

## C I Capital Private Limited

July 01, 2022

### Rating

Facilities/Instruments	Amount (₹crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	10.00	CARE B-; Stable; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>10.00</b> <b>(Rs. Ten Crore Only)</b>		

Details of facilities in Annexure-1.

### Detailed rationale and key rating drivers

CARE had, vide its press release dated January 28, 2020, placed the rating of C I Capital Private Limited (CICPL) under the 'issuer non-cooperating' category as CICPL had failed to provide information for monitoring of the rating. CICPL continues to be non-cooperative despite repeated requests for submission of information through e- phone calls and email dated Feb 20,2022, March 02,2022, March 12,2022 and June 22,2022. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

### Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The rating continues to remain constrained on account of its limited track record of operations, its modest loan portfolio the geographic and borrower concentration of its business along with modest profitability. The rating, however, derives strength from the experience of its promoters, adequate capitalization and exposure to secured loan portfolio.

### Detailed description of the key rating drivers

At the time of last rating on April 06,2021, the following were the rating weakness and strength (updated for FY21 audited financials available from Ministry of Corporate Affairs)

#### Key rating weaknesses

##### **Limited track record of operations and modest scale of operations:**

CICPL commenced regular lending operations in July 2018 and hence has limited track record of operations. Therefore, its scale of operations was modest with an outstanding loan portfolio of Rs.11.06 crore as on March 31, 2021 spread over its two products viz. vehicle finance and loans against property (LAP).

##### **Regional concentration of portfolio; along with borrower concentration:**

The operations of CICPL are currently restricted to the customers of its group entities which have business operations in Bhopal (Madhya Pradesh) and hence its operations are regionally concentrated. Moreover, the borrower profile of the company is also concentrated.

##### **Modest profitability**

CICPL's profitability remained modest in FY21 (refers to the period April 01 to March 31), with net interest margin (NIM) of 7.50% and Return on Total Assets (ROTA) of 1.14% during FY21. PAT of the company improved to 0.15 crore in FY21, as against PAT of Rs.0.11 crore in FY20; however, continued to remain low.

#### Key rating strengths

##### **Experienced promoters**

Mr. Rakesh Malik, director of CICPL has an experience of more than three decades in auto-dealership and real estate business and is ably supported by his wife Mrs. Anju Malik in the strategic and administrative decision making for CICPL.

##### **Secured loan portfolio**

CICPL is primarily engaged in providing vehicle loans and LAP with a loan to value ratio of 75% (as per CARE review conducted in January 2019). Entire loan portfolio of CICPL is secured by way of mortgage of the vehicle being financed or property against which loan is given and hence provides comfort for the lending business.

##### **Adequate capitalization**

As on November 30, 2018, CICPL had adequate capitalization with a capital adequacy ratio (CAR) of over 100% due to limited lending operations.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

**Analytical approach:** Standalone**Applicable criteria**

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Financial Ratios - Financial Sector](#)

[Rating Outlook and Credit Watch](#)

[Rating Methodology - Non Banking Finance Companies \(NBFCs\)](#)

**About the company**

CICPL, incorporated in 1996 as Penny Care Leasing and Finance Private Limited, is registered with Reserve Bank of India (RBI) as a Non-deposit taking Non-Banking Financial Company (NBFC-ND). In 2017, Mr. Rakesh Malik of CI group of Bhopal took over the company and rechristened it to its present name. The company commenced regular lending operations from July 2018. CICPL operates in Bhopal region in Madhya Pradesh and is primarily engaged in the business of providing vehicle finance (mainly four wheelers) and LAP.

Brief Financials (Rs. crore)	March 31, 2020 (A)	March 31, 2021 (A)	March 31, 2022 (P)
Total operating income	1.81	2.31	NA
PAT	0.11	0.15	NA
Interest coverage (times)	1.15	1.18	NA
Total Assets	12.87	13.44	NA
Net NPA (%)	NA	NA	NA
ROTA (%)	1.18	1.14	NA

A: Audited NA: Not Available P: Provisional

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for the last three years:** Please refer Annexure-2

**Covenants of the rated instruments/facilities:** Detailed explanation of covenants of the rated instruments/ facilities is given in Annexure-3

**Complexity level of various instruments rated for this company:** Annexure-4

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	10.00	CARE B-; Stable; ISSUER NOT COOPERATING*

**Annexure-2: Rating history for the last three years**

Sr. No.	Name of the Instrument/ Bank Facilities	Type	Current Ratings		Rating history			
			Amount Outstanding (Rs. crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based – LT Cash Credit	LT	10.00	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (06-Apr-21)	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (28-Jan-20)

\*Long term/Short term

**Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities; Not applicable**

**Annexure-4: Complexity level of various instruments rated for this company**

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple

**Annexure-5: Bank lender details for this company**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

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