

PRESS RELEASE

GLOBAL COLLEGE OF TECHNOLOGY PRIVATE LIMITED

October 2026

Rating

Instrument/Facilities	Amount (NPR Mn)	Ratings	Rating Action
Long Term Bank Facilities	688.44	IRN B+	Reaffirmed
Total	688.44		

Details of facilities are in Annexure 1 below

Infomerics Credit Rating Nepal Limited (Infomerics Nepal) has reaffirmed the rating of IRN B+ (Single B Plus) to the long-term bank facilities of NPR 688.44 Mn.

Detailed Rationale

The rating assigned to the bank facilities of Global College of Technology Private Limited (GCT) derives strength from the strong promoter group with long operational track record in Nepalese education sector. The rating also factors in the commencement of admissions to one of the undergraduate programs, with 80 students admitted as of October 2026 with classes scheduled to begin during FY27, providing GCT with revenue visibility. The ratings also consider the company's academic building at Baneshwor, Kathmandu, a strategically located area with good accessibility and potential to enhance the institution's infrastructure and student appeal. Further, the ratings factor in the growing demand for quality higher education in Kathmandu Valley, supported by increasing enrolment aspirations and preference for internationally affiliated academic programs.

These rating strengths are constrained by GCT's negative tangible net worth (TNW) as of FY26, primarily due to delays in the commencement of operations, which restricted revenue generation, alongside substantial administrative expenses incurred in preparation for course delivery. The resulting heavy net losses have fully eroded the company's reserves. The substantial debt-funded capital expenditure has resulted in significant interest expenses and debt repayment obligations, thereby exerting pressure on the company's debt-servicing and coverage indicators. Consequently, the company remains reliant on financial support from its parent company to meet its financial obligations. Also, the rating takes into account the operation stabilization risk as academic programs are in the process of being launched, however, the risk is reduced to some extent mainly due to strong brand presence of "Global College" and foreign university affiliation. 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 GCT to sustain long-term growth in student enrollment, which could adversely impact GCT's revenue trajectory.

Going forward, the ability of company to timely launch its academic programs and generate revenue and profitability as anticipated while improving its capital structure will remain key rating sensitivities.

Detailed Description of Key Rating Drivers

Key Rating Strengths

Strong promoter group support and experienced board of directors

GCT has five members in Board of Directors (BoD) having rich experience in educational institutions and are involved in the operation of educational institutions since 2004. The BoD is nominated by the parent company Uniglobe Higher Secondary School. Nepal Life Insurance Company Limited (NLIC) is the majority shareholder (~47%) of Uniglobe Higher Secondary School. The BoD is chaired by Dr. Khagendra Prasad Ojha. Dr. Ojha obtained Ph. D. in Economics and has served as Associate Professor at Tribhuvan University for more than three decades. He is also the chairman of Valley View English

School Ltd., Global College of Management Ltd., Global College International Pvt. Ltd., Global College of Business and Economics Ltd., Uniglobe College Pvt. Ltd., Uniglobe Higher Secondary School Kathmandu Pvt. Ltd. and Dr. Ojha has made several publications and has also conducted several research works in finance and accounting.

Educational awareness and increasing literacy rate

The rise in educational awareness in Nepal is evidenced by the data from the 2021 AD census, revealing an overall literacy rate improvement to 76.2% compared to 59.63% in the 2011 AD census. Moreover, Nepalese society has undergone a positive shift towards education, particularly in female education. Female literacy stood at a mere 17% in the 1991 census, rose to 35% in the 2001 AD census, and further increased to 69% in the 2021 AD census. This growing emphasis on female education and the upward trajectory of Nepal's literacy rate have positioned education as one of the country's largest sectors, both in terms of revenue and employment opportunities.

Key Rating Weaknesses

Company yet to start operations albeit revenue from Futsal ground

GCT is under process of launching academic programs from September 2026. However, GCT booked Total Operating Income (TOI) of NPR 24 Mn in FY25 and NPR 26 Mn in FY26 through rent from futsal ground. Due to heavy interest expenses owing from debt funded CAPEX and beginning of faculty recruitment and premises rental costs incurred in preparation for academic operations, EBITDA margin has turned negative in FY26 along with GCA. GCT is set to begin its operation from January 2027. The company's ability to launch the programs, get adequate enrollments and ultimately improve its financial profile will remain key monitorable.

Leveraged capital structure and weak debt coverage indicators

GCT's operations were delayed due to licensing and affiliation-related issues, preventing the commencement of academic activities in FY26. Consequently, the company generated no operating income and relied solely on rental income from its futsal ground, which was insufficient to cover operating expenses, resulting in significant losses and negative reserves. The weakened financial position led to overall gearing of 12.01x and TOL/TNW of 20.23x in FY25 turning negative in FY26 due to negative tangible net worth (TNW). Similarly, coverage indicators deteriorated from 0.35x in FY25 to negative levels in FY26. The increase in operating expenses during FY26 primarily reflects faculty recruitment and premises rental costs incurred in preparation for academic operations, despite delays in obtaining the required affiliations. However, as stated by management, the company's ultimate holding company, is servicing GCT's interest and debt repayment obligations through interest-free financial support, providing a degree of support amid the company's weakened financial position.

Increasing Competition and Regulatory Risk in the Education Sector

GCT 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 GCT's colleges under management. Additionally, the company's under GCT'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, GCT's revenue profile. 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 GCT's operating performance and future cash flow generation.

Analytical Approach: Standalone

Applicable Criteria:

[Corporate Credit Rating Methodology](#)

Link to past rating rationale:

[Global College of Technology Private Limited: Bank Facilities Rating Assigned](#)

About the Company:

Global College of Technology Private Limited (GCT) is a private limited company founded by a group of scholars, educators, researchers, and scholarly communities on December 24, 2020 with the objective of delivering education under Technology, Management, Law, Information Technology, and more prospective disciplines. Uniglobe Higher Secondary School Kathmandu Limited is the sole shareholder of GCT. It is located in Baneshwor, Kathmandu, Nepal. GCT has started its admission in its undergraduate course from September 2026. GCT is affiliated with University of Huddersfield.

Financial Indicators (Standalone)

For the year ended* As on	FY24 [@]	FY25	FY26
	Audited		Unaudited
Total Operating Income (NPR Mn)	24#	24	26
EBITDA Margin (%)	91.70	74.47	Negative
Interest Coverage Ratio (x)	2.05	0.35	Negative
Total Debt/ EBITDA (x)	27.69	33.04	Negative
Current Ratio (x)	0.09	0.19	0.19
Overall Gearing Ratio (x)	6.94	12.03	Negative

Earnings before Interest Tax Depreciation Amortization (EBITDA)

#Rental Income

**Classification as per Infomerics Nepal standards*

@ GCT had carried out first time adoption of Nepal Financial Reporting Standard (NFRS) from FY25 onwards resulting which the financial metrics for FY24 has changed according to "NFRS 1- First Time adoption of NFRS"

Annexure:1 Detail of Facilities:

Name of Instruments/ Facilities	Type of Facilities	Amount (NPR Mn)	Rating
Fund Based Bank Facilities- Term Loan	Long Term	688.44	IRN B+
Total Facilities		688.44	

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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

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