PRESS RELEASE

GREEN VENTURES LIMITED

August 2026

Ratings

Instrument/Facilities	Amount (NPR Mn)	Rating	Rating Action
Issuer Rating	NA	IRN BBB (Is)	Assigned
Long-Term Bank Facilities	6,454.22 (reduced from 6,645.15)	IRN BBB	Upgraded from IRN BBB-
Short-Term Bank Facilities	150.00	IRN A3+	Upgraded from IRN A3
Total	**6,604.22**		

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 6,454.22 Mn to IRN BBB (Triple B) from IRN BBB- (Triple B Minus) and the rating assigned to the short-term bank facilities of NPR 150.00 Mn to IRN A3+ (A Three Plus) from IRN A3 (A Three).
Also, Infomerics Nepal has assigned the issuer rating of IRN BBB (Is) [Triple B (Issuer)]. Issuers with this rating are considered to have a moderate degree of safety regarding timely servicing of financial obligations.

Detailed Rationale

The upgrade of the ratings assigned to Green Ventures Limited (GVL) and its bank facilities factors in the consistently improving financial and operational performance of the company during FY25 and 9MFY26. The operational performance steadily improved with a Plant Load Factor (PLF) of ~64% (against the installed capacity) in 9MFY26 compared to ~62% in FY25 and ~57% in FY24. The ratings also take into account the improving capital structure and debt servicing indicators of the company. Moreover, the ratings continue to derive strength from the strong promoter group with experienced directors and management team as well as the presence of a power purchase agreement (PPA) with sufficient period coverage, moderate counterparty risk, and favorable government policies towards the power sector.
These rating strengths are partially offset by hydrology risk associated with run-of-the-river power generation and the inherent risk of natural calamities in the hydropower projects as well as revenue concentration risk since its income is solely dependent on a single operational hydropower project. This reliance increases vulnerability to potential disruptions or performance issues associated with that project. Additionally, the company is susceptible to project implementation risk associated with the under-construction 180 MW Peaking-Run-of-River (PROR) Kaligandaki Gorge Hydropower Project, which is being undertaken with GVL's major stockholding. Going forward, the ability of the company to continually improve its operational PLF and its capital structure, along with timely execution of its proposed right share issuance and utilization of proceeds will remain the key rating sensitivities.

Detailed Description of Key Rating Drivers

Key Rating Strengths

Strong promoter group with experienced directors/management team

GVL is primarily promoted by the individuals and institutional promoters from Triveni Group of companies and Vishal Group of companies. The company is managed under the overall guidance of a five-member Board of Directors, chaired by Mr. Amul Agrawal, who has more than 15 years of experience in business. Other directors also have relevant experience in various sectors. The management team is led by Mr. Shreedhar Khanal, Chief Executive Officer, who has over 17 years of experience in the hydropower sector.

Improving operational and financial performance

GVL reported a Total Operating Income (TOI) of NPR 1,629 Mn in FY25, an increase of ~10% from FY24. Further, the company recorded TOI of NPR 1,303 Mn in 9MFY26, which is relatively consistent with NPR 1,306 Mn generated during the same period in FY25. The increase in revenue in FY25 is marked by regularity in plant operation as well as improved PLF. The project has been operational since November 2021 with an annual PLF of 50.38% of its installed capacity in FY22, which improved to 62.57% during FY23; however, PLF declined to 56.63% during FY24 owing to plant shutdown for repair and maintenance. The PLF improved to 62.41% in FY25 and continued to improve to 63.56% in 9MFY26. However, as the plant remained non-operational for around 56 days during April–June 2026, the PLF and the corresponding financial performance are expected to moderate slightly in the last quarter of FY26. In addition, the EBITDA margin of the company improved to 85.11% in FY25 from 81.74% in FY24 (89.29% in FY23). The PAT margin of the company rose to 22.64% in FY25. GVL's PAT margin was constrained to 9.06% in FY24 from 19.89% in FY23. During 9MFY26, the company's EBITDA margin and PAT margin stood at 86.28% and 37.95%, respectively. Furthermore, the company's Gross Cash Accruals (GCA) improved to NPR 829 Mn during 9MFY26 from NPR 813 Mn during FY25 and NPR 579 Mn during FY24.

GVL's capital structure continued to improve, marked by an overall gearing ratio of 1.49x as of mid-April 2026 compared to 1.86x as of mid-July 2025 and 2.22x as of mid-July 2024, owing to scheduled repayment of loans and the accretion of profits to the company's reserves. Similarly, interest coverage ratio stood at 3.78x in 9MFY26 vis-à-vis 2.45x in FY25 and 1.82x in FY24. Also, Total Outside Liabilities to Tangible Net Worth (TOL/TNW) stood at 1.50x at the end of 9MFY26, improved from 1.87x at the end of FY25 and 2.23x at the end of FY24. The company's Total Debt to Gross Cash Accruals lowered to 5.84x (annualized) in 9MFY26 compared to 8.77x in FY25 (FY24: 13.31x).

PPA with sufficient period coverage and favorable Government policies

GVL had entered into a PPA with NEA on February 02, 2011, for the sale of 120 MW and subsequently it was amended on July 13, 2016, for the sale of 52.4 MW power to be generated from the project. The period of the PPA is 30 years from the date of commercial operation (COD) or until the validity of the generation license, i.e., mid-March 2048, whichever is earlier. The PPA period may be extended with mutual consensus during the last six months of validity. The tariff for the wet season (mid-April to mid-December) is NPR 4.80 per kWh and for the dry season (mid-December to mid-April) is NPR 8.40 per kWh with 3% annual escalation on the base tariff for 8 times after completion of 12 months from the month succeeding the COD month. The contracted energy for the project is 295.83 million units (MU) (i.e., 52.43 MU for the dry season and 243.40 MU for the wet season) at a PLF of 64.45%. Power generated by the project is evacuated through a 19.20 km, 220 kV double-circuit transmission line to NEA's New Khimti Substation.

According to NEA's Annual Report, the annual system peak demand increased significantly in FY25 compared to FY24. 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 Government of Nepal (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 associated with investment project
GVL is the major promoter of the 180 MW peaking run-of-river (PROR) Kaligandaki Gorge Hydropower Project, being undertaken by Kaligandaki Gorge Hydropower Private Limited. The project is being developed with an estimated cost of NPR 39.50 Bn (~NPR 220 Mn per MW) to be funded at debt: equity ratio of ~75:25 and a Required Commercial Operation Date (RCOD) of June 30, 2029. Given the early stages of construction, the project is exposed to implementation risks regarding the envisaged time and costs. GVL is proposed to hold ~51% of the promoters' equity shareholding. The company's investment in the project is also being derived from the proceeds of its proposed right share issuance. Therefore, timely issuance of right shares and its utilization, along with the construction progress of the investment hydropower project, will be rating monitorable, as delays or cost overruns could potentially impact GVL's financial profile.

Hydrology risk associated with run-of-the-river power generation
Run-of-the-river power (ROR) projects are sensitive to seasonal variations in river flows, producing more electricity during the wet season and less during the dry season, as these projects have little or no capacity for water storage and rely on the flow of river water for power generation. Prolonged low water levels resulting from droughts or irregular rainfall can lead to operational strain and thus revenue loss. The project utilizes discharge from Likhu Khola, which is a snow-fed river. This exposes the projects to risks associated with variations in water discharge.

Climatic and revenue concentration risk
Nepal lies in a seismically active region along the Himalayan belt, making the country vulnerable to earthquakes, landslides, and floods, all of which pose significant threats to hydropower infrastructure. In addition, the country's rugged topography and monsoon rains make it prone to landslides and floods, which can cause structural damage and disrupt project operations. These disasters not only result in costly repairs and prolonged downtime but also affect the financial viability of hydropower projects by reducing power generation, thereby impacting their financial performance. GVL derives its income from a single operational project, which exposes the company to concentration risk as its financial and liquidity profile remains dependent on the operational and financial performance of the project.

Analytical Approach: Standalone

Applicable Criteria:
Corporate Credit Rating Methodology & Issuer Rating Methodology

Past Rating Rationale:
Green Ventures Limited: Bank Facilities Rating Revised

About the Company:
Green Ventures Limited (GVL) is a public limited company, incorporated in 2004 as a private limited company and later converted to a public limited company on February 25, 2019. The company has a 52.4 MW operational project, Likhu IV Hydroelectric Project (L4HP), located at Okhaldhunga and Ramechhap districts of Nepal. The project came into commercial operation on November 07, 2021. L4HP has a catchment area of 655 sq. km with a design discharge of 26.7 m^3/s at an exceedance flow of 40% with a gross head of 221.27 m. GVL is majorly promoted by individuals and institutional promoters from Vishal Group of companies and Triveni Group of companies.

Financial Indicators (Standalone)

For the year ended* as of	FY22**	FY23	FY24	FY25	9MFY26
	Audited	Audited	Audited	Audited	Unaudited
Total Operating Income (NPR Mn)	944	1,567	1,477	1,629	1,303
EBITDA Margin (%)	85.41	89.29	81.74	85.11	86.28
Interest Coverage Ratio (x)	1.78	2.17	1.82	2.45	3.78
Current Ratio (x)	1.39	1.40	1.53	1.96	1.95
Overall Gearing Ratio (x)	2.76	2.42	2.22	1.86	1.49

**Classification as per Infomerics Nepal standards*
***During FY22, the project was operational for ~8 months.*

Annexure 1: Detail of Facilities

Name of Instruments/Facilities	Type of Facilities	Amount (NPR Mn)	Rating
Fund-Based Bank Facilities— Term Loan	Long Term	6,454.22	IRN BBB
Short-Term Bank Facilities— Overdraft	Short Term	150.00	IRN A3+
Total Facilities		**6,604.22**	

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About Infomerics Credit Rating Nepal Limited:
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