

## PRESS RELEASE

### GHANDRUK HYDRO PRIVATE LIMITED

April 2026

#### Ratings

Instrument	Amount (NPR Mn)	Rating	Rating Action
Long-Term Bank Facilities	700.00	IRN BB-	Assigned
Short-Term Bank Facilities	30.00	IRN A4	Assigned
<b>Total</b>	<b>730.00</b>		

\*Details of facilities are in Annexure I below

Infomerics Credit Rating Nepal Limited (Infomerics Nepal) has assigned the rating of IRN BB- (Double B Minus) to the long-term bank facilities of NPR 700.00 Mn and IRN A4 (A Four) to the short-term bank facilities of NPR 30.00 Mn.

#### Detailed Rationale

The ratings assigned to the bank facilities of Ghandruk Hydro Private Limited (GHPL) derives strength from its experienced Board of Directors (BoD), having extensive prior experience in hydropower projects. Also, the ratings factor in low tariff and offtake risk with the presence of a long-term Power Purchase Agreement (PPA) and high dry energy mix of the project. The ratings also factor in the moderate counter party risk, low power evacuation risk, improving electricity demand and Government of Nepal (GoN)'s support for the power sector.

However, the ratings are mainly constrained by the execution risk associated with GHPL's under construction 4.89 MW<sup>1</sup> Chhomron Khola Small Hydropower Project (CKSHP). Also, the project is exposed to hydrology risk connected with run-of-river (ROR) power generation arrangement and vulnerability to natural calamities. Going forward, the ability of the company to manage the timely completion of the project without any time or cost overrun and satisfactory power generation thereafter will remain key rating sensitivities.

#### Detailed Description of Key Rating Drivers

##### Key Rating Strengths

##### Experienced board of directors

GHPL is operated under three-member board of directors chaired by Mr. Jaldeep Karki. Mr. Karki has prior experience in hydropower projects including United Mewa Khola Hydropower Limited [[IRN BB \(Is\) & IRN BB/A4](#)]. Similarly, Mr Sashi Sharma Bhandari, Managing Director, has over two decades of experience in planning, designing, technical management and execution of hydropower projects. Also, Mr. Ramesh Thapa, Director, has prior experience as financial consultant in multiple hydropower projects. The BoD is directly involved in day-to-day operations of the project.

##### Low tariff and offtake risks with presence of a long-term PPA and high dry energy mix

GHPL has entered into a long term PPA of 30 years from commercial operation date (COD) or till validity of Generation License, whichever is earlier, for sale of power to be generated from the 4.89 MW project. Furthermore, the tariff for wet/ dry season (6-6 months) is NPR 4.80/ 8.40 per kWh<sup>2</sup> with 3% escalation on base tariff for 8 times in every year after completion of 12 months from COD. Additionally, the project is supported by high dry energy mix of ~32% with an average PLF of ~68%. Power generated from the project is proposed to be transmitted to Nepal Electricity Authority (NEA)'s Modi substation through ~15 km 33 kV transmission line.

<sup>1</sup> Mega Watt

<sup>2</sup> Kilowatt hour

## **Favorable Government policies towards power sector**

GoN has prioritized the development of the hydropower sector as a means of ensuring energy security, lowering dependency on imported fossil fuels, and positioning Nepal as a significant exporter of electricity in the region. These include attractive tax incentives like income tax holidays and reduced indirect taxes on essential equipment, encouraging investments from the private sector. Additionally, Nepal Rastra Bank (NRB) has designated it as a priority sector for lending and has mandated banks to allocate a minimum share of their advances to the energy sector, ensuring that sufficient financial support is available for the development of hydroelectric projects. This, coupled with the government's strategic partnerships for the generation and export of power makes the long-term demand outlook for the Nepalese hydropower sector promising.

## **Key Rating Weaknesses**

### **Project implementation risk**

The company is constructing 4.89 MW Chhomron Khola Small Hydropower Project (CKSHP), which is in initial stages of construction achieving ~14% financial progress till February 10, 2026. The total estimated cost of the project is ~NPR 1,053 Mn, equivalent to ~NPR 215 Mn per MW, which is proposed to be financed in the debt: equity mix of ~66:34. As of mid-April 2026, promoters have infused ~52% of the total equity component required for the project and the debt component for the project has been fully tied up, thereby reducing the funding risk associated with the project. The company, however, is yet to award some major contractual agreements for the project construction, which exposes to the risks associated with project implementation within envisaged time and cost. The Required Commercial Operation date (RCOD) of the project is December 07, 2027.

### **Hydrology risk associated with run-of-the-river power generation**

ROR projects face direct exposure to the risks linked to fluctuations in water discharge from rivers, given that they lack the capacity for water storage. CKSHP is intended to utilize discharge from Chhomron Khola having catchment area of 35.25 sq kms based on perennial river (glacial meltwater) with design discharge of the project 2.55 m<sup>3</sup>/s at exceedance flow of 40%. Insufficient water flow may lead to reduced energy output, affecting project performance and financial viability. Therefore, the project is exposed to risks linked with fluctuations in river water discharge. Additionally, hydropower developers now have to meet 30% of the total energy production during the dry season. Furthermore, the lack of a deemed generation clause in the PPA leaves the project vulnerable to revenue losses during adverse conditions without compensation, which may have an impact on company's financial health.

### **Risk of natural calamities**

Hydropower projects are prone to risk from natural disasters, such as floods, landslides and earthquakes, as the projects are generally located in challenging terrains with uncertain geology. These occurrences can significantly disrupt infrastructure, leading to construction delays and inflated costs. Moreover, they may disrupt power generation and evacuation, consequently affecting the financial performance of the projects. Hydropower projects like CKSHP are inherently exposed to risk of these natural calamities, which may affect the project's execution, functioning and financial performance.

**Analytical Approach:** Standalone

### **Applicable Criteria:**

[Power Projects Rating Methodology](#)

### **About the Company:**

Ghandruk Hydro Private Limited (GHPL) was incorporated on January 26, 2017 to develop, own and operate 4.89 MW run-of-river (ROR) hydropower project – Chhomron Khola Small Hydropower

Project (CKSHP) in Annapurna Rural Municipality of Kaski District, Nepal, for the sale of entire power generated. CKSHP has the catchment area of 35.25 km<sup>2</sup> based on perennial river (glacial meltdown) with design discharge of 2.55 m<sup>3</sup>/s at exceedance flow of 40%. As on July 07, 2025, majority of the shareholding of the company is held by Mr. Ramesh Thapa (~29%).

## Annexure:1 Detail of Facilities

Instruments/ Facilities	Type of Facilities	Amount (NPR Mn)	Rating
Fund Based Bank Facilities- Term Loan	Long Term	700.00	IRN BB-
Fund Based Bank Facilities- Working Capital Loan	Short Term	30.00	IRN A4
Non-Fund Based Bank Facilities- LC/BG <sup>1</sup>	Short Term	(450.00) *	IRN A4
<b>Total Facilities</b>		<b>730.00</b>	

<sup>1</sup> Letter of Credit/ Bank Guarantee

\*Within the limit of Term Loan

## Analyst Contacts

### Mr. Girish Bhatta

Tel No. +977-1-4583304/4585906

[girish.bhatta@infomericsnepal.com](mailto:girish.bhatta@infomericsnepal.com)

### Mr. Sujan Rimal

Tel No. +977-1-4583304/4585906

[sujan.rimal@infomericsnepal.com](mailto:sujan.rimal@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:

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## 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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