

## PRESS RELEASE

### **SHREE JEE FOODS PRIVATE LIMITED**

June 2026

#### Ratings

Instrument/Facilities	Amount (NPR Mn)	Ratings	Rating Action
Long Term Bank Facilities	187.21	IRN B+	Assigned
Short Term Bank Facilities	360.00	IRN A4	Assigned
<b>Total</b>	<b>547.21</b>		

*Details of facilities are in Annexure 1 below*

Infomerics Credit Rating Nepal Limited (Infomerics Nepal) has assigned the rating of IRN B+ (Single B Plus) to the long-term bank facilities of NPR 187.21 Mn, and IRN A4 (A Four) to the short-term bank facilities of NPR 360.00 Mn.

#### Detailed Rationale

The ratings assigned to the bank facilities of Shree Jee Foods Private Limited (SFPL) derive strength from its experienced promoter group. SFPL benefits from being a part of the BL Goenka Group, a well-established corporate group with presence across food processing, manufacturing and trading industries. The group association provides operational synergies, market access and financial flexibility. SFPL also benefits from brand recognition under Shree Jee brand in both domestic market and export to the Indian market, supporting its revenue diversification and market reach.

However, the ratings remain constrained by SFPL's limited track record of operation, highly leveraged capital structure, reflected in negative overall gearing ratio in FY25, amid the erosion of tangible net worth resulting from the losses incurred by the company. Also, the ratings take into account the working capital-intensive nature of operations, marked by moderate working capital intensity of ~30% aided by average collection period of ~97 days in FY25. Further, the company remains exposed to raw material price volatility, seasonal availability of agro-based raw materials and intense competition from both organized and unorganized players. Going forward, SFPL's ability to improve capacity utilization, sustain profitability, improve its tangible net worth position, rationalize debt levels, manage working capital efficiently and mitigate risks related to raw material price and currency movements will remain key rating sensitivities.

#### Detailed Description of Key Rating Drivers

##### Key Rating Strengths

##### Experienced promoter group

SFPL has been in operation for three years in processing and manufacturing of different varieties of pulses. Further, SFPL is a part of BL Goenka Group (operation from 1992) and takes on the role of main trading and manufacturing of pulses. The company is managed under the overall guidance of its three promoters, who also serve on the Board of Directors (BoD) and possess extensive experience in the manufacturing and trading sectors. Further, BoD is supported by experienced management team with expertise in the food processing industry.

##### Proximity to Indian border and product diversification with stable demand of supplied products

The manufacturing plant site is located in Dhakdhai, Rupandehi, Lumbini Province, approximately 12 km from the Indo-Nepal border at Sonauli. This provides logistical advantages and savings in transportation costs, particularly for exports of by-products such as cattle feed to the Indian market. SFPL sells its products under one major brand "Shree Jee" with 25kg package, catering primarily to institutional and wholesale customers. Further, the company plans to enter the retail/B2C segment

through the introduction of smaller 1 kg consumer packs, which is expected to improve market penetration, enhance brand visibility, and diversify the customer base. Also, the supplied products are the staple diet of Nepalese cuisine; hence demand prospects remain largely stable.

## Key Rating Weaknesses

### **Nascent track record with weak financial performance**

SFPL generates revenue from the sale of various pulses and its by-products and been in operation only for three years. Over FY23 to FY25, the company reported a revenue CAGR of ~32%. The company's financial performance exhibited fluctuating trend with Total Operating Income (TOI) increased to NPR 389 Mn in FY24 from FY23 levels; however, it declined by ~5% in FY25 primarily due to lower average realization of products amid elevated raw material costs. However, TOI stood at around NPR 129 Mn in 6MFY26, indicating some improvement. Profitability also remained volatile, with EBITDA margin improved to 1.73% in FY24 from negative 2.48% in FY23; however, it again deteriorated to negative 5.02% in FY25, indicating pressure on operational profitability. The profitability was impacted by high raw material prices, and elevated transportation costs. However, due to stability in the raw material prices, EBITDA margin has improved to 21.90% in 6M FY26.

### **Leveraged capital structure and weak debt service coverage indicators**

SFPL's capital structure remains highly leveraged, marked by negative tangible net worth (TNW) due to continuous accumulation of losses. The company's high reliance on short-term borrowings to fund working capital requirements has further kept debt levels elevated, resulting in negative overall gearing. Further, debt protection metrics remained weak, with interest coverage and DSCR below unity during FY23-25. However, interest coverage improved to 1.85x in 6MFY26, supported by improvement in operating profitability. Going forward, SFPL's ability to improve its net worth base and sustain improvement in coverage indicators will remain a key monitorable.

### **Working capital intensive nature of business**

The operations of the company are working capital intensive in nature, primarily owing to the need to maintain adequate inventory of raw materials for processing. The company generally procures and stores raw materials when prices are favorable, which results in inventory holding requirements. The operating cycle increased to 115 days in FY25 from 108 days in FY24, driven by increase in average receivables to 97 days in FY25 from 61 days. As a result, working capital intensity moderated to ~30% in FY25. Liquidity remained stretched, with a current ratio of 0.52x and a quick ratio of 0.33x at the end of FY25.

### **Seasonal agro products in competitive industry**

Being an agricultural commodity, planting, production, and prices are highly influenced by the timing and intensity of the monsoon rain, as well as the area being produced, the yield for the year, the demand-supply situation, and inventory carryover from the previous year. Further, milling industry is highly fragmented due to presence of several organized/ unorganized players owing to low entry barrier and low capital requirement.

**Analytical Approach:** Standalone

### **Applicable Criteria:**

[Corporate Credit Rating Methodology](#)

### **About the Company:**

Shree Jee Foods Private Limited (SFPL) is a private limited company incorporated in 2016 for processing and trading, having plant in Dhakhadhai, Rupandehi, Nepal. The total installed capacity for pulses is 117,600 MTPA, and by product cattle feed is 31,360 MTPA. SFPL is under BL Goenka Group, having more than three decades of operational track record across various sectors. As of January 15, 2026, Mr. Shree Chand Goenka holds the majority stake at 40.00%.

## Financial Indicators (Standalone)

For the year ended* As on	FY23	FY24	FY25	H1FY26
	Audited	Audited	Audited	Unaudited
Total Operating Income (NPR Mn)	162	389	368	129
EBITDA Margin (%)	Neg	1.73	Neg	21.90
Interest Coverage Ratio (x)	Neg	0.14	Neg	1.85
Total Debt/ EBITDA (x)	Neg	66.30	Neg	17.41
Current Ratio (x)	0.75	0.71	0.52	0.65
Overall Gearing Ratio (x)	5.36	23.82	Neg	Neg

\*Classification as per Infomerics Nepal standards

EBITDA: Earnings Before Interest Tax Depreciation Amortization

## Annexure:1 Detail of Facilities:

Name of Instruments/ Facilities	Type of Facilities	Amount (NPR Mn)	Ratings
Fund Based Bank Facilities- Term Loan	Long Term	187.21	IRN B+
Fund Based Bank Facilities- Working Capital Loan	Short Term	260.00	IRN A4
Non-Fund Based Bank Facilities- LC <sup>1</sup>	Short Term	100.00	IRN A4
<b>Total Facilities</b>		<b>581.60</b>	

<sup>1</sup>Letter of Credit

## Analyst Contacts

### Ms. Jyoti Rana Tharu

Tel No.+977-1-4583304/4585906

[jyoti.rana@infomericsnepal.com](mailto:jyoti.rana@infomericsnepal.com)

### Mr. Pradosh Aryal

Tel No.+977-1-4583304/4585906

[pradosh.aryal@infomericsnepal.com](mailto:pradosh.aryal@infomericsnepal.com)

## Relationship Contact

### Mr. Rabin Pudasaini

Tel No.+977-1-4583304/4585906

[rabin.pudasaini@infomericsnepal.com](mailto:rabin.pudasaini@infomericsnepal.com)

## About Infomerics Credit Rating Nepal Limited:

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## Infomerics Credit Rating Nepal Limited

Tanka Prasad Marga, Baneshwor Height, Kathmandu

Phone: +977-1-4583304/4585906

Email: [info@infomericsnepal.com](mailto:info@infomericsnepal.com)

Web: [www.infomericsnepal.com](http://www.infomericsnepal.com)

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