

PRESS RELEASE**KALINCHOWK INVESTMENT COMPANY LIMITED****October 2026****Rating**

Instrument/Facilities	Amount (NPR Mn)	Ratings	Rating Action
Issuer Rating	NA	IRN B (Is)	Reaffirmed

Infomerics Credit Rating Nepal Limited (Infomerics Nepal) has reaffirmed the issuer rating of IRN B (Is) [Single B (Issuer)]. Issuers with this rating are considered to have high risk of default regarding timely servicing of financial obligations.

Detailed Rationale

The reaffirmation of the rating assigned to Kalinchowk Investment Company Limited (KICL) continues to derive strength from experienced promoters having extensive experience across diverse industries. Furthermore, the rating also factors in debt-free capital structure of the company and formalized investment policy with active risk management.

Nonetheless, these rating strengths are constrained by KICL's limited track record of operations since June 2023 with majority of investment projects in development stages. The company's investment as of mid-July 2026 are concentrated in the projects in nascent stage of development having long gestation period. Also, the company is exposed to inherent risk of project identification, execution and strategic exit associated with investment companies. Also, the financial performance of the company is modest with meager income primarily from interest on deposits held with the banks and financial institutions along with gain on sale of immovable property. Going forward, the ability of company to successfully conclude its IPO, navigate its funds through strategic projects, and generate envisioned returns over long-term along while ensuring liquidity to fulfill short-term obligations will remain key rating sensitivities.

Detailed Description of Key Rating Drivers**Key Rating Strengths****Experienced promoters**

The key promoter of KICL is Kalinchowk Darshan Limited with a shareholding of ~38% while the remaining shares held by Trust Equity Fund Limited (~7%) and other individual promoters. KICL is governed by the six-member Board of Directors (BoD), chaired by Mr. Balkrishna Siwakoti, who is also the chairman at Kalinchowk Darshan Limited (KDL). Mr. Siwakoti has decades of experience in the banking and other tourism sectors. Similarly, other directors have extensive experience in various industries and public sector.

Debt-free capital structure

As of mid-July 2026, KICL has not availed any debt from BFIs. The entire investment has been solely funded through promoters' equity. Also, the proposed IPO is projected to aid the proposed investments. This unleveraged position enhances financial flexibility, allowing the company to allocate resources more efficiently and maintain robust liquidity buffers. Additionally, the absence of debt obligations reduces the risk of default, thereby ensuring greater stability and resilience during economic downturns. Furthermore, the company has implemented formalized investment policy with active risk management through diversification and rigorous due diligence enhancing effective investment profile of the company.

Key Rating Weaknesses

Limited track record of operations

Established in 2023, KICL has a modest history as an investment company. At the end of FY26, the company has divested its land investment and held investments in promoter shares across cable car, energy, tourism and manufacturing sectors. The investment projects are at nascent stages of development with limited revenue visibility in the near term.

Sizeable and highly concentrated investment in illiquid assets

The company had its entire investment in land as of mid-July 2024 and around two-third of its total investment in FY25. Albeit the company divested its land investment into promoter shares of manufacturing, energy and hospitality sectors, KICL's investment remains illiquid with the investee company being unlisted. Furthermore, KICL's other investments are largely directed towards under construction projects, which is expected to remain illiquid over next couple of years. As the projects are under construction, timely completion of the projects within the estimated cost will remain crucial. Going forward, the ability of the company to broaden its scope by venturing into companies from diverse sectors ensuring return with active risk management continues to remain key rating monitorable.

Project Identification and execution risk coupled with long gestation period for prospective investments

KICL remains exposed to inherent risk pertaining to project identification and execution risk associated with the company's investment. KICL has developed mid-term strategic investment projection towards couple of cable car companies along with other investment primarily in hospitality, energy and manufacturing sector; the majority investment projects are in construction phase, entailing risk associated with project implementation along with the longer gestation period. Also, the company's effective management of other investments including identification of proposed companies and assets, negotiating investment terms, assessing risk-reward ratios, and formalizing agreements such as MOUs, which could impact the company's performance over the mid-term. Going forward the timely and adequate deployment of funds, coupled with the company's ability to efficiently manage its investment as well as generate adequate returns from these projects remains to be seen.

Analytical Approach: Standalone

Applicable Criteria:

[Issuer Rating Methodology](#)

Past Rating Rationale:

[Kalinchowk Investment Company Limited: Issuer Rating Assigned](#)

About the Company:

Kalinchowk Investment Company Limited (KICL), incorporated on June 06, 2023, is an investment company having its controlling office located at Gaushala, Kathmandu. KICL makes long-term investment in diverse sectors including tourism, energy and manufacturing sector. As of mid-July 2026, the company has made majority of its investments in unlisted equity shares. As of mid-July, 2026, Kalinchowk Darshan Limited is the major shareholder of the company holding ~38% of total shares.

Financial Indicators (Standalone)

For the year ended* As on	FY24	FY25	FY26
	Audited	Audited	Audited
Total Operating Income (NPR Mn)	1	1	14
EBITDA Margin (%)	82.38	64.66	81.46
Investments (including short term fixed deposits)	204	319	507
Current Ratio (x)	0.14	8.97	47.92

*Classification as per Infomerics Nepal standards

Earnings before Interest Tax Depreciation Amortization (EBITDA)

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About Infomerics Credit Rating Nepal Limited:

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