

Nimbus International Company Private Limited: Rating placed on 'Issuer Not Cooperating' category with notice for withdrawal

January 03, 2024

Summary of rating action

Instrument	Rated Amount (NPR million)	Rating Action
Short-term loan limits	2,105	[ICRANP] A4 "ISSUER NOT COOPERATING*"; placed on 'Issuer not cooperating' category with notice of withdrawal
Total	2,105	

**Issuer did not cooperate timely; based on best available information.*

Rating action

ICRA Nepal has revised the short-term loan rating of Nimbus International Company Private Limited (NICPL) to **[ICRANP] A4 'Issuer Not Cooperating'** (pronounced ICRA NP A four, Issuer Not Cooperating) from **[ICRANP] A4** (pronounced ICRA NP A four). The rating action has been taken in accordance with the Credit Rating Regulations 2011, following lack of timely cooperation from NICPL for rating information despite multiple follow-ups. The rating has also been put on notice for withdrawal.

Rationale

The rating revision mainly factors in the uncertainties regarding the company's financial and operational profile, amid the lack of timely/adequate information about NICPL's performance and hence the resultant concerns around its credit risk. These concerns are further heightened by the inflated borrowing rates during last 12-15 months, raw materials price volatility along with the company's stretched financial profile and weak operational profitability, when last rated. The ongoing economic slowdown might have further impacted NICPL's operational and financial indicators. However, in lack of timely/adequate information from NICPL, the exact extent of the impact on the company's financial profile and debt coverage indicators could not be ascertained.

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' available at www.icranepal.com.

As a part of its process and in accordance with its rating agreement with NICPL, 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 remained largely non-cooperative till the extended deadline for surveillance. In the absence of the requisite information on a timely manner and in line with the aforesaid policy of ICRA Nepal, a rating view has been taken on the entity based on the best available information.

For such ratings, the lenders, investors, and other market participants are advised to exercise appropriate caution while using the ratings as it may not adequately reflect the credit risk profile of the entity. The entity's credit risk profile may have changed to a level greater than that represented by the rating symbol.

Link to the previous detailed rating rationale:

[Rationale of Nimbus International Company Private Limited Fresh BLR June-2022](#)

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

Links to the applicable criteria:

[Corporate Credit Rating Methodology](#)

[Applicable INC Guidelines](#)

About the company

Incorporated in 2000, Nimbus International Company Private Limited (NICPL) is an importer and trader of various food grains, legumes, agri-input, and animal feed supplements/nutrients. Its corporate office is in Sinamangal, Kathmandu. When last rated, NICPL's entire stake was owned by Nimbus Holding Company Private Limited, which in turn, was equally held by Mr. Anand Agrawal (Bagaria) and Mr. Jagdish Agrawal. Mr Anand Agrawal (Bagaria) was the only director of NICPL.

Key financial indicators (as available during last rating exercise)

	FY2018 (Audited)	FY2019 (Audited)	FY2020 (Audited)	FY2021 (Audited)	H1FY2022 (Provisional)
Operating income-OI (Revenues in NPR million)	3,681	4,486	5,914	7,223	4,159
OPBDITA/OI (%)	0.6%	1.3%	1.2%	1.6%	2.2%
Total debt/Tangible net-worth-TNW (times)	5.4	4.6	6.4	3.9	3.8
Total outside liabilities/ TNW (times)	7.0	5.5	7.1	4.3	4.2
Total debt/OPBDITA (times)	37.4	16.7	22.2	11.1	8.3
Interest coverage (times)	0.3	0.5	0.5	1.0	1.8
DSCR	1.2	1.2	1.3	1.6	2.2
Net working capital /OI (%)	27%	26%	30%	22%	22%
Current ratio (times)	1.1	1.2	1.1	1.2	1.2

Source: Company data

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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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