

Kalanga Hydro Limited: Ratings withdrawn

November 06, 2023

Summary of rating action

Instrument (NPR Million)	Rated Amount	Rating Action
Long-term loans	2,100.0	Rating withdrawn
Short-term loans	(942.2)	Rating withdrawn
Total	2,100.0	

Rating action

ICRA Nepal has withdrawn the long-term rating of [ICRANP] LB+ 'Issuer Not Cooperating' (pronounced ICRA NP L B plus Issuer Not Cooperating) and the short-term rating of [ICRANP] A4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 loans of Kalanga Hydro Limited (KHL or the company).

The rating action has been taken in accordance with the Credit Rating Regulations 2011 following the non-cooperation from KHL 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The key rating drivers, rating sensitivities, key financial indicators have not been captured as the ratings are being withdrawn.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 is 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 In the absence of requisite information and in line with the aforesaid policy of ICRA Nepal, the ratings have been withdrawn.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 rationales:

[Kalanga Hydro Limited: Fresh Bank Loan Rating, September 2021](#)

[Kalanga Hydro Limited: Moved to 'Issuer not cooperating' category with notice for rating withdrawal \(April 2023\)](#)

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 December 2007 as a private limited company, Kalanga Hydro Limited (KHL) was converted into a public limited company on July 14, 2021. The company is the developer of a 15.33 MW Kalanga Gad hydroelectric project in Bajhang district, Sudurpaschim Province of Nepal. The project is a run of the river (R-o-R) type which was being developed at 40% probability of exceedance (Q40). The project was estimated to be developed at a revised budgeted cost of ~NPR

3,795 million, planned to be funded in a debt-to-equity ratio of ~75:25. The company had a paid-up capital of ~NPR 649 million as of mid-September 2021, which was 100% promoter held.

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