

## Brindavan Bottlers Private Limited

October 29, 2020

### Ratings

Facilities*	Amount (Rs. Crore)	Rating <sup>1</sup>	Rating Action
Long-term Bank Facilities (Fund-based)	20.00	CARE BB; ISSUER NOT COOPERATING* [Double B; ISSUER NOT COOPERATING*]	Issuer not cooperating; Revised from CARE BB+; Stable; Issuer not cooperating; Based on best available information
Long-term Bank Facilities (Term Loan)	61.45	CARE BB; ISSUER NOT COOPERATING* [Double B; ISSUER NOT COOPERATING*]	Issuer not cooperating; Revised from CARE BB+; Stable; Issuer not cooperating; Based on best available information
<b>Total</b>	<b>81.45</b> <b>(Rupees Eighty One crore and forty five lakhs only)</b>		

### Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated December 31, 2019, continued to place the rating of Brindavan Bottlers Private Limited under the 'Issuer Non-Cooperating' category as the company had failed to provide the requisite information required for monitoring of the rating as agreed to in its Rating Agreement. Brindavan Bottlers Private Limited continues to be non-cooperative despite repeated requests for submission of information through e-mails dated October 19, 2020. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

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

In view of the non-availability of the information and lack of management cooperation, CARE has revised the rating for bank facilities of Brindavan Bottlers Private Limited from CARE BB+; ISSUER NOT COOPERATING to CARE BB; ISSUER NOT COOPERATING. Thus, the rating revision is based on the best available information. The ratings on Brindavan Bottlers Private Limited's bank facilities will now be denoted as **CARE BB; ISSUER NOT COOPERATING**.

### Detailed description of the key rating drivers

CARE has not received any information for the review of the ratings except financials for FY19 extracted from ROC. However, at the time of last rating on December 31, 2019 the following were the rating weaknesses and strengths (Updated FY19 financials).

### Key Rating Weaknesses

#### Moderate financial profile

The company witnessed an increase in its total income from Rs. 256.76 crore in FY18 to Rs. 267.34 crore in FY19; registering a growth of 4.12%. The PBILDT level of the company stood at Rs. 36.62 crore in FY19 (PY: Rs. 39.17crore). The PBILDT & PAT margin stood at 13.70% and 3.22% respectively in FY19. The overall gearing stood at 1.43x as on March 31, 2019 (PY: 1.69x). The other debt coverage indicators like interest coverage & total debt to GCA stood at 3.93x and 3.27x respectively as on March 31, 2020.

#### Low bargaining power over raw material prices

BBPL's major raw material requirement is of concentrate (which is sourced from Coca Cola India) and Sugar (procured locally), which normally account for around 35% and 25% respectively of total raw material consumption. The company has low bargaining power over raw materials as sugar is bought locally at prevailing market rates which is governed by factors external to the company, while BBPL sources concentrate from its sole supplier Coca Cola India.

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

\*Issuer did not cooperate; Based on best available information

### Seasonal nature of business and susceptibility to regulatory changes and consumers' preference

The company's nature of business is seasonal, and most of the sales are in the summer season. March to July period account for 70%-80% of the total annual sales. During the peak season of March-July, the company operates at its full capacity. The business is also susceptible to changing health preferences of consumers towards healthier products like juices.

### Liquidity Profile

Current ratio stood at 1.15x as on FY19 (PY: 1.13x) and the working capital cycle decreased to 22 days (PY: 31 days). The GCA and cash & bank balance of the company during FY19 was Rs. 32.08 crore and Rs.139.75 crore respectively. However, CARE doesn't have the subsequent financials for FY20 to comment upon the current liquidity position.

### Key Rating Strengths

#### Experienced promoters and management team

BBPL was incorporated in 1985 by Mr. S N Ladhani and Mr. Mohan Das Ladhani. The Ladhani family was earlier bottlers for Parle. The Ladhani's bottling plants in Uttar Pradesh for Coca Cola were divided amongst the four brothers after the division of family business in 1995. Mr. Mohan Das Ladhani has taken charge of BBPL since the division of family business and has nearly three decades of experience in the bottling business. He has further diversified into other business ventures, viz. real estate and vehicle financing. He is well supported by an experienced and professional management.

**Analytical approach:** Standalone

### Applicable Criteria

[Policy in respect of Non-cooperation by Issuer](#)

[Criteria on assigning Outlook and Credit Watch to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Financial ratios - Non-Financial Sector](#)

[Rating Methodology-Manufacturing Companies](#)

### About the Company

BBPL, incorporated in year 1985 and promoted by Mr. Mohan Das Ladhani, holds exclusive bottling and distribution franchisee for carbonated soft drinks and ready to serve fruit juice (Maaza) of The Coca Cola Company Limited (TCCC) in seven districts of Uttar Pradesh namely, Rae Bareilly, Barabanki, Sitapur, Hardoi, Jhansi, Lalitpur and Lucknow, production for which is carried out from the Barabanki Plant which has installed capacity of 700BPM (Bottles Per Minute) of RGB (Returnable Glass Bottles), 300BPM of Maaza and 200 BPM of CSD PET Line. It also holds a co-packing arrangement with Hindustan Coca Cola Beverages Pvt Ltd (HCCBPL) (subsidiary of TCCC) for manufacturing of packaged drinking water under 'Kinley' brand and carbonate soft drinks which is undertaken from the Unnao Plant having installed capacity of 600BPM of PET water line and 600BPM for PET CSD line commissioned in September, 2013 and July 2015 respectively. Further, BBPL operates one wind mill of 800 KW capacity in Jaisalmer (Rajasthan). Alongside, it is operating three wind mill generators of 1250 KW each at Jaisalmer (Rajasthan) and Dhule & Nandurbar (Maharashtra).

**Covenants of rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	256.76	267.34
PBILDT	39.17	36.62
Adjusted PAT	6.16	8.6
Overall gearing (times)	1.69	1.43
Interest coverage (times)	4.74	3.93

A: Audited

**Status of non-cooperation with previous CRA:** Brindavan Bottlers Private Limited has not cooperated with CRISIL which has classified it as issuer not cooperative vide Press release dated June 30, 2020. The reason provided by CRISIL is of non-submission of information by the Company.

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	61.45	CARE BB; ISSUER NOT COOPERATING*
Fund-based - LT-Working Capital Limits	-	-	-	20.00	CARE BB; ISSUER NOT COOPERATING*

\*Issuer not cooperating; Based on best available information

**Annexure-2: Rating History of last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	61.45	CARE BB; ISSUER NOT COOPERATING*	-	1)CARE BB+; ISSUER NOT COOPERATING* (31-Dec-19)	1)CARE BBB; ISSUER NOT COOPERATING* (23-Aug-18)	1)CARE BBB+; ISSUER NOT COOPERATING* (18-Apr-17)
2.	Fund-based - LT-Working Capital Limits	LT	20.00	CARE BB; ISSUER NOT COOPERATING*	-	1)CARE BB+; ISSUER NOT COOPERATING* (31-Dec-19)	1)CARE BBB; ISSUER NOT COOPERATING* (23-Aug-18)	1)CARE BBB+; ISSUER NOT COOPERATING* (18-Apr-17)

\*Issuer not cooperating; Based on best available information

**Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: NA****Annexure 4: Complexity level of various instruments rated for this company/firm**

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Term Loan	Simple
2.	Fund-based - LT-Working Capital Limits	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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### About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

### Disclaimer

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**