

## PRESS RELEASE

### **BISHESH AND COMPANY PRIVATE LIMITED**

June 2026

#### Ratings

Instrument/Facilities	Amount (NPR Mn)	Ratings	Rating Action
Long Term Bank Facilities	87.50 (Reduced from 141.83)	IRN BB+	Reaffirmed
Short Term Bank Facilities	1,330.00 (Reduced from 1,400.00)	IRN A4+	Reaffirmed
<b>Total</b>	<b>1,417.50</b>		

*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) to the long-term bank facilities of NPR 87.50 Mn, and IRN A4+ (A four Plus) to the short-term bank facilities of NPR 1,330.00 Mn.

#### Detailed Rationale

The reaffirmation of ratings assigned to the bank facilities of Bishesh and Company Private Limited (BCPL) derive strength from moderate track record of operations of the company (since 2018) coupled with well experienced director and management personnel in the related field. The ratings also factor in increasing Total operating income (TOI) with BCPL achieving a growth of ~32% y-o-y in TOI over FY25, mainly supported by its branch expansion along with the improved market penetration in nearby regions. The ratings also factor in low working capital intensity (~9% in FY25 vis-à-vis ~11% in FY24) aided by lower collection period (<30 days across FY24-FY25) and lower inventory holding period (22 days in FY25 vis-à-vis 21 days in FY24) leading to a moderate liquidity profile of BCPL. The ratings also takes comfort from its improving capital structure as reflected in an overall gearing ratio of ~2.20x as of mid-July 2025 (~3.92x in FY24) and ~1.82x as of mid-April 2026 and an improvement in coverage indicators with interest coverage ratio of ~2.42x in as of mid-July 2025 (~1.37x in FY24) and ~2.61x as of mid-April 2026. Likewise, DSCR also improved to ~1.99x as of mid-July 2025 against ~1.19x in FY24. The ratings also take positive note of diversified product portfolio constituting various construction materials including steel, cement, bitumen among others coupled with majority of such being sourced domestically, reducing susceptibility to import related risks.

However, these rating strengths are primarily constrained by low operating margins of BCPL (~1-2% margin across FY24-FY25). Despite significant TOI, the presence of miniscule level of margins has resulted in minimal Gross Cash Accruals (GCA) across the years and even a marginal escalation in operating costs, or a minor decline in operating income, could significantly compress profitability margins or potentially turn them negative, which remains a key rating concern. The ratings are further constrained by existence of business in highly competitive and fragmented construction material supply sector. The rating concern also arises from BCPL's dependence on a large volume of operating income to sustain its operations which presents a challenge in the long run, especially considering the construction industry's strong reliance on government spending policies. Going forward, the company's ability to sustain its revenue profile, improve its operating margins whilst improving its capital structure and operating cycle will remain key rating sensitivities.

#### Detailed Description of Key Rating Drivers

##### Key Rating Strengths

##### Moderate track record of operations with experienced promoter

Established in 2018, BCPL has a moderate operational track record in supply of construction

materials. Furthermore, the business benefits from the extensive experience of its Managing Director and sole promoter, Ms. Pratigya Regmi, who has been active in the construction materials supply sector for over a decade and has been operating Bishesh Enterprises since 2008. She is supported by Mr. Utsav Shrestha, a family member with more than fifteen years of experience in trading construction-related materials independently.

## **Improving capital structure and debt coverage metrics**

BCPL's capital structure improved during the review period, as reflected in the overall gearing ratio which moderated to  $\sim 2.20x$  as of mid-July 2025 from  $\sim 3.92x$  in FY24. The improvement was primarily supported by strengthening of the Tangible Net Worth (TNW) base, which increased from  $\sim$  NPR 179 Mn in FY24 to  $\sim$  NPR 347 Mn in FY25 owing to capital infusion during the year. Further, the gearing ratio improved to  $\sim 1.82x$  as of mid-April 2026, supported by a further increase in TNW to  $\sim$  NPR 449 Mn following additional capital infusion. Similarly, the Total Outside Liabilities to Tangible Net Worth (TOL/TNW) ratio improved to  $\sim 3.58x$  in FY25 from  $\sim 5.77x$  in FY24 and further moderated to  $\sim 2.87x$  as of mid-April 2026, indicating gradual improvement in the company's overall solvency profile. The coverage indicators also witnessed improvement during the review period as indicated by interest coverage ratio at  $\sim 2.42x$  in FY25 from  $\sim 1.37x$  in FY24, supported by improved operating profitability, and further strengthened to  $\sim 2.61x$  during 9MFY26. Likewise, the Debt Service Coverage Ratio (DSCR) improved to  $\sim 1.99x$  in FY25 from  $\sim 1.19x$  in FY24, though it continued to remain at a moderate level. Going forward, the company's ability to sustain improvement in profitability and strengthen its debt protection metrics shall remain a key monitorable.

## **Moderate working capital cycle**

BCPL has demonstrated relatively low working capital intensity, a positive factor given its trading-based operations, which typically demand extended credit periods and significant inventory holdings. The company's working capital intensity remained moderate at  $\sim 9\%$  in FY24 compared to  $\sim 11\%$  in FY24. Notably, BCPL has maintained an average collection period of less than 30 days consistently over FY24 and FY25, reflecting prudent receivables management. Likewise, the inventory holding period is also lower side and stable which recorded at a  $\sim 22$  days as of FY24 and FY25. Consequently, the company's operating cycle stood stable across FY24 and FY25 at  $\sim 31$  days which remains relatively short relative to the industry. Going forward, the ability of the management to sustain or further scale operations without significantly elongating the working capital cycle will remain a key monitorable.

## **Key Rating Weaknesses**

### **Modest operating margins**

BCPL has achieved a substantial scale of operations, with total operating income (TOI) rising to  $\sim$  NPR 8,549 Mn in FY25 from NPR 6,517 Mn in FY24 reporting healthy y-o-y growth of  $\sim 32\%$  due to expansion of branch along with improved market penetration nearby regions. The company has also recorded a revenue of  $\sim$  NPR 6,434 Mn as of Mid-April 2026 reflecting annualized growth of  $\sim 1\%$ . However, despite the sizeable revenue base, the company's profitability remains thin, with EBITDA margins remained low at  $\sim 1.21\%$  over FY24, before marginally improving to  $\sim 2.01\%$  in FY25 due to ramp up in scale of operations. However, the margin moderated slightly to  $\sim 1.94\%$  during 9MFY26 owing to relatively high fixed operating cost amid limited growth in scale of operations during the period. The high interest burden has further constrained net profitability, resulting in PAT margins of  $\sim 0.17\%$  in FY24 which marginally improved to  $\sim 0.80\%$  across mid-July 2025 and as of mid-April 2026. This lead improved cash generation, with Gross Cash Accruals (GCA) gradually increasing to  $\sim$  NPR 77 Mn in FY25 from  $\sim$  NPR 17 Mn in FY24. The company's tight margin profile poses a significant credit risk, as even minor increases in fixed or operating costs, or slight reductions in revenue, could materially impact profitability. The ability of management to upscale proportionately while increasing the margins will be key monitorable.

## Existence in a competitive industry with exposure to government regulation

Cyclical nature of the construction products related industry creates uncertainty over demand and cash cycles for BCPL. This could impact the company's revenue and profit margins. Volatility in cash flow due to cyclical nature in the cash cycle could pose challenges, especially during the period of low demand. Furthermore, the fragmented industry is characterized by intense competition due to the presence of several organized/unorganized players aided by low entry barrier, low technology and capital requirement. Moreover, the construction industry as a whole is heavily dependent on government spending and policies, making companies like BCPL susceptible to operational volatility.

**Analytical Approach:** Standalone

## Applicable Criteria:

[Corporate Credit Rating Methodology](#)

## Past Rating Rationale:

[Bishesh and Company Private Limited: Bank Facilities Rating Assigned](#)

## About the Company:

Bishesh and Company Private Limited (BCPL) was incorporated on August 20, 2018 and is located at Bharatpur-10, Chitwan, Nepal. The company specializes in the import and distribution of construction materials such as Cement, TMT bars, Sheets (Jasta), Pipes, Grill Items, Bitumen and various construction materials in Nepalese market. Currently, the company operates through 18 authorized branches and 14 distribution layouts branches located in major cities including Kathmandu, Pokhara, Narayangarh, Itahari, Hetauda, Butwal etc. As on mid-April 2026, BCPL had paid up capital of NPR 167.50 Mn, which is entirely held by Ms. Pratigya Regmi.

## Financial Indicators (Standalone)

For the year ended* As on	FY22	FY23	FY24	FY25	9MFY26
	Audited	Audited	Audited	Audited	Unaudited
Total Operating Income (NPR Mn)	6,949	6,223	6,517	8,549	6,434
EBITDA Margin (%)	1.73	0.95	1.21	2.01	1.94
Interest Coverage Ratio (x)	4.94	1.14	1.37	2.42	2.61
Current Ratio (x)	1.15	1.09	1.07	1.11	1.24
Overall Gearing Ratio (x)	1.75	2.75	3.92	2.20	1.82
TOL/TNW(x)	4.10	5.04	5.77	3.58	2.87
DSCR (x)	3.95	1.07	1.19	1.99	NA

\* Classification as per Infomerics Nepal Standards

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

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

Debt Service Coverage Ratio (DSCR)

## Annexure:1 Detail of Facilities:

Name of Instruments/ Facilities	Types of Facilities	Amount (NPR Mn)	Rating
Long Term Bank Facilities - Term Loan	Long Term	87.50	IRN BB+
Short Term Bank Facilities – Working Capital Loan	Short Term	1,330.00	IRN A4+
<b>Total</b>		<b>1,417.50</b>	

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## About Infomerics Credit Rating Nepal Limited:

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