

## PRESS RELEASE

### NEPAL BROADCASTING CHANNEL LIMITED

June 2026

#### Rating

Instrument	Amount (NPR Mn)	Rating	Rating Action
Issuer Rating	NA	IRN B+ (Is)	Downgraded from IRN BB-(Is)

Infomerics Credit Rating Nepal Limited (Infomerics Nepal) has revised the issuer rating to IRN B+ (Is) [Single B Plus (Issuer)] from IRN BB- (Is) [Double B Minus (Issuer)]. Issuers with this rating are considered to have a high risk of default regarding timely servicing of financial obligations.

#### Detailed Rationale

The revision of issuer rating assigned to Nepal Broadcasting Channel Limited (NBCL) continues to derive strength from its experienced promoters coupled with strong brand presence of the company. The rating also factors in a low gearing profile, with an overall gearing ratio of 0.11x as of mid-July 2025, supported by prior equity infusions and low external debt levels.

These rating strengths, however, are constrained by NBCL's small scale of operations in competitive and fragmented media industry and deteriorating financial performance. Total Operating Income (TOI) declined by ~21% year-on-year to NPR 90 Mn in FY25, while the EBITDA margin contracted significantly to 22.92% from 43.58% in the previous year. Net profitability also saw a sharp decline, with Profit After Tax (PAT) falling to NPR 3 Mn in FY25 from NPR 19 Mn in FY24. The rating further takes note of elevated debtors' position resulting in stretched liquidity position of the company. NBCL's average collection period significantly elongated to 605 days in FY25, compared to 373 days in FY24. Going forward, the ability of the company to manage growth in operations while recovering profitability margins, timely realization of long-outstanding debtors, successful completion of the proposed IPO, and efficient working capital management will remain key rating sensitivities.

#### Detailed Description of Key Rating Drivers

##### Key Rating Strengths

##### Experienced promoters

NBCL is managed under the overall guidance of its four-member Board of directors with wide experience in the media industry. Mr. Anil Joshi, Chairperson, has extensive experience of over 18 years in the media industry. Mr. Adish Joshi, Executive Director, has over a decade of experience in the media industry. The Board is further supported by an experienced management team across various departments, including specialized finance and technical professionals.

##### Strong brand presence

NBCL is operating its news channel under the name 'News24' for over fourteen years now with established market presence in news broadcasting sector. News24 is a 24 hours news broadcasting channel covering more than 42 countries worldwide and is available via its web portal around the world. Also, the company maintains noticeable presence over the social media platforms and is one of the most viewed news channels in Nepal.

##### Low gearing profile

The capital structure of the company has continuously shown an improving trend in the recent years with the improvement of overall gearing ratio from 16.85x at the end of FY21 to a low of 0.11x as of mid-July 2025 and mid-January 2026 with continuous infusion of funds by the promoters and accumulation of profits to the reserves of the company. This approach reflects a conservative financial strategy, minimizing financial risk and interest obligations, while also providing the company with greater flexibility in managing its operations. Interest coverage ratio of the company stood moderate

at 2.28x in FY25. The company is planning an IPO of NPR 90 Mn for further business expansion. Timely realization of IPO proceeds will remain key monitorable.

## Key Rating Weaknesses

### Deterioration in financial performance

NBCL's scale of operations remained small, with Total Operating Income (TOI) of NPR 90 Mn in FY25, representing a 21.36% year-on-year decline from NPR 114 Mn in FY24. While the company previously reported growth, the recent decline was primarily driven by a slowdown in advertisement revenue. The EBITDA margin contracted significantly to 22.92% in FY25 from 43.58% in FY24. Consequently, net profitability saw a sharp decline, with the PAT margin falling to 2.99% in FY25 from 16.10% in the previous year. Gross Cash Accruals (GCA) also reduced to NPR 15 Mn from NPR 31 Mn over the same period. NBCL reported a further contraction in EBITDA margin to 20.46% during first six months of FY26 with TOI of NPR 35 Mn.

### Elevated debtor's position

NBCL's debtor position remains highly elevated, with the average collection period significantly elongating to 605 days in FY25, compared to 373 days in FY24 and 325 days in FY23. This elongation is due to generous credit terms extended to advertisement agencies to maintain competitiveness in a high-pressure market. As of mid-April 2026, ~72% of total debtors were outstanding for over 180 days, indicating persistent collection bottlenecks. An elongated operating cycle of 510 days has severely stretched the company's liquidity, leading to high reliance on bank borrowings, with fund-based working capital limit utilization reaching ~95% as of mid-May 2026.

### Fragmented and competitive nature of industry

The landscape of advertising in Nepal has undergone a significant transformation, with a marked shift from traditional to digital platforms due to increased internet consumption. This evolution has introduced numerous players across print, broadcast (TV and radio), online portals, and social media, creating a highly fragmented and competitive environment. Additionally, outdoor advertising through digital theatres and hoarding boards remains a substantial avenue for promotion. Revenue streams are heavily influenced by market competition, viewership trends, content quality, and regulatory shifts. NBCL faces ongoing challenges in securing exclusive event coverage, gathering news from remote regions, and retaining talented personnel. Due to this fragmentation, media companies like NBCL possess limited pricing leverage, although digital content monetization via platforms like YouTube provides a critical alternative revenue stream and enhances digital adaptability.

**Analytical Approach:** Standalone

### Applicable Criteria:

[Issuer Rating Methodology](#)

### Past Rating Rationale:

[Nepal Broadcasting Channel Limited: Issuer Rating Reaffirmed](#)

### About the Company:

Incorporated in September 2007, Nepal Broadcasting Channel Private Limited was later converted to Nepal Broadcasting Channel Limited (NBCL) in July 2023. NBCL is a television broadcasting channel under its news channel name 'News24'. Mr. Anil Joshi, Chairman, holds ~50% of the total paid up capital as of mid-July 2025 while the rest is held by multiple individual/ institutional shareholders.

## Financial Indicators (Standalone)

For the year ended* As on	FY21	FY22	FY23	FY24	FY25	6MFY26
	Audited	Audited	Audited	Audited	Audited	Unaudited
Total Operating Income (NPR Mn)	99	108	102	114	90	35
EBITDA Margin (%)	17.36	23.61	35.88	43.58	22.92	20.46
Interest Coverage Ratio (x)	2.85	1.95	2.07	2.76	2.28	1.39
Current Ratio (x)	1.03	1.04	1.36	3.66	3.68	3.76
Overall Gearing Ratio (x)	16.85	3.28	1.10	0.06	0.11	0.11

*Earnings before Interest Tax Depreciation Amortization (EBITDA)*

*\*Classification as per Infomerics Nepal standards*

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## About Infomerics Credit Rating Nepal Limited:

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