

PRESS RELEASE

WATFORD HOTEL MANAGEMENT PRIVATE LIMITED

June 2026

Ratings

Instruments/ Facilities	Amount (NPR Mn)	Rating	Rating Action
Long Term Bank Facilities	700.00	IRN BB-	Assigned
Short Term Bank Facilities	15.00	IRN A4	Assigned
Total	715.00		

Details of facilities are in Annexure 1 below

Infomerics Credit Rating Nepal Limited (Infomerics Nepal) has assigned the rating of IRN BB- (Double B Minus) to the long term bank facilities of NPR 700.00 Mn and IRN A4 to the short term bank facilities of NPR 15.00 Mn.

Detailed Rationale

The ratings assigned to the bank facilities of Watford Hotel Management Private Limited (WHMPL) factor in the experienced profile of the promoter, Mr. Dinesh Kumar Kantha, with extensive international exposure, the project's strategic location in Begnas, Pokhara supporting demand prospects, coupled with the affiliation with Argyle Hotels Group, which is expected to aid in market positioning and operational standards. However, the ratings are constrained by project implementation and funding risks reflected in the moderate financial progress of ~ 48%, given the partial tie-up of debt and proposed refinancing, exposing the project to residual financial closure risk. Further, the inherent cyclicity and competitive intensity of Nepal's hospitality sector remain key concerns. Going forward, WHMPL's ability to timely complete the project within the envisaged cost, along with successful refinancing, will remain key rating sensitivities.

Detailed Description of Key Rating Drivers

Key Rating Strengths

Experienced promoter

The company is promoted by Mr. Dinesh Kumar Kantha, a hospitality professional with over 25 years of international experience, currently serving as General Manager at Inter-Continental Hotels Group (IHG). He has worked across multiple IHG properties, including Holiday Inn and Crowne Plaza hotels in China, with exposure to both operations and pre-opening stages. His strong expertise in hotel development, operations, and international markets, along with his involvement in hospitality education in Nepal, enhances the project's execution capability and supports its global positioning.

Strategic resort location supporting demand prospects

The project benefits from its location in Begnas, Pokhara, a relatively serene and less crowded destination known for its natural surroundings. The location is expected to attract leisure and wellness focused travellers, supporting occupancy and revenue generation over the medium term. Its accessibility from Pokhara, coupled with proximity to Pokhara International Airport, enhances ease of travel for both domestic and international tourists. The combination of scenic appeal and improving connectivity is likely to strengthen the project's demand potential and reinforce its market positioning.

International brand affiliation

The resort will operate under a franchise agreement with Argyle Hotels Group, Hong Kong, a globally recognized hospitality brand known for its boutique and lifestyle properties. The agreement has been

done to enhance the resort's brand positioning, ensure adherence to international operational standards, and bolster market credibility, thereby supporting anticipated demand and revenue generation.

Key Rating Weaknesses

Project implementation and funding risk

WHMPL is undertaking a construction of luxury wellness resort, which is in moderate stages of construction with ~48% financial progress achieved till January 27, 2026. The total estimated cost of the project is NPR 1,149 Mn, which is proposed to be financed in the debt: equity mix of ~60:40. As of January 27, 2026, promoters have infused NPR 300 Mn as paid up capital and NPR 88.64 Mn as share application money, ~87% of the total equity component committed for the project. The debt component of the project is partially tied up, with NPR 400 Mn already sanctioned, however, the same is proposed to be refinanced and enhanced to NPR 700 Mn with another lender. Accordingly, risks related to timely refinancing and enhancement of the debt facility persist, exposing the project to residual funding risk. The Commercial Operation date (COD) of the project is July 17, 2027. Going forward, the timely completion of the project without cost overruns, along with successful refinancing and enhancement of the existing debt facility to the envisaged level, will remain key monitorable.

Cyclical trends and intense competition

The hospitality industry in Nepal remains highly competitive with the presence of both local and international players offering varied pricing and service models. Moreover, hotel performance in Nepal is seasonal and sensitive to global travel trends, natural calamities, and geopolitical factors. Despite the support from an international brand and an experienced promoter, the company's ability to consistently attract guests and compete effectively in a saturated market remains a key monitorable.

Analytical Approach: Standalone

Applicable Criteria:

[Corporate Credit Rating Methodology](#)

About the Company:

Watford Hotel Management Private Limited (WHMPL) is a private limited company incorporated in Nepal on October 01, 2019 and was later registered as an industry on September 04, 2023 with the Department of Industry. The company is established to operate a luxury resort along with restaurant services and falls under the tourism sector as a large-scale industry. Watford Wellness Retreat is a proposed luxury wellness resort to be developed at the scenic Begnas Lake area of Pokhara, Nepal. The project envisions the development of a 64-key internationally branded boutique wellness resort that combines luxury hospitality with holistic wellness experiences and will operate under a franchise agreement with Argyle Hotels Group, Hong Kong, a globally recognized hospitality brand. The project is expected to commercially operate from July 17, 2027. Mr. Dinesh Kumar Kantha is the majority shareholder, holding a dominant 97% stake in the company.

Annexure:1 Detail of Facilities:

Name of Instruments/ Facilities	Type of Facilities	Amount (NPR Mn)	Ratings
Fund Based Bank Facilities- Term Loan	Long Term	700.00	IRN BB-
Fund Based Bank Facilities- Working Capital Loan	Short Term	15.00	IRN A4
Non Fund Based Bank Facilities-Letter of Credit/Bank Guarantee	Short Term	(350.00)	IRN A4
Total Facilities		715.00	

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About Infomerics Credit Rating Nepal Limited:

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