PRESS RELEASE

ANANTA HOSPITALITY LIMITED

September 2026

Ratings

Instrument/Facilities	Amount (NPR Mn)	Rating	Rating Action
Long Term Bank Facilities	1,100.00	IRN BB-	Assigned
Total	**1,100.00**		

Details of facilities are in Annexue-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 1,100.00 Mn.

Detailed Rationale

The rating assigned to the bank facilities of Ananta Hospitality Limited (AHL) derives its strength from AHL's highly experienced board and strong institutional promoter group, alongside a conservative, equity-dominated capital structure with an debt-to-equity ratio of ~36:64. The rating is further supported by the strategic location of its 131-key deluxe hotel project at the Sunauli Indo-Nepal border near Lumbini, and steady physical construction progress with ~32% financial completion achieved as of mid-July 2026. Favourable long-term regional tourism growth prospects and supportive government policy incentives for luxury hospitality infrastructure further strengthen its overall business prospects.

However, these rating strengths are constrained by underlying project implementation risks, with full commercial operations targeted for FY28 following interior works scheduled to commence post-Dashain in October 2026. AHL also faces operational stabilization and revenue gestation risks given the competitive, fragmented hospitality market and its single-property concentration in Rupandehi. Nevertheless, project funding risk is substantially mitigated as the required term loan debt facility is fully tied up. Going forward the ability of the company to complete construction within the budgeted project cost and achieving post-commissioning operational stabilization will be key rating sensitivities.

Detailed Description of Key Rating Drivers

Key Rating Strengths

Experienced board of directors

AHL is governed by a four-member Board of Directors led by Executive Chairman Mr. Kadam K.C. The company is promoted by a consortium of three core business groups: Rara Eco Holdings, the Bhusal Group, and Garima Holdings Limited. AHL's leadership brings extensive, multi-disciplinary expertise spanning clean energy, geotechnical and infrastructure engineering, corporate finance, and industrial management. Furthermore, the board is supported by competent management team across key functions.

Strategic locational advantage

The project derives significant strength from its strategic location with the proposed five-star deluxe property at Belahiya, Siddharthanagar, Rupandehi, directly adjacent to the Sunauli Indo-Nepal border which is the largest cross-border trade and transit point between India and Nepal. Positioned along the Butwal-Sunauli corridor with seamless connectivity to the national East-West Highway, and situated just 3 km from Gautam Buddha International Airport, the property offers accessibility for both domestic and international travelers. Crucially, the site serves as the primary gateway to the UNESCO World Heritage site of Lumbini Sacred Garden, positioning the hotel to capture high-end demand from annual pilgrims, corporate visitors, and cross-border tourists seeking internationalstandard hospitality. Also, the company is in final stages of negotiation for a proposed association with an international hospitality chain.

Government Tourism Initiatives and Sector Support
The Nepalese government actively bolsters tourism through its Tourism Decade (2023-2032) master plan, aiming to attract 3.5 Mn annual visitors. Furthermore, targeted policy support, including concessional financing, tax incentives, and supportive foreign investment frameworks creates a highly favourable environment for high-end hospitality developments.

Key Rating Weaknesses

Project implementation risk
The company is setting up a 5-star deluxe hotel property at Siddharthanagar, Rupandehi at a budgeted estimated cost of NPR 3,040 Mn. As of mid-July 2026, the project has achieved ~32% overall financial progress, with building civil structure progress reaching ~78%. The project is targeted to launch full commercial operations in FY28. Timely completion and successful stabilization of operations remain key monitorable, particularly as luxury hotels generally require a longer gestation period to recover fixed overheads.

Intense competition and single property concentration risk
The hotel industry in Nepal is fragmented with presence of numbers of organized and unorganized players. Further, impacted by the growing number of new hotels in the country as both investors and the government focus on the growth of the tourism sector. Competition in the sector has also intensified because of the slow growth in demand vis-à-vis supply, resulting in a moderation of the operating metrics of the hotel properties. Given the high operating leverage of the hospitality business, the operating profitability could be adversely impacted vis-à-vis projected estimates for new properties. Also, the proposed hotel project will be a single property in Rupandehi, hence its geographic and market sector diversification remains low. As the hotel industry is largely dependent upon the arrival of foreign tourist, AHL's capacity to compete with the existing players once operational, remains monitorable.

Analytical Approach: Standalone

Applicable Criteria:
Corporate Rating Methodology

About the Company:
Ananta Hospitality Limited (AHL) is a special-purpose vehicle established to develop and operate a 5-star deluxe hotel in Belahiya, Siddharthanagar, Rupandehi. The proposed hotel property features a total of 131 keys. Incorporated in 2009 and converted into a public limited entity in July 2025, AHL is promoted by an institutional consortium comprising Rara Eco Holdings, the Bhusal Group, and Garima Holdings Limited.

Annexure 1 Details of facilities

Name of Instruments/ Facilities	Type of Facilities	Amount (NPR Mn)	Rating
Fund Based Bank Facilities - Term Loan	Long Term	1,100.00	IRN BB-
Total Facilities		**1,100.00**	

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About Infomerics Credit Rating Nepal Limited:

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