

Eastern Agencies Private Limited: Ratings withdrawn

October 03, 2023

Summary of rating action:

Instrument	Last Rated Amount (NPR million)	Rating Action
Long-term loan limits	70	Ratings withdrawn
Short-term loan limits	3,718	
Total	3,788	

Rating action

ICRA Nepal has withdrawn the long-term rating of [ICRANP] LD 'Issuer Not Cooperating' (pronounced ICRA NP LD, Issuer Not Cooperating) and the short-term rating of [ICRANP] D 'Issuer Not Cooperating' (pronounced ICRA NP D, Issuer Not Cooperating) assigned to Eastern Agencies Private Limited (EAPL). The rating action has been taken in accordance with the Credit Rating Regulations 2011, following the non-cooperation from EAPL in providing information for rating surveillance, despite multiple follow-ups. The ratings were kept on notice for withdrawal for a period of six months, during which period also, there was no cooperation from the company for ratings surveillance. ICRA Nepal does not have any information to suggest that the credit risk has changed since the time the ratings were last reviewed.

Rationale

ICRA Nepal is withdrawing the ratings as it does not have sufficient and relevant information to suggest that the credit risk has changed since the time the ratings were last reviewed. The key rating drivers, rating sensitivities, key financial indicators have not been captured as the ratings are being withdrawn.

ICRA Nepal assesses whether the information available about the entity is commensurate with its ratings and reviews the same as per Credit Rating Regulations 2011 as well as ICRA Nepal's 'Withdrawal/Suspension Policy' available at www.icranepal.com. As part of its process and in accordance with its rating agreement with EAPL, ICRA Nepal has been trying to seek comprehensive information from the entity to monitor its performance, but despite repeated requests by ICRA Nepal, the entity's management has remained largely non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA Nepal, the ratings have been withdrawn.

Link to the previous rating rationales:

[Rationale – Eastern Agencies Private Limited Issuer not cooperating March 2023](#)

[Rationale – Eastern Agencies Private Limited Fresh BLR September 2021](#)

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

Links to the applicable criteria:

[Corporate Credit Rating Methodology](#)

[ICRA Nepal's policy on withdrawal of credit rating](#)

About the company

Incorporated in 2015, Eastern Agencies Private Limited (EAPL) is the authorized distributor of Volvo-Eicher commercial vehicles in Nepal. Its registered office is in Pokhara, Kaski with corporate office in Gairidhara, Kathmandu. The company is a part of the BATAS Organization. Before incorporation of EAPL, Eastern Motors Private Limited (now known as Eastern Management Private Limited), a sister concern of EAPL was the distributor of Volvo-Eicher commercial vehicles for Nepal

since 2008. During the fresh rating exercise, EAPL's shares were held by six members out of which four members belong to the Batas family (~86%), with major stake held by Mr. Shanta Raj Batas and Mr. Bipendra Raj Batas (30% each). Mr. Shanta Raj Batas was the Chairperson of the company.

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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.

For more information, visit www.icranepal.com

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