



Press Release

ANS Private Limited (ANSPL)

November 1st, 2022

Ratings

Instruments	Amount (INR. Crore)	Current Ratings	Rating Action	Complexity Indicator
Long Term/Short Term Facility – Line of Credit and Overdraft	11.25	IVR BBB/Stable Outlook ; IVR A3+ (IVR Triple B with Stable Outlook or IVR A Three Plus)	Reaffirmed	Simple
Short Term Non Fund Based Facility – Bank Guarantee	185.00 (Increased from INR130.00 Crore)	IVR A3+ (IVR A Three Plus)	Reaffirmed	Simple
Total	196.25 (One Hundred ninety six crore and twenty five lakh)			

Details of instruments are in Annexure 1

Detailed Rationale

The reaffirmation of rating to the bank facilities of ANS Private Limited (ANSPL) continues to derives comfort from its established track record of the group backed by its experienced promoters, healthy HNI & retail broking business, healthy scale of operations with improved margins, comfortable capitalization. However, the rating strengths are partially offset by volatility associated with stock market and intense competition.

Key Rating Sensitivities

Upward Factors

- Sustained improvement in financial performance & profitability margins

Downward Factors

- Decline in trading volumes and profitability ratios.
- Changes in the regulatory environment.

Key Rating Drivers with detailed description



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Key Rating Strengths-

Established Track Record of Group and Experienced Promoters

ANS Private Limited (ANSPL) is a financial service provider mainly based in Gujarat & Maharashtra and is a part of Ajay Natwarlal Group. The company was incorporated in 1999 as a private limited company and has an established operational track record in the equity broking business. ANSPL has over 50,000 registered clients and spread across 32 cities in 4 states across India and more than 250+ Sub-brokers/ Authorised persons/ channel Partners base. The company is promoted by Mr Jayesh Sheth and Mr Ajay Sheth who has more than 25 years of experience in stock broking business. This extensive experienced of promoters and the long-established track record of the group has helped to build healthy relationship with their clienteles.

Healthy retail broking business

The brokerage income of the group has increased in FY22 as compared to FY21 on account of increase in trading volume and increase in HNI & retail client base. The retail client base of the group has increased in last 2 years ended FY22.

Healthy scale of operations with improved margins

Total operating income of the group on consolidated basis has increased by ~70% in FY22 plunging it to INR40.62 Crore as against INR23.93 Crore in FY21(on standalone basis : ~56% to INR30.55 crore in FY22 as against INR19.51 Crore in FY21) on account of increase in trading volume in FY22. EBITDA & PAT margin of the group has improved to 51.64% & 31.29% in FY22 and 53.22% & 32.11%v in FY21 (Standalone: 48.41% & 28.33% respectively in FY22 as against 46.78% & 25.47% respectively in FY21).The group has successfully managed to maintain & improve its profitability margins over the years.

Comfortable capitalization

The group's tangible net worth at consolidated level has improved to INR117.35 Crore as on March 31, 2022 (Prov) as against INR104.65 Crore as on March 31, 2021 (Standalone - INR69.25 as on March 31, 2022 (Prov) as against INR60.60 Crore as on March 31, 2021). The gearing stood low at 0.32 times as on March 31, 2022 as against 0.18 times as on March 31, 2021 (Standalone - 0.39 times as on March 31, 2022 as against 0.22 times as on March



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31, 2021). The group had its entire borrowings in the form of working capital mainly Non- Fund based (Bank Guarantees) for exchange margin purpose.

Key Rating Weaknesses-

Volatility Associated with Stock Market

The company is engaged in the stock broking business and the stock market is volatile in nature, Market index like Sensex and Nifty goes up and down throughout the day. The stock market is vulnerable to both domestic and global events.

Intense Competition

Broking is a highly volatile and cyclical business with the presence of many established players who provide significant competition to the other fragmented and small players. The competition from large and established players and technology-focused new entrants is expected to continue to impact the revenue profile of small to medium size players This limits the profitability margins of the industry.

Analytical Approach: Consolidated

For arriving at the rating, Infomerics has taken the consolidated approach by combining financial profiles of ANS Private Limited; Ajay Natavarlal Commodities Private Limited (51% subsidiary) and Alfa Fiscal Services Private Limited (Wholly owned subsidiary) collectively referred as ANSPL group. The consolidation is on account of common management and significant operational & financial linkages.

Applicable Criteria:

[Rating Methodology for Service Sector](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria of rating outlook](#)

Liquidity: Adequate

The group have adequate gross cash accruals (GCA) and the group has no stipulated repayment schedule of the long term loan. Although it has a moderately high utilisation of the bank guarantee, most of its working capital facility such as overdraft facilities utilisation



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remained low and same is secured against FDs, which may provide a liquidity cushion for urgent requirements.

About the Company

ANS Private Limited (ANSPL); formerly known as Ajay Natwarlal Securities Private Limited is a Gujarat based stock broking company incorporated in 1999, by the Sheth Brothers. ANSPL is the flagship entity of the Ajay Natwarlal group who is one of the old capital market intermediaries in financial sector engaged in the business of equity and commodities broking, currency Broking, arbitrage trading, depository participant services, MTF, Loan against Shares and distribution of various financial products. The Company has membership of NSE, BSE, MCX, NCDEX & CDSL. The group offers other services such as commodity broking and corporate finance through its subsidiaries Ajay Natwarlal Commodities Private Limited (ANCPL) and Alfa Fiscal Services Private Limited (AFSPL).

Financials: Consolidated (INR. Crore)

For the year ended/ As On*	31-03-2021 (Audited)	31-03-2022 (Provisional)
Total Operating Income	23.93	40.62
EBITDA	12.74	20.97
PAT	7.68	12.75
Total Debt	18.33	37.33
Tangible Net-worth	104.65	117.35
EBITDA Margin (%)	53.22	51.64
PAT Margin (%)	32.11	31.39
Overall Gearing Ratio (x)	0.18	0.32

*Classification as per Infomerics' standards

Financials: Standalone (INR. Crore)

For the year ended/ As On*	31-03-2021 (Audited)	31-03-2022 (Provisional)
Total Operating Income	19.51	30.55
EBITDA	9.12	14.79
PAT	4.97	8.66
Total Debt	13.54	27.13
Tangible Net-worth	60.60	69.25
EBITDA Margin (%)	46.78	48.41
PAT Margin (%)	25.47	28.33



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Overall Gearing Ratio (x)	0.22	0.39
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**Classification as per Infomerics' standards*

Status of non-cooperation with previous CRA: None

Any other information: None

Rating History for last three years:

Sl. No.	Name of Instrument/Facilities	Current Rating (Year 2022-23)			Rating History for the past 3 years			
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22 (September 20, 2022)	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1	Long Term/Short Term Facility – Line of Credit and Overdraft	Long Term/Short Term	11.25	IVR BBB/Stable Outlook ; IVR A3+	IVR BBB/Stable Outlook ; IVR A3+	--	--	--
2	Short Term Non Fund Based Facility – Bank Guarantee	Short Term	185.00	IVR A3+	IVR A3+	--	--	--

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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI). Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating. Infomerics evaluates wide range of debt instruments which helps



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corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks. Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations. For more information visit www.infomerics.com.

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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Line of Credit	--	--	--	3.25	IVR BBB/Stable Outlook ; IVR A3+
Overdraft	--	--	--	8.00	IVR BBB/Stable Outlook ; IVR A3+
Bank Guarantee	--	--	--	185.00	IVR A3+

Annexure 2: List of companies considered for consolidated analysis:

ANSPL is the flagship entity of the Ajay Natwarlal group and is also the parent entity for all group entities.

List of group companies considered for consolidation:

Name of the Company	Extent of Consolidation
ANS Private Limited [ANSPL]	Full*
Ajay Natavarlal Commodities Private Limited [ANCPL]	Full*
Alfa Fiscal Services Private Limited [AFSPL]	Full*



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**Intercompany transaction has been adjusted as per Infomerics standard.*

Annexure 3: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-ANS-nov22.pdf>

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.