

## PRESS RELEASE

### **RATINGS PLACED UNDER WATCH WITH NEGATIVE IMPLICATIONS OWING TO FINANCIAL MISCONDUCT CASE**

**June 2026**

#### **Detailed Rationale**

As of June 11, 2026, Prosecutors have launched legal offensive against various individuals associated with various business entities, filing cases simultaneously in three separate courts over allegations of financial misconduct spanning the securities, insurance, banking and anti-money laundering. Two charge sheets have been filed at the Kathmandu District Court, while one case each has been registered at the Patan High Court and the Special Court. As of mid-June 2026, only charge sheet has been filed with investigation ongoing and no one been convicted yet. The District Government Attorney's Office in Kathmandu filed insurance and securities-related cases at the Kathmandu District Court, while the Special Government Attorney's Office filed a money laundering case at the Special Court. A separate banking offence case has been registered at the Patan High Court. Prosecutors have named 42 defendants in the insurance case, 81 in the securities case, 39 in the money laundering case and 5 in the banking offence case.

Promoters/Directors of several companies that have been rated by Infomerics Nepal have been directly impacted by the ongoing investigations and related arrests, which have resulted in certain prominent individuals from various business groups being named as defendants. In view of the allegations and the uncertainty regarding the potential financial, operational, and reputational implications for these entities, Infomerics Nepal has placed the ratings of the following companies on Credit Watch with Negative Implications. The rating action reflects concerns over possible liquidity pressures, management continuity, and the overall impact on business operations arising from the alleged involvement of key personnel in the ongoing investigations though the extent of their impact is not yet measurable.

Entity	Last Rated Amount (NPR Mn)	Rating Outstanding	Rating Action
Jagdamba Hospitality Group Limited	5,300.00	<a href="#">IRN BB-/A4 'INC' &amp; IRN BB- 'INC' (Is)</a>	Reaffirmed & placed on 'Watch with negative implications'
Jagdamba Auto Group Private Limited	1,910.00	<a href="#">IRN BBB/A3+</a>	IRN BBB/A3+ @; reaffirmed & placed on 'Watch with negative implications'
Jagdamba Motors Private Limited	5,979.36	<a href="#">IRN BBB+/A2</a>	IRN BBB+/A2@; reaffirmed & placed on 'Watch with negative implications'
Jagdamba Steels Limited	33,155.20	<a href="#">IRN BBB/A3+ &amp; IRN BBB (Is)</a>	IRN BBB/A3+ @ & IRN BBB (Is) @; reaffirmed & placed on 'Watch with negative implications'
Shaurya Cement Industries Limited	14,879.88	<a href="#">IRN BBB-/A3 &amp; IRN BBB- (Is)</a>	IRN BBB-/A3+ @ & IRN BBB- (Is) @; reaffirmed & placed on 'Watch with negative implications'
Riddhi Cement Industries Limited	11,937.51	<a href="#">IRN BBB-/A3 &amp; IRN BBB- (Is)</a>	IRN BBB-/A3+ @ & IRN BBB- (Is) @; reaffirmed & placed on 'Watch with negative implications'
Himalayan Life Insurance Limited	NA	<a href="#">IRN A+ (Is)</a>	IRN A+ (Is) @; reaffirmed & placed on 'Watch with negative implications'
Jagdamba Mobiles Private Limited	900.00	<a href="#">IRN A4</a>	IRN A4 @; reaffirmed & placed on 'Watch with negative implications'

Entity	Last Rated Amount (NPR Mn)	Rating Outstanding	Rating Action
Jagdamba Hire Purchase Limited	1,722.50	<a href="#">IRN BB/A4</a>	IRN BB/A4 @; reaffirmed & placed on 'Watch with negative implications'
Himalayan Investment Banker Limited	NA	<a href="#">IRN AMC Quality 3</a>	IRN AMC Quality 3 @; reaffirmed & placed on 'Watch with negative implications'
Jagdamba Flour and Agro Private Limited	1,540.00	<a href="#">IRN B+/A4 'INC'</a>	IRN B+/A4 'INC' @; reaffirmed & placed on 'Watch with negative implications'
Hulas Finserv Hire Purchase Limited	NA	<a href="#">IRN BBB (Is)</a>	IRN BBB (Is) @; reaffirmed & placed on 'Watch with negative implications'
Ganapati Vanaspati Private Limited	6,482.97	<a href="#">IRN BB-/A4</a>	IRN BB-/A4 @; reaffirmed & placed on 'Watch with negative implications'
Litmus Industries Limited	8,670.03	<a href="#">IRN BB+/A4+</a>	IRN BB+/A4+@; reaffirmed & placed on 'Watch with negative implications'
Teletalk Private Limited	574.60	<a href="#">IRN B/A4</a>	IRN B/A4 @: Reaffirmed & placed on 'Watch with negative implications'
Tele Direct Private Limited	2,500.00	<a href="#">IRN BBB-/A3</a>	IRN BBB-/A3 @; reaffirmed & placed on 'Watch with negative implications'
Ramjanaki Hydropower Private Limited	5,251.16	<a href="#">IRN BB-</a>	IRN BB- @: Reaffirmed & placed on 'Watch with negative implications'
Vedanshee Infrastructure Limited	3,500.00	<a href="#">IRN BB-/A4</a>	IRN BB-/A4 @: Reaffirmed & placed on 'Watch with negative implications'

For these entities, Infomerics Nepal will continue to closely assess the final outcome of the ongoing legal proceedings, potential changes in the Board of Directors (BoD) and Key Managerial Personnel (KMP), and their implications for the financial and operational performance of the entities. Appropriate rating actions will be undertaken upon obtaining greater clarity on the extent of the impact on business operations, governance practices, reputation, and the overall credit profile of the aforementioned entities.

### Applicable Criteria:

[Policy relating to rating watch](#)

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### About Infomerics Credit Rating Nepal Limited:



# Infomerics Credit Rating Nepal Limited

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