



Press Release

ANS Private Limited

January 19, 2024

Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long Term/Short Term Facility – Line of Credit	3.25	IVR BBB/Stable Outlook ; IVR A3+ (IVR Triple B with Stable Outlook or IVR A Three Plus)	Reaffirmed	Simple
Long Term/Short Term Facility – Overdraft	14.50	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	210.00	IVR A3+ (IVR A Three Plus)	Reaffirmed	Simple
Total	227.75	Rupees Two Hundred Twenty- Seven crore and Seventy Five Lakhs only		

Details of Facilities are in Annexure 1

Detailed Rationale

The rating assigned to the bank facilities of ANS Private Limited (ANSPL) 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.

1. Key Rating Sensitivities

- **Upward Factors:**

- Sustained improvement in financial performance & profitability margins

- **Downward Factors:**

- .Significant decline in revenue and profitability due to volatility associated with the Capital Markets.
- Changes in the regulatory environment.



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List of Key Rating Drivers with Detailed Description

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 55000 registered clients and spread across 32 cities in 5 states across India and more than 300 sub-brokers/Authorised persons/channel Partners base.

ANSPL is the flagship entity of the Ajay Natwarlal group. Ajay Natwarlal 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).

The company is promoted by Mr Jayesh Sheth and Mr Ajay Sheth and has more than 30 years of experience in stock broking business. Further all the Departments heads are professionally qualified / experienced person. This extensive experienced of promoters, Head of Departments 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 company has increased in FY23 as compared to FY22 on account of increase in trading volume and increase in Institutional , HNIs & retail client base. The retail client base of the company has substantially increased in last 2 years ended FY23.

Healthy scale of operations with improved margins

Total operating income of the company on consolidated basis has increased by ~11% in FY23 amounting it to INR48.58 Crore as against INR43.58 Crore in FY22(on standalone basis : ~24% to INR41.39 crore in FY23 as against INR33.31 Crore in FY22) on account of increase in trading volume in FY23. EBITDA & PAT margin of the company has improved to 58.55% & 36.91% in FY23 and 47.04% & 28.61% in FY22 (Standalone: 54.69% & 33.85% respectively in FY23 as against 42.84% & 25.02% respectively in FY22).The company has successfully managed to maintain & improve its profitability margins over the years.



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Comfortable capitalization

The company's tangible net worth at consolidated level has improved to INR117.61 Crore as on March 31, 2023 (Audited) as against INR99.66 Crore as on March 31, 2022 (Standalone – INR82.94 as on March 31, 2023 (Audited) as against INR68.93 Crore as on March 31, 2022). The gearing stood low at 0.10 times as on March 31, 2023 as against 0.38 times as on March 31, 2022 (Standalone - 0.14 times as on March 31, 2023 as against 0.40 times as on March 31, 2022). The company had its entire borrowings in the form of working capital mainly Non-Fund based (Bank Guarantee) for exchange margin purpose.. The company's major bank facilities are non-fund based in nature. Interest coverage ratio stood healthy at 7.81x in FY23 (Standalone – 7.42x in FY2023).

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 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 Entities. The consolidation is on account of common management and significant operational & financial linkages.

Applicable Criteria:



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[Criteria of assigning Rating outlook](#)

[Rating Methodology for Service Sector](#)

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

[Consolidation-of-companies](#)

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 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. Ajay Natwarlal group has over 300 Sub-brokers/Authorised persons/channel Partners spread over 40 cities in 5 states (Maharashtra, Gujarat, Bihar, West Bengal, Andhra Pradesh). The Company has membership of NSE, BSE, MCX, NCDEX & CDSL The group offers other services such as Loan against Shares, and corporate finance through its subsidiaries Ajay Natwarlal Commodities Private Limited (ANCPL) and Alfa Fiscal Services Private Limited (AFSPL). The Company has recently been granted Research Analyst License by SEBI.

Financials (Consolidated):

	(Rs. crore)	
For the year ended / As On*	31-03-2022 (Audited)	31-03-2023 (Audited)
Total Operating Income	43.58	48.58
EBITDA	20.50	28.44
PAT	12.47	17.93
Total Debt	37.52	11.90



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For the year ended / As On*	31-03-2022 (Audited)	31-03-2023 (Audited)
Tangible Network (Net Adjusted)	99.66	117.61
Ratios		
EBITDA Margin (%)	47.04	58.55
PAT Margin (%)	28.61	36.91
Overall Gearing Ratio (x) (Net Adjusted)	0.38	0.10

*Classification as per Infomerics' standards

Financials: Standalone

(Rs. Crore)

For the year ended / As On*	31-03-2022 (Audited)	31-03-2023 (Audited)
Total Operating Income	33.31	41.39
EBITDA	14.27	22.64
PAT	8.33	14.01
Total Debt	27.28	11.87
Tangible Network (Net Adjusted)	68.93	82.94
Ratios		
EBITDA Margin (%)	42.84	54.69
PAT Margin (%)	25.02	33.85
Overall Gearing Ratio (x) (Net Adjusted)	0.40	0.14

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years			
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
1	Long Term/Short Term Facility –Line of Credit	Long Term/Short Term	3.25	IVR BBB/Stable Outlook ; IVR A3+ (IVR Triple B with Stable	IVR BBB/IVR A3+ on Nov 01, 2022	IVR BBB/IVR A3+ on Sep 20, 2022	-	-



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Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years			
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
				Outlook or IVR A Three Plus)				
2	- Long Term/Short Term Facility -Overdraft	Long Term/Short Term	14.50	IVR BBB/Stable Outlook ; IVR A3+ (IVR Triple B with Stable Outlook or IVR A Three Plus)	IVR BBB/IVR A3+ on Nov 01, 2022	IVR BBB/IVR A3+ on Sep 20, 2022	-	-
3	Short Term Non-Fund Based Facility - Bank Guarantee	Short Term	210.00	IVR A3+	IVR A3+ on Nov 01, 2022	IVR A3+ on Sep 20, 2022	-	-

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About Infomerics:

Infomerics Valuation and Rating Private Limited (Infomerics) was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after



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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 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

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 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 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	-	-	-	14.50	IVR BBB/Stable Outlook ;



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Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
					IVR A3+
Bank Guarantee	-	-	-	210.00	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*

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

Annexure 3: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/lender-ANSPrivate-jan24.pdf>

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

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.