



Press Release

Intex Technologies (India) Limited (ITIL)

May 18, 2020

Ratings

| Instrument / Facility | Amount (INR Crore) | Ratings | Rating Action |
|--|--------------------|--|--|
| Long Term Fund Based Limits | 39.00 | IVR B+/Stable; ISSUER NOT COOPERATING* [IVR Single B Plus with Stable outlook; Issuer Not Cooperating] | Rating revised from IVR BB+ [IVR Double B Plus] (Credit Watch with Developing Implications) and moved to ISSUER NOT COOPERATING Category |
| Long Term Debt - Term Loan | 11.04 | IVR B+/Stable; ISSUER NOT COOPERATING* [IVR Single B Plus with Stable outlook; Issuer Not Cooperating] | Rating revised from IVR BB+ [IVR Double B Plus] (Credit Watch with Developing Implications) and moved to ISSUER NOT COOPERATING Category |
| Long Term Non - Fund Based Facilities | 1.00 | IVR B+/Stable; ISSUER NOT COOPERATING* [IVR Single B Plus with Stable outlook; Issuer Not Cooperating] | Rating revised from IVR BB+ [IVR Double B Plus] (Credit Watch with Developing Implications) and moved to ISSUER NOT COOPERATING Category |
| Short Term Non - Fund Based Facilities | 95.00 | IVR A4; ISSUER NOT COOPERATING* [IVR A Four Plus; Issuer Not Cooperating] | Rating revised from IVR A4+ [IVR A Four Plus] (Credit Watch with Developing Implications) and moved to ISSUER NOT COOPERATING Category |
| Total | 146.04 | | |

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

Details of Facility are in Annexure 1

Detailed Rationale

The rating downgrade is because of lack of adequate information regarding Intex Technologies (India) Limited's performance and hence the uncertainty around its credit risk.



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Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide emails dated March 16, 2020, March 23, 2020, April 02, 2020, April 27, 2020 and May 09, 2020 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details and fees for surveillance exercise.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long term ratings for the bank loan facilities aggregating to INR51.04 crore and short term rating for the bank facilities aggregating to INR95.00 crore of Intex Technologies (India) Limited shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR B+/Stable: Issuer Not Co-operating; based on best available information (IVR Single B Plus/Stable: Issuer Not Co-operating) and IVR A4: Issuer Not Co-operating; based on best available information. (IVR A Four: Issuer Not Co-operating; based on best available information).

Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.



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Analytical Approach & Applicable Criteria

Standalone

Financial Ratios & Interpretation – (Non-financial Sector)

Guidelines on what constitutes Non-Cooperation by clients

About the Company

The company was incorporated in 1996 by Mr. Narendra Bansal who is currently having over 25 years of experience in the IT industry. The company started its operation with IT Hardware and added other products namely mobile handsets, mobile accessories and consumer durables over the past two decades. ITIL has a diversified portfolio consisting of more than 250 products across different verticals. The company currently operates manufacturing facilities in Jammu, Baddi (Himachal Pradesh) and Noida. Intex is an ISO 9001:2008 certified company. The company is the owner of the brand “Intex” and reaches out to its retail customers through a wide distribution network.

Financials (Standalone)

(INR Crore)

| For the year ended / As on | 31-03-18 | 31-03-19 |
|-----------------------------------|-----------------|-----------------|
| | Audited | Audited |
| Total Operating Income | 2799.61 | 1387.30 |
| EBITDA | 15.68 | -219.34 |
| PAT | 13.86 | -281.31 |
| Total Debt | 233.03 | 155.28 |
| Tangible Net worth | 481.27 | 223.49 |
| EBIDTA Margin (%) | 0.56 | NM |
| PAT Margin (%) | 0.49 | NM |
| Overall Gearing ratio (x) | 0.48 | 0.69 |

Status of non-cooperation with previous CRA: CARE Ratings vide its press release dated March 01, 2019 has informed that the issuer is not cooperating.

Any other information: Nil



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Rating History for last three years:

| S. No. | Name of Instrument/Facilities | Current Rating (Year 2020-21) | | | Rating History for the past 3 years | | |
|--------|-------------------------------|-------------------------------|---------------------------------|---------------------------------------|---|---|---|
| | | Type | Amount outstanding (IINR crore) | Rating | Date(s) & Rating(s) assigned in 2019-20 (April 30, 2019) | Date(s) & Rating(s) assigned in 2018-19 (January 22, 2019) | Date(s) & Rating(s) assigned in 2017-18 |
| 1. | Fund Based Facilities | Long Term | 39.00 | IVR B+/Stable; ISSUER NOT COOPERATING | IVR BB+ (Credit Watch with Developing Implications) | IVR BBB+/Stable Outlook | -- |
| 2. | Term Loan | Long Term | 11.04 | IVR B+/Stable; ISSUER NOT COOPERATING | IVR BB+ (Credit Watch with Developing Implications) | IVR BBB+/Stable Outlook | -- |
| 3. | Non-Fund Based Facilities | Long Term | 1.00 | IVR B+/Stable; ISSUER NOT COOPERATING | IVR BB+ (Credit Watch with Developing Implications) | IVR BBB+/Stable Outlook | |
| 4. | Non-Fund Based Facilities | Short Term | 95.00 | IVR A4; ISSUER NOT COOPERATING | IVR A4+ (Credit Watch with Developing Implications) | IVR A2 | -- |

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

Name and Contact Details of the Rating Analyst:

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facility

| Name of Facility | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Size of Facility (INR Crore) | Rating Assigned/ Outlook |
|---|------------------|------------------|---------------|------------------------------|--|
| Long Term Fund Based Limits – Cash Credit | - | - | - | 39.00 | IVR B+/Stable Outlook ISSUER NOT COOPERATING* |
| Long Term Debt - Term Loan | - | - | - | 11.04 | IVR B+/Stable Outlook ISSUER NOT COOPERATING* |
| Long Term Non-Fund Based Facilities – BG | | | | 1.00 | IVR B+/Stable Outlook ISSUER NOT COOPERATING* |
| Short Term Non-Fund Based Facilities - LC | - | - | - | 95.00 | IVR A4 ISSUER NOT COOPERATING |

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