

## MIRA INFORM REPORT

Report No. :	526944
Report Date :	04.09.2018

### IDENTIFICATION DETAILS

Name :	ASIAN PAINTS NEPAL PVT LTD
Registered Office :	PO Box 37 Hetauda Industrail Estate
Country :	Nepal
Financials (as on) :	15.07.2016
Date of Incorporation :	25.07.1983
Legal Form :	Public limited company
Line of Business :	Manufacturer of paints
No. of Employees :	Not Available

### RATING & COMMENTS

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

MIRA's Rating :	A
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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](mailto: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 NAME AND ADDRESS**

### **Asian Paints Nepal Pvt Ltd**

Regd. Office : PO Box 37 Hetauda Industrail Estate

#### **Corporate Office:**

Balkumari-08, Lalitpur, Nepal

Contact: 01-5203045, 01-5203046, 01-5203047, 01-5203048, 01-5203049

[project.sales@asianpaints.com.np](mailto:project.sales@asianpaints.com.np)

[kathmandu.contact@asianpaints.com.np](mailto:kathmandu.contact@asianpaints.com.np)

[ccm@asianpaints.com.np](mailto:ccm@asianpaints.com.np)

#### **Sitapaila Depot:**

Asian Paints Nepal Pvt. Ltd.

Sitapaila, Kathmandu

Ph. No.: 01-4038265, 01-4038277

#### **Factory Address:**

H.I.D. P.O.Box No. 37

Hetauda, Nepal

I.R. No. 1644\40

Ph. No.: 057-413143

#### **Biratnagar Depot:**

Krishi Bhawan Chowk, Biratnagar

Ph. No.: 021-525914, 525915

#### **Nepalgunj Depot:**

New road, Nepalgunj

Ph. No.: 081-520569; 081-527589

#### **Pokhara Depot:**

Near Birauta Chowk,

Ward No. 17

Ph. No.: 061-464112, 061-464114

Telephone : 977-1-4445732 / 4445734

Fax : 977-1-4445441

Email : [hulasktm@mos.com.np](mailto:hulasktm@mos.com.np)

Factory : Simara (Bara)

Nepal

Telephone : 977-53-520075 / 520077

Fax : 977-53-520160

E-mail : [samara@golchha.com.np](mailto:samara@golchha.com.np)

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## **HISTORY**

It is a public limited company incorporated at Kathmandu under His Majesty Govt. Act No. 1644 of 25-07-1983

## **DIRECTORS**

1. Mr. Laxmi Gopal Shrestha  
*Chairman*  
Mr. I.K. Jaiswal  
*Regional Vice President - South Asia, GCC & Africa*  
Mr. Budhaditya Mukherjee  
*Director & General Manager*

## **BANKERS**

1. Nepal Indo-Swiss Bank Limited, Kathmandu (Nepal)
2. Nepal Bank Ltd., Kathmandu (Nepal)
3. Nepal Grindlays Bank, Kathmandu (Nepal)
4. Nepal Banijya Bank, Kathmandu (Nepal)

## **AUDITORS**

M/B K Agarwal & Co., Putli Sadak., Kathmandu (Nepal)

## **BUSINESS**

Asian Paints (Nepal) Pvt. Ltd. started its operation in 1983. It is a subsidiary company of Asian Paints Ltd. in India. It is the largest paint company in Nepal with a market share close to 45% and with an annual gross turnover of more than NRs 3 Billion.

The manufacturing facility is located at Hetauda industrial estate and has a capacity to manufacture close to 20 million liters of paints annually. It is certified under ISO:9001 and ISO:14001. Most of the relevant products have certification of approval from Nepal Bureau of Standards and Metrology.

Asian Paints has been a clear pioneer of innovation in Nepal. It leverages its worldwide experience to deliver products of international quality & range to the Nepali consumers at a reasonable price. Asian Paints manufactures complete range of decorative products. The company has also set up more than 500 Dealer Tinting System, namely Colourworld, in its dealer's premises to offer wide range of shades. The outlets are spread across all the major towns of Nepal.

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We believe in protecting our environment. Hence, we do not use any raw material which contains Lead, Arsenic, Mercury or Chromium or any other harmful elements. We are further working towards coming out with paints products having less amount of Volatile Organic Compound (VOC). Our factory operates with Effluent Treatment Plant which ensures that the water we discharge in the sewerage is cleaner and free of harmful elements.

## **FINANCIAL**

### **BALANCE SHEET AS AT 15<sup>th</sup> JULY, 2016**

<u>LIABILITIES</u>	<u>NP. RUPEES</u>	<u>ASSETS</u>	<u>NP. RUPEES</u>
Authorised Capital	60,000,000	Fixed Assets	63,913,740
Paid up Capital	49,787,500	Cap. Work in Progress	1,080,852
Reserve & Surplus	11,331,261	Current Assets	49,674,391
Secured Loans	50,337,942	Deferred Tax Net	99,000
Unsecured Loans	3,348,332	Miscns. Expenses	37,052
Total Nep. Rs.	<u>114,805,035</u>	Total Nep. Rs.	<u>114,805,035</u>

Sales	:	Nep Rs.77,014,028/-
Profit of this year	:	Nep Rs. 7,075,182/-
Deferred Tax Adjust	:	Nep Rs. 1,270,344/-
Net Profit	:	Nep Rs. 331,261/-

Remarks : Well established, respectable and reputed concern. Payments are reported to be correct and regular as per commitments. Trade relations are fair. Consider good for normal business engagements.

## **INFORMATION DENIED**

Management non-co-operative 977-1-4445732 / 4445734

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.77
UK Pound	1	INR 91.36
Euro	1	INR 82.14
NPR	1	INR 0.63

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

**INFORMATION DETAILS**

Information Gathered by :	AKS
Analysis Done by :	PRI
Report Prepared by :	TRU

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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)