

PRESS RELEASE

RAMJANAKI HYDROPOWER PRIVATE LIMITED

May 2026

Rating

Instrument/Facilities	Amount (NPR Mn)	Rating	Rating Action
Long-Term Bank Facilities	5,251.16	IRN BB-	Assigned
Total	5,251.16		

*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 5,251.16 Mn.

Detailed Rationale

The rating assigned to the bank facilities of Ramjanaki Hydropower Private Limited (RJHPL) derives strength from its resourceful promoter groups with prior experience in hydro energy ventures. Also, the ratings factor in low tariff and offtake risk with the presence of a long-term Power Purchase Agreement (PPA). The rating also factors 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 rating is mainly constrained by funding risks and execution risk associated with RJHPL's under construction 35.15 MW Upper Apsuwa Khola Hydropower Project (UAKHPP). Also, the project is exposed to hydrology risk associated with run-of-river (ROR) power generation arrangement and vulnerability to natural calamities. Going forward, the ability of the company to secure the debt required for the project and 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

Resourceful promoter groups with prior experience in hydro energy sector

RJHPL is being promoted by industrial groups including Ramesh Corp Group, HR Goel Group, Sharda Group and JB Maru Group. The promoter groups have prior experience in hydropower segment along with other business segments including bank and financial institutions, manufacturing, construction amongst others. RJHPL is operated under seven-member Board of Directors (BoD) chaired by Mr. Sushil Gupta, having a decade of managerial experience through involvement in other energy ventures. Similarly, other directors have prolific experience across diverse business segments. The management team is led by Mr. Sharad Sharda, who has a decade of experience in hydropower projects.

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

RJHPL 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 35.15 MW project. Furthermore, the tariff for wet/ dry season (8-4 months) is NPR 4.80/ 8.40 per kWh¹ with 3% escalation on base tariff for 8 times in every year after completion of 12 months from COD. The project has an average PLF of ~66%. Power generated from the project is proposed to be transmitted to Nepal Electricity Authority (NEA)'s Sitalpati substation through ~24 km 132 kV transmission line.

¹ Kilowatt hour

Favorable Government policies towards power sector

According to NEA's Annual Report, the annual system peak demand increased significantly in FY 2024/25 compared to FY 2023/24. Total exports to India soared to 2,380 GWh in FY 2024/25, compared to 1,946 GWh in the previous year, enabling NEA to become a net electricity exporter for the first time. The GoN has prioritized the hydropower sector to ensure energy security, reduce dependency on fossil fuels, and position the nation as a clean energy leader in South Asia. Favorable fiscal policies remain in place, including income tax holidays (typically a full 10-year holiday followed by a 50% concession for the next five years) and reduced duties on essential equipment. Furthermore, the Nepal Rastra Bank (NRB) continues to designate hydropower as a priority sector for lending, mandating banks to allocate a minimum share of advances to energy projects. These initiatives, coupled with expanding cross-border transmission infrastructure make the demand outlook for the Nepalese hydropower sector highly promising.

Key Rating Weaknesses

Project implementation risk

The company is constructing 35.15 MW Upper Apsuwa Khola Hydropower Project (UAKHPP), which is in nascent stages of construction. The total estimated cost of the project is ~NPR 7,002 Mn, equivalent to ~NPR 199 Mn per MW, which is proposed to be financed in the debt: equity mix of ~75:25. As of mid-May 2026, promoters have infused ~33% of the total equity component required for the project. The debt required for the project is yet to be tied up. Also, the company is yet to finalize the contract agreements for the project construction, exposing the company to funding risks as well as risks associated with project implementation within envisaged time and cost. The RCOD of the project is September 08, 2028 giving ample headroom for project construction.

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. UAKHPP is intended to utilize discharge from Apsuwa river having catchment area of 173 sq kms based on perennial river (snow-fed) with design discharge of the project 9.25 m³/s at exceedance flow of 42%. 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. 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 UAKHPP 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:

Ramjanaki Hydropower Private Limited (RJHPL) was incorporated on March 24, 2017 to develop, own and operate 35.15 MW run-of-river (ROR) hydropower project – Upper Apsuwa Khola Hydropower Project (UAKHPP) in Silichong Rural Municipality of Sankhuwasabha District for the sale of entire

power generated. UAKHPP has the catchment area of 173 km² based on perennial river (snow-fed) with design discharge of 9.25 m³/s at exceedance flow of 42%. As of mid-May, 2026, majority of the shareholding of the company is held by Mr. Sushil Gupta (~26%).

Annexure:1 Detail of Facilities

Instruments/ Facilities	Type of Facilities	Amount (NPR Mn)	Rating
Fund Based Bank Facilities-Term Loan (Proposed)	Long Term	5,251.16	IRN BB-
Total Facilities		5,251.16	

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