

MIRA INFORM REPORT

Report No. :	529140
Report Date :	28.09.2018

IDENTIFICATION DETAILS

Name :	JAGDAMBA STEELS PVT LTD
Registered Office :	Laxman Babu Bhawan, 2nd Floor, Naxal, Kathmandu
Country :	Nepal
Financials (as on) :	March, 2017
Date of Incorporation :	25.06.1982
Legal Form :	Nepal Private Limited Company
Line of Business :	Manufacture of Billets, Wire Rods, Sponge Iron.
No. of Employees :	2000 App.

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd 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 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 : JAGDAMBA STEELS PVT LTD
Correct Name of Company : JAGDAMBA STEELS PVT LTD
Registered Office : Laxman Babu Bhawan, 2nd Floor, Naxal, Kathmandu
Telephone No. : 977-1-4445766
Email Id : jsteel@wlink.com.np
Factory : Simara (Bara) Nepal
Location : Owned
Locality : Commercial
Trading Terms : Purchasing : L/C
Sales : L/C
Types of Customers : End Users
Industry : Steel Manufacturer
Nature of Activity : Billets, Wire Rods, Sponge Iron

NOTE: Registered office has been shifted to Laxman Babu Bhawan, 2nd floor, Naxal, Kathmandu, Nepal from 7th Floor, Gagdamba Tower, Tinkune, Kathmandu, Nepal. P.O. Box 2513

OFFICIAL COMPANY DATA

Legal Form : Nepal Private Limited Company
Corporate Identity Number (CIN) : 99044
ROC Code : Kathmandu
Registration Date : 25.06.1982

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Issuing Authority	:	Registrar of Companies (ROC)
Permanent Account No. (PAN)	:	300020108
Authorised Capital	:	Rs. 80 Millions
Paid-up Capital	:	Rs. 42.40 Millions
Employee	:	2000 App.
Business Activity / Product Description	:	Manufacture of Billets, Wire Rods, Sponge Iron
Auditor	:	AUDITORS R. Shrestha & Co., Kathmandu
Bankers	:	Nepal Investment Bank Ltd Himalayan Bank, Kathmandu, Nepal Tel. No.: 0977-1-4423183

Directors :

1. Mr. Shanker Lal Agrawal
2. Ms. Lalita Agrawal
3. Ms. Sulochana Agrawal
4. Mr. Sulav Agrawal

CAPITALIZATION STRUCTURE

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Authorized Share Capital	:	Rs. 80 Millions Equity Shares of Rs. 10/- each.
Issued, Subscribed & Paid Up Capital	:	Rs. 42.40 Millions Shares of Rs. 10/- each.
Face Value	:	Rs. 10/- each.
Last AGM	:	July15, 2016

FINANCIALS

Balance Sheet (Rs. in millions) 2016-17

Share Capital	42.40	42.40	42.40
Reserves & Surplus	176.26	176.26	176.26
» Net Worth (1)	218.66	218.66	218.66
» Secured Loans (2)	1.12	1.84	3.31
» Unsecured Loans (3)	0.00	0.00	1.06
Total Liabilities(1+2+3) »	219.78	220.50	223.04
Fixed Assets			
Gross Block	28.93	28.34	25.43
(-) Acc. Depreciation	9.96	9.23	8.09
» Net Block (A)	18.97	19.10	17.35
» Capital Work in Prgs. (B)	2.82	1.54	0.46
» Investments (C)	14.04	20.10	22.20
Current Assets, Loans & Adv.			
Inventories	1.11	2.14	3.52
Sundry Debtors	45.87	8.64	8.45
Cash And Bank	18.70	14.31	8.09
Loans And Advances	28.14	19.87	192.82
(i)	93.82	44.95	212.88
Current Liab. & Provs.			
Current Liabilities	28.14	16.17	17.69
Provisions	32.19	19.36	12.16
(ii)	60.34	35.54	29.85
» Net Curr. Assets (i - ii) (D)	33.48	9.42	183.03
» Misc. Expenses (E)	150.48	170.35	0.00
Total Assets (A+B+C+D+E) »	219.78	220.50	223.04

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	March - 2017 (12 months)	%	March - 2016 (12 months)	%	March - 2015 (12 months)	%
Sales	124.08	+0.96	96.11	+0.98	61.18	+0.99
Other	5.01	+0.04	2.15	+0.02	0.51	+0.01
Income						
Total	129.09	-	98.26	-	61.69	-
Income						
Raw	45.13	+0.35	30.87	+0.31	17.57	+0.28
Material						
Cost						
Excise	0.00		0.00		0.00	
Other	46.41	+0.36	45.23	+0.46	26.64	+0.43
Expenses						
Operating	32.54	+0.25	20.01	+0.20	16.97	+0.28
Profit						
Interest	0.60	+0.00	0.51	+0.01	0.56	+0.01
Name						
Gross Profit	31.94	+0.25	19.50	+0.20	16.41	+0.27
Depreciation	1.62	+0.01	1.54	+0.02	1.42	+0.02
Profit Bef.	35.33	+0.27	20.11	+0.20	15.50	+0.25
Tax						
Tax	12.48	+0.10	7.20	+0.07	5.90	+0.10
Net Profit	22.85	+0.18	12.91	+0.13	9.60	+0.16
Other Non-	0.00		0.00		1.34	+0.02
Recurring						
Income						
Reported	22.85	+0.18	12.91	+0.13	10.94	+0.18
Profit						
Equity	2.54	+0.02	2.54	+0.03	2.54	+0.04
Dividend						

INFORMATION PARTED BY (GENERAL DETAILS)

Name : Mr. Tara Prakash
Designation : Accounts Department
Contact No.: 91-977-1-4445766

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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 :	NIY
Report Prepared by :	DNS

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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)