

PRESS RELEASE

ALL NEPAL INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

June 2026

Rating

Instruments/ Facilities	Amount (NPR Mn)	Rating	Rating Action
Issuer Rating	NA	IRN BBB- (Is)	Reaffirmed

Infomerics Credit Rating Nepal Limited (Infomerics Nepal) has reaffirmed the issuer rating of IRN BBB-(Is) [Triple B Minus (Issuer)]. Issuers with this rating are considered to have the moderate degree of safety regarding timely servicing of financial obligations. Such issuers carry moderate credit risk.

Detailed Rationale

The reaffirmation of rating assigned to All Nepal Infrastructure Development Company Limited (ANIDCL) continues to factor in ANIDCL's established and long track record of operations (since 1994), experienced and resourceful promoters i.e. Inspire Clean Energy Limited. The rating also factors in ANIDCL's diversified revenue profile consisting of revenue from four distinct segments—management fee, dividend income, income from fixed income security and capital gain. The rating also considers robust investment portfolio of ANIDCL as of mid-April 2026 consisting of investments in six operational hydropower projects (HEP) with improved performance exhibited by improved Plant Load Factor (PLF) of each of these HEP's in FY25 over FY24. The rating also positively factors in the conclusion of the lock-in period of all the investments of ANIDCL as of Mid-April 2026. This development has rendered all of its investments freely tradeable with Market Value of shares as on Mid-July 2025 standing at ~NPR 1,013 Mn (FY24: ~NPR 428 Mn), thereby enhancing the company's flexibility to divest through the secondary market and supporting its liquidity position to meet funding requirements for its two under-construction hydropower projects and solar projects. The rating also takes positive note of surge in investment portfolio (~56% growth in FY25 over FY24) coupled with diversification towards solar sector funded primarily through equity and accentuated profit and marginal levels of short term debt resulting in a healthy capital structure and adequate coverage indicators. The rating also takes a positive note relating to government support for the power sector having positive prospects for the company's investments over the medium term.

However, the rating remains mainly constrained due to concentration of ANIDCL's investment in Hydropower sector and Solar project with long gestation period of its investments, which generally are not able to generate distributable profits from core operations during initial years of operations. The rating also considers the project execution and implementation risk associated with its investment in under-construction HEP's- Upper Chhujung HEP and Kasuwa Khola HEP as well as 230 MW solar projects. The rating also factors in the material corporate guarantees extended by ANIDCL for the entire outstanding loan obligations for its various investee companies. If invoked, these guarantees could significantly strain ANIDCL's liquidity and operating profile. Additionally, the rating remains constrained by the inherent vulnerability of its investee companies—all peaking run-of-river hydropower projects to natural disasters and hydrological risks, which could adversely impact their operating income and, consequently, the returns to ANIDCL. Also, the rating remains constrained by solar irradiance risk inherent to solar powered project, which could impact the energy output and ultimately its profitability. Going forward, the generation of adequate energy from its operational HEP's alongside timely and successful execution of under-construction HEP's and solar project will be key rating sensitivities.

Detailed Description of Key Rating Drivers

Key Rating Strengths

Long track record of operation with strong group support

Incorporated in 1994 AD, ANIDCL boasts over two decades of experience in investment sector, projects being majorly from energy sector. Alongside long track record of operations, ANIDCL is backed by Inspire Clean Energy Limited having multiple investments and proven track record in construction and operation of various HEP's in Nepal. ANIDCL is led by three-member Board of Directors chaired by Mr. Kul Bikram Shah having over a decade of experience in the hydropower sector. Further, ANIDCL is supported by an adept and well-experienced management team from Inspire Clean Energy Limited.

Diversification into solar sector and healthy capital structure amidst minimal debt

ANIDCL has recently increased its exposure to the solar sector, resulting in a more diversified investment portfolio. Solar sector investment stood at ~NPR 395 Mn as of mid-April 2026 compared to ~NPR 382.50 Mn in FY25, with such investments commencing only from FY25 onward. To finance these investments, ANIDCL utilized its short-term liquid fixed deposits and availed short-term borrowings, leading to short term debt increasing to NPR 448.51 Mn in FY25 before moderating to NPR 184.35 Mn in Q3FY26. The company's borrowings are primarily backed by collateral in the form of fixed deposits and publicly listed shares held under its investment portfolio. Consequently, the company has transitioned to a modestly leveraged position from an earlier unleveraged capital structure observed in previous years. Nonetheless, the company's strong reserve base and sizeable share capital continued to support a healthy and robust capital structure and coverage profile. The overall gearing ratio increased to 0.27x in FY25 before improving to 0.11x in Q3FY26, while the TOL/TNW ratio stood at 0.34x in FY25 and improved to 0.22x in Q3FY26. Coverage indicators also remained comfortable, with the interest coverage ratio at 12.91x in FY25 and 10.00x in Q3FY26, while the debt service coverage ratio (DSCR) remained adequate at 9.96x in FY25 and 7.94x in Q3FY26.

Average financial risk profile

ANIDCL has a diversified revenue profile consisting of revenue from four distinct segments—management fee, dividend income, income from fixed income security and capital gain. ANIDCL derives a stable stream of revenue primarily from management fees charged to its investee companies and interest income from fixed deposits maintained with banking and financial institutions (BFIs). In addition to these, the company also earns recurring income from dividends and capital gains on the sale of shares held in listed investee companies. Regarding the financial profile, ANIDCL's management fee income declined during FY25-26 as the fees recognized in the previous year largely comprised one-time, non-recurring commitment fees, which did not recur in the current year. Likewise, owing to excess liquidity in Nepalese economy, the industry wide interest rate has slumped leading to muted interest income in FY25 (NPR 97 Mn in FY25, NPR 30 Mn in Q3FY36 vis-à-vis NPR 142 Mn in FY24 and NPR 155 Mn in FY23). Furthermore, the company is yet to receive cash dividend income in FY25-26, with operations during FY25-26 largely supported through its fourth income avenue—sale of shares—which generated ~NPR 72 Mn in profit in FY25. As a result, TOI has reduced by ~40% in FY25 reaching ~NPR 207 Mn in FY25 from ~NPR 344 Mn in FY24 (~NPR 33 Mn in Q3FY26). Nevertheless, ANIDCL continues to derive considerable strength from the substantial unrealized fair value gains embedded within its investment portfolio, which are not reflected in reported TOI. The market value of its holdings increased by ~138% in FY25 over FY24, providing a strong liquidity buffer and remaining a key credit strength. Nonetheless, as an investment company, the return prospects of ANIDCL is largely depend on the performance of its investee companies thus the performance of operational as well as under construction renewable energy projects will remain key monitorable from an investment perspective.

Long-term revenue visibility given conclusion of lock-in period of its investments

ANIDCL's investment consists of six operational HEP's out of which is four HEP's is listed in Nepal Stock Exchange. All four HEP's lock in period has come to conclusion and is freely tradeable as of

present; enhancing the company's financial flexibility by enabling potential divestment through the secondary market to support liquidity needs for its two under-construction hydropower projects if needed and is a rating positive. In addition, over past year, there has been significant capital gain in shares of Radhi Bidhyut Company Limited (NPR 810.24/share in FY25 against NPR 272.08/share in FY24) which has caused the market value of investment of ANIDCL to surge to NPR 1,013.01 Mn in FY25 end from NPR 425 Mn in FY24. The market value as on latest date i.e. May 25th 2026 stood at ~NPR 990 Mn providing company with sufficient liquidity in case it is ever needed. Further, with steady flow of income in form of interest income from fixed income security and annual management fee from its investee company, ANIDCL reflects long-term revenue visibility and is a rating positive.

Key Rating Weaknesses

Concentrated investment portfolio in hydropower sector and exposure in group companies

As of Q3FY26, the company has invested ~NPR 268.31 Mn across six operational hydropower projects. Notably, Radhi Bidyut Company Limited and Syange Bidyut Limited together account for around 80% of ANIDCL's total investment portfolio as of mid-April 2026. Additionally, ANIDCL's investee companies primarily comprise peaking run-of-river hydropower projects, which are inherently susceptible to natural disasters and hydrological risks. This structural vulnerability heightens the overall risk profile of ANIDCL's investment portfolio and may adversely impact the returns generated from these projects. In addition to its equity investments, ANIDCL has extended corporate guarantees amounting to NPR 1,874 Mn on behalf of its group companies. Although the associated risk exposure has moderated following the issuance of right shares by the guaranteed entities for loan repayment, which consequently reduced their debt levels, the contingent liability risk continues to persist. Accordingly, any deterioration in the financial risk profile of these investee companies could materially impact ANIDCL's own credit profile, particularly in light of its relatively limited and concentrated revenue streams

Substantial Equity commitment coupled with project implementation risk amid long gestation period

ANIDCL has committed ~NPR 300 Mn and ~NPR 730 Mn in convertible preference shares of Kasuwa Khola Hydropower Limited and White Flower Energy Company Private Limited, respectively. The investments are intended to support the development of the 45 MW Kasuwa Khola Hydropower Project and the 40.7 MW Upper Chhujung Khola Hydropower Project. Recently, commencing from FY25, ANIDCL has invested in 230 MW solar projects as well. To finance these commitments, ANIDCL plans to utilize proceeds from its upcoming Initial Public Offering (IPO). As of now, the company has already disbursed ~NPR 293.09 Mn to Kasuwa Khola Hydropower Limited, ~NPR 632.99 Mn to White Flower Energy Company Private Limited and ~NPR 395.00 Mn to 230 MW solar project as advances, pending conversion into preference shares/common equity. All of these projects are currently in the early stages of development and are exposed to significant project implementation risks, including long gestation periods. Going forward, the timely and efficient deployment of IPO proceeds, along with ANIDCL's ability to generate adequate returns from these investments, will be critical and remains a key rating sensitivity. Nevertheless, the group's established track record in the timely execution of past projects provides a degree of comfort.

Regulatory risks

The capital market is subject to regulatory oversight from entities such as SEBON, NRB, and the Central Government. The stock market remains the primary avenue for ANIDCL's divestment from its portfolio companies. ANIDCL's major investments have been listed in the Nepal Stock Exchange and the overall investment portfolio of the company remains concentrated towards hydropower projects. Any changes to the overall regulations or regulations for hydropower projects could potentially impact ANIDCL's investment portfolio. The recent policy changes on lock-in periods may impact ANIDCL's exit plans for upcoming projects, and provisions for right issuances could affect investee company performance especially in terms of debt repayment and servicing.

Analytical Approach: Standalone

Applicable Criteria:

[Issuer Rating Methodology](#)

Link to past rating rationale:

[All Nepal Infrastructure Development Company Limited: Issuer Rating Assigned](#)

About the Company:

All Nepal Infrastructure Development Company Limited (ANIDCL) was incorporated on April 28, 1994, and is involved in long-term investments in hydropower, renewable energy, and infrastructure development projects. ANIDCL has equity participation in multiple operational hydropower projects, including Radhi HPP (4.4 MW), Dordi Khola HPP (11 MW), Khudi HPP (4 MW), Rapti Hydro General and Construction Limited (5 MW), Syange HPP (183 kW), and Universal Power Company Limited (11 MW). Additionally, the company has committed investments in under-construction projects through convertible preference shares in Kasuwa Khola HPP (45 MW) and White Flower Energy Private Limited (41 MW), positioning itself as a key infrastructure investor in Nepal's hydropower sector. Recently, the company has divested into solar energy sector as well with it investing in ordinary shares in 230 MW solar projects under its group. The majority shareholding of ANIDCL belongs to Inspire Clean Energy Limited (~92%) as of mid-April 2026.

Financial Indicators (Standalone)

Amount in NPR Mn*	FY22	FY23	FY24	FY25	Q3FY26
	Audited				Unaudited
Total Operating Income	344	166	344	207	33
Investment Amount	1,326	660	1,337	2,081	1,901
EBITDA Margin (%)	87.99	80.57	96.18	91.00	71.34
PAT Margin (%)	64.49	55.06	79.49	62.27	44.06
Current Ratio (x)	1.13	1.30	2.65	0.12	0.19
TOL/TNW (x)	0.43	1.03	0.05	0.34	0.22
Overall Gearing Ratio (x)	0.02	-	-	0.27	0.11

* Classification as per Infomerics Nepal Standard

Earnings before Interest Tax Depreciation Amortization (EBITDA)

Total Outside Liability/Tangible Net Worth (TOL/TNW)

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Infomerics Credit Rating Nepal Limited

About Infomerics Credit Rating Nepal Limited:

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