

PRESS RELEASE

Singha & Brothers Construction Private Limited

May 2024

Ratings

Instrument/Facilities	Amount (NPR. Mn)	Ratings	Rating Action
Long Term Bank Facilities- Term Loan	281.00	IRN D	Downgraded from IRN BB- and moved to Issuer not cooperating* category with notice of withdrawal
Short Term Bank Facilities- Fund Based Loan	202.00	IRN D	Downgraded from IRN A4 and moved to Issuer not cooperating* category with notice of withdrawal
Long Term/Short Term Bank Facilities- Non Fund Based Loan	1,517.00	IRN D	Downgraded from IRN BB-/A4 and moved to Issuer not cooperating* category with notice of withdrawal
Total	2,000.00		

* Issuer did not cooperate, based on best available information

Infomerics Credit Rating Nepal Limited (Infomerics Nepal) has downgraded the long term rating to IRN D 'INC' (Single D, Issuer Not Cooperating) from IRN BB- (Double B Minus) to the long term bank facilities of NPR 281.00 Mn. IRN also has downgraded the short term rating to IRN D 'INC' (Single D, Issuer Not Cooperating) from IRN A4 (A Four) to short term bank facilities of NPR 202.00 Mn. Similarly, IRN has downgraded the long term/short term rating to IRN D 'INC' (Single D, Issuer Not Cooperating) from IRN BB-/A4 (Double B Minus/A Four) to the long term/short term bank facilities of NPR 1,517.00 Mn and moved to Issuer Not Cooperating category with notice of withdrawal.

Detailed Rationale

The downgrade in the rating assigned to the bank facilities of Singha & Brothers Construction 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. The ratings assigned also factor in delays in servicing its debt obligation exceeding period prescribed in Infomerics Nepal's [Default Recognition Policy](#) which were made aware by the respective bankers.

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 2024/02/13, 2024/03/01, 2024/03/11, 2024/04/24 and 2024/05/13 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 2,000.00 Mn of Singha & Brothers Construction Private Limited shall be moved to 'ISSUER NOT COOPERATING' category by Infomerics Nepal and the long-term rating/short term rating will be noted as IRN D 'INC'; Based on best available information (Single D, Issuer Not Cooperating).

Analytical Approach: Standalone

Applicable Criteria:

[Corporate Credit Rating Methodology](#)

[Withdrawal Policy](#)

[Default Recognition Policy](#)

Past Rating Rationale:

[Singha & Brothers Construction Private Limited: Bank Facilities Ratings Assigned](#)

About the Company:

Singha & Brothers Construction Private Limited (SBCPL) is a Class "A" construction company of Nepal which was incorporated on April 21, 2003. The registered office of the company is located at Kalanki -13, Kathmandu. In addition to working on projects individually, SBCPL also forms joint ventures (JVs) in order to meet the requirements for participating in various construction projects. SBCPL is promoted by Mr. Kamal Upreti, Chairman and Ms. Sangita Baniya, Director

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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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Infomerics Credit Rating Nepal Limited

are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics Nepal is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.