

The Sagtani Exim Private Limited: Ratings withdrawn

October 3, 2023

Summary of rating action

Instrument*	Rated Amount (NPR Million)	Rating Action
Fund based; long-term limits	2.09	[ICRANP] LBB-; rating withdrawn
Fund based; short-term limits	184.98	[ICRANP] A4; rating withdrawn
Non-fund based; short-term limits	230.00	[ICRANP] A4; rating withdrawn
Fund based short-term - within non-fund-based limit	(135.00)	[ICRANP] A4; rating withdrawn
Total	417.07	

*Instrument details are provided in [Annexure-1](#).

Rating action

ICRA Nepal has withdrawn the long-term rating of [ICRANP] LBB- (pronounced ICRA NP L double B minus) assigned to the long-term limits and a short-term rating of [ICRANP] A4 (pronounced ICRA NP A four) assigned to the short-term limits of The Sagtani Exim Private Limited (Sagtani).

Rationale

The rating assigned to Sagtani has been withdrawn upon request from the company in accordance with ICRA Nepal's policy on withdrawal of credit rating. ICRA Nepal does not have any information to suggest that the credit risk has changed since the time the rating was last reviewed.

Key rating drivers

Key rating drivers have not been captured as the rating is being withdrawn.

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

Links to applicable criteria:

[Corporate Credit Rating Methodology](#)

[ICRA Nepal's Policy on Withdrawal of Credit Rating](#)

Link to previous detailed rating rationale:

[Fresh Bank Loan Rating – August 2022](#)

Company profile

The Sagtani Exim Private Limited (Sagtani), incorporated in 1998, primarily trades in kitchen and laundry equipment in the commercial and domestic markets. It provides project consultancy, management, equipment installation and training services in the leisure, hospitality, and institutional food service markets through professional engineers and technical service teams. Further, it is associated with the trading of domestic home appliances. The major associated brands include 'IFB', 'Ramsons', 'Kutchina', 'Unox', 'Nayati', 'Ecolab', etc., among others. The company is promoted by Vinod Sagtani with a 60% stake, while the rest 40% is held by Lavansh Sagtani.

Key financial indicators (Last rating exercise)

Amount in NPR million	FY2019 (Audited)	FY2020 (Audited)	FY2021 (Audited)	9MFY2022 (Provisional)
Operating Income	281	261	294	336
OPBDITA/OI (%)	13.0%	11.8%	10.4%	12.1%
Total debt/ tangible net worth TNW (times)	3.2	2.7	3.3	3.8
Total Outside Liabilities/TNW (times)	4.6	4.0	4.1	4.9
Total Debt/OPBDITA (times)	4.1	4.6	7.0	5.3
Interest coverage (times)	1.9	1.8	2.0	1.8
DSCR (times)	1.6	1.4	1.6	1.5
Net working capital/OI (%)	59%	63%	84%	74%
Current ratio	1.1	1.2	1.2	1.2

Annexure-1: Instrument details

Facility	Rated Amount (NPR Million)	Rating Action
Fund based, long term (Term Loan)	2.09	[ICRANP] LBB-; rating withdrawn
Fund based, short term (Demand Loan, Overdraft Loan, TR Loan, Cash Credit, Short Term Loan)	184.98	[ICRANP] A4; rating withdrawn
Non-Fund based, short term (Letter of Credit, Bank Guarantee)	230.00	[ICRANP] A4; rating withdrawn
Fund based short term - within non-fund-based limit (Import Loan, Trust Receipt Loan)	(135.00)	[ICRANP] A4; rating withdrawn
Total	417.07	

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About ICRA Nepal Limited

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Our parent company, ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment information and credit rating agency. Today, ICRA and its subsidiaries together form the ICRA Group of Companies.



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