

Citizen Investment Trust: Rating withdrawn

January 08, 2024

Summary of rating action:

Facility	Rated Amount (NPR million)	Rating Action
Issuer Rating	NA	Rating withdrawn

Rating action

ICRA Nepal has withdrawn the Issuer Rating of **[ICRANP-IR] A+** (pronounced ICRA NP issuer rating A plus) assigned to Citizen Investment Trust (CIT). The rating action has been taken in accordance with the Credit Rating Regulations 2011 following the entity's application for rating withdrawal.

Rationale

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. ICRA Nepal does not have information to suggest whether the credit risk has changed since the time the rating was last reviewed.

Key rating drivers have not been captured as the rating is being withdrawn.

Link to the previous rating rationale

[Rationale – Citizen Investment Trust June 2022](#)

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

Links to the applicable criteria

[Issuer Rating Methodology](#)

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

About the entity

Citizen Investment Trust (CIT) is a statutory institute, established following the promulgation of Citizen Investment Trust Act, 1991. The Act empowers CIT to operate as a trustee of the public's voluntary savings through various schemes, in addition to the operations as a merchant banker. CIT started its operations from 1992 and when last rated, it used to operate three different savings and retirement fund management schemes (open both to public and private sector employees), one pension fund scheme (open to all Nepali nationals), one open-ended unit scheme (open to all institutions and individuals) and seven insurance fund schemes (for public sector employees from various categories). CIT operates under an asset management company model wherein it charges specified fees to the various schemes which it has been managing.

When last rated, majority stake in CIT was held directly or indirectly by the Government of Nepal, with ~23% direct shareholding and rest ~44% through Government entities (Rastriya Beema Sansthan, Nepal Stock Exchange Limited and Nepal Bank Limited). The rest ~12% promoter stake was held by private sector banks and insurance companies, while 20% was publicly held. Its shares are listed in the Nepal Stock Exchange, and it is one of the largest entities in terms of market capitalisation. Its registered and corporate office is at New Baneshwor, Kathmandu. In the technology front, CIT was using a customised integrated web-based software, during last rating exercise.

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