

Intec Capital Limited

June 11, 2024

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 (Care Ratings), vide its press release dated January 07, 2021, has placed ratings of Intec Capital Limited (ICL) under the 'issuer non-cooperating' category, as ICL had failed to provide information for monitoring 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 February 27, 2024, February 17, 2024, and February 07, 2024. In line with the extant SEBI guidelines, CARE Ratings has reviewed the rating based on best available information, which however, in CARE Ratings' opinion is not sufficient to arrive at a fair rating.

Rating reaffirmation for 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 public at large) are hence requested to exercise caution while considering above rating(s).

Analytical approach: Standalone

Outlook: Not applicable

Detailed description of key rating drivers:

At the time of the last rating on March 24, 2023, following were key rating strengths and weaknesses (updated from information available from registrar of company):

Key weaknesses

Ongoing delays

Per annual report 2023 and 9MFY24 results, the company has defaulted in repayment of term loan and working capital. The default has been continuing since 2019.

Weak asset qualities

The company's asset quality remains high as on March 31, 2023, with gross non-performing assets (GNPA) and Net NPA (NNPA) ratios at 89% and 75% respectively.

Decline in business and profitability parameters

The company's net loan book has been shrinking over the years, since ending fiscal 2019 from ₹144.41 crore to ₹69.39 crore as on March 31, 2023. In FY23, the company reported net loss of ₹26.64 crore as against profit of ₹3.59 crore, due to high provisions. Total income is on similar level in FY23 to ₹4.67 crore from ₹4.26 crore in FY22.

Key strengths

Experienced promoters and management

ICL was founded by Sanjeev Goel, who has more than two decades of experience in financial services. He is a chartered accountant and holds master's in international finance from the University of Iowa. ICL has been operating in SME equipment financing for the last two decades.

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

Applicable criteria

[Definition of Default](#)

[Investment Holding Companies](#)

[Policy in respect of non-cooperation by issuers](#)

[Financial Ratios – Non financial Sector](#)

About the company and industry

Industry classification

Macro-economic indicator	Sector	Industry	Basic industry
Financial services	Financial services	Finance	Investment company

ICL (formerly known as Intec Securities Limited) was established in February 1994, as a private limited company by Sanjeev Goel (Ex. Finance Manager, Jai Bharat Maruti Ltd, CA and MBA) and Rajeev Goel (B. Tech from IIT Kanpur and MS from USA). ICL was converted into a public limited company in October 1994, and subsequently in September 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 Private Limited on February 11, 2011, ICL became a systemically important (SI) NBFC. In April 2014, the company received categorisation of Asset Finance Company (AFC) from RBI. Since, the loan portfolio came below ₹500 crore in fiscal year ending March 31, 2018; the company became non-systemically important NBFC. ICL is primarily into providing funding for office equipment, medical equipment, plant & machinery, computer peripherals, among others to small and medium enterprises (SME), government, semi-government, and private sector customers.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	March 31, 2023 (A)
Total operating income	8.00	4.26	4.67
PAT	19.04	3.59	-26.64
Interest coverage (times)	137.05	30.08	1.00
Total Assets	119.96	109.47	86.99
Net NPA (%)	79%	79%	75%
ROTA (%)	17%	3%	-31%

A: Audited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

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-Long Term		-	-	Not available	95.36	CARE D; ISSUER NOT COOPERATING*

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

Annexure-2: Rating history for 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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based-Long Term	LT	95.36	CARE D; ISSUER NOT COOPERATING*	-	-	1)CARE D; ISSUER NOT COOPERATING* (24-Mar-23)	1)CARE D; ISSUER NOT COOPERATING* (24-Feb-22)

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

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

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

Annexure-5: Lender details

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

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Analytical Contacts Gaurav Dixit Director CARE Ratings Limited Phone: 91-120-4452002 E-mail: gaurav.dixit@careedge.in
Relationship Contact Saikat Roy Senior Director CARE Ratings Limited Phone: 91 22 6754 3404 E-mail: saikat.roy@careedge.in	Neha Kadiyan Associate Director CARE Ratings Limited Phone: 91-120-4452022 E-mail: Neha.Kadiyan@careedge.in
	Jaya Gupta Executive CARE Ratings Limited E-mail: jaya.gupta@careedge.in

About us:

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Disclaimer:

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