

MIRA INFORM REPORT

Report No. :	525945.2
Report Date :	28.09.2018

IDENTIFICATION DETAILS

Name :	ASHOK STEEL INDUSTRIES PVT LTD
Registered Office :	P.O. Box: 12112, Ka 2-2/18 Bagmati Chamber, Milan Marg Teku, Kathmandu,
Country :	Nepal
Date of Incorporation :	1989
Pan No.:	300020137
Legal Form :	Private Limited Company
Line of Business :	Manufacturing of Steel.
No. of Employees :	250 (approximately)

RATING & COMMENTS

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

MIRA's Rating :	B
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Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
Payment Behaviour :	Slow but Correct
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.

ECGC Country Risk Classification List

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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 : **ASHOK STEEL INDUSTRIES PVT LTD**
Correct Name of Company : **ASHOK STEEL INDUSTRIES PVT LTD**
Registered Office/ Head Office: : P.O. Box: 12112, Ka 2-2/18 Bagmati Chamber, Milan Marg Teku,
Kathmandu, Nepal
Location : Owned
Locality : Commercial
Tel. No.: : 0977-1-4243148/4247997/4247996/4242335,
Mobile No.: : 0977-9801000283
Fax No.: : 00977-1-4248215
Factory: : Jeetpur, Bara, Nepal
Tel. No.: : 0977-53-520125/520040
Fax No.: : 977-53-520155
Email: : asisteel@ntc.net.np / asisteeljpr@ntc.net.np
Website : <http://www.ntc.net.np>
Nature of Activity : Manufacturing of Steel

OFFICIAL COMPANY DATA

Legal Form : Private Limited Company
Registration Date : 1989
Pan No. : 300020137
Auditor : Mr. Nirmal
Accounts Manager
No. of Employees : 250 (approximately)

BOARD OF DIRECTORS

Mr. Thakur Hira Singh (Confirmed by Management)
Mr. Sunil Agarwal (Indirect Sources)

INTRODUCTION

Ashok Steel Industries Pvt. Ltd. is located at Jitpur, near Simra in Nepal, produces a range of quality steel rolled products for the construction industry. The plant is equipped with all modern lab facilities and enforces strict quality control measures at every stage of production to ensure uniformly high quality of end products. The plant is also benefited by technical assistance from India, France and Japan.

The technical resources at Company's disposal ensure rolled products of high dimensional accuracy as per various international standards. The present folder provides details of the full range of Ashok Steel's rolled products- with necessary material specifications and dimensions to assist in your selection.

PRODUCTS

ASHOK TMT THERMEX TECHNOLOGY

Ashok TMT process hot bars are subjected to quenching by means of an intense cooling installation (cooling installation specially designed Thermex system.) This step hardens the surface layer to martensite while the core structure remains austenitic. When the bar is free of water chamber heat flows from core to surface and surface gets tempered to structure called martensite. In the cooling bed due to atmosphere cooling, the hardened zone is tempered by temperature homogenization in the cross section and the austenitic core is transferred to ductile-ferrite-pearlite core.

QUENCHING

When the hot rolled bar leaving the final mill stand, is rapidly quenched by a Thermex water tube system this hardens the surface of the bar to a depth optimized for each section through formation of martensitic rim while the core remains hot and austenitic.

SELF TEMPERING

When the bar leaves the quenching box, the core remains hot compared to the surface allowing heat to flow from the core to surface causing tempering the outer martensitic layer into a structure called "Tempered Martensite". The core Steel remains austenitic at this stage.

ATMOSPHERIC COOLING

This takes place on the cooling bed, where the austenitic core is transformed into ductile ferrite pearlite structure. Thus the final structure consists of an optimum combination of strong outer layer (tempered martensite) with a ductile core (pearlite). This gives Ashok TMT its unique combination of higher strength & ductility.

PROJECTS

NAME OF CONSTRUCTION COMPANY

Ministry of Water Resources Govt. of Nepal
sambu Const. Korea
NCCN Limited
SEITCO,
Shimizu C. Itoh Consortium
Self
NBCC CONST. CO
TODA CORPORATION, JAPAN

NAME OF PROJECT

Babai Irrigation Project
NTC Building Const. Project, Kathmandu
Yak and Yeti Hotel Expansion Project
Expansion of Instt. Of Medicine of Teaching Hospital
Hotel Soaltee Oberoi Expansion Project
Modern Indian School
KANTI CHILDREN HOSPITAL PH-1, MAHARAJGUNJ

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BRIDGE AND ROOF CO., INDIA LTD.	S.R.I. PROJECT, CON-1.1, HETAUDA-BIRGUNJ ROAD
SELF	NEPAL LEVER LTD., HETAUDA
SHIMIZU CORPORATION, JAPAN	KATHMANDU WATER SUPPLY IMPROVEMENT PROJECT PHASE-I
HAZAMA CORPORATION, JAPAN	KATHMANDU WATER SUPPLY IMPROVEMENT PROJECT PHASE-I
HITACHI PLANT & ENGG. CONST. CO,	HOTEL SAKURA INTERNATIONAL, KATHMANDU
HITACHI PLANT & ENGG. CONST. CO,	LAKSHERI COMPLEX, BASANTAPUR,
CWE, CHINA	BAGMATI IRRIGATION PROJECT
CWE, CHINA	NARAYANI IRRIGATION PROJECT
CWE, CHINA	KULEKHANI HYDRO ELEC. PROJECT
TUNDI CONST. CO. (P.) LTD.	NEPAL RASTRA BANK
B.K. SHRESTHA & BUILDERS (P.) LTD.,	NIDC PROJECT
NCCN Limited	MADHI RIVER BRIDGE PROJECT, MADHI KHOLA
MR. A. BOULTER & ASSOCIATES	FETEBAL EYE HOSPITAL, NEPALGUNJ
SIETCO, CHINA	SURYA TOBACCO
SELF	NEOLUX NEPAL LTD.,
SELF	INTERNATIONAL SOCIETY FOR MEDICAL EDUCATION, BHARATPUR
LARSEN & TOUBRO (INDIA) LTD.,	IGEB PROJECT, LALITPUR
ANAK CONSTRUCTION P. LTD. AND	TOURISM INFRASTRUCTURE DEVELOPMENT PROJECT
TUNDI CONST. CO. (P.) LTD. JV	BIGHI IRRIGATION PROJECT
AMAR CONSTRUCTION P. LTD	NEPAL EYE PROGRAM-AUSTRALIA
SELF	GOPI KRISHNA MOVIES (THEATRE) PROJECT, CHABHEL
SELF	SHELI RIVER BRIDGE PROJECT
J.N.J (JOINT VENTURE)	SILGARDI-SANFE ROAD PARWADIGARH BRIDGE PROJECT
S.B.N. CONSTRUCTION CO. (J.V.)	ACE LABORATORY, SIMRA
SELF	CENTRAL DEPARTMENT POPULATION STUDIES PROJECT (COPS), KRITIPUR
TUNDI CONSTRUCTION P. LTD	DEPARTMENT OF IRRIGATION (HMG) PROJECT, JAWALAKHEL
AMRIT NIRMAN SEWA P .LTD	UNDFP PROJECT, JANAKPUR
KRISHNA PRERA & DANFE CONST. J.V.	POKHARA CONSERVATION AREA IMPROVEMENT, PROJECT
AMRIT NIRMAN SEWA P .LTD	B.P. KOIRALA LIONS CLUB OPHTHALMIC STUDY CENTER, MAHARAJGUNJ
LARSEN & TOUBRO (INDIA) LTD.,	TRISHULI DEVIGHAT PROJECT, TRISHULI
SELF	HACIENDA APART MENTAL HOTEL, MAHARAJGUNJ
SHIMIZU CORPORATION, JAPAN	CONSTRUCTION OF CHANCELLERY OF EMBASSY OF JAPAN
TODA CORPORATION, JAPAN	KANTI CHILDREN HOSPITAL EXPANSION PROJECT, PH-, MAHARAJGUNJ
CE PRERA, KRISHNA J.V	H.M.T.T.C. KATHMANDU
SELF	HOTEL PHEWA PRINCE PVT. LTD, POKHARA

GAMMON INDIA LIMITED
BRIDGE & ROOF CO. (INDIA) LTD.,
BRIDGE & ROOF CO. (INDIA) LTD.,
UNICEF
SHIMIZU CORPORATION, JAPAN
HAZAMA CORPORATION, JAPAN
IRCON LTD
SHIV NIRMAN COMPANY PVT. LTD.
SHIV NIRMAN COMPANY PVT. LTD.
SHIV NIRMAN COMPANY PVT. LTD.

L.M. SUVIR & BROS. NEPAL (P) LTD
C.E. CONSTRUCTION
THE BIG ADM
U.P. R.N.N./N.B.C.C
IRCON INTERNATIONAL
MR. O.P. PANDEY

KOHALPUR - MAHAKALI BRIDGE PROJECT
N.O.C.L PROJECT, KATHMANDU
N.O.C.L PROJECT, POKHARA
REDD-BARNA REHABILITATION
JAPANESE'S AMBASSADORS RESIDENCE
SINDHULY ROAD PROJECT PHASE -I
NAUBESE - THANKOT ROAD PROJECT
COLGATE-PALMOLIVE (NEPAL) PVT. LTD
ASIAN PAINTS (NEPAL) PVT. LTD
KARMA CHARI SANCHAYAKOSH PROJECT,
KUPANDOLE
GOKARNA GOLF RESORT

INDRAWATI HYDRO ELECTRIC PROJECT,
B.P. KOIRALA HOSPITAL, DHARAN
INDIAN EMBASSY QUATAR
KATHMANDU MEDICAL COLLEGE, SINAMANGAL

FINANCIAL INFORMATION

No financial information could be made available from any sources.

PAYMENT

No payment terms are known.

FINANCIAL

BALANCE SHEET AS AT 15th JULY, 2017

<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/-	

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Summery

Well established, respectable and reputed concern. Payments are reported to Slow but Correct. Trade relations are fair. Consider good for normal business engements.

INFORMATION PARTED BY

Name : Mr. Nirmal
Designation : Accounts Manager
Contact No.: 00977-980100283
Date : 14.09.2018

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.65
UK Pound	1	INR 95.43
Euro	1	INR 85.04
NPR	1	INR 0.62

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

INFORMATION DETAILS

Information Gathered by :	KAM
Analysis Done by :	VIV
Report Prepared by :	KET

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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)