**PRESS RELEASE**

**I.T. GLOBAL PRIVATE LIMITED**

**July 2026**

**Ratings**

| Instrument/Facilities | Amount (NPR Mn) | Ratings | Rating Action |
|---|---|---|---|
| Long Term Bank Facilities | 666.24 (reduced from 764.18) | IRN BB- | Reaffirmed |
| Short Term Bank Facilities | 1,010.00 (reduced from 1,210.00) | IRN A4 | Reaffirmed |
| **Total** | **1,676.24** | | |

*Details of facilities are in Annexure 1 below*

Infomerics Credit Rating Nepal Limited (Infomerics Nepal) has reaffirmed the rating of IRN BB- (Double B Minus) assigned to the long-term bank facilities of NPR 666.24 Mn and IRN A4 (A Four) to the short-term bank facilities of NPR 1,010.00 Mn.

**Detailed Rationale**

The reaffirmation of the ratings assigned to the bank facilities of I.T. Global Private Limited (ITGPL) factor in the company's stable operating profile, reflected in a marginal y-o-y revenue growth of a ~3% to NPR 1,025 Mn in FY25 and the sustenance of healthy business momentum with revenue of NPR 1,072 Mn during 11.5MFY26[1] albeit the moderation in operating profitability, primarily due to the lower contribution of higher-margin Dell-related service income. Further, the ratings continue to derive comfort from the extensive experience of the promoter, supported by a qualified and competent management team, the company's moderate track record in the IT distribution business, its long-standing association with established global brands, and its established market presence across major cities in Nepal through its extensive distribution network and sister concern.

Nevertheless, the ratings remain constrained by the company's leveraged capital structure, albeit with a gradual improvement, and weak debt protection metrics, as reflected in a below-unity DSCR. The ratings also factor in the high supplier concentration risk, wherein any disruption in the supply chain could adversely affect product availability, delay revenue recognition, and impact profitability. Further, the absence of exclusive dealership agreements with its principal suppliers continues to remain a key credit concern despite the company's long-standing business relationships. The ratings are also tempered by ITGPL's stretched liquidity profile, with working capital intensity increasing to ~92% in FY25, primarily on account of the extended credit period extended to customers, resulting in continued dependence on short-term bank borrowings for working capital funding. Moreover, the company's operations remain exposed to intense industry competition, rapid technological changes, regulatory risks, and foreign exchange fluctuations. Going forward, ITGPL's ability to achieve sustainable revenue growth while preserving profitability, improve its liquidity through efficient working capital management, and strengthen its capital structure and debt coverage indicators will remain the key rating sensitivities.

**Detailed Description of Key Rating Drivers**

**Key Rating Strengths**

**Stable scale of operations**

ITGPL continues to derive a significant share of its revenue from the sale of Dell laptops and desktops. The company's operating scale remained largely stable, with total operating income of ~NPR 1,072

[1] 11.5MFY26 refers upto June 30, 2026

Mn in 11.5MFY26, reflecting a marginal improvement over the previous period. Operating profitability had moderated to 6.66% in FY25, primarily due to a decline in higher-margin service revenue. Nevertheless, the operating margin improved modestly to 7.17% in 11.5MFY26, supported by better average realizations and an improved product mix despite the continued lower contribution from service income. The company's net profitability witnessed a marked improvement, with the PAT margin increasing to 4.71% in 11.5MFY26 from 0.80% in FY25, mainly driven by a reduction in interest costs. Consequently, the gross cash accruals also strengthened to ~NPR 62 Mn in 11.5MFY26, reflecting the improvement in the company's overall earnings profile.

**Moderate track record of operations with experienced promoters and management team**
ITGPL is promoted by Mr. Akbar Hussain, chairman, who has been leading the company since its inception in 2008. Mr. Hussain has over twenty-five years of experience in the ICT (Information Communication Technology) sector, which bodes well for the overall business prospects of the company in an increasingly competitive industry. Furthermore, the company is supported by an experienced team across various functions.

**Dealership of an established brand with established distribution network**
ITGPL is one of the three authorized distributors of Dell products in Nepal. ITGPL primarily deals with Dell products, especially laptops and desktops, which enjoy strong brand recognition, brand recall, and high demand from among consumers at present. Furthermore, ITGPL has an established dealership network across major cities of Nepal through its sister concern, Max International.

## Key Rating Weaknesses

**Leveraged capital structure and modest debt coverage indicators**
ITGPL's capital structure remains leveraged, albeit with a notable improvement in its leverage indicators, supported by the strengthening of its net worth through internal accruals. The overall gearing ratio improved to 2.03x as of June-end 2026 from 2.71x as of mid-July 2025, driven by the accretion of profits to reserves. Similarly, the TOL/TNW ratio moderated to 2.51x from 3.15x over the same period, indicating an improvement in the company's overall capital structure. The debt protection metrics, while remaining modest, have shown improvement, with the interest coverage ratio increasing to 1.17x in 11.5MFY26 from 0.59x in FY25. However, the DSCR continued to remain below unity, reflecting constrained debt servicing ability from operating cash flows. Nevertheless, the promoters have continued to extend financial support through periodic fund infusion to bridge the company's funding requirements and support its debt servicing obligations.

**Stretched liquidity profile**
ITGPL's liquidity profile remains stretched, primarily on account of its elevated working capital requirements arising from the elongated receivables cycle. The company's working capital intensity increased to ~92% in FY25 from ~86% in FY24, reflecting the significant funding requirement for its operations. The average collection period, although improving to 228 days in FY25 from 249 days in FY24, remained high due to the extended credit period offered to customers. Consequently, the company continued to exhibit a high reliance on bank borrowings for working capital funding, with average utilisation of its sanctioned working capital limits remaining elevated at ~84% as of mid-April 2026. The average inventory holding period and creditor period remained broadly stable during the review period. Despite a marginal improvement in the operating cycle to 172 days in FY25 from 194 days in FY24, the overall liquidity profile continues to remain constrained by the stretched receivables position and high dependence on external working capital financing.

**Supplier concentration risk and non-exclusive distributorship agreement**
ITGPL is entirely dependent on its suppliers for the timely supply of the products from the respective brands. Thus, any disruption in the supply chain could result in delay in revenue recognition and financial losses for ITGPL. Additionally, ITGPL does not have exclusive dealership agreements with

its suppliers which remains a concern despite the company's long-term association with the suppliers. Going forward, the continuation of the current terms of agreement with the suppliers remain a key monitorable.

**Exposure to intense competition, technological obsolescence and regulatory risks**
ITGPL operates in the highly competitive consumer electronics distribution industry, where rapid technological advancements and short product life cycles necessitate continuous product upgrades and inventory management. The company's business performance remains dependent on the brand positioning, product innovation, and market acceptance of its principal OEM[2] partners, making it susceptible to shifts in consumer preferences and competitive pressures. Additionally, the company is exposed to regulatory risks associated with import policies, duties, and other government regulations governing electronic products. The business also faces foreign exchange risk as procurements are largely denominated in USD while sales are realized in Nepalese Rupees, exposing profitability to adverse currency movements, particularly in the absence of complete natural or financial hedging mechanisms.

**Analytical Approach**: Standalone

**Applicable Criteria:**
Corporate Credit Rating Methodology

**Past Rating Rationale:**
I.T. Global Private Limited : Bank Facilities Rating Reaffirmed

**About the Company:**
I.T. Global Private Limited (ITGPL), incorporated on May 14, 2008, is engaged in the trading and distribution of consumer electronics products in Nepal. The company is one of the three authorized distributors of Dell products in the country, providing it with an established position in the domestic IT hardware distribution segment. The company is wholly owned and managed by Mr. Akbar Hussain, who holds 100% of its equity stake.

**Financial Indicators (Standalone)**

| For the year ended* As on | FY23 | FY24 | FY25 | 11.5MFY26 |
|---|---|---|---|---|
| | Audited | Audited | Audited | Unaudited |
| Total Operating Income (NPR Mn) | 1,022 | 980 | 1,025 | 1,072 |
| EBITDA Margin (%) | 14.40 | 9.15 | 6.66 | 7.17 |
| Interest Coverage Ratio (x) | 0.87 | 0.61 | 0.59 | 1.17 |
| Current Ratio (x) | 2.10 | 1.82 | 1.83 | 2.07 |
| DSCR (x) | 0.94 | 0.68 | 0.62 | 0.67 |
| Overall Gearing Ratio (x) | 3.16 | 2.56 | 2.71 | 2.03 |
| TOL/TNW (x) | 3.60 | 3.28 | 3.15 | 2.51 |
| Working Capital Intensity | 92% | 86% | 92% | NA |

**Classification as per Infomerics Nepal standards*
*Earnings before Interest Tax Depreciation Amortization (EBITDA)*
*Total Outside Liabilities/Tangible Net Worth (TOL/TNW)*

**Annexure:1 Detail of Facilities:**

| Name of Instruments/ Facilities | Type of Facilities | Amount (NPR Mn) | Ratings |
|---|---|---|---|
| Fund Based Bank Facilities - Term Loan | Term Loan | 666.24 | IRN BB- |

[2] Original Equipment Manufacturers

| Name of Instruments/ Facilities | Type of Facilities | Amount (NPR Mn) | Ratings |
|---|---|---|---|
| Fund Based Bank Facilities - Working Capital Loan | Short Term | 10.00 | IRN A4 |
| Non-Fund Based Bank Facilities - LC/BG[2] | Short Term | 1,000.00 | IRN A4 |
| **Total Facilities** | | **1,676.24** | |

[2] *LC= Letter of Credit, BG= Bank Guarantee*

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**About Infomerics Credit Rating Nepal Limited:**
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