PRESS RELEASE

SIURI NYADI POWER LIMITED

September 2026

Ratings

Instrument/Facilities	Amount (NPR Mn)	Rating	Rating Action
Issuer Rating	NA	IRN BB (Is)	Reaffirmed
Long Term Bank Facilities	5,739.00	IRN BB	Reaffirmed
Short Term Bank Facilities	1,225.00	IRN A4	Reaffirmed
Total	**6,964.00**		

Details of facilities are in Annexure-1

Infomerics Credit Rating Nepal Limited (Infomerics Nepal) has reaffirmed the issuer rating of IRN BB(Is) [Double B (Issuer)]. Issuers with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations.
Also, Infomerics Nepal has reaffirmed the rating of IRN BB (Double B) assigned to the long-term bank facilities of NPR 5,739.00 Mn and IRN A4 (A Four) to the short-term bank facilities of NPR 1,225.00 Mn.

Detailed Rationale

The reaffirmation of ratings assigned to Siuri Nyadi Power Limited (SNPL) and its bank facilities continue to derive strength from its experienced promoters and its board of directors in the related field, Power Purchase Agreement (PPA) covering the majority of the project's lifespan at predetermined rates, financial closure achieved for the estimated project cost and GoN[1] support for the power sector.
These rating strengths are partially constrained by the project implementation and stabilization risk associated with the SNPL's under construction 40.27 MW Super Nyadi Hydropower Project (SNHPP), albeit a significant ~98% physical progress has been achieved till mid-September 2026. However, as the project has passed its Required Commercial Operation Date (RCOD) of June 26, 2026, SNPL may be subject to penalties if the RCOD is not extended. Also, the ratings take into account the hydrology risk associated with run-of-the-river (ROR) power generation and the inherent risk of natural calamities. Going forward, the ability of the company to complete the project within the revised timelines with early stabilization afterwards and securing RCOD extension will remain the key rating sensitivities.

Detailed Description of Key Rating Drivers

Key Rating Strengths

Experienced promoters and board members in the related field

SNPL has five directors in its Board of Directors, chaired by Mr. Shailendra Guragain having more than two decades of experience in development & operation of hydroelectricity projects. Mr. Dinesh Gurung, Managing Director, has more than a decade of experience in various sectors including Hydropower Development. One of the major institutional promoters, M/s Ngadi Group Power Limited, is operating 4.95 MW Siuri Khola Small Hydropower Project (SKSHP) at Lamjung district from October 16, 2012. Furthermore, the board is supported by other experienced team members.

PPA covering significant life of the project, at predetermined tariffs

SNPL had entered into a long term PPA with Nepal Electricity Authority (NEA) as on May 29, 2017 for sale of 40.27 MW power to be generated from the project. The contracted Plant Load Factor (PLF) for

[1] Government of Nepal (GoN)

total 40.27 MW is 67.76%. Tariff rate as per PPA is NPR 4.80 per kWh for wet season (June to November) and NPR 8.40 per kWh for dry season (December to May) with 3% annual escalation on base tariff for 8 times. The Required Commercial Operation Date (RCOD) of the project which passed on March 31, 2026 was extended till October 19, 2026 by the NEA, subject to approval from Electricity Regulatory Commission (ERC). The receipt of approval of the extension from ERC will remain crucial and key monitorable.

Favorable government policies towards the power sector
The 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 stabilization risk
The overall physical progress of the project achieved was ~98% till mid-September 2026. The project implementation risk is moderated significantly as the project is nearing its completion. The project is still exposed to residual implementation risk as the project is expected to commence its commercial operations by October 2026 and risk associated with early stabilization thereafter.

Hydrology risk associated with run-of-the-river power generation
ROR projects are directly exposed to risk associated with variation in discharge of water from the river. SNPL is utilizing discharge from tailrace of Nyadi Khola located at Lamjung District, having catchment area of 93.87 km^2. 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. SNPL was impacted by flood on August 03, 2025, causing loss of equipment, consumable items as well as damage sustained in headworks area, access road, penstock pipe and staff quarters. Recurrence of such calamities might disrupt power generation and evacuation, consequently affecting the financial performance. Hydropower projects like SNHPP 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 & Issuer Rating Methodology

Past Rating Rationale:
Siuri Nyadi Power Limited: Issuer Rating Reaffirmed
Siuri Nyadi Power Limited: Bank Facilities Rating Reaffirmed

About the Company:
Siuri Nyadi Power Limited (SNPL) is a public limited company earlier incorporated as a private limited company on August 22, 2014 and later converted to public limited company on July 19, 2017. The company has been set up to build, own and operate 40.27 MW run-of-river Super Nyadi Hydropower Project located at Bahundada VDC of Lamjung District of Nepal. The project has 93.87 km^2 catchment area and 6.80 m^3/s design discharge at 40% exceedance flow. M/s Ngadi Group Power Ltd is the major institutional promoter.

Annexure:1 Detail of Facilities:

Name of Instruments/ Facilities	Type of Facilities	Amount (NPR Mn)	Ratings
Fund Based Bank Facilities- Term Loan	Long Term	5,739.00	IRN BB
Fund Based Bank Facilities	Short Term	1,200.00	IRN A4
Non-Fund Based Bank Facilities	Short Term	25.00	IRN A4
Total Facilities		**6,964.00**	

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About Infomerics Credit Rating Nepal Limited:
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