

Ridi Hydropower Development Company Limited

Rating

Facilities/Instrument	Amount (Rs. in Million)	Ratings ¹	Rating Action
Long Term Bank Facilities	517.71	CARE-NP BB+: ISSUER NOT COOPERATING* [Double B Plus; ISSUER NOT COOPERATING*]	"Issuer not cooperating; Based on best available information" (Notice of Withdrawal)
Short Term Bank Facilities	159.90	CARE-NP A4+: ISSUER NOT COOPERATING* [A Four Plus; ISSUER NOT COOPERATING*]	"Issuer not cooperating; Based on best available information" (Notice of Withdrawal)
Total Facilities	677.61		

Details of Facilities in Annexure 1

CARE Ratings Nepal Limited (CRNL) has been seeking information from Ridi Hydropower Development Company Limited (RHPC) to monitor the ratings vide e-mail communications/ letters dated January 19, 2022 and March 10, 2022 along with numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant Securities Board of Nepal (SEBON) guidelines, CRNL has reviewed the rating on the basis of the best available information which however, in CRNL's opinion is not sufficient to arrive at a fair rating. CRNL will monitor/watch the rating once for a minimum period of 6 months and notify the Securities Board of Nepal (SEBON) and public with regards to the withdrawal of rating. If after the monitoring of the rating there is no cooperation from the Client, then after, CRNL may withdraw the rating.

The rating of Ridi Hydropower Development Company Limited bank facilities will now be denoted as **CARE-NP BB+ / CARE-NP A4+: ISSUER NOT COOPERATING***, (Notice of withdrawal).

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Detailed description of the key rating drivers

Please refer to the previously published press release [here](#)

Financial Risk Profile

During FY21 (audited, refers to the twelve-month period ended mid-July 2021), RHPC reported total income of Rs. 172 Mn as compared to Rs. 54 Mn during FY20. PBILDT margin increased to 83.72% during FY21 from 71.72% during FY20 which led to company's PAT improving to Rs. 74 Mn in FY21 from Rs. 29 Mn in FY20. Furthermore, overall gearing continued to remain moderate at 0.93x in FY21, increased from 0.66x in FY20. Total debt to Gross Cash Accruals (GCA) improved to 6.94x during FY21 from 11.22x during FY20 on account of increase in GCA to Rs. 96Mn in FY21 from Rs. 34 Mn in FY20.

About the Company

RHPC is a public limited company, incorporated in March 11, 2001 as a private limited company and later converted to public limited company as on August 04, 2008. It is promoted by institutional promoters and business persons having long

¹Complete definitions of the ratings assigned are available at www.careratingsnepal.com and in other CRNL publications.

*Issuer did not cooperate; based on best available information

experience in the hydropower and other sectors for setting up Hydroelectric Project in the territory of Nepal. The company is listed with Nepal Stock Exchange from July 06, 2014. RHPC is involved in the operation of 2.4 MW Ridi Khola Small Hydropower Project (RKHP) at Gulmi district which has been in commercial operation since October 27, 2009. Also, RHPC has setup 8.5 MW Butwal Solar Project at Butwal Rupandehi district. The solar project is currently operational. The total paid up capital of the company as on July 15, 2021 was Rs. 585.56 Mn.

Brief financials of RHPC for last two years ending FY21 are given below:

(Rs. In Million)

Particulars	FY20(A)	FY21(A)
Income from Operations	54	51
PBILDT Margin (%)	71.72	83.72
PAT	29	74
Overall Gearing (times)	0.66	0.93
Total Debt/GCA (times)	11.22	6.94

A: Audited

Annexure 1: Details of the Facilities Rated

Nature of the Facility	Type of the Facility	Amount (Rs. in Million)	Rating
Long Term Bank Facilities	Term Loan	517.71	CARE-NP BB+: Issuer Not Cooperating* (Notice of Withdrawal)
Short Term Bank Facilities	Overdraft	30.00	CARE-NP A4+: Issuer Not Cooperating* (Notice of Withdrawal)
Short Term Bank Facilities	Bridge Gap Loan	129.90	CARE-NP A4+: Issuer Not Cooperating* (Notice of Withdrawal)
Total		677.61	

**Issuer did not cooperate; based on best available information*

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About CARE Ratings:

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Our parent company, CARE Ratings Limited commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI).

Disclaimer

CRNL's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CRNL has based its ratings on information obtained from sources believed by it to be accurate and reliable. CRNL does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CRNL have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.