely driven by increase in TOI of the business, leading to attain economies of scale.

Key weaknesses

Moderate Capital Structure and significant exposure towards group companies:

The capital structure of the company remained moderate in FY25. The long-term debt to equity ratio and overall gearing ratio at combined level stood at 0.64x and 1.09x in FY25 (UA) as against 1.09x and 1.72x in FY24. The company had taken term debt in both MDVL and BBPL during FY23 & FY24. The term debt in MDVL was availed to set up the unit in Jammu and in BBPL for addition of three new lines which includes one each for Juice Bottle, Juice Tetra Pack and Water Bottle. The interest coverage and total debt to GCA at combined level stood at 2.97x and 6.26x in FY25 (UA) as against 3.35x and 8.28x in FY24. However, with no significant debt funded capex planned in near term the capital structure and debt coverage indicators are expected to improve going forward.

Risks pertaining to geographical concentration in revenue and change in consumer preferences

MDVL 70% of sales is to group company Brindavan Bottlers Private Limited. MDVL is engaged in manufacturing of preforms for BBPL. BBPL has exclusive franchise agreement with Coca-Cola India Private Limited for bottling of beverages in UP, Uttarakhand and Bihar. This leads to concentration of revenues and exposes the financial performance to any region-specific adverse events. Furthermore, with consumers increasingly turning health conscious, CSDs are losing market share to non-carbonated drinks. The company also faces stiff competition from Reliance group which has recently launched the iconic Campa brand in the beverages segment which would compete against Coca-Cola and Pepsico in the Indian market. Incremental sales growth will, therefore, depend on the success of non-carbonated products.

Seasonality in demand for carbonated soft drinks

The demand for CSDs is seasonal with peak demand observed in the summer months coinciding with Q1 and is highly susceptible to changes in weather conditions during this period. This leads to low-capacity utilisation of bottling plants during the off-season in the winter months. This risk is mitigated to some extent by the increasing share of fruit-juice-based drinks in the product mix as the demand for such drinks are relatively more stable throughout the year.

Regulatory risks

CARE Ratings observes that the company is vulnerable to any unfavourable government regulations over the contents of aerated drinks and rising environmental concerns in the country regarding water depletion and discharge of effluents by bottling plants. Furthermore, evolving concerns related to disposal of plastic may impact the beverages industry.

Liquidity: Adequate
The adequate liquidity is characterised by projected combined cash accruals of ~Rs. 58.60 crores during FY26 as against repayment obligations of Rs. 39.34 crores. The average utilisation of working capital limits of MDVL stands around 30.25% of latest 12 months ending as on 31 May 2025. The combined free cash and fixed deposits balance as on March 31, 2025 is Rs. 8.86 crore. The working capital cycle is efficiently managed marked by operating cycle at combined level of 32 days in FY25.

Applicable criteria
Policy on Default Recognition
Liquidity Analysis of Non-financial sector entities
Assigning 'Outlook' or 'Rating Watch' to Credit Ratings
Manufacturing Companies
Financial Ratios – Non financial Sector
Notching by Factoring Linkages in Ratings
Consolidation & Combined Approach

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Beverages	Other Beverages

MDVL is engaged in the manufacturing of preforms. These preforms are used to blow the PET bottles required for filling and therefore MDVL provides a backward integration set up to the group. Around 70% of the sales of the company is towards group entity; Brindavan Beverages Pvt Ltd. The company has a production capacity of 1140 MT per month preforms. The plant is situated at Bari Brahmana, Jammu.

Brief Financials (Combined) (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	374.63	505.59
PBILDT	57.55	78.57
PAT	9.36	24.71
Overall gearing (times)	1.72	1.09
Interest coverage (times)	3.35	2.97

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

Status of non-cooperation with previous CRA: NA

Any other information: NA

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 - LT-Cash Credit		-	-	-	42.36	CARE BBB-; Stable
Fund-based - LT-Term Loan		-	-	31-03-2030	43.64	CARE BBB-; Stable

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	43.64	CARE BBB-; Stable				
2	Fund-based - LT-Cash Credit	LT	42.36	CARE BBB-; Stable				

LT: Long term;

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: NA

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 the 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	MDVL Polytech Private Limited	Full	MDVL is a backward integration entity for BBPL and around 70% sales of MDVL is towards BBPL. Moreover, BBPL also provided CG towards MDVL Polytech.

Note on complexity levels of rated instruments: CARE 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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