

## Raman Construction Private Limited: Ratings downgraded to [ICRANP] LD/D 'Issuer Not Cooperating'

January 08, 2024

### Summary of rating action

Instrument*	Last rated amount (NPR million)	Rating action
Fund-based; long-term limits	550.0	[ICRANP] LD "ISSUER NOT COOPERATING*"; downgraded from [ICRANP] LB+ "ISSUER NOT COOPERATING*"
Fund-based; short-term limits	2,446.3	[ICRANP] D "ISSUER NOT COOPERATING*"; downgraded from A4 "ISSUER NOT COOPERATING*"
Non-fund based; short-term limits	7,945.1	
<b>Total</b>	<b>10,941.4</b>	

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

### Rating action

ICRA Nepal has downgraded the long-term loan rating of Raman Construction Private Limited (RCPL) to [ICRANP] LD 'Issuer Not Cooperating' (pronounced ICRA NP L D, Issuer Not Cooperating) from [ICRANP] LB+ 'Issuer Not Cooperating' (pronounced ICRA NP L B plus, Issuer Not Cooperating). ICRA Nepal has also downgraded the company's short-term loan rating to [ICRANP] D 'Issuer Not Cooperating' (pronounced ICRA NP D, Issuer Not Cooperating) from [ICRANP] A4 'Issuer Not Cooperating' (pronounced ICRA NP A four, Issuer Not Cooperating). The rating action has been taken in accordance with the [Default Recognition Policy](#) of ICRA Nepal. The ratings continue to remain on notice for withdrawal.

### Rationale

The ratings downgrade factors in the delays in servicing of debt obligations by RCPL for a period of over 30 days. As reported, there has been an ongoing delay in servicing of debt obligations which has already exceeded 30 days. Accordingly, the rating action has been taken based on ICRA Nepal's Default Recognition Policy. Going forward, a track record of the timely debt servicing will be the key rating sensitivity.

As a part of its process and in accordance with its rating agreement with RCPL, ICRA Nepal has been trying to seek information from the entity to monitor its performance, but despite repeated requests by ICRA Nepal, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA Nepal, a rating view has been taken on the entity based on the best available information.

**Analytical approach:** For arriving at the ratings, ICRA Nepal has applied its rating methodologies as indicated below.

#### Links to the applicable criteria

[Corporate Credit Rating Methodology](#)  
[ICRA Nepal's Default Recognition Policy](#)

#### Link to the previous rating rationales

[Raman-Construction-Pvt.-Ltd.- Ratings-placed-on-Issuer-not-Cooperating-category\\_November\\_2023.pdf](#)  
[Raman-Construction-Pvt-Ltd\\_Fresh-BLR\\_Rationale\\_April-2022\\_Final.pdf](#)

### About the company

Raman Construction Private Limited is a class-A contractor that primarily deals with public infrastructure projects, such as roads, bridges, and water supply, as well as projects spanning various Government segments. RCPL's promoters established the business as a sole proprietorship firm in 1990 and the business was subsequently taken over when RCPL

was incorporated as a private limited company in 1999. When last rated, Mr. Bal Ram Mahato, Mr. Raman Mahato and Mr. Pawan Mahato were the shareholders of the company with stakes of 20%, 40% and 40%, respectively. Mr. Raman Mahato was the Executive Director of the company.

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### **About ICRA Nepal Limited:**

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