

## PRESS RELEASE

### **BRAHMAYANI HYDROPOWER COMPANY PRIVATE LIMITED**

May 2026

#### Ratings

Instrument/Facilities	Amount (NPR Mn)	Ratings	Rating Action
Long Term Bank Facilities	5,500.00	IRN BB-	Upgraded from IRN B+ and removed from watch with developing implications
Short Term Bank Facilities	150.00	IRN A4	Reaffirmed and removed from watch with developing implications
Long Term/Short Term Bank Facilities	0.30	IRN BB-/A4	Upgraded from IRN B+/A4 and removed from watch with developing implications
<b>Total</b>	<b>5,650.30</b>		

*Details of facilities are in Annexure 1 below*

Infomerics Credit Rating Nepal Limited (Infomerics Nepal) has upgraded the rating assigned to the long-term bank facilities of NPR 5,500.00 Mn to IRN BB- (Double B Minus) from IRN B+ (Single B plus), reaffirmed IRN A4 (A Four) to the short-term bank facilities of NPR 150.00 Mn and upgraded the rating to IRN BB-/A4 (Double B Minus/A Four) from IRN B+/A4 (Single B Plus/A Four) assigned to the long term/short term bank facilities of NPR 0.30 Mn. Also, the ratings have been removed from watch with developing implications.

#### Detailed Rationale

The rating upgradation and removal of rating watch assigned to the bank facilities of Brahmayani Hydropower Company Private Limited (BHCPL) factors in healthy infusion of equity by the promoters (~63% of total requirement) and steady progress in the project (~21% financial progress) as of April 2026. The ratings also reflect the strength of its experienced promoter profile with significant expertise in the hydropower and infrastructure sectors. The ratings also factor in the revenue visibility provided by the Power Purchase Agreement (PPA) with the Nepal Electricity Authority (NEA), which mitigates tariff and offtake risks through pre-determined tariffs and escalations under an eight-tier structure with a six-month dry and wet season modality. Additionally, the project benefits from a favorable plant load factor (PLF) of ~67%.

Nonetheless, the ratings are constrained by significant project execution risks associated with its [project name], given the nascent development stage with physical progress (~19%) primarily limited to civil related works and access road development, while key construction contracts are yet to be finalized. These risks are further exacerbated by the limited timeline remaining to meet the Required Commercial Operation Date (RCOD) of August 30, 2026, with the potential for delays unless expedited progress is achieved. While extension requests have been made, their approval and the pace of incremental progress will be critical. Furthermore, the project faces moderate evacuation risks, as the proposed NEA Pantang substation is still under construction, though it is expected to be operational before commissioning. Going forward, the company's ability to expedite construction, get its RCOD extended and achieve commissioning within the budgeted costs and timelines will remain the key rating sensitivities.

#### Detailed Description of Key Rating Drivers

#### Key Rating Strengths

## **Experienced promoters and board members in related field**

The promoters of the company bring diverse expertise and significant experience to their roles. Mr. Bharat Prasad Parajuli, with 26 years of experience in administrative, accounting, and infrastructure sectors, has held leadership roles and serves as a government-appointed board member for integrated development projects. Mr. Sitaram Karki has been managing explosive supply operations for major infrastructure projects in Nepal since 2011. Mr. Ashish Ghimire, with a master's degree in engineering, is actively involved in engineering associations and water-related projects. Mrs. Belkumari Thapa, with 15 years of experience in water supply and sanitation, oversees operations and management while contributing to project planning and implementation.

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

BHCPL had entered into a long-term PPA of 30 years from the commercial operation date (COD) or till validity of the Generation License, whichever is earlier, for the sale of power to be generated from the 35.47 MW project. Furthermore, the tariff for wet/ dry season (6-6 months) is NPR 4.80/ 8.40 per kWh with a ~3% escalation on base tariff 8 times every year after the completion of 12 months from the COD. Additionally, the project is supported by a high dry energy mix of ~31% with an average PLF of 67.08%. Power generated from the project is proposed to be transmitted to NEA's Pantang substation through a 15 km 132 kV transmission line.

## **Favorable government policies towards the power sector**

The GoN<sup>1</sup> 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 35.47 MW Brahmayani Hydro Project, which is in early stages of construction with ~21% financial progress achieved till mid-February 2026, mostly towards access road development and commencement of civil related works. The total estimated cost of the project is ~NPR 7,340 Mn, equivalent to NPR 206.94 Mn per MW, which is proposed to be financed in the debt: equity mix of 75:25. As of mid-April 2026, promoters have infused ~63% of the total equity component required for the project including advance share capital. The debt component of the project mix has been tied up. Also, the company is yet to finalize the contract agreements for Hydro-mechanical and Transmission works of the project which exposes the company to the risks associated with project implementation within the envisaged time and cost. The RCOD of the project is August 30, 2026. While extension requests have been made, their approval and the pace of incremental progress will be critical.

### **Power evacuation risk**

The power generated from the project is proposed to be evacuated through 15 km long 132 kV single circuit Transmission Line to NEA's proposed Pantang Substation. NEA's Pantang substation is under construction. The substation is expected to be completed within next two years earlier than the scheduled COD (mid-July 2028) of the project. Despite such, there is risk of power evacuation from the project as construction of the Pantang substation has faced repeated delays in the past. The

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<sup>1</sup> Government of Nepal

timely completion of Pantang substation, therefore will be critical for evacuation of power generated by LHCPL.

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

Run-of-the-river power is considered an unsteady source of power, as a run-of-the-river project has little or no capacity for water storage and therefore is dependent on the flow of river water for power generation. It, thus, generates much more power during summer season when seasonal river flows are high (May to December) and less during the winter season (January to April). BHCPL is proposed to utilize discharge from Balephi river having catchment area of 211.64 sq kms based on Perennial River with design discharge of the project is 7.95 m<sup>3</sup>/s at exceedance flow of 57%. Hence, the project is exposed to risk associated with variation in discharge of water from the aforesaid river. Furthermore, the lack of a deemed generation clause in the PPA exposes the project to hydrology risk in case of adverse river flow scenarios without receiving any compensation for such losses.

### 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 BHCPL 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 Project Rating Methodology](#)

### Past Rating Rationale:

[Brahmayani Hydropower Company Private Limited: Bank Facilities Rating Assigned](#)

[Brahmanayni Hydropower Company Private Limited: Bank Facilities Rating Reaffirmed and placed on watch with developing implications](#)

### About the Company:

Incorporated on July 2017, Brahmayani Hydropower Company Private Limited (BHCPL) is constructing 35.47 MW Brahmayani Khola Hydroelectric Project (BKHP) in Sindhupalchok District, Nepal for sale of 35.47 MW contracted energy. BKHP is intended to utilize discharge from Balephi river having catchment area of 211.64 sq. km with design discharge of the project 7.95 m<sup>3</sup>/s at exceedance flow of 57%. BHCPL is promoted by individual promoters from different background with Mr. Bharat Prasad Parajuli (~31% holding) and Mr. Ashish Ghimire (~11% holding) being major shareholder as on Mid-January 2026.

### Annexure:1 Detail of Facilities:

Name of Instruments/ Facilities	Type of Facilities	Amount (NPR Mn.)	Ratings
Fund Based Bank Facilities - Term Loan	Term Loan	5,250.00	IRN BB-
Fund Based Bank Facilities - Term Loan (Proposed)	Term Loan	250.00	IRN BB-
Fund Based Bank Facilities- Demand Loan	Short Term	150.00	IRN A4
Non-Fund Based Bank Facilities- PBG*	Long Term/ Short Term	0.30	IRN BB-/A4
<b>Total Facilities</b>		<b>5,650.30</b>	

\*Performance Bank Guarantee

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## About Infomerics Credit Rating Nepal Limited:

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