

## Shikhar Organization Limited

### Ratings

Facilities/Instrument	Amount (Rs. in Million)	Ratings <sup>1</sup>	Rating Action
Long Term Bank Facilities	420.00	CARE-NP D	Revised from CARE-NP BB-
Short Term Bank Facilities	580.00	CARE-NP D	Revised from CARE-NP A4
<b>Total Facilities</b>	<b>1,000.00</b> (One Thousand Million Only)		
<b>Issuer Rating</b>	<b>NA</b>	<b>CARE-NP D (Is)</b>	<b>Revised from CARE-NP BB-(Is)</b>

\* Details of Facilities in Annexure 1

CARE Ratings Nepal Limited (CRNL) has revised Issuer Rating of Shikhar Organization Limited (SOL) to "CARE-NP D (Is)" from "CARENP BB- (Is)". Issuers with this rating are considered to be in default or are expected to be in default soon.

Also, CRNL has revised the rating to "CARE-NP D" from "CARE-NP BB-" for the long-term bank facilities of SOL and to 'CARE-NP D' from 'CARE-NP A4' for the short-term bank facilities of SOL.

### Detailed Rationale & Key Rating Drivers

The revision in the rating assigned to the bank facilities of SOL factors in stretched liquidity position of the company and resultant delays in servicing of its debt obligations.

*Going forward, the ability of the company to improve its liquidity position and establishing track record of timely debt servicing of debt obligations will act as the key rating sensitivities.*

### Key Rating Weaknesses

#### Delays in servicing of debt obligations

The business performance of the company has been adversely impacted on account of slowdown in the economy. This led to the weakening of the liquidity profile of the company, resulting in delays in debt servicing.

### About the Company

SOL is a public limited company incorporated on August 31, 2017 for the processing of lentils, rice, wheat and other agro products. Initially, the company was operating as private limited company under the name Shikhar Organization Private Limited. The agro foods product are sold in the market under the brand name Upakar.

### Contact us

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<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratingsnepal.com](http://www.careratingsnepal.com) and in other CRNL publications.

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