

PRESS RELEASE

NEPAL WAREHOUSING COMPANY LIMITED

March 2026

Ratings

Instrument/Facilities	Amount (NPR Mn)	Rating	Rating Action
Issuer Rating	NA	IRN B (Is)	Upgraded from IRN D (Is) and removed from Issuer not cooperating category
Long Term Bank Facilities	1,150.00	IRN B	Assigned
Short Term Bank Facilities	150.00	IRN A4	Assigned
Total	1,300.00		

Details of facilities are in Annexure 1 below

Infomerics Credit Rating Nepal Limited (Infomerics Nepal) has upgraded the issuer rating to IRN B (Is) [Single B (Issuer)] from IRN D (Is) 'INC' [D, (Issuer) Issuer not cooperating]. Also, the ratings have also been removed from Issuer Not Cooperating Category.

Also, Infomerics Nepal has assigned the rating of IRN B (Single B) to the long term bank facilities of NPR 1,150.00 Mn and IRN A4 (A Four) to short term bank facilities of NPR 150.00 Mn.

Detailed Rationale

The upgradation of the ratings assigned to Nepal Warehousing Company Limited (NWCL) considers satisfactory repayment track record. The ratings continue to derive strength from its experienced promoters and board of directors supported by proficient and experienced management team with established track record in the agro-commodities industry. The ratings also positively factor in the proximity of the storage units and warehouses to the farmers and Agri commodities producing belt of Terai region along with diverse service offerings in agriculture sectors.

The ratings remain constrained by NWCL's modest financial performance characterized by the operational losses over FY24 - FY25 on account of modest scale of operations amidst heavy fixed costs. The ratings also remain constrained by the project implementation risk and subsequent stabilization risk associated with Kapilvastu project given that only ~57% of financial progress and ~80% of physical progress had been achieved of as of mid-February 2026. The slowdown in progress is primarily attributable due to liquidity constraints, management changes and unforeseen natural calamities, highlighting the execution risk involved in such large scale CAPEX plans. Additionally, the ratings note NWCL's exposure to commodity price fluctuation and agro climatic risk which may impact the operational performance. Going forward, NWCL's ability to timely commence its Kapilvastu unit and improve its scale of operations and profitability will remain key rating sensitivities.

Detailed Description of Key Rating Drivers

Key Rating Strengths

Experienced promoters and management team

NWCL is promoted by both institutions as well as individuals. Nimbus group is the major promoter with an ultimate holding of ~30.47% as of July 16, 2025. The group has a long experience in the trading and manufacturing of agricultural commodities and animal feed products through its various companies. Pro-biotech Industries Limited is the first pellet feed industry in Nepal manufacturing livestock, poultry and fish feed with supply all over Nepal. Apart from Nimbus group, NWCL also

remain supported by other strong players in financial markets like Shikhar Insurance (8.73%), Nepal Infrastructure Bank (7.27%), NMB Bank Limited (2.91%), IGI Prudential Insurance (2.91%). In addition to this, NWCL is managed under the overall guidance of its Board of Directors, having an extensive experience in the agro based business among other varied sectors. Mr. Ananda Kumar Agrawal (Bagaria), Chairman, having over 24 years of experience. Mr. Agrawal is also the managing director of Nimbus Holdings which deals in a varied business of agricultural products since 1998.

Locational advantage with being located strategically in terai belt of Nepal

NWCL is expected to be benefitted from the strategic location of its warehousing units which are located in the Province 1- Sunsari, Madhesh Province- Parsa and Lumbini Province- Kapilvastu of Nepal. These provinces are considered to be the richest/highest in production of major cereal crops like Paddy, Maize, Wheat etc. It also remains benefitted in terms of logistics advantage mainly as far as current and prospective customers are concerned.

Key Rating Weaknesses

Modest financial profile

The financial profile of NWCL remains modest as exhibited by low scale of operations and operational losses. NWCL's total operating income (TOI) stood at ~NPR 315 Mn in FY25 albeit, significantly improving from ~NPR 15 Mn in FY24, primarily attributable to increasing scale of operations primarily from rental charges and commission income (~NPR 43 Mn in H1FY26). Although TOI improved, the PAT margins continued to be negative from FY24 to H1FY26. EBITDA margin improved to ~30% during H1FY26 which was negative in both FY24 and FY25. As the 2nd half of the financial year is the major season for the company, the operational performance during 2nd half of FY26 will remain key monitorable and crucial for operation stabilization.

Weak coverage indicators

NWCL has weak coverage indicators as exhibited by modest interest coverage ratio of at 0.70x in H1FY26 which was negative in both FY24 and FY25. Likewise, DSCR stood at 0.42x in FY25 which was negative in FY24. Overall gearing stood at 1.57x as of mid-July 2025 from 1.65x in FY24. (H1FY26: 1.61x).

Exposure to project implementation risk with subsequent stabilization risk

The two storage units of the company at Sunsari and Parsa District of 15,000 MT and 25,000 MT are currently in operation. Another storage unit of the company at Kapilvastu district is under construction. As of Mid-February 2026, the physical progress of the storage unit of Kapilvastu is 80% with financial progress of ~57%. The storage unit of Kapilvastu is expected to commence its commercial operation by July 2026. The total project cost of NPR ~1,627.50 Mn was revised to ~NPR 1,870.00 Mn mainly on account of increase in civil work at a debt equity ratio of 64:37 or better. Though the implementation risk for two units has reduced, it still exists for other one unit which is yet to be operational. Also, the risk of stabilisation of operation also remains a major challenge to the company.

Exposure to commodity price fluctuation, agro-climatic risk

The market exhibits high degree of volatility. Their price depends on various parameters such as government policies, climatic conditions, global demand-supply dynamics among others. Any sharp deviation in the prices can have a significant impact on the operations of NWCL. The group is also susceptible to agro-climatic risk since the product is an agricultural commodity and would impact the profitability.

Applicable Criteria:

[Issuer Rating Methodology & Corporate Credit Rating Methodology](#)

Past Rating Rationale:

[Nepal Warehousing Company Limited: Issuer Rating moved Issuer not cooperating category with notice of withdrawal](#)

About the Company:

NWCL was incorporated in June 2017 as a private limited company and converted into public limited company in August 2018. The principal objective of NWCL is to provide commodity storage services, auction management services, laboratory test services and commodities fleet management services, through its storage unit based on Sunsari, Parsa and Kapilvastu districts. NWCL is one of its first kind operating in a large scale in the agro based warehousing and other related services in Nepal with a combined storage capacity of 55,000 MT.

Financial Indicators (Standalone)

For the year ended* As on	FY23	FY24	FY25	H1FY26
	Audited	Audited	Audited	Unaudited
Total Operating Income (NPR Mn)	3	15	315	43
EBITDA Margin (%)	Neg	Neg	Neg	29.65
Interest Coverage Ratio (x)	Neg	Neg	Neg	0.70
Total Debt/ EBITDA (x)	Neg	Neg	Neg	81.21
Current Ratio (x)	1.10	2.21	4.21	25.03
Overall Gearing Ratio (x)	1.97	1.65	1.57	1.61

*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 (Proposed)	Long Term	1,150.00	IRN B
Fund Based Bank Facilities - Overdraft (Proposed)	Short Term	150.00	IRN A4
Total Facilities		1,300.00	

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About Infomerics Credit Rating Nepal Limited:

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Infomerics Credit Rating Nepal Limited

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/>

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