

## PRESS RELEASE

### SBA NIRMAN SEWA PRIVATE LIMITED

November 2023

#### Ratings

Facilities	Amount (NPR. Mn)	Ratings	Rating Action
Long Term Bank Facilities	20.11	IRN B	Downgraded from IRN B+; and moved to ISSUER NOT COOPERATING* category with notice of withdrawal
Short Term Bank Facilities	177.00	IRN A4	Reaffirmed and moved to ISSUER NOT COOPERATING category with notice of withdrawal
Long Term/Short Term Bank Facilities	2,642.63	IRN B/A4	Downgraded/Reaffirmed and moved to ISSUER NOT COOPERATING category with notice of withdrawal
<b>Total</b>	<b>2,839.74</b>		

*\*Issuer did not cooperate; based on best available information*

Infomerics Credit Rating Nepal Limited (Infomerics Nepal) has downgraded the long term rating to IRN B 'INC' (Single B, Issuer Not Cooperating) from IRN B+ (Single B Plus) to the long term bank facilities of NPR 20.11 Mn, reaffirmed the short term rating to IRN A4 'INC' (A Four, Issuer Not Cooperating) to the short term bank facilities of NPR 177.00 Mn and downgraded/reaffirmed the long term/short term rating to IRN B/A4 'INC' (Single B/ A Four, Issuer Not Cooperating) from IRN B+/A4 (Single B Plus/ A Four) to the long term/short term bank facilities of NPR 2,642.63 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 SBA Nirman Sewa Private Limited (SBA) 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 August 18, 2023 and September 07, 2023 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 2,839.74 Mn of SBA shall be moved to 'ISSUER NOT COOPERATING' category by Infomerics Nepal and the long-term rating will be noted as IRN B 'INC'; Based on best available information (Single B, Issuer Not Co-operating), the short-term rating will be noted as IRN A4 'INC'; Based on best available information (A Four, Issuer Not Co-operating) and the long- term/short-term rating will be noted as IRN B/A4 'INC'; Based on best available information (Single B/A Four, Issuer Not Co-operating).

#### Analytical Approach: Consolidated

Tanka Prasad Marg, Baneshwor Height, Kathmandu, Nepal Contact No. +977-1-4483304, 4485906  
Email: [info@infomericsnepal.com](mailto:info@infomericsnepal.com), Website: [www.infomericsnepal.com](http://www.infomericsnepal.com)

**Applicable Criteria:**

[Corporate Credit Rating Methodology](#)  
[Withdrawal Policy](#)

**Past rating rationale:**

[Fresh bank loan rating assigned on July 2022](#)

**About the Company:**

SBA Nirman Sewa Private Limited (SBA) is Class “A” construction company of Nepal which was incorporated on December 10, 1997 and having registered office in Kapan-1, Kathmandu, Nepal. The company is promoted by Mr. Ajay Poudel and his family holding 100% of total shares, with considerable experience in construction fields. The order book of the company is fairly diversified across multiple segments with maximum contribution of ~49% in construction of bridges, followed by road and building segments among others.

**Financial Indicators (Consolidated):** Latest Financials not available

For the year ended* As on	FY20	FY21
	Audited	Audited
Total Operating Income (in NPR Mn.)	500	372
EBITDA Margin (%)	15.39	15.01
Interest Coverage Ratio (x)	2.62	3.19
Current Ratio (x)	0.83	0.86
Overall Gearing Ratio (x)	32.61	13.81
TOL/TNW (x)	55.00	26.41

\* Classification as per Infomerics Nepal standards

**Analyst Contacts**

**Mr. Nibesh Manandhar**

Tel No.+977-1-4583304/4585906  
[nibesh.manandhar@infomericsnepal.com](mailto:nibesh.manandhar@infomericsnepal.com)

**Mr. Anil Adhikari**

Tel No.+977-1-4583304/4585906  
[anil.adhikari@infomericsnepal.com](mailto:anil.adhikari@infomericsnepal.com)

**Relationship Contact**

**Mr. Rabin Pudasaini**

Tel No.+977-1-4583304/4585906  
[rabin.pudasaini@infomericsnepal.com](mailto:rabin.pudasaini@infomericsnepal.com)

**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



# *Infomerics Credit Rating Nepal Limited*

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/>

## **Infomerics Credit Rating Nepal Limited**

Tanka Prasad Marga, Baneshwor Height, Kathmandu

Phone: +977-1-4583304/4585906

Email: [info@infomericsnepal.com](mailto:info@infomericsnepal.com)

Web: [www.infomericsnepal.com](http://www.infomericsnepal.com)

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