

Himalayan Water Resources & Energy Development Company Private Limited: Ratings withdrawn

October 03, 2023

Summary of rating action

Instrument	Rated Amount (NPR Million)	Rating Action
Long-term loan limits (Term Loans) -I	728	Rating withdrawn
Short-term loan limits (Bridge gap loans – Within I above)	(40)	Rating withdrawn
Total	728	

Rating action

ICRA Nepal has withdrawn the long-term rating of [ICRANP] LB ‘Issuer Not Cooperating’ (pronounced ICRA NP L B Issuer Not Cooperating) and the short-term rating of [ICRANP] A4 ‘Issuer Not Cooperating’ (pronounced ICRA NP A four Issuer Not Cooperating) assigned to the long-term loans and short-term loan of Himalayan Water Resources & Energy Development Company Private Limited (HWRED or company).

The rating action has been taken in accordance with the Credit Rating Regulations 2011 following the non-cooperation from HWRED for rating information despite multiple follow-ups. The ratings were kept on notice for withdrawal for a period of six months, during which also there was no cooperation from the company for rating surveillance.

Rationale

ICRA Nepal is withdrawing the ratings as it does not have any information to suggest that the credit risk has changed since the time the ratings were last assigned. The key rating drivers, rating sensitivities, key financial indicators have not been captured as the ratings are being withdrawn.

ICRA Nepal assesses whether the information available about the entity commensurate with its ratings and reviews the same as per Credit Rating Regulations 2011 as well as ICRA Nepal’s ‘Withdrawal/Suspension Policy’. As part of its process and in accordance with its rating agreement, ICRA Nepal had been trying to seek information from the entity to monitor its performance, but despite repeated requests by ICRA Nepal, the entity’s management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA Nepal, the ratings have been withdrawn.

Link to previous detailed rating rationale

[Himalayan Water Resources & Energy Development Company Private Limited: \[ICRANP\] LB+/A4 assigned \(Fresh Bank Loan Rating, August 2021\)](#)

[Himalayan Water Resources & Energy Development Company Private Limited: Moved to ‘Issuer not cooperating’ category with notice for rating withdrawal \(March 2023\)](#)

Analytical approach: For arriving at the ratings, ICRA Nepal has applied its rating methodology as indicated below.

Links to applicable criteria

[Corporate Credit Rating Methodology](#)

[ICRA Nepal’s Policy on withdrawal of credit rating](#)

About the company

Incorporated in September 2017, Himalayan Water Resources & Energy Development Company Private Limited (HWRED) was developing a 6 MW Upper Chauri Khola Small HPP in Kavrepalanchok district, Bagmati Province of Nepal. The project is a run of the river (R-o-R) type and was being developed at 44% probability of exceedance (Q44). The project had been budgeted to be developed at a total cost of NPR 1,120 million, to be funded in a debt-to-equity ratio of 65:35. The PPA for the project had been entered under six-month dry energy and six-month wet energy modality with a dry energy mix of ~31%. The project was in the nascent stage of construction, with physical progress of ~5-10% and financial progress of ~7% as of mid-July-2021. As on the same date, the company's paid-up capital was ~NPR 94 million, which was 100% promoter held.

Analyst Contacts:

Mr. Sailesh Subedi (Tel No. +977-1-4419910/20)
sailesh@icranepal.com

Mr. Prabin Humagain (Tel No. +977-1-4419910/20)
prabin@icranepal.com

Relationship Contacts:

Ms. Barsha Shrestha (Tel No. +977-1-4419910/20)
barsha@icranepal.com

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Our parent company, ICRA Limited, was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment information and credit rating agency. Today, ICRA and its subsidiaries together form the ICRA Group of Companies.

For more information, visit www.icranepal.com

ICRA Nepal Limited,

Sunrise Bizz Park, 6th Floor, Dillibazar, Kathmandu, Nepal.

Phone: +977 1 4419910/20

Email: info@icranepal.com

Web: www.icranepal.com

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