

PRESS RELEASE

GANAPATI VANASPATI PRIVATE LIMITED

July 2024

Ratings

Instrument/Facilities	Amount (NPR Mn)	Ratings	Rating Action
Long Term Bank Facilities	362.00	IRN BB	Downgraded from IRN BB+ and moved to Issuer not cooperating* category with notice of withdrawal
Short Term Bank Facilities	7,650.84	IRN A4	Downgraded from IRN A4+ and moved to Issuer not cooperating* with notice of withdrawal
Total	8,012.84		

* Issuer did not cooperate, based on best available information

Infomerics Credit Rating Nepal Limited (Infomerics Nepal) has downgraded the rating to IRN BB 'INC' (Double B, Issuer Not Cooperating) from IRN BB+ (Double B Plus) assigned to the long term bank facilities of NPR 362.00 Mn and downgraded the rating to IRN A4 'INC' (A Four, Issuer Not Cooperating) from IRN A4+ (A Four Plus) assigned to the short term bank facilities of NPR 7,650.84 Mn and moved to Issuer Not Cooperating category with notice of withdrawal.

Detailed Rationale

The revision in the rating assigned to the bank facilities of Ganapati Vanaspati Private Limited is because of non-cooperation by the company despite repeated follow ups and lack of adequate information leading to information availability risk and hence uncertainty around its credit risk. Infomerics Nepal assesses whether the information available about the company is commensurate with its rating and reviews the same as per the policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

Non-Cooperation by Issuer

Infomerics Nepal has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated 2023/02/13; 2024/03/19; 2024/04/18 and 2024/04/25, and concurrently over several phone calls. However, despite repeated requests by Infomerics Nepal, the company's management has not submitted all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBON guidelines, Infomerics Nepal has to assign the rating based on the best available information. Accordingly, the ratings assigned to the bank loan facilities aggregating to NPR 8,012.84 Mn of Ganapati Vanaspati Private Limited shall be moved to 'ISSUER NOT COOPERATING' category by Infomerics Nepal and the rating will be noted as IRN BB/A4 'INC'; Based on best available information (Double B/A Four, Issuer Not Co-operating).

Analytical Approach: Standalone

Applicable Criteria:

[Corporate Credit Rating Methodology](#)

[Withdrawal Policy](#)

Past Rating Rationale:

[Ganapati Vanaspati Private Limited: Bank Facilities Rating Assigned](#)

About the Company:

Incorporated in June 1998, Ganapati Vanaspati Private Limited (GVPL) is a private limited company established for processing of Vegetable Ghee, Refined Oils, Soap & Detergent, Sodium Silicate Jar, Tina, Preform & Pet bottles, Corrugated Box & By Products (Pina, PFAD/Acid Oil). Its plant is located in Pipara, Simara, Bara, Nepal and has installed capacity of 120,000 MTPA in refined edible oil segment (including crushing of Mustard Oil) and installed capacity of 12,300 MTPA in laundry soap segment. GVPL sells edible oils under four different brands viz. Safari, Safari Health, Chhakra & Ramdev and laundry soaps in two different brands viz Safari and Lucky. GVPL belongs to Lucky Group where Mr. Amit More, Mr. Rajiv More and Mr. Rishi Raj More are the major promoters.

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About Infomerics Credit Rating Nepal Limited:

Infomerics Credit Rating Nepal Ltd. is Nepal's third Credit Rating Agency licensed by the Securities Board of Nepal (SEBON) on March, 2022. Infomerics Nepal is a subsidiary of Infomerics Valuation and Rating Private Limited (Infomerics India) which is a SEBI registered and RBI accredited Credit Rating Agency licensed in 2015. Infomerics Nepal aims to provide investors with objective analysis and evaluation of credit worthiness of Banks, NBFCs, Large Corporates and Small and Medium Scale Units (SMUS) via its rating and grading services. Thus, it is playing a key role in serving the financial markets by reducing the information asymmetry among varied lenders and investors and facilitating borrowers/issuers to various fundraising opportunities/avenues. Infomerics observes and maintains ethical standards in its activities. For more information, visit <https://infomericsnepal.com/>

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