

Manokamana Hire Purchase Private Limited: Ratings withdrawn

July 01, 2024

Summary of rating action

Facility	Last rated amount (NPR million)	Rating Action
Long-term, fund-based (Revolving term loans)	2,090	Ratings withdrawn
Short-term loan limits (Within long-term fund-based limits)	(70)	
Total	2,090	

Rating action

ICRA Nepal has withdrawn the long-term loan rating of [ICRANP] LB+ 'Issuer not cooperating' (pronounced ICRA NP L B plus, Issuer Not Cooperating) and short-term loan rating of [ICRANP] A4 'Issuer Not Cooperating' (pronounced ICRA NP A four, Issuer Not Cooperating) assigned to the bank loan limits of Manokamana Hire Purchase Private Limited (MHPPL or the company). The rating action has been taken in accordance with the Credit Rating Regulations 2011 following the non-cooperation from MHPPL 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 assigned to MHPPL. The key rating drivers, rating sensitivities, key financial indicators have not been captured as the ratings are being withdrawn.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](#)'.

As a part of its process and in accordance with its rating agreement with MHPPL, ICRA Nepal had 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. In the absence of the requisite information and in line with the aforesaid policy of ICRA Nepal, the ratings have been withdrawn

Link to the previous rating rationales:

[Rationale- Manokamana Hire Purchase Private Limited – INC - Dec 2023](#)

[Rationale- Manokamana Hire Purchase Private Limited - May 2022](#)

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 for NBFCs](#)

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

About the company

Manokamana Hire Purchase Private Limited (MHPPL), established in 2017, is a hire purchase financing institution which operates in line with the broad guidelines of the Nepal Rastra Bank (NRB), the central bank of Nepal. The company received

the operating license from the NRB in January 2020. During the fresh rating exercise in May 2022, ~89.8% stake in MHPPL was held by Mr. Vivek Dugar, followed by a 10% stake by Mr. Moti Lal Dugar while the remaining ~0.2% was held by five other individuals. MHPPL's registered office is in Kathmandu Metropolitan City - 27. The company is a part of the MV Dugar Group which has a major presence in the Nepalese automotive sector with over 47 years of operations.

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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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