

MIRA INFORM REPORT

Report No. :	533072
Report Date :	08.10.2018

IDENTIFICATION DETAILS

Name :	SALT TRADING CORPORATION LIMITED
Registered Office :	Kalimati, Ward No 13 PBO No: 483, Kathmandu
Country :	Nepal
Financials (as on) :	31.03.2017
Date of Incorporation :	07.08.2004
Legal Form :	Nepal Private Limited Company
Line of Business :	Investment & Management, Investment Activities, Planners Innovation, Business Development Stragedy, Nepal Producing & Management Consultancy service also power generation.
No. of Employees :	Not Available

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :

A

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	No Complaints
Litigation :	Clear

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

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ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Nepal	B1	A2

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

NEPAL - ECONOMIC OVERVIEW

Nepal is among the least developed countries in the world, with about one-quarter of its population living below the poverty line. Nepal is heavily dependent on remittances, which amount to as much as 30% of GDP. Agriculture is the mainstay of the economy, providing a livelihood for almost two-thirds of the population but accounting for less than a third of GDP. Industrial activity mainly involves the processing of agricultural products, including pulses, jute, sugarcane, tobacco, and grain.

Nepal has considerable scope for exploiting its potential in hydropower, with an estimated 42,000 MW of commercially feasible capacity. Nepal has signed trade and investment agreements with India, China, and other countries, but political uncertainty and a difficult business climate have hampered foreign investment. The United States and Nepal signed a \$500 million Millennium Challenge Corporation Compact in September 2017 which will expand Nepal's electricity infrastructure and help maintain transportation infrastructure.

Massive earthquakes struck Nepal in early 2015, which damaged or destroyed infrastructure and homes and set back economic development. Although political gridlock and lack of capacity have hindered post-earthquake recovery, government-led reconstruction efforts have progressively picked up speed, although many hard hit areas still have seen little assistance. Additional challenges to Nepal's growth include its landlocked geographic location, inconsistent electricity supply, and underdeveloped transportation infrastructure.

Source : CIA

COMPANY IDENTIFICATION DETAILS

Enquired Name : SALT TRADING CORPORATION LIMITED
Correct Name of Company : SALT TRADING CORPORATION LIMITED
Registered Office : Kalimati, Ward No 13 PBO No: 483, Kathmandu. Nepal.

Corporate Head Office

P.O. Box: 483, Kathmandu, Nepal
Tel: 4271418, 4270315, Fax: 977-1-4271704, 4271395

Email Id : info@stcnepal.com | business@stcnepal.com

Industry : Salt Trading Corporation (STC) Limited is one of the largest business organization in Nepal established as the first Public Private Partnership (PPP) of Government of Nepal. Established over five decades back (13th September 1963), the corporation was launched with the objective to avail iodized common salt, as salt is not produced in Nepal and depends on import from India, for all citizens of the country. In its long run of dedicated service to the nation, STC has contributed to ensure proper supply and distribution of essential daily consumable goods, erode black-marketing by regulating market and artificial scarcity and industrial development in Nepal.

With equity share ratio comprising of 79:21 of investment from private: public, STC is managed by the joint effort of state (Government) and private (shareholders). In its business journey, Salt Trading Corporation is a brilliant example of success that provides its services through 93 offices (22 Offices and 71 liaison offices) that its customers include the whole population of the country. With about 400 staff, STC has provided business opportunities for over 1000 workers and laborers and its distribution network comprises but not limited to all major towns in Nepal.

Salt Trading Corporation Limited makes all efforts to provide goods and services to the common people that have made STC a major catalyst in bringing about the desired economic changes and growth in Nepal. The corporation not only focuses on providing its goods and services to urban people residing in towns and metropolis, it also reaches out to the poor and needy people of remote districts of Nepal especially the hilly and Himalayan regions. Realizing the need of quality products throughout the country by following the Government of Nepal's policy, the corporation is moving towards business diversification by searching for new

products, innovative thoughts and new markets. The organization engaged itself in corporate activities such as trade, import, export, manufacturing (production), processing, supply and distribution of a vast diversity of goods and services as a result the corporation has several production oriented industries. Food products, agricultural products, construction materials, machinery and tools, paper products and other goods are the main commodities for trade and business.

The central corporate office of Salt Trading Corporation is located at Kalimati, Kathmandu, with its zonal, branch, sub-branch and depot offices spanning the length and breadth of the country.

OFFICIAL COMPANY DATA

Legal Form	:	Nepal Private Limited Company
Corporate Identity Number (CIN)	:	9725
ROC Code	:	Kathmandu
Registration Date	:	7, August, 2004
Authorized Capital	:	10,000,000/-
Paid-up Capital	:	1,000,000/-
Paid-up Capital	:	Paidup : 14,672,000/- (14,672,00/- of Rs.10/- each)
Business Activity / Product Description	:	Investment & Management, Investment Activities, Planners Innovation, Business Development Stragedy, Nepal Producing & Management Consultancy service also power generation.
Auditor	:	N. Amartya & Co Pulchuwk Lalitpur, Nepal.
Banker	:	Standard Chartered Bank, Kathmandu, Nepal Bank of Kathmandu Ltd., Kathmandu, Nepal

BOARD OF DIRECTORS

- Siddhartha SJB Rana
- Kumar Rajbhandari
- Saroj Nidhi Tiwari
- Saurya SJB Rana

CAPITALIZATION STRUCTURE

Authorized Capital	:	10,000,000/-
Paid-up Capital	:	1,000,000/-
Face Value	:	Rs. 10/- each.
Last AGM	:	July 19, 2017

BALANCE SHEET

(Amount in Rupees Mln.)

BALANCE SHEET AS AT 31.03.2017

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Paid up Capital	1,000,000	Fixed Assets	10,947
Reserve & Surplus	10,618,987	Investments	3,000,000
Deffered Tax	8,944	Loans & Advances	15,348,954
Current Liabilities & Prov.	13,481,829	Cash & Bank	6,749,859
Total	<u>25,109,760</u>		<u>25,109,760</u>
	<u>Rs.</u>		
Sales	21,036,920		
Profit before Tax	10,382,600		
Profit after Tax	6,568,911		

INFORMATION DENIED

Management non-co-operative [00-977-4270315]

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.58
UK Pound	1	INR 95.88
Euro	1	INR 84.70
NPR	1	INR 0.63

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Information Gathered by :	SWT
Analysis Done by :	VIV
Report Prepared by :	TPT

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)