

04-01-2017

To,

The General Manager
 Department of Corporate Affairs
BSE Limited
 Phiroze Jeejeebhoy Towers, Dalal Street,
 Mumbai – 400 001

Scrip Code: 526871

Subject: Intimation of Revision in Annual Credit Ratings pursuant to regulation 30 on the basis of Annual Audited Accounts for the Financial Year ended 31st March 2016:

Dear Sir,

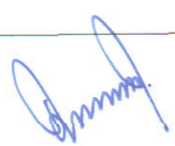
We are to write this letter pursuant to revision in Annual Credit Rating by CRISIL Rating Agency vide letter dated December 30, 2016 and Rating letter with rationale received on January 03, 2017.

- We provide the information of Ratings / revision in Credit Ratings by CRISIL, India's 1st Credit Rating Agency incorporated in India as "CRISIL Limited" in terms of Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI LODR, 2015") namely Regulation 30 and other applicable regulation read with Point No. 3 of "A" of PART A of Schedule-III of SEBI LODR, 2015

The revisions in ratings are done by CRISIL during Financial Year 2016-17 for Long terms Bank Facilities is as follows.

CRISIL Ratings			
Facilities	Amount (Rs. In Crore)	Ratings	Remarks
Total Bank loan Facilities Rated	Rs.500 Million	CRISIL BBB-/ Negative (Downgraded from 'CRISIL' BBB/ Stable')	Downgraded from 'CRISIL' BBB/ Stable'

<p>Pursuant to</p> <ul style="list-style-type: none"> - Para 3 of Annexure – I of SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015 on "<u>Continuous Disclosure Requirements for Listed Entities - Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015</u>" - Read with regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. 	<p>The reasons of downward rating of INTEC by CRISIL rating Agency are as follows:</p> <p>CRISIL has assigned its 'CRISIL BBB/Stable' rating to the long-term bank facility of Intec Capital Limited (Intec). The rating reflects Intec's adequate capital position and its promoter's extensive experience in machinery financing business. These rating strengths are partially offset by average asset quality marked by inherently weak profile of its borrowers and modest earnings profile.</p> <p>However, the Intec's asset quality has deteriorated sharply in the past year and a half with gross NPAs increasing to 13.7%t (17.9 per cent - on net basis)* as on September 30, 2016 compared to 10.0 per cent (14.1 per cent on net basis)* as on March 2016. In addition, Intec adjusts the cash collateral taken from borrower against the overdue principal amount until the collateral is exhausted, post which, if the default continues, the advance is recognized as delinquent and then as NPA in due course. Intec lends to MSME segment. These borrowers are typically the suppliers to original equipment manufacturers (OEMs) and</p>
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INTEC CAPITAL LTD.

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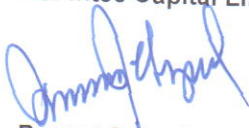
large machinery manufacturers. Being MSME players, their credit profile is inherently weak with low financial flexibility. In addition, their performance is highly sensitive to economic cycles given their dependence on OEMs whose fortunes are closely tied to economy. To arrest the deterioration in asset quality Intec has strengthened its collection mechanism significantly. Furthermore, it has reduced its ticket size and is focusing on increasing the granularity in its portfolio. The share of loans below Rs.5 million has increased to 53.5 per cent as on September 30, 2016 from 34.2 per cent as on March 31, 2014. However, given the expectation of continued slippages, although at reduced pace, and the expected longer time frame in recovery from delinquent accounts, CRISIL believes that Intec's asset quality will continue to remain below average over the medium term.

We have received the CRISIL Rating Rational letter dated December 30, 2016 on January 03, 2017. Same is being filled on January 04, 2017.

Please take the same in record.

Thanks

For Intec Capital Limited



Puneet Sehgal
Company Secretary
ACS-12557