

PRESS RELEASE

SINGAPORE BEVERAGES NEPAL PRIVATE LIMITED

May 2026

Ratings

| Instrument/Facilities | Amount (NPR Mn) | Ratings | Rating Action |
|----------------------------|----------------------------------|---------|---------------|
| Long Term Bank Facilities | 409.68 (enhanced from 353.28) | IRN BB+ | Reaffirmed |
| Short Term Bank Facilities | 390.80 (enhanced from 250.30) | IRN A4+ | Reaffirmed |
| Total | 800.48 | | |

Details of facilities are in Annexure 1 below

Infomerics Credit Rating Nepal Limited (Infomerics Nepal) has reaffirmed the rating of IRN BB+ (Double B plus) assigned to the long-term bank facilities of NPR 409.68 Mn and IRN A4+ (A Four Plus) assigned to the short-term bank facilities of NPR 390.80 Mn.

Detailed Rationale

The reaffirmation of the ratings assigned to the bank facilities of Singapore Beverages Nepal Private Limited (SBNPL) is driven by healthy revenue growth in FY25, with total operating income increasing by ~22% y-o-y to NPR 782 Mn, supported primarily by the carbonated soft drinks segment, which contributed ~75% of total revenue during the year. The ratings continue to factor in SBNPL's expanding distribution reach and improving brand visibility across Nepal, driven by its flagship portfolio comprising Jeeru, Nimbu Pani, Fruit Gems, Joiner and Naturals, which have received encouraging market acceptance. The company also benefits from its strategically advantageous location near the Indian border, facilitating efficient cross-border trade and wider regional market access; however, associated geopolitical and trade-related uncertainties remain monitorable. Further comfort is derived from the experienced and reputed promoter group, which brings strong industry knowledge and operational continuity to the business.

However, the ratings remain constrained by moderation in operating profitability during FY25 and 8.5MFY26, primarily due to elevated selling and distribution expenses. The capital structure has also remained moderately leveraged, with a noticeable increase in gearing following debt-funded capacity expansion in the carbonated flavored soft drink segment. Intensifying competition in the packaged beverage industry, characterized by the presence of established domestic and multinational players across energy drink and juice segments, further constrains pricing power and market share expansion. Low entry barriers continue to heighten competitive intensity. Going forward, SBNPL's ability to sustain revenue momentum, improve operating efficiency, manage working capital prudently, and successfully stabilize expanded capacities through consistent product quality will remain key rating sensitivities.

Detailed Description of Key Rating Drivers

Key Rating Strengths

Experienced promoters

SBNPL is promoted by experience promoters, who bring extensive experience in the FMCG sector and continue to provide strategic direction to the company's operations. Mr. Ramesh Sharma, the Chairman, possesses over three decades of experience in FMCG distribution with expertise in regulatory liaison, stakeholder relationship management, and sales & distribution network development. Further, Dr. Ashish Sharma, the Managing Director, has almost a decade of

international FMCG exposure. The promoters are further supported by a qualified and experienced management team overseeing key functional areas of the company.

Average financial performance

SBNPL reported healthy revenue growth in FY25, with total operating income increasing by ~22% to NPR 782 Mn, primarily supported by the carbonated soft drinks segment, which contributed ~75% of the total revenue. However, despite the improvement in scale, the company's profitability moderated due to elevated selling and distribution expenses, resulting in decline in EBITDA margin to 10.57% in FY25 from 14.34% in FY24 and further to 7.30% in 8.5MFY26. Further, the company's capital structure remained moderately leveraged, though gearing levels increased following debt-funded capacity expansion in the carbonated flavored soft drink segment, with overall gearing rising to 1.87x as of mid-April 2026 from 1.28x as of mid-July 2025. Consequently, debt coverage indicators also witnessed moderation, with interest coverage declining to 1.91x in 8.5MFY26 from 2.88x in FY25 and DSCR moderating to 1.37x in FY25 from 1.46x in FY24. Nevertheless, the expected improvement in operating performance during the peak sales season is likely to support the company's near-term debt servicing ability.

Growing market presence supported by diversified portfolio and distribution network

Despite its relatively short operational track record since commencing operations in 2017, SBNPL has established a growing market presence across Nepal through expansion of its distribution network and diversified product portfolio. The company currently operates through 163 authorized distributors across country as of mid-April 2026, covering most major towns and cities. Its brands such as Joiner, Jeeru, Nimbu Pani, and Naturals have gained increasing consumer acceptance, particularly among the youth segment. Further, the company benefits from a diversified portfolio comprising carbonated soft drinks, juices, and energy drinks with 88 SKUs in the market. The company's strategically located manufacturing facility in Mechinagar, Jhapa, near the Nepal-India border, supports efficient procurement and distribution, thereby aiding operational efficiency and future growth prospects.

Key Rating Weaknesses

Working capital intensive nature of business

SBNPL's liquidity profile remained moderate, supported by an improvement in working capital management during FY25. The company's working capital intensity improved to ~35% in FY25 from ~42% in FY24, aided primarily by better receivables management. Accordingly, the average collection period improved to 68 days in FY25 from 91 days in FY24, reflecting relatively efficient realization from debtors. Further, inventory management also witnessed marginal improvement, with average inventory holding period declining to 105 days in FY25 from 117 days in FY24. Consequently, the overall operating cycle moderated to 143 days in FY25 against 165 days in FY24, indicating relatively improved efficiency in the utilization of working capital despite the business remaining moderately working capital intensive.

Exposure to seasonality, input price volatility and competitive industry dynamics

The company's operations remain exposed to the seasonal nature of demand in the packaged beverage industry, with revenue generation largely concentrated during peak summer months. Further, profitability remains vulnerable to volatility in key raw material prices such as sugar, fruit pulp, and packaging materials, along with any adverse changes in regulatory and duty structures. The company also faces intense competition from established domestic and international beverage brands, while evolving consumer preferences continue to pose challenges in sustaining market share and achieving further scale-up in operations.

Analytical Approach: Standalone

Applicable Criteria:

[Corporate Credit Rating Methodology](#)

Past Rating Rationale:

[Singapore Beverages Nepal Private Limited: Bank Facilities Rating Reaffirmed](#)

About the Company:

Incorporated in 2017, Singapore Beverages Nepal Private Limited (SBNPL) is engaged in the manufacturing of beverages, with its production facility located in Mechinagar, Jhapa. The company is promoted and managed by the father-son duo of Mr. Ram Krishna Sharma (Ramesh Sharma) and Dr. Aashish Sharma. Initially engaged in the production of carbonated soft drinks, SBNPL has recently diversified its product portfolio with the introduction of juice and energy drink segments. Joiner, Fruit Gems, Jeeru, and Nimbu Pani remain the company's flagship brands. The shareholding of the company is equally held by Mr. Ram Krishna Sharma (25.00%), Dr. Aashish Sharma (25.00%), Ms. Anita Sharma (25.00%), and Ms. Nidhi Agrawal (25.00%).

Financial Indicators (Standalone)

| For the year ended* As on | FY23 | FY24 | FY25 | 8.5MFY26 |
|---------------------------------|---------|---------|---------|-----------|
| | Audited | Audited | Audited | Unaudited |
| Total Operating Income (NPR Mn) | 616 | 642 | 782 | 461 |
| EBITDA Margin (%) | 14.03 | 14.34 | 10.57 | 7.30 |
| Interest Coverage Ratio (x) | 2.82 | 2.54 | 2.92 | 1.91 |
| Current Ratio (x) | 1.44 | 1.39 | 1.25 | 1.24 |
| Total Debt/EBITDA (x) | 4.37 | 4.16 | 4.65 | 16.39 |
| Overall Gearing Ratio (x) | 1.54 | 1.39 | 1.28 | 1.87 |
| TOL/TNW (x) | 2.00 | 1.77 | 1.65 | 2.20 |
| Working Capital Intensity | 40% | 42% | 35% | 56% |

Earning before Interest Tax Depreciation Amortization (EBITDA)

Total Outside Liabilities/Tangible Net Worth (TOL/TNW)

**Classification as per Infomerics Nepal standards*

Annexure:1 Detail of Facilities:

| Name of Instruments/ Facilities | Type of Facilities | Amount (NPR Mn) | Ratings |
|---|--------------------|---------------------|---------|
| Fund Based Bank Facilities- Term Loan | Long Term | 277.68 | IRN BB+ |
| Fund Based Bank Facilities- Term Loan (Proposed) | Long Term | 40.00 | IRN BB+ |
| Fund Based Bank Facilities- Permanent Working Capital Loan | Long Term | 36.00 | IRN BB+ |
| Fund Based Bank Facilities- Permanent Working Capital Loan (Proposed) | Long Term | 56.00 | IRN BB+ |
| Fund Based Bank Facilities-Working Capital Loan | Short Term | 325.50 [#] | IRN A4+ |
| Fund Based Bank Facilities-Working Capital Loan (Proposed) | Short Term | 55.00 | IRN A4+ |
| Non-Fund Based Bank Facilities- LC/BG ¹ | Short Term | 50.30 [#] | IRN A4+ |
| Total Facilities | | 800.48 | |

¹Letter of Credit/Bank Guarantee

[#] At any point of time the combined limit of Letter of Credit (LC) and Trust Receipt Loan (TR) shall not exceed 50.00 Mn.

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About Infomerics Credit Rating Nepal Limited:

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