PRESS RELEASE

ING CONSULTING PRIVATE LIMITED

August 2026

Ratings

Instrument/Facilities	Amount (NPR Mn)	Ratings	Rating Action
Long Term Bank Facilities	1,292.76 (enhanced from 734.00)	IRN BBB-	Reaffirmed
Short Term Bank Facilities	170.00	IRN A3	Reaffirmed
Total	**1,462.76**		

Details of facilities are in Annexure 1 below

Infomerics Credit Rating Nepal Limited (Infomerics Nepal) has reaffirmed the rating of IRN BBB- (Triple B Minus) to the long-term bank facilities of NPR 1,292.76 Mn, and IRN A3 (A Three) to the short-term bank facilities of NPR 170.00 Mn

Detailed Rationale

The reaffirmation of ratings assigned to the bank facilities of ING Consulting Private Limited (ING) factors in steady rise in total operating income (TOI) reflected by Y-On-Y growth of ~15% over FY24 driven by rise in management fees (~22%) owing to steady rise in number of students (~11%) enrolled in colleges under ING's management as management fee is derived on a certain proportion of the respective college's revenue. The ratings also continue to derive strength from moderate track record of operations of the company (since 2015) coupled with well experienced director and management personnel in the related field and support of well renowned "ING Group". The ratings also factor in steady rise in bottom line as exhibited by ~5% rise in PAT, however, bottom line remains suppressed by rising operating costs. ING also derives strength from its diversified revenue profile having 3 distinct sources of revenue- management/consultancy fee, lease rental income and trading income with management fee being primary revenue driver (contribution of ~86 % of TOI). As a service oriented industry with controlled cost structure, ING has maintained high albeit reduced EBITDA margin of ~47% across FY25 and PAT margin of ~23% (~51% and ~25% in FY24). The ratings also consider ING's established fixed asset base located at strategic locations across country which ING leverages to generate lease rentals. The ratings also consider moderate capital structure of ING with overall gearing ratio of 1.65x as of mid-July 2025 against 2.00x as of mid-July 2024 and 1.02x in FY23 and TOL/TNW [1] at 2.93x in FY25 against 3.40x in FY24 and 1.59x in FY23. The ratings also consider the growing demand of quality high level education in the Kathmandu Valley.
However, the rating strengths are constrained by several factors, primarily the short-term nature of contracts with the colleges under ING's management, each valid for only one year and subject to annual renewal which poses a risk to long-term revenue visibility. Nonetheless, the risk is partially mitigated by the fact that all affiliated colleges are part of the "ING Group,". The ratings also consider execution risk related to its under-construction project of Biratnagar International College, where the planned significant debt-funded capital expenditure is expected to increase the company's debt burden, thereby weakening its overall gearing and debt coverage metrics. Furthermore, ING's liquidity position remains constrained, as reflected by a low current ratio of 0.47x in FY25 (deteriorated from 0.64x in FY24), primarily due to substantial capital outlays during the year. The ratings also remain pressured by intensifying competition in the education sector, particularly from the growing number of colleges affiliated with foreign universities, given the relatively low entry barriers. This heightened competition may limit the ability of ING-managed colleges to sustain long-term growth in student enrollment, which could adversely impact ING's revenue trajectory. The ratings also remain constrained by the evolving regulatory landscape, particularly the proposed implementation of the 3% Education Service (Equity) Fee and the recently introduced regulatory

[1] Total Outside Liability/Tangible Net Worth

requirements for foreign university-affiliated colleges, including mandatory security deposit provisions, which may increase compliance costs and exert pressure on enrolment and operating performance. Going forward, the company's ability to sustain its revenue profile, improve its operating margins, and maintain its capital structure will remain key rating sensitivities.

Detailed Description of Key Rating Drivers

Key Rating Strengths

Moderate track record of operations with experienced promoter and support of ING Group
Established in 2015, ING has a moderate operational track record in higher level education field. Furthermore, the business benefits from the extensive experience of its Chairman and sole promoter, Mr. Sulav Budhathoki, who has been active in the education sector for more than two decades and has been active member of ING Group. He is supported by well experienced and diverse management team led by Mr. Prakash Shrestha, Vice President who has over 15 years of experience.

Healthy financial profile supported by consistent growth in operating income
ING's financial profile remains healthy, exhibited by consistent growth in TOI of ~15% in FY25 and stabilization in TOI during 11MFY26. The TOI reached NPR 463 Mn in FY25 from NPR 403 Mn in FY24 and has reached NPR 449 Mn till 11.5MFY26 (till June 30, 2026) with ING expecting to close the financial year at NPR 480 Mn. The revenue is driven by increase in management fees (~22% increase) over FY24. The increase in management fee being driven by consistent increase in fees and students enrolled in managed colleges (~11% increase in students). With ING unloading two more colleges under same management agreement and further two colleges as subsidiary, management income is expected to rise further as fees and students enrolled number expecting to improve in coming couple of years. Likewise, ING has low interest obligations supporting a strong PAT of ~32% in 11MFY26 and ~23% in FY25. GCA continues to be strong at ~NPR 122 Mn in FY25 and ~NPR 172 Mn in Q3FY26. Slight moderation in financials occurred in FY25 due to increased admin cost which has been promptly managed in FY26 following organizational restructure and consolidation. The ability of management to upscale proportionally while maintaining its operating margins will remain key monitorable.

Moderate capital structure with adequate coverage indicators
Owing to continuous accretion of profit to reserves, and gradual repayment of debt with dividend retention policy, the capital structure has strengthened significantly during latest period. Overall gearing ratio has improved to ~1.38x as of June 2026 from ~1.65x in FY25 and ~2.00x in FY24. The TOL/TNW ratio improved to 2.24x in FY26 from 2.93x in FY25 and 3.40x in FY24. Likewise, the coverage indicators are also adequate and sufficient. Interest coverage ratio is healthy at 6.56x in 11.5MFY26 and 5.66x in FY25 vis-à-vis 6.19x in FY24. DSCR is healthy at 2.87x in FY26 and 2.23x in FY25 from 2.42x in FY24.

Diversified revenue stream
ING maintains a well-diversified revenue stream comprising management consultancy fees, rental income, and trading income. The primary contributor to revenue, accounting for 70–80% of TOI during FY20–FY25, is management consultancy fees derived from formal agreements with four prominent academic institutions in Nepal (soon to be six). Under these agreements, ING provides administrative and management services in exchange for a fixed share of the respective institutions' revenues. The remaining 20–30% of income is generated through supplementary activities, including rental income from both owned and leasehold properties leased primarily to Islington College, and trading income earned by importing goods for group companies with an associated service margin. This diversified revenue structure provides recurring income streams, supported by group-level synergies, while also contributing to financial stability and operational efficiency.

Key Rating Weaknesses

Stressed liquidity profile
ING's liquidity position remains stressed, as evidenced by a low current ratio which declined to 0.47x in FY25 from 0.64x in FY24 and 1.08x in FY23, reflecting constrained short-term liquidity. The pressure on liquidity is primarily attributable to a significant increase in current liabilities in FY25, mainly arising from payables related to the acquisition of fixed assets. The ability of management to improve its liquidity profile is key rating monitorable.

Project execution risk relating to Biratnagar International College
ING has proposed a total investment of NPR 465 Mn for the development of Biratnagar International College, which includes the acquisition of land and construction of academic infrastructure aimed at introducing new courses and increasing student intake. The project is planned to be financed in a debt-to-equity ratio of 75:25, with NPR 348.75 Mn to be raised through debt and the remaining NPR 116.25 Mn funded via internal accruals. Notwithstanding the strategic intent and potential revenue upside, the project remains exposed to execution risk, as it is currently under construction. Also, the incurring of additional debt by ING would cause further stress in the capital structure and coverage indicators of ING.

Increasing Competition and Regulatory Risk in the Education Sector
ING remains exposed to intensifying competition in Nepal's higher education sector, particularly in the management and IT segments, which have seen a rapid increase in the number of new institutions due to low entry barriers. Many of these emerging colleges are affiliated with both domestic and internationally recognized universities, primarily from the UK and the US. This growing competition poses a challenge to ING's colleges under management. Additionally, the company's under ING's management is subject to regulatory risks inherent to the education sector, as operations are overseen by the Ministry of Education (MoE). The licensing of new foreign-affiliated colleges offering similar programs could adversely impact student enrollment levels and, consequently, ING's revenue profile. Also, the proposed implementation of the 3% Education Service (Equity) Fee and the recently introduced regulatory requirements for foreign university-affiliated colleges, including mandatory security deposit provisions, which may increase compliance costs and exert pressure on enrolment and operating performance. Moreover, any future changes in regulatory directives such as stricter criteria for foreign affiliations, limitations on course additions, or revised scholarship requirements could significantly affect ING's operating performance and future cash flow generation.

Analytical Approach: Standalone

Applicable Criteria:
[Corporate Credit Rating Methodology]

Link to past rating rationale:
[ING Consulting Private Limited: Bank Facilities Ratings Assigned]

About the Company:
ING Consulting Private Limited (ING) was incorporated on August 17, 2015 and is located at Kamalpokhari-30, Kathmandu, Nepal. The company at present manages six colleges overseeing their operational, tactical, and strategic endeavors and derives management fee from it. The company also derives lease rental via strategically located assets across the country and trading income from sale of equipment's needed for colleges under ING's management. As on mid-April 2026, ING had paid up capital of NPR 50.00 Mn, which is entirely held by Mr. Sulav Budhathoki.

Financial Indicators (Standalone)

For the year ended* As on	FY23	FY24	FY25	Q3FY26
	Audited	Audited	Audited	Unaudited
Total Operating Income (NPR Mn)	271	403	463	449
EBITDA Margin (%)	52.77	50.59	47.36	63.53
Interest Coverage Ratio (x)	3.78	6.19	5.66	6.56
Current Ratio (x)	1.08	0.64	0.47	0.76
Overall Gearing Ratio (x)	1.02	2.00	1.65	1.38
TOL/TNW(x)	1.59	3.40	2.93	2.24
DSCR (x)	1.70	2.42	2.23	2.87

***** *Classification as per Infomerics Nepal Standards*

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

Annexure:1 Detail of Facilities:

Name of Instruments/ Facilities	Types of Facilities	Amount (NPR Mn)	Rating
Fund Based Bank Facilities- Term Loan	Long Term	478.70	IRN BBB-
Fund Based Bank Facilities- Term Loan (Proposed)	Long Term	814.06	IRN BBB-
Fund Based Bank Facilities-Cash Credit/BG Loan	Short Term	170.00	IRN A3
Non-Fund Based Bank Facilities -Letter of Credit	Short Term	(50.00)**	IRN A3
Total		**1,462.76**	

*** within limit of short term fund based facilities*

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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/

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