

PRESS RELEASE

UPAYA WAREHOUSING PRIVATE LIMITED

June 2026

Ratings

Instrument/Facilities	Amount (NPR Mn)	Ratings	Rating Action
Long Term Bank Facilities	850.00	IRN B+	Upgraded from IRN B and removed from Issuer not cooperating category
Short Term Bank Facilities	100.00 (enhanced from 50.00)	IRN A4	Removed from Issuer not cooperating category
Total	950.00		

Details of facilities are in Annexure 1 below

Infomerics Credit Rating Nepal Limited (Infomerics Nepal) has upgraded the rating assigned to the long-term bank facilities of NPR 850.00 Mn to IRN B+ (Single B Plus) from IRN B 'INC' (Single B, Issuer Not Cooperating) and revised the rating to IRN A4 (A Four) from IRN A4 'INC' (A Four, Issuer Not Cooperating) assigned to the short-term bank facilities of NPR 100.00 Mn. The ratings have been removed from Issuer Not Cooperating category.

Detailed Rationale

The revision in the ratings assigned to the bank facilities of UPAYA Warehousing Private Limited (UPAYA) factors in the experience of its institutional promoter and management team, supported by diversified expertise across logistics, technology, finance, and corporate sectors. The company's proposed warehousing project at Banepa-13, Sanga, Kavrepalanchowk, is strategically located with connectivity to major highways and Kathmandu Valley, which is expected to support operational efficiency and provide potential early mover advantage in Nepal's developing organized warehousing and 3PL segment.

Nonetheless, the ratings remain constrained by project implementation risk, given the moderate stage of construction reflecting ~49% financial progress as of mid-May 2026 coupled with dependence on timely completion and remaining equity infusion. The company is also exposed to inherent risks associated with Nepal's logistics sector, including geographical and infrastructure challenges, as well as interest rate volatility risk arising from floating rate borrowings from BFIs. Going forward, the ability of the company to manage the timely completion of the project without any time or cost overrun will remain key rating sensitivities.

Detailed Description of Key Rating Drivers

Key Rating Strengths

Experienced promoters and management

UPAYA is promoted by institutional promoter M/S Upaya Cargo City Private Limited, the first end-to-end logistics service provider in Nepal, offering services tailored to meet diverse logistics requirements, ranging from inter-city to intra-city delivery solutions. The company is governed by a three membered Board of Directors chaired by Mr. Suman Rayamajhi, who possesses over two decades of experience across logistics, technology, corporate, telecom, startup, equity, and finance sectors. Other board members, namely Mr. Ranjeev Shrestha and Mr. Shabda Gyawali, also bring experience from diverse sectors. Furthermore, the board is further supported by well experienced management personnel over various functions.

Possible early entry advantage of new service line, along with strategic project location

UPAYA, a warehousing and storage service provider currently in the construction phase, is

headquartered in Anamnagar, with its Phase-I storage units located at Banepa-13, Sanga, Kavrepalanchowk. The proposed project site is strategically situated within 150 meters of the Araniko Highway and approximately 19 km from the Retail Fulfillment Center at Pepsicola, supporting operational efficiency and connectivity. The location benefits from access to major highways and transportation networks, along with the availability of essential utilities such as water, electricity, and sewage facilities. Furthermore, the site lies around 4 km from the BP Highway, facilitating connectivity to eastern Nepal. The area also offers relatively lower land acquisition costs compared to other parts of Kathmandu and remains outside flood-prone river belts, making it suitable for the development of a durable load-bearing structure.

Key Rating Weaknesses

Project implementation risk

UPAYA is at a moderate stage of construction, with financial progress of ~49% as of mid-May 2026. The total estimated project cost stands at NPR 1,207 Mn and is proposed to be funded through a debt-equity mix of ~70:30. As of mid-May 2026, the company's paid-up capital amounted to NPR 55 Mn, while an additional NPR 120 Mn has already been infused and is yet to be reflected in the share lagat, representing ~50% of the total committed equity component for the project. The debt portion of the project has been fully tied up under a consortium financing arrangement. Phase-I of the project is expected to commence operations by the end of July 2027. Going forward, timely completion of the project without significant cost overruns, along with the infusion of the remaining committed equity, shall remain key monitorable.

Inherent risk in logistic operation

Logistic risks in Nepal are mainly influenced by the country's difficult geography and underdeveloped infrastructure. The mountainous landscape, along with poorly maintained roads and limited access to air and sea ports, creates significant challenges for transportation, especially in rural regions. Natural disasters such as earthquakes and landslides further exacerbate disruptions to logistics networks. Also, the lengthy customs procedures and reliance on imports often lead to delays. UPAYA being the 3PL service provider is expected to be influenced by such risk.

Interest volatility risk

The interest rates on deposits and borrowing remain a significant factor in the Nepalese economy. In line with NRB's directives, the BFIs typically charge an interest rate on loans by adding a premium to the base rates which is revised on a quarterly basis. The interest rates charged by BFIs have been historically volatile over the past 2-3 years and thus borrowing from banks and financial institutions exposes UPAYA to the risk of interest rate volatility.

Analytical Approach: Standalone

Applicable Criteria:

[Corporate Credit Rating Methodology](#)

Past Rating Rationale:

[Upaya Warehousing Private Limited: Bank Facilities Rating Revised and moved to Issuer Not Cooperating category with notice of withdrawal](#)

About the Company:

Upaya Warehousing Private Limited (UPAYA) was established on August 25, 2024 as a private limited company in Anamnagar, Kathmandu, Nepal. The company is established to develop, own and operate warehouses in two phases in order to deliver third party logistic service with a storage area of 100,000 sq ft. per warehouses. UPAYA is promoted by M/s Upaya Cargo City Private Limited and led by Mr. Suman Rayamajhi.

Annexure:1 Detail of Facilities:

Name of Instruments/ Facilities	Type of Facilities	Amount (NPR Mn)	Ratings
Fund Based Bank Facilities- Term Loan	Long Term	850.00	IRN B+
Fund Based Bank Facilities- Working Capital Loan-Cash Credit	Short Term	50.00	IRN A4
Non-Fund Based Bank Facilities- Letter of Credit/Bank Guarantee	Short Term	50.00	IRN A4
Total Facilities		950.00	

Analyst Contacts

Ms. Kritagya Pyakurel

Tel No.+977-1-4583304/4585906

kritagya.pyakurel@infomericsnepal.com

Ms. Jyoti Rana Tharu

Tel No.+977-1-4583304/4585906

jyoti.rana@infomericsnepal.com

Relationship Contact

Mr. Rabin Pudasaini

Tel No.+977-1-4583304/4585906

rabin.pudasaini@infomericsnepal.com

About Infomerics Credit Rating Nepal Limited:

Infomerics Credit Rating Nepal Ltd. is Nepal's third Credit Rating Agency licensed by the Securities Board of Nepal (SEBON) on March, 2022. Infomerics Nepal is a subsidiary of Infomerics Valuation and Rating Private Limited (Infomerics India) which is a SEBI registered and RBI accredited Credit Rating Agency licensed in 2015. Infomerics Nepal aims to provide investors with objective analysis and evaluation of credit worthiness of Banks, NBFCs, Large Corporates and Small and Medium Scale Units (SMUS) via its rating and grading services. Thus, it is playing a key role in serving the financial markets by reducing the information asymmetry among varied lenders and investors and facilitating borrowers/issuers to various fundraising opportunities/avenues. Infomerics observes and maintains ethical standards in its activities. For more information, visit <https://infomericsnepal.com/>

Infomerics Credit Rating Nepal Limited

Tanka Prasad Marga, Baneshwor Height, Kathmandu

Phone: +977-1-4583304/4585906

Email: info@infomericsnepal.com

Web: www.infomericsnepal.com

Disclaimer: Ratings assigned by Infomerics Nepal are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics Nepal reserves the right to change, suspend or withdraw the credit ratings at any point in time. Ratings assigned by Infomerics Nepal are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are 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 us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics Nepal is based on the capital deployed by the partners/proprietor/ AOPs 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/ AOPs in addition to the financial performance and other relevant factors.