

## Jay Ambe Steels Limited: Ratings downgraded and withdrawn

April 22, 2024

### Summary of rating action

Instrument (Amount in NPR million)	Last Rated Amount	Rating Action
Fund based; long term limits	3,615.0	[ICRANP] LB-; downgraded from [ICRANP] LB+ and withdrawn
Fund based; short term limits	3,550.0	[ICRANP] A4, withdrawn
<b>Total</b>	<b>7,165.0</b>	

### Rating action

ICRA Nepal has downgraded and withdrawn the long-term loan rating assigned to long-term limits of Jay Ambe Steels Limited (JSL). ICRA Nepal has also withdrawn the short-term rating assigned to the company. The rating action has been taken in accordance with the Credit Rating Regulations 2011, following the company's application for rating withdrawal.

### Rationale

ICRA Nepal is withdrawing the ratings based on the company's application for rating withdrawal. The key rating drivers, rating sensitivities, key financial indicators have not been captured as the ratings are being withdrawn. The rating downgrade factors in the delays in servicing of debt obligations by JSL. As reported, there has been occasional delays in debt servicing by the company and the extent of delays currently remains within 30 days.

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](http://www.icranepal.com). As part of its process and in accordance with its rating agreement with JSL, ICRA Nepal had been trying to seek comprehensive information from the entity to monitor its performance. However, with the company's request to discontinue the bank loan ratings from ICRA Nepal, the ratings have been withdrawn.

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

#### Link to the applicable criteria:

[Corporate Credit Rating Methodology](#)

#### Links to the previous detailed rating rationales:

[Rationale- Jay Ambe Steels Limited - BLR Surveillance- December 2022](#)

### About the company

Established in 2017, Jay Ambe Steels Limited (JSL) is one of the large new players in iron and steels product manufacturing industry. The company is promoted by the Ambe Group and has its factory in the Banke district. The Group also has an operational steel manufacturing unit (since 2008) named Ambe Steels Private Limited in Bhairahawa. The Group, established in 1982, is one of the leading manufacturing conglomerates in Nepal.

JSL is a secondary steel manufacturer of TMT bars, binding wires and GI wires under the brand name Ambe Steels. JSL has set up its own billet manufacturing unit required for TMT production. The raw materials, pig irons, sponge irons are imported from India while scrap is procured from the domestic market.

The ownership of the company is held jointly by the Neupane, Agarwal and Poudyal families. Mr. Shovakar Neupane is the Chairman and Managing Director of the company.

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For more information, visit [www.icranepal.com](http://www.icranepal.com)

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