Intec Capital Limited

March 24, 2023

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	95.36	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.
*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Limited had, vide its press release dated January 07, 2021 placed the ratings of Intec Capital Limited (ICL) under the 'issuer non-cooperating' category as ICL had failed to provide information for monitoring of the rating exercise as agreed to in its rating agreement. Intec continues to be non-cooperative despite repeated requests for submission of information through e-mails dated January 30, 2023, January 20, 2023 and January 10, 2023. In line with the extant SEBI guidelines, CARE Ratings ltd. 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.

The rating reaffirmation of the long-term bank facilities of ICL at CARE D; ISSUER NOT COOPERATING* factors in ongoing delays in servicing of the company's scheduled debt obligations.

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

Detailed description of the key rating drivers: At the time of last rating on February 24, 2022, following were the key rating strengths and weaknesses (updated from information available from registrar of company):

Analytical approach: Standalone

Key weaknesses

Ongoing delays:
As per annual report 2022, the company has defaulted in repayment of Term loan and Working capital. The default has been continuing since 2019.

Weak Asset Quality:
The asset quality of the company remained in similar level as on March 31, 2022 with GNPA and NNPA ratios of the company, at 91% and 79% respectively.

Decline in business and profitability parameters:
The net loan book of the company has been shrinking over the years since ending fiscal 2019 from Rs. 144.41 crore to Rs. 79.54 crore as on March 31, 2022. In FY22, company reported net profit of Rs. 3.59 crore (-86% Y-o-Y), as compared to Rs. 19.03 crore in FY21, due to increased other expenses. Total income declined by 46% Y-o-Y to Rs. 4.26 crore in FY22 from Rs. 8 crore in FY21 as loan book of the company has been reducing.

Key strengths

Experienced promoters and management:
ICL was founded by Mr Sanjeev Goel, who has more than two decades of experience in financial services. He is a Chartered Accountant and holds Master's Degree in International Finance from the University of Iowa. Furthermore, ICL has been operating in the SME equipment financing for the last two decades.

[1]Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Applicable criteria

Policy in respect of Non-cooperation by issuer
CARE's Policy on Default Recognition
Criteria for Non-Banking Financial Companies
Financial ratios – Financial Sector

About the company and industry

Industry Classification

Macro-Economic Indicator	Sector	Industry	Basic Industry
Financial Services	Financial Services	Finance	Investment Company

Intec Capital Ltd (ICL) (formerly known as Intec Securities Ltd); established in February, 1994 as a Private Ltd Company by Mr. Sanjeev Goel (Ex. Finance Manager, Jai Bharat Maruti Ltd, CA and MBA) and Mr. Rajeev Goel (B. Tech from IIT Kanpur and MS from USA). ICL was converted into a public Ltd company in October, 1994 and subsequently in Sept 2009 its name was changed to the present name. ICL is registered with RBI as Non-deposit accepting (ND) NBFC and is listed at BSE. Post-merger with Unitel Credit Pvt Ltd w.e.f February 11, 2011, ICL became a systemically important (SI) NBFC. In April 2014, company received categorization of Asset Finance Company (AFC) from RBI. Since, the loan portfolio came below Rs.500 crore in fiscal year ending March 31, 2018; the company became non-systemically important NBFC. ICL is primarily into the business of providing funding for office equipment, medical equipment, plant & machinery, computer peripherals, etc. to small and medium enterprises (SME) as well as government, semi-government and private sector customers.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	9MFY23 (U/A)
Total operating income	8.00	4.26	2.79
PAT	19.04	3.59	-5.42
Interest coverage (times)	137.05	30.08	NA
Total Assets	119.96	109.47	NA
Net NPA (%)	79%	79%	NA
ROTA (%)	17%	3%	NA

A: Audited; U/A: Un-audited; NA: Not available; Note: 'the above results are latest financial results available'

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 the covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of the various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based-Long Term		-	-	NA	95.36	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ 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-Long Term	LT	95.36	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (24-Feb-22)	1)CARE D; ISSUER NOT COOPERATING* (07-Jan-21)	1)CARE D (07-Jan-20)

*Issuer did not cooperate; based on best available information.
*Long term/Short term.

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

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based-Long Term	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please click here

Note on the 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 for any clarifications.

Contact us

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About us:
Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

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