

PRESS RELEASE

NEPAL EKARAT ENGINEERING COMPANY PRIVATE LIMITED

May 2025

Ratings

Instrument/Facilities	Amount (NPR Mn)	Ratings	Rating Action
Long Term Bank Facilities	613.90	IRN BB-	Downgraded from IRN BB and moved to Issuer not cooperating* category with notice of withdrawal
Short Term Bank Facilities	410.00	IRN A4	Moved to Issuer not cooperating* category with notice of withdrawal
Long Term/Short Term Bank Facilities	1,125.00	IRN BB-/A4	Downgraded from IRN BB/A4 and moved to Issuer not cooperating* category with notice of withdrawal
Total	2,148.90		

*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 Minus, Issuer Not Cooperating) from IRN BB (Double B Minus) assigned to the long term bank facilities of NPR 613.90 Mn, moved the rating assigned to short term bank facilities of NPR 410.00 Mn to Issuer Not Cooperating category and has downgraded the rating to IRN BB-/A4 'INC' (Double B Minus/A Four, Issuer Not Cooperating) from IRN BB/A4 (Double B/A Four) assigned to the long term/short term bank facilities of NPR 1,125.00 Mn with notice of withdrawal.

Detailed Rationale

The revision in the rating assigned to the bank facilities of Nepal Ekarat Engineering Company Private Limited (NEEK) 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 ratings assigned to its bank facilities, vide various E-mail communications, 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 2,148.90 Mn of NEEK 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 Minus/ A Four, Issuer Not Co-operating).

Analytical Approach: Standalone

Applicable Criteria:

[Corporate Credit Rating Methodology](#)

[Withdrawal Policy](#)

Past Rating Rationale:

[Nepal Ekarat Engineering Company Private Limited: Bank Facilities Rating Reaffirmed](#)

About the Company:

Incorporated on January 1991, NEEK is a private company having its plant located at Thana Bharyang, Hetauda for manufacturing distribution transformer with total installed capacity of 18,000 units per annum. The company manufactures distribution transformers in a range between 1kVA and 10 MVA and voltage up to 132kV.

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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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