PRESS RELEASE

CRYSTAL POWER DEVELOPMENT PRIVATE LIMITED

November 2026

Rating

Instrument/Facilities	Amount (NPR Mn)	Ratings	Rating Action
Long Term Bank Facilities	19,000.00	IRN BB-	Assigned
Short Term Bank Facilities	600.00	IRN A4	Assigned
Total	**19,600.00**		

Details of facilities are in Annexure 1 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 19,000.00 Mn and IRN A4 (A Four) to short term bank facilities of NPR 600.00 Mn.

Detailed Rationale

The ratings assigned to the bank facilities of Crystal Power Development Private Limited (CPDPL) derive strength from its experienced Board of Directors, along with low tariff and offtake risk due to the presence of a long-term 30-year Power Purchase Agreement (PPA) with the Nepal Electricity Authority (NEA) for the 166 MW Super Tamor Hydroelectric Project (STHEP). The ratings also factor in moderate counterparty payment risk, growing domestic electricity demand, and Government of Nepal (GoN) policy support for the power sector. The debt component of NPR 19,600 Mn has been fully tied up via a Syndicated Loan Agreement. However, the funding risk associated with the equity requirement still persists as only ~10% of total equity requirement has been infused till Mid- July 2026.

However, the ratings are primarily constrained by significant project implementation risk associated with the 166 MW project, featuring a total estimated cost of ~NPR 25,409 Mn (~NPR 153 Mn per MW), which remains in a nascent stage of development with approximately 3% financial progress as of Mid-July 2026. The Required Commercial Operation Date (RCOD) of the project is October 18, 2028 providing moderate headroom for project construction, while the delays in project construction may result in a tariff escalation loss and penalties. However, the company has formally applied for an RCOD extension citing Force Majeure events as well as external delays in regional 220 kV power evacuation infrastructure, which remains a key monitorable. Also, the company is yet to finalize the major contracts exposing the project to timely execution risks. Additionally, the project is exposed to run-of-the-river (RoR) hydrology variations without deemed generation protection and vulnerability to natural hazards such as earthquakes, landslides, and floods in high-altitude Himalayan terrain.

Going forward, the ability of the company to finalize major execution contracts, secure RCOD extension from NEA and achieve project completion without cost or time overruns will remain the key rating sensitivities.

Detailed Description of Key Rating Drivers

Key Rating Strengths

Experienced board of directors

The company is primarily promoted by individual and institutional promoters with extensive backgrounds in hydropower development, civil engineering, and corporate management. The company is managed under the overall guidance of its Board of Directors, led by Chairman Mr. Krishna Prasad Acharya. Mr. Acharya holds a Master's in Management from Calcutta University and is a veteran energy developer. The board is further strengthened by Managing Director Mr. Birendra

Neopane, a seasoned developer, alongside Directors Mr. Nikunj Acharya, Mr. Kalyan Neopane, and Mrs. Susaita Sharma.

Low tariff and offtake risks with presence of a long-term PPA

CPDPL has entered into a long-term Power Purchase Agreement (PPA) with the Nepal Electricity Authority (NEA) on January 19, 2024 for a period of 30 years from the Commercial Operation Date (COD) or until the validity of the Generation License (issued for 35 years), whichever is earlier, for the sale of power generated from the 166 MW Super Tamor Hydroelectric Project (STHEP). The base tariff for the wet season and dry season is NPR 4.80 per kWh and NPR 8.40 per kWh, respectively, supported by a 3% annual escalation on the base tariff for 8 times starting 12 months after COD. The contracted annual energy for the project is 983.19 MU, with a favorable dry season energy mix of ~31% with an average Plant Load Factor (PLF) of ~68%. Power generated from the project will be evacuated via a dedicated 6.4 km long, 220 kV single-circuit transmission line from the STHEP switchyard to the proposed 220 kV Margen Hub (Tamor Substation), and subsequently connected to NEA's 220 kV Dhungesaghu (Hangpang) Substation.

Favorable government policies towards the power sector

The GoN[1] 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 implementation risk

The company is developing the 166 MW Super Tamor Hydroelectric Project (STHEP) in Taplejung district, Koshi Province, which is in its early implementation stage with ~3% financial progress achieved as of Mid-July 2026. The total estimated cost of the project is ~NPR 25,409 Mn (~NPR 153 Mn per MW), which is being financed under a debt-to-equity ratio of 75:25. The debt component of NPR 19,600 Mn has been fully tied up through a Syndicated Loan Agreement. However, the company is in the process of finalizing contract awards for major EPC packages, including civil, hydro-mechanical, electro-mechanical, and transmission line works, exposing the project to execution risks regarding potential time and cost overruns. The Required Commercial Operation Date (RCOD) of the project is October 18, 2028, whereas the company currently models an expected Commercial Operation Date (COD) of April 14, 2030. CPDPL is in the process of seeking a formal extension for the RCOD from NEA citing Force Majeure events and regional evacuation infrastructure delays. Inability to obtain an approved RCOD extension could result in a delay penalty on revenue loss alongside the loss of annual tariff escalations.

Hydrology risk associated with run-of-the-river power generation

Run-of-the-river (RoR) projects are sensitive to seasonal variations in river flows, producing significantly more electricity during the wet season and less during the dry season as these projects have little or no water storage capacity and rely directly on real-time river discharge for power generation. The STHEP is designed to utilize discharge from the Tamor River, a major perennial, snow-fed, and glacier-fed river in Taplejung district, Koshi Province. The project features a total catchment area of approximately 655.25 sq. km at the intake site with a design discharge of 25.50 m^3/s at a 40% probability of exceedance (Q40). While the project benefits from a strong, sustained

[1] Government of Nepal

base flow due to snowmelt and glacier melt from high-altitude areas, it remains exposed to risks associated with natural variations in water discharge. Prolonged low water levels resulting from droughts, erratic rainfall, or shifting snowmelt patterns can lead to operational strain and subsequent revenue loss, especially given the absence of a deemed generation clause in the PPA.

Risk of Natural Calamities
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 construction and operations. These disasters not only result in costly repairs and prolonged downtime but also affect the financial viability of hydropower projects like STHEP by reducing power generation, thereby impacting their financial performance.

Analytical Approach: Standalone

Applicable Criteria:
Private Power Producers Rating Methodology

About the Company:
Crystal Power Development Private Limited (CPDPL) was incorporated on August 14, 2016 as a private limited company under the Companies Act of Nepal to build, own, and operate the 166 MW Super Tamor Hydroelectric Project (STHEP) in Phaktanglung Rural Municipality, Taplejung District, Koshi Province, with the entire power generated intended for sale to the Nepal Electricity Authority (NEA). The project utilizes discharge from the perennial, snow-fed Tamor River and features a total catchment area of 655.25 sq. km at the intake site, a design discharge of 25.50 m^3/s at a 40% probability of exceedance (Q40), and a gross head of 792.09 m. As of Mid-July 2026, the company has a paid-up capital of NPR 636.48 Mn, with key promoter shareholders including Mr. Krishna Prasad Acharya (~54%), Himalaya Investment Company Pvt. Ltd. (~29%), and Mr. Birendra Bahadur Neupane (~13%), who collectively hold over 95% of the total paid-up equity capital.

Annexure:1 Detail of Facilities:

Name of Instruments/ Facilities	Type of Facilities	Amount (NPR Mn)	Rating
Fund Based Bank Facilities - Term Loan	Long Term	19,000.00	IRN BB-
Fund Based Bank Facilities - Working Capital Limits	Short Term	500.00	IRN A4
Non-Fund Based Bank Facilities	Short Term	100.00	IRN A4
Total Facilities		**19,600.00**	

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