Bikash Hydropower Company Limited: Rating placed on 'Watch with Negative Implications'

October 15, 2026

Summary of rating action

Instrument (Amounts in NPR million)	Last Rated amount	Current rated amount	Rating Action
Issuer Rating	NA	NA	[ICRANP-IR] BBB-@[1]; placed on 'Watch with Negative Implications'

Rating action

ICRA Nepal has placed the issuer rating of Bikash Hydropower Company Limited (BHCL/the company) on 'Watch with Negative Implications' (denoted by the symbol '@') at [ICRANP-IR] BBB-@ (pronounced ICRA NP Issuer Rating Triple B minus @). Issuers with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. The sign of + (plus) or – (minus) appended to the rating symbol indicates the entity's relative position within the rating categories concerned. The rating is only an opinion on the general creditworthiness of the rated entity and not specific to any debt instrument.

Rationale

The company's rating has been placed on 'Watch with Negative Implications' on account of the likely impact on the company's financial profile arising out of the recent flash flood (on October 11, 2026) on the company's operational 4.55 megawatt (MW) Upper Machha Khola Small Hydropower Project (HPP) in Gorkha district of Gandaki Province of Nepal. While the project has already resumed its operation from October 25, 2026, the lost revenue for this period will have to be borne by the company itself as the loss of profit insurance is attracted only after 30 days of non-operation. The extent of damage to the project remains to be fully assessed (damages were limited to transmission line towers as per currently available information) and the extent of recovery of the repair costs from property insurance will also remain the key monitoring factors. The lost revenue and additional repair costs (to the extent not covered by insurance) could impact the company's financial profile to an extent, which along with incremental generation trends, will remain the key rating sensitivity.

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

Link to the applicable criteria:
Issuer Rating methodology

Links to last detailed rating rationale:
Rationale Bikash Hydropower Issuer Rating Surveillance September 2026

About the company

Incorporated in February 2017 as a private limited company, Bikash Hydropower Company Limited (BHCL) was converted to public limited on January 28, 2022, to facilitate public participation. As of mid-July 2026, the company's paid-up capital stood at ~NPR 909 million held by promoters and public in the ratio of 51:49. As on same date major shareholders were Mr. Khagendra Neupane (6.38%), Mr. Krishna Prasad Ghimire (3.63%), Mr. Saroj Dhital (3.30%), Mr. Raj Kumar Gurung (3.59%) and Mr. Indra Bahadur Dhakal (2.77%) among others.

The company is operating a run of the river Upper Machha Khola Small Hydropower Project with installed capacity of 4.55 MW in Gorkha district of Gandaki Province of Nepal. The project's PPA is based on ~50% PoE (Q50) model, for which the

[1] *The symbol '@' denotes rating on 'Watch with Negative Implications'. Please refer here for further details on rating watch.*

design discharge is ~2.63m^3/sec while the gross head is 219.5m. At ~79% contract PLF, the annual saleable energy is ~31.157 GWh with a dry energy mix of ~39% in the annual energy mix. The project was completed at a total cost of ~NPR 1,118 million (~37% cost escalation against the initial estimates), which was funded in a debt-to-equity ratio of ~58:42.

Key financial indicators

	FY2023	FY2024	FY2025	FY2026
	Audited	Audited	Audited	Provisional
Operating income (Revenue in NPR million)	47	133	153	191
OPBDITA/OI	80%	82%	82%	81%
Total debt/Tangible net worth (TNW) (times)	1.53	1.44	0.53	0.16
Total Debt/OPBDITA	6.51	6.02	3.90	1.06
Interest Coverage (times)	1.36	1.65	2.47	7.12
DSCR (times)	1.37	1.62	2.05	5.70
Net working capital/OI (%)	-26%	12%	207%	16%
Current Ratio	0.48	1.64	10.85	2.96

Analyst Contacts

Mr. Rajib Maharjan (Tel No. +977-1-4519910/20)
rajib@icranepal.com

Mr. Vivek Adhikari (Tel No. +977-1-4519910/20)
vivek.adhikari@icranepal.com

Relationship Contacts

Ms. Barsha Shrestha (Tel No. +977-1-4519910/20)
barsha@icranepal.com

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For more information, visit www.icranepal.com

ICRA Nepal Limited,
Sunrise Bizz Park, 6th Floor, Dillibazar, Kathmandu, Nepal.
Phone: +977 1 4519910/20
Email: info@icranepal.com
Web: www.icranepal.com

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