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Shree Jagdamba Solvent

September 19, 2025

Ratings

Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long-Term Bank Facilities	24.54 (reduced from 24.98)	IVR BBB/ Stable (IVR Triple B with Stable outlook)	IVR BBB/ Stable (IVR Triple B with Stable outlook)	Rating reaffirmed	Simple
Short-Term Bank Facility	0.44 (including proposed limit of 0.44)	IVR A3+ (IVR A Three Plus)	-	Rating assigned	Simple
Total	24.98 (Rs. Twenty-four crore and ninety-eight lakh only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The reaffirmation of the long-term rating and assignment of short-term rating assigned to the bank facilities of Shree Jagdamba Solvent (SJS) considers the common management team and operational & financial linkages between SJS and its group entities, Shree Jagdamba Agrico Exports Private Limited (SJAPEL) and Jagdamba Agrico Products Private Limited (SJAPPL). Infomerics has taken a combined view of these entities referred together as Shree Jagdamba Group (SJG).

The reaffirmation of the long-term rating and assignment of short-term rating assigned to the bank facilities of Shree Jagdamba Solvent (SJS) continues to derive comfort from vast experience of the management and established track record of operations, satisfactory scale of operations coupled with improvement in group's profitability, moderate capital structure with satisfactory interest coverage ratio, moderate working capital cycle and steady demand outlook for rice. However, these rating strengths are partially offset by susceptibility to agro climatic risk, regulatory risk and forex fluctuation risk, risks associated with one of the entity's status as a partnership firm and intense competition in domestic and export market.

The rating outlook on the long-term rating is Stable on the back of satisfactory demand outlook of the rice and rice bran all over the world coupled with moderate financial risk profile of the group.



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Key Rating Sensitivities:

Upward Factors

- Sustained and significant improvement in revenue and profitability leading to higher cash accruals.
- Improvement in the capital structure with improvement in TOL/TNW and sustained improvement in debt protection metrics.
- Sustained improvement in liquidity position and operating cycle.

Downward Factors

- Any decline in revenue and profitability leading to deterioration in debt protection metrics with interest coverage.
- Deterioration in the capital structure with overall gearing ratio deteriorated.
- Significant tightening of liquidity position.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Vast experience of the management and established track record of operations**

The promoters of the group, leading by Mr. Satish Goel and Mr. Gian Bhushan Goel have more than three decades of experience in rice milling and trading. The group has forward integrated and installed a solvent plant which has improved the business risk position of the group further. Infomerics believes the long track record of operations and experience of management has helped the group to develop a healthy relationship with its customers and suppliers and will continue to support the business over the medium term.

- **Satisfactory scale of operations coupled with improvement in group's profitability**

The scale of operations of the group witnessed robust y-o-y growth of ~42% over FY24 (refers to period April 1st, 2023 to March 31st, 2024) and stood at Rs. 978.30 crore in FY25 (Prov.) (refers to period April 1st, 2024 to March 31st, 2025), primarily on the back of higher demand backed by increasing sales volume of Basmati and Non-basmati rice to its established overseas markets. Majority of the group's revenue is generated from exports. Furthermore, group's profitability has improved slightly in FY25 (Prov.) reflecting



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from EBITDA margin of 5.00% on the back of slight decline in direct costs. However, PAT margin moderated to 2.28% (2.33% in FY24) in FY25 (Prov.) due to slight increase in finance cost.

- **Moderate capital structure with satisfactory interest coverage ratio**

The group's net worth strengthened to Rs. 116.27 crore as on March 31, 2025, from Rs. 94.02 crore in the previous year, on account of accretion of reserves. However, overall gearing deteriorated to 2.43x in FY25 (Prov.) (1.34x in FY24) due to increased working capital utilization. The ISCR remained adequate at 3.08x in FY25 (Prov.), while TOL/TNW was slightly deteriorated to 3.72x as on March 31, 2025 (2.32x as on March 31, 2024) due to increase in debt levels. The DSCR continued to be satisfactory at 2.51x in FY25 (Prov.), reflecting consistent debt servicing capability.

- **Moderate working capital cycle**

The group has moderate working capital of operations reflected from slightly elongated operating cycle to 99 days in FY25 (Prov.) from 97 days in FY24 due to significant increase in collection period. The collection period elongated to 98 days in FY25 (Prov.) (69 days in FY24) due to higher credit period offered by the group to retain the export customers in the competitive scenario. However, inventory period improved and stood efficient at 28 days in FY25 (Prov.) as compared to 51 days in FY24. The group maintains minimum inventory as their manufacturing units are located to the close vicinity of rice producing area. Infomerics believes that the working capital operations of the group will remain at similar levels as evident from efficient collection mechanism and comfortable inventory levels over the medium term.

- **Steady demand outlook for rice**

India has been the top exporter in global rice trade, accounting for more than 15-20% of exports in recent years. Indian rice caters to the Middle East and Africa for non-Basmati, and the EU and the US for Basmati varieties. With rising global demand, Indian exports continue to grow, benefiting exporters like the Shree Jagdamba Group. While US tariffs may impact a portion of exports, the vast and diversified export market for Basmati rice is unlikely to face significant disruption.

Key Rating Weaknesses

- **Susceptibility to agro climatic risk, regulatory risk and forex fluctuation risk**



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The group derives 60-65% of its revenue from exports to Middle East countries such as Saudi Arabia and Dubai along with African countries. As a result, the group's revenue profile is exposed to regulatory risk arising from changes in other countries' procurement policies. Further, profitability is susceptible to government policies such as minimum support prices in the domestic market. Increase in minimum support price coupled with any adverse movement in forex rates can impact the price competitiveness vis-a-vis other rice exporting countries. Thus, the volatility in prices is an inherent risk for the group that can affect its revenue and profitability profile. Since paddy is an agro commodity, the group is also exposed to agro climatic risks.

- **Risks associated with one of the entity's status as a partnership firm**

Shree Jagdamba Solvent, being a partnership firm is exposed to the risk of capital withdrawals by the partners and extent of withdrawal going forward will remain a key monitorable.

- **Intense competition in domestic and export market**

Trading of non-basmati rice segment is highly competitive marked by presence of many organised and unorganised players in the domestic as well as in the export market. Low entry barriers coupled with low technologies requirement makes the trading operations vulnerable and limits the pricing flexibility.

Analytical Approach: Combined

For arriving at the ratings, Infomerics has combined the business and financial risk profiles of Shree Jagdamba Agrico Exports Private Limited (SJAEPL), Shree Jagdamba Agrico Products Private Limited (SJAPPL) and Shree Jagdamba Solvent (SJS). This is because these companies, collectively referred to as the Shree Jagdamba Group (SJG), are under control of same promoters, have business and financial linkages. The list of Companies is given in Annexure 4.

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

[Rating Methodology for Trading Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)



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[Complexity Level of Rated Instruments/Facilities](#)

[Consolidation of Companies](#)

Liquidity – Adequate

Shree Jagdamba Group has earned a gross cash accrual of Rs. 29.82 crore in FY25 (Prov.). Further the group is expected to earn a gross cash accrual in the range of ~Rs. 33-40 crore as against its debt repayment obligations around ~Rs. 2 crore during FY26-28. Accordingly, the liquidity position of the group is expected to remain adequate in the near to medium term. Further, average cash credit utilisation of the company remained moderate at ~73% during the past 12 months ended April 2025 indicating low liquidity cushion.

About the Firm

Shree Jagdamba Group is a Haryana based group promoted by the Goel family. The group was started in 1960s and currently the business is managed a group of directors from Goel family lead by Mr. Satish Goel who are the 2nd generation entrepreneurs. The Goel family has long presence in the rice industry.

One of the group entity is Shree Jagdamba Solvent (SJS) a partnership firm set up in 2017 to extract rice bran oil with installed capacity of 36,000 MTPA. The manufacturing facility being located in Karnal, Haryana. The firm takes supply of raw rice bran from local rice mills along with group rice mills.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	99.78	100.92
EBITDA	2.94	4.13
PAT	1.81	1.53
Total Debt	17.25	22.59
Tangible Net Worth	8.18	9.61
EBITDA Margin (%)	2.95	4.09
PAT Margin (%)	1.81	1.52
Overall Gearing Ratio (x)	2.11	2.35
Interest Coverage (x)	4.00	3.20

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil



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Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Rating (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					(Jul 18, 2024)		
1.	Term Loan	Long Term	1.54	IVR BBB/ Stable	IVR BBB/ Stable	-	-
2.	Cash Credit	Long Term	23.00	IVR BBB/ Stable	IVR BBB/ Stable	-	-
3.	Proposed Short-term Non-Fund-based Facility	Short Term	0.44	IVR A3+	-	-	-

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About Infomerics:

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Annexure 1: Instrument/Facility Details:

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	October 2030	1.54	IVR BBB/ Stable
Cash Credit	-	-	-	23.00	IVR BBB/ Stable
Proposed Short-term Non-Fund-based Facility	-	-	-	0.44	IVR A3+

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-jagdambasolvent-sep25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis:

Name of the Company	Consolidation Approach
Shree Jagdamba Agrico Exports Private Limited	Full Combined
Shree Jagdamba Agrico Products Private Limited	Full Combined
Shree Jagdamba Solvent	Full Combined

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.