

Arun Valley Hydropower Development Company Limited: Rating withdrawn

February 12, 2024

Summary of rating action

Instrument	Rated Amount (NPR Million)	Rating Action
Long-term loans; Fund-based	1,385	Rating withdrawn

Rating action

ICRA Nepal has withdrawn the long-term rating of [ICRANP] LB- (pronounced ICRA NP L B minus) assigned to the long-term loans of Arun Valley Hydropower Development Company Limited (AHPC or the company). The rating action has been taken in accordance with the Credit Rating Regulations 2011, following the request from AHPC for withdrawal of the rating.

Rationale

ICRA Nepal assesses whether the information available about the entity is commensurate with its rating and reviews the same as per Credit Rating Regulations 2011 as well as ICRA Nepal's ['Withdrawal/Suspension Policy'](#) available at www.icranepal.com. ICRA Nepal does not have information to suggest whether the credit risk has changed since the time the rating was last reviewed. Key rating drivers have not been captured as the rating is being withdrawn.

Link to the previous rating rationale:

[Arun-Valley-Hydropower-Development-Company-Limited BLR-Surveillance- January-2024](#)

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

Links to the applicable criteria

[Corporate Credit Rating Methodology](#)

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

About the company

Arun Valley Hydropower Development Company Limited (AHPC) was established on March 12, 1998, as a private limited company before being converted to public limited status on August 20, 2005. The company has two operational projects viz. 3-MW Piluwa Khola Small Hydropower Project, a Q65 run of river (R-O-R) project commissioned in 2003 and 9.94MW Kabeli B-1 Cascade HEP a Q40 R-O-R project commissioned in April 2022. The latest project was completed at a cost of NPR 2,227 million. Both these projects were affected by the June 2023 flood with the 3MW project recommissioned in September 2023 and the 9.94 MW project still under rehabilitation. In addition to owning two projects directly, AHPC also maintains equity investments in multiple group companies in the energy sector as well as other listed companies. AHPC also has equity commitments in some upcoming hydropower projects that are in the planning stages. AHPC has a paid-up capital of ~NPR 1,868 million as of mid-July 2023 with 1:1 right issue of equity shares in the pipeline.



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