Global Trading Concern Private Limited: Ratings reaffirmed with continuation of Watch with Negative Implications

October 15, 2026

Summary of rating action

Instrument (Amounts in NPR million) *x	Last rated amount	Current rated amount	Rating action
Long-term loan limits	268.70	242.48	[[ICRANP] LBBB-@#; reaffirmed with continuation of 'Watch with Negative Implications'
Short-term loan limits	1,425.00	1,175.00	[ICRANP] A3@#; reaffirmed with continuation of 'Watch with Negative Implications'
Total rating limits	**1,693.70**	**1,417.48**	

** Instrument details are provided in Annexure-1*

#The symbol '@' denotes rating on 'Watch with Negative Implications'. Please refer here for further details on rating watch.

Rating action

ICRA Nepal has reaffirmed the long -term loan rating of Global Trading Concern Private Limited (GTC or the company) at [ICRANP] LBBB-@ (pronounced ICRA NP L Triple B Minus @) and also reaffirmed the company's short-term loan rating at [ICRANP] A3@ (pronounced ICRA NP A Three @). The ratings continue to remain under 'Watch with Negative Implications' (as denoted by the symbol '@').

Rationale

The rating action primarily factors in the continuation of the company's stretched working capital position, amid subdued inventory turnover and sluggish industry demand with steady increase in NWC/OI[1] to ~51% as of mid-July 2026 (~48% as of mid-July 2025) along with rise in leverage ratios in recent years (total debt (TD) to tangible net worth of ~1.0 times and TD / OPBDITA of ~3.4 times as of mid-July-2026). While improvements in TD/OPBDITA for FY2026 was aided by operating profit margin (OPM) refinements, its sustainability remains to be seen. The rating action also factors in GTC's product and customer concentration, with top 20 customers accounting for ~79% of FY2026 revenues and ~84% contribution from top-2 brands. Such concentration, coupled with the seasonal nature of revenues, exposes the company to revenue and cash flow volatility risks. The ratings also take note of regulatory risks associated with the liquor industry arising from volatile taxation policies. The continued increase in taxes and duties could adversely impact GTC's revenues and profitability, if the additional costs cannot be passed on to end consumers. Furthermore, the company's reliance on imports denominated in foreign currencies exposes it to foreign exchange risk. Given the limited hedging mechanisms in place, any adverse foreign exchange rate movements, coupled with the inability to pass on the resulting cost increases across the distribution chain, could pressurise revenue and profitability, thereby impacting its indebtedness and coverage metrics.

Nonetheless, the ratings take comfort from GTC's established track record (since 1998), along with the experience and resourcefulness of its promoters (individuals from the Vishal Group, which has a diversified presence across trading/distribution, manufacturing and financial services, among others). The ratings also factor in GTC's strong product portfolio, comprising established brands such as 'Johnnie Walker', 'VAT 69' and 'JP Chenet', which supports its market presence and demand prospects. The ratings further take note of the company's controlled leverage levels and its satisfactory liquidity headroom in terms available drawing power cushion.

Going forward, GTC's ability to scale up its operations while sustaining the recent improvement in OPM and coverage metrics, alongside an improvement in its working capital position, will remain key rating monitorable.

[1] *Net working capital / Operating income*

Key rating drivers

Credit strengths

Established track record and experienced promoters – Established in 1998, GTC has a long operational track record and is promoted by the individuals from the Vishal Group, which has a diversified presence across manufacturing, trading, automobiles and services, among others. The group is also a prominent player in import-based trading and distribution of FMCG products. The promoters' extensive experience across these sectors remains a rating positive.

Strong brand recall of associated brands – The company has a product portfolio of ~85-90 brands, comprising of wide variety of liquor and alcoholic beverages. Strong brand recall of the leading revenue drivers remains a comfort and mitigates the risk arising from product concentration risk and the changes in the regulatory provisions to some extent.

Controlled leverage and satisfactory liquidity position – GTC reported a significant improvement in its OPM to ~10.7% in FY2026 from ~5.7% in FY2025. This improvement aided the refinement in TD/OPBITDA metrics to ~3.4 times as of mid-July 2026 from ~6.4 times as of mid-July 2025. The improved indebtedness metrics, coupled with relatively low borrowing costs, supported debt servicing, with the DSCR improving to ~2.9 times in FY2026 from ~1.8 times in FY2025. However, as the improvement in indebtedness and coverage metrics was primarily driven by higher OPM, sustainability of the same will remain crucial from the rating perspective. The company's liquidity position remains satisfactory with headroom in drawing power (~36% unutilised as on mid-July-2026 amounting to NPR 346 million).

Credit challenges

Steady rise in working capital cycle – The company has reported a sharp increase in inventory and debtor days in recent years, resulting in greater reliance on debt to fund its working capital requirements. Its working capital intensity (NWC/ OI) further increased to ~51% in FY2026 from ~48% in FY2025, while operating income remained broadly flattish in FY2026 and debt levels continued to rise on a year-on-year basis (albeit still remaining contained vis-à-vis the net worth position). Although the refinancing of existing fixed assets has provided some cushion in terms of drawing power, with ~36% headroom (~NPR 346 million) as of mid-July 2026, any further elongation of the working capital cycle could exert pressure on the company's operating cash flows and liquidity position. Further, high customer concentration, with ~79% of FY2026 revenue derived from the top 20 customers, coupled with seasonality in sales, adds to liquidity risks. GTC's ability to efficiently manage its cash conversion cycle and maintain adequate liquidity will remain a key rating monitorable.

Regulatory risk – Liquor products remain among the highest-taxed commodities in Nepal, with excise duties generally increasing on a year-on-year basis. The premium liquor segment, in which GTC operates, is subject to relatively higher excise duties. Further, high import tariffs on liquor products provide a degree of duty protection to the domestic spirits industry, enhancing the price competitiveness of local brands against imported products. Accordingly, some notable domestic brands have scaled up in recent years. Thus, continued increases in excise duties and import tariffs, coupled with rising competitive intensity, could exert pressure on GTC's revenue growth and profitability over the medium to long term.

Forex vulnerability and supplier risks – GTC remains exposed to foreign exchange risk as all its merchandise is imported, with procurements largely routed through foreign currency-denominated usance LC facilities with relatively longer tenures. The credit period of up to 120 days extended by major suppliers creates a time gap between procurement and settlement, exposing the company to currency fluctuations during the intervening period. Further, its import-dependent business model makes operations vulnerable to any adverse changes in supply agreements or credit terms offered by overseas suppliers.

Rating Sensitivities

Positive factors – Sustained improvements in operating margins and coverage metrics.

Negative factors – Further major elevation in working capital intensity and any unanticipatedly high dividend payout.

Link to the previous rating rationale:

Analytical approach
For arriving at the ratings, ICRA Nepal has applied its rating methodology as indicated below.

Link to the applicable criteria:
Corporate credit rating methodology

About the company

Incorporated in 1998, Global Trading Concern Private Limited (GTC) is an importer and distributor of premium liquor and alcoholic beverage brands including Johnnie Walker, VAT 69 and JP Chenet, among others. Its registered office is in Naxal, Kathmandu. Mr. Ashish Kumar Agrawal, the Chairman, is also the company's largest shareholder with ~19% stake, with the remaining stake held by 14 individuals from the Vishal Group.

Key financial indicators

	Audited					Provisional
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Operating income (OI; Revenues in NPR million)	1,966	2,914	2,236	2,376	2,354	2,358
OPBDITA/OI (%)	8.0%	9.1%	8.9%	7.5%	5.7%	10.7%
Total debt/Tangible net worth TNW (times)	1.1	0.6	0.6	0.8	1.0	1.0
Total outside liabilities/TNW (times)	1.4	1.0	1.1	1.2	1.3	1.5
Total debt/OPBDITA (times)	4.8	1.6	2.5	3.9	6.4	3.4
OPBDITA/Interest (Interest coverage; times)	3.7	6.4	3.4	2.3	1.7	4.7
DSCR (times)	2.5	3.6	2.6	1.7	1.8	2.9
Net working capital/OI (%)	38%	15%	30%	37%	48%	51%
Current ratio	1.2	1.3	1.3	1.5	1.6	1.6

Annexure-1: Instrument details

Instrument (Amounts in NPR million)	Last rated amount	Current rated amount	Rating action
Long-term loan limits (A)	**268.70**	**242.48**	[[ICRANP] LBBB-@; reaffirmed with continuation of 'Watch with Negative Implications'
Fund based; long-term limits	268.70	242.48	
Short-term loan limits (B)	**1,425.00**	**1,175.00**	[ICRANP] A3@; reaffirmed with continuation of 'Watch with Negative Implications'
Fund based; short term limits	1,225.00	975.00	
Non-fund based; short term limits	200.00	200.00	
Total limits (A+B)	**1,693.70**	**1,417.48**	

Analyst Contacts

Mr. Rajib Maharjan (Tel No. +977-1-4519910/20)
rajib@icranepal.com

Mr. Devendra Dongol (Tel No. +977-1-4519910/20)
devendra@icranepal.com

Mr. Amrit Kandel (Tel No. +977-1-4519910/20)
amrit.kandel@icranepal.com

Relationship Contacts

Ms. Barsha Shrestha (Tel No. +977-1-4519910/20)
barsha@icranepal.com

About ICRA Nepal Limited

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ICRA Nepal Limited,
Sunrise Bizz Park, 6th Floor, Dillibazar, Kathmandu, Nepal.
Phone: +977-1-4519910/20
Email: info@icranepal.com
Web: www.icranepal.com

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