

PRESS RELEASE

BHUSAL BUSINESS HOUSE PRIVATE LIMITED

February 2024

Rating

Instruments/ Facilities	Amount (NPR. Mn)	Ratings	Rating Action
Short Term Bank Facilities	850.00	IRN A4	Moved to ISSUER NOT COOPERATING* category with notice of withdrawal
Total	850.00		

**Issuer did not cooperate; based on best available information*

Infomerics Credit Rating Nepal Limited (Infomerics Nepal) has moved the short-term rating of IRN A4 (pronounced IRN A Four) to the short-term bank facilities of NPR 850 Mn to “INC” category (Issuer Not Cooperating) with notice of withdrawal.

Detailed Rationale

The revision in the rating assigned to the bank facilities of Bhusal Business House Private Limited is because of non-cooperation by the company despite repeated follow ups and lack of adequate information leading to information availability risk and hence uncertainty around its credit risk. Infomerics Nepal assesses whether the information available about the company is commensurate with its rating and reviews the same as per the policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

Non-cooperation by Issuer

Infomerics Nepal has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated October 03, 2023, November 08, 2023, December 15, 2023, January 08, 2024, January 25, 2024, February 04, 2024 and February 12, 2024 and concurrently over several phone calls. However, despite repeated requests by Infomerics Nepal, the company’s management has not submitted all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBON guidelines, Infomerics Nepal has to assign the rating based on the best available information. Accordingly, the ratings assigned to the bank loan facilities aggregating to NPR 850.00 Mn of Bhusal Business House Private Limited shall be moved to ‘ISSUER NOT COOPERATING’ category by Infomerics Nepal and the short-term rating will be noted as IRN A4 ‘INC’; Based on best available information (A Four, Issuer Not Co-operating).

Analytical Approach: Standalone

Applicable Criteria:

[Corporate Credit Rating Methodology](#)
[Withdrawal Policy](#)

Past rating rationale:

Fresh bank loan rating assigned on September 2022

About the Company:

Incorporated in August 2020, Bhusal Business House Private Limited (BBH) is an authorized dealer of all Backhoe Loader of CNH¹ Industrial all over Nepal. The company is operated under the leadership of Mr. Balkrishna Bhusal, who is also the founder of Bhusal Group. The Group has exposure in all aspects of trading of agriculture machinery, construction and heavy equipment of New Holland through its sister concern. BBH is a family owned business promoted by Mr. Balkrishna Bhusal and Mr. Amrit Bhusal.

Financial Indicators (Standalone): Latest Information not available

For the year ended* As on	FY21	FY22
	Audited	Unaudited
Total Operating Income (in NPR Mn.)	189	622
EBITDA Margin (%)	4.16	5.79
Interest Coverage Ratio (x)	1.06	1.04
Current Ratio (x)	1.18	1.36
Overall Gearing Ratio (x)	5.40	2.74

Earnings before Interest Tax Depreciation Amortization (EBITDA)

* Classification as per Infomerics Nepal standards

Analyst Contacts

Ms. Priyanka Giri

Tel No.+977-1-4583304/4585906

priyanka.giri@infomericsnepal.com

Mr. Saphal Maharjan

Tel No.+977-1-4583304/4585906

saphal.maharjan@infomericsnepal.com

Relationship Contact

Mr. Rabin Pudasaini

Tel No.+977-1-4583304/4585906

rabin.pudasaini@infomericsnepal.com

About Infomerics Credit Rating Nepal Limited:

Infomerics Credit Rating Nepal Ltd. is Nepal's third Credit Rating Agency licensed by the Securities Board of Nepal (SEBON) on March, 2022. Infomerics Nepal is a subsidiary of Infomerics Valuation and Rating Private Limited (Infomerics India) which is a SEBI registered and RBI accredited Credit Rating Agency licensed in 2015. Infomerics Nepal aims to provide investors with objective analysis and evaluation of credit worthiness of Banks, NBFCs, Large Corporates and Small and Medium Scale Units (SMUS) via its rating and grading services. Thus, it is playing a key role in serving the financial markets by reducing the information asymmetry among varied lenders and investors and facilitating borrowers/issuers to various fundraising opportunities/avenues. Infomerics observes and maintains ethical standards in its activities. For more information, visit <https://infomericsnepal.com/>

Infomerics Credit Rating Nepal Limited

Tanka Prasad Marga, Baneshwor Height, Kathmandu

Phone: +977-1-4583304/4585906

Email: info@infomericsnepal.com

¹ Case New Holland



Infomerics Credit Rating Nepal Limited

Web: www.infomericsnepal.com

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