

PRESS RELEASE

SECURE HOSPITALITY PRIVATE LIMITED

November 2025

Ratings

Instrument/Facilities	Amount (NPR Mn)	Rating	Rating Action
Long Term Bank Facilities	979.78	IRN BB-	Assigned
Short Term Bank Facilities	15.00	IRN A4	Assigned
Total	994.78		

Details of facilities are in Annexure 1 below

Infomerics Credit Rating Nepal Limited (Infomerics Nepal) has assigned the rating of IRN BB- (IRN Double B Minus) to long term bank facilities of NPR 979.78 Mn and IRN A4 (IRN A Four) to short term bank facilities of NPR 15.00 Mn.

Detailed Rationale

The ratings assigned to the bank facilities of Secure Hospitality Private Limited (SHPL) primarily reflect the promoters' extensive experience in the hospitality sector, along with the strategic presence of sister concerns in the tours & travel and manpower segments. These factors are expected to enhance operational efficiency and support high occupancy levels, even during the initial phase of operations, thereby providing significant synergistic benefits. Furthermore, the property's favorable location in the heart of the capital city, coupled with the strong growth prospects of Nepal's hospitality industry contribute towards the company's positive outlook.

However, these strengths are partially offset by the execution risks associated with SHPL's ongoing hotel construction (~90% financial progress as on Mid-October 2025), as well as the inherently long gestation period typical of the hospitality industry. The ratings are further constrained by cost escalations primarily due to prolonged construction timelines caused by the COVID-19-related shutdowns and recurrent protests. Additionally, the highly competitive nature of the hospitality sector poses further challenges. The ratings also factor in the adverse impact of recent protests on the tourism industry¹, with a decline in tourist inflows anticipated around SHPL's expected commercial operations date of January 1, 2026.

Going forward, the company's ability to complete the project without incurring further cost and time overruns, stabilize operations and realize the expected benefits from its hotel will be key rating sensitivities.

Detailed Description of Key Rating Drivers**Key Rating Strengths****Experienced promoter with synergistic benefits expected from sister concerns**

SHPL is a closely held company wholly owned and led by Mr. Dil Kumar Shrestha, who serves as both Director and Executive Chairman. Mr. Shrestha brings over two decades of entrepreneurial experience, having held leadership roles as Managing Director at Support Human Resources Private Limited for 11 years and at National Security Institute for 5 years, among other business ventures. In addition, SHPL is expected to benefit from strong operational linkages with its sister concerns—an affiliated travel and tours company and a manpower agency. The manpower company regularly hosts international recruiters, for whom the proposed resort will provide premium accommodation facilities. Simultaneously, the travel and tours entity is anticipated to channel guests through organized travel packages. These synergistic relationships are expected to support healthy occupancy levels especially

¹ Refer to the [IRN report on the macroeconomic impact of the protests](#) for detailed analysis across sectors

in initial years of operation, enhance market visibility, and ensure a consistent flow of clientele through integrated service offerings across the group's network and is a rating positive.

Locational advantage

The resort is strategically located in Battisputali, at the heart of the Kathmandu Valley—home to seven of Nepal's ten UNESCO World Heritage Sites. Renowned for its rich blend of Hindu and Buddhist traditions, the valley is a cultural and spiritual hub, attracting both domestic and international travelers year-round. Situated just 2.2 kilometers from Tribhuvan International Airport, the resort offers convenient access to major landmarks and destinations across Nepal. The hotel is quite close to nearby attractions such as the sacred Pashupatinath Temple (1.6 km), the iconic Swayambhunath Stupa (7.4 km), Kathmandu Durbar Square (4.9 km), and the majestic Boudhanath Stupa (4.7 km). The serene surroundings, abundance of temples, and vibrant cultural atmosphere make this location an ideal retreat for travelers seeking both tranquility and accessibility. Additionally, Dhulikhel, a popular hill station offering panoramic Himalayan views, lies just 28.4 kilometers away, making the resort an excellent base for exploring the wider region. These factors collectively strengthen the long-term economic prospects of SHPL's hotel operations.

Key Rating Weaknesses

Project implementation and operation stabilization risk along with long gestation period associated with hospitality industry

SHPL is constructing a 40 key boutique hotel which is under construction with ~90% financial progress and ~85% physical progress as of Mid-October 2025 with soft launch scheduled for January 01, 2026 and full commercial operations from Mid-June 2026. The total estimated cost of the project is ~NPR 1,406 Mn to be funded in debt: equity ratio of 70:30. The cost has escalated from ~NPR 1,174 Mn primarily due to prolonged construction timelines caused by the COVID-19-related shutdowns and recurrent protests. Thus, timely completion and successful stabilization of operations thereafter will remain key rating monitorable. Also, hotels generally require longer gestation period to recover the associated fixed costs and become profitable. Furthermore, demand risk is expected to moderate as the industry is highly fragmented owing to low entry barriers with minimum capital and technology requirement. Intense competition may continue to constrain scalability, pricing power and profitability.

Expected leveraged capital structure

The project is highly leveraged in terms of capital structure as reflected in the debt equity ratio of ~70:30 for the project with the estimated project cost of ~NPR 1,406 Mn. Revenue levels are expected to remain in moderate levels until the hotel achieves stability as the project is majorly funded through debt.

Intense Competition within the hospitality sector and geographical concentration

The hotel industry is fragmented in nature with the presence of large number of organized and unorganized player across various regions, which increases the stabilization risk for the new hotel industry. The proposed hotel project will be a single property in Kathmandu, hence its geographic and market sector diversification remains low. As the hotel industry is largely dependent upon the arrival of foreign tourist, SHPL's capacity to compete with the existing players once operational, remains to be seen.

Analytical Approach: Standalone

Applicable Criteria:

[Corporate Credit Rating Methodology](#)

Annexure:1 Detail of Facilities:

Instrument/Facilities	Type of Facilities	Amount (NPR Mn)	Rating
Fund Based Bank Facilities-Term Loan	Long-Term	979.78	IRN BB-
Fund Based Bank Facilities-Cash Credit	Short-Term	15.00	IRN A4
Non Fund Based Bank Facilities-Letter of Credit	Short-Term	(100.00)*	IRN A4
Total		994.78	

* The letter of credit is within the limit of term loan.

About the Company:

Secure Hospitality Private Limited (SHPL) was incorporated on November 6,2019. The company is constructing a 40 keyed boutique model "Hotel Mannat" in Battisputali in Kathmandu district of Nepal spanning ~811 square feet. The facility includes meeting hall, conference rooms and other amenities. The entire shareholding of SHPL is held by Mr. Dil Kumar Shrestha as on Mid-October 2025.

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About Infomerics Credit Rating Nepal Limited:

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