

IME General Insurance Limited : Rating withdrawn

November 6, 2023

Summary of rating action

Instrument	Rated Amount (NPR Million)	Rating Action
Issuer Rating	NA	Rating withdrawn

Rating action

ICRA Nepal has withdrawn the issuer rating of [ICRANP] IR BBB&¹ 'Issuer Not Cooperating' (pronounced ICRA NP Issuer Rating Triple B Issuer Not Cooperating) assigned to IME General Insurance Limited (IGI). The rating action has been taken in accordance with the Credit Rating Regulations 2011 following non-cooperation from IGI for rating information despite multiple follow-ups. The rating was kept on notice for withdrawal for a period of six months, during which there was no cooperation from the company for rating surveillance.

Rationale

ICRA Nepal is withdrawing the rating as it has limited information to suggest that the credit risk has changed since the time the rating was last reviewed.

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 In the absence of requisite information and in line with the aforesaid policy of ICRA Nepal, the ratings have been withdrawn.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

[Rationale_IME General Insurance Limited-Issuer Rating-September 2021](#)

[Rationale_IME General Insurance Limited- Rating placed on watch with developing implications and moved to "Issuer Not Cooperating" with notice of rating withdrawal-April 2023](#)

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

Links to applicable criteria

[Issuer Rating Methodology](#)

[Rating withdrawal Policy of ICRA Nepal](#)

About the company (when last rated)

Established in February 2001, IME General Insurance Limited (IGI) is the 11th private sector general insurer in Nepal. IGI is a relatively small sized company with ~5% of market share in terms of General Insurance Industry's Gross Premium Written as well as Net Premium Written since the last 5-6 years up to FY2022. As of mid-July 2022, IGI is in operation with 48 branches spread across the nation for procuring business and extending after sales services.

The paid-up capital and the net worth of the company as of mid-July 2022 is NPR 1,702 million and NPR 2,510 million respectively. IGI has 51:49 promoter-public shareholding ratios. Major shareholders as on mid-July 2022 includes Mr. Hem Raj Dhakal (10.15%), Mr. Chandra Prasad Dhakal (9.74%), Nepal Bangladesh Bank Limited (9.50%), Usha Investment (9.19%), Hathway Investment Nepal (5%), Mr. Kumar Poudel (4.24%) among others.

IGI has signed a Memorandum of Understanding (MoU) for merger with Prudential Insurance Company Limited on March 19, 2023, at an initial agreed share swap ratio of 1:1.

¹ & denotes rating watch with developing implications

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