



Press Release

ANS Private Limited (ANSPL)

Feb 19, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Non-Convertible Debentures (NCDs)	49.00 (Reduced from Rs. 50.00 crore)*	IVR BBB / Stable (IVR Triple B with Stable Outlook)	IVR BBB / Stable (IVR Triple B with Stable Outlook)	Rating Reaffirmed	Simple
Short Term Non-Fund Based Bank Facilities – Bank Guarantee	265.00 (Enhanced from Rs. 210.00 crore)	IVR A3+ (IVR A Three Plus)	IVR A3+ (IVR A Three Plus)	Rating Reaffirmed	Simple
Long Term / Short Term Bank Facilities – Overdraft	14.50	IVR BBB / Stable; IVR A3+ (IVR Triple B with Stable Outlook; IVR A Three Plus)	IVR BBB / Stable; IVR A3+ (IVR Triple B with Stable Outlook; IVR A Three Plus)	Rating Reaffirmed	Simple
Long Term / Short Term Bank Facilities – Line of Credit	3.25	IVR BBB / Stable; IVR A3+ (IVR Triple B with Stable Outlook; IVR A Three Plus)	IVR BBB / Stable; IVR A3+ (IVR Triple B with Stable Outlook; IVR A Three Plus)	Rating Reaffirmed	Simple
Total	331.75 (Rupees Three Hundred and Thirty-One Crore and Seventy-Five Lacs)				

*ANSPL has raised NCDs of issue size Rs. 49.00 crore against proposed NCDs of issue size Rs. 50.00 crore.

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.



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Detailed Rationale:

Infomerics Ratings has reaffirmed the ratings assigned to the bank facilities / NCDs of ANSPL which continues to derive strength from healthy profitability, comfortable financial risk profile, sound risk management and established track record and experienced promoters. The ratings are however constrained by moderate scale of operations, volatility associated with stock market and intense competition.

Infomerics Ratings expects outlook to remain stable on the expectations of stable growth in total operating income driven by growth in trading volumes and maintenance of comfortable financial risk profile.

Key Rating Sensitivities:

Upward Factors

- Substantial and sustained improvement in trading volumes, financial performance & profitability margins with substantial improvement in capitalization and liquidity levels.

Downward Factors

- Substantial decline in trading volumes and profitability, capitalization and liquidity levels.
- Changes in the regulatory environment

List of Key Rating Drivers with Detailed Description

Key Rating Strengths:

- **Healthy profitability:**
ANSPL's profitability is healthy marked by EBITDA margin improving to 62.90% in FY24 (refers to period 1st April 2023 to 31st March 2024) (FY23: 52.97%) on account of rationalization in operating expenses whereas its PAT margin improved to 45.28% in FY24 (FY23: 33.30%) on back of improvement in EBITDA in absolute terms. Infomerics Ratings expects stability in profitability margins over the medium term on back of better operational efficiency coupled with risk management.



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- **Comfortable financial risk profile:**

As of March 31, 2024, ANSPL's consolidated financial risk profile remains comfortable with an overall gearing ratio and TOL/TNW of 0.21x and 0.75x, respectively as compared to 0.10x and 0.78x respectively as of March 31, 2023. This is mainly due to ANSPL's robust tangible net worth, which grew to Rs. 150.07 crore in FY24, up from Rs. 112.59 crore in FY23. This increase was driven by the retention of profits and an equity infusion of ~Rs. 9.50 crore in FY24. Furthermore, ANSPL's debt protection metrics are solid, with a DSCR and ICR of 9.00x and 11.21x respectively as of March 31, 2024, from 7.32x and 9.38x, respectively, as of March 31, 2023, reflecting healthy cash accrual generation. Infomerics Ratings expects the ANSPL's financial risk profile to remain stable over the medium term, driven by the anticipated generation of healthy net cash accruals and expected equity infusion from the promoters.

- **Established track record and experienced promoters:**

ANSPL is a financial service provider mainly based in Gujarat & Maharashtra and is a part of Ajay Natwarlal Group. ANSPL was incorporated in 1999 as a private limited company and has an established operational track record in the equity broking business. ANSPL has over 55,000 registered clients and spread across 32 cities in 5 states across India and more than 300 sub-brokers/ authorized persons/ channel partner's base. It is promoted by Mr. Jayesh Sheth and Mr. Ajay Sheth who has more than 30 years of experience in stock broking business. This extensive experience of promoters and the long-established track record of the group has helped to build a healthy relationship with their clientele.

Key Rating Weaknesses:

- **Moderate scale of operations:**

ANSPL's scale of operations is moderate despite y-o-y growth of ~57% to Rs. 76.84 crore in FY24. This growth was on account of higher brokerage income, driven by increased trading volumes and a broader client base, including institutional investors, HNIs, and retail clients. Going forward, ANSPL's ability to scale its operations amidst competition and volatility in the capital markets will remain a key rating monitorable.

- **Volatility associated with stock market:**



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ANSPL 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

ANSPL is the flagship entity of the ANS group and is also the parent entity for all group entities. Further, all the group entities have common management and synergies related to business operations. Names of the subsidiary / associates getting consolidated are:

- Ajay Natavarlal Commodities Private Limited (Associate Company)
- Alfa Fiscal Services Private Limited (Wholly owned subsidiary)

Applicable Criteria:

[Rating Methodology for Service Companies](#)

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

[Criteria on assigning rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Rating Criteria on Consolidation of Companies](#)



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Liquidity –Adequate

ANSPL has maintained adequate liquidity in the form of gross cash accruals of Rs. 34.47 crores against no stipulated repayment schedule of the long-term loan as on 31st March 2024. Additionally, ANSPL's current ratio and quick ratio stood at 2.20x and 2.18x respectively as on 31st March 2024. Furthermore, ANSPL cash and cash equivalents as on 31st March 2024 stood at a healthy Rs. 168.44 crore.

About the Company:

ANSPL, formerly known as Ajay Natwarlal Securities Private Limited is a stock broking company which was incorporated on February 23, 1999, by Sheth Family. ANSPL is the flagship entity of the ANS group and is engaged in the business of broking, arbitrage trading, depository participant services and distribution of financial products. ANS 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):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023#	31-03-2024
	Audited	Audited
Total Operating Income	48.88	76.84
EBITDA	25.90	48.33
PAT	16.28	34.79
Total Debt	11.73	31.86
Tangible Net Worth	112.59	150.07
EBITDA Margin (%)	52.97	62.90
PAT Margin (%)	33.30	45.28
Overall Gearing Ratio (x)	0.10	0.21
Interest Coverage (x)	9.38	11.21

* Classification as per Infomerics' standards.

The variance compared to the FY23 numbers from the last review, as per the PR dated March 5, 2024, is due to the fact that combined financials were considered in the previous review, while the current review is based on the consolidated audited financial statements.

Status of non-cooperation with previous CRA: None

Any other information: None



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Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2024 -25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023 -24	Date(s) & Rating(s) assigned in 2022 -23	Date(s) & Rating(s) assigned in 2021 - 22
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1.	Non-Convertible Debentures (NCDs)	Long Term	49.00	IVR BBB / Stable (Feb 19, 2025)	IVR BBB / Stable (March 05, 2024)	--	--
2.	Bank Guarantee	Short Term	265.00	IVR A3+ (Feb 19, 2025)	IVR A3+ (March 05, 2024) IVR A3+ (Jan 19, 2024)	IVR A3+ (Nov 01, 2022) IVR A3+ (Sept 20, 2022)	--
3.	Overdraft	Long Term / Short Term	14.50	IVR BBB / Stable; IVR A3+ (Feb 19, 2025)	IVR BBB / Stable; IVR A3+ (March 05, 2024) IVR BBB / Stable; IVR A3+ (Jan 19, 2024)	IVR BBB / Stable; IVR A3+ (Nov 01, 2022) IVR BBB / Stable; IVR A3+ (Sept 20, 2022)	--
4.	Line of Credit	Long Term / Short Term	3.25	IVR BBB / Stable; IVR A3+ (Feb 19, 2025)	IVR BBB / Stable; IVR A3+ (March 05, 2024) IVR BBB / Stable; IVR A3+ (Jan 19, 2024)	IVR BBB / Stable; IVR A3+ (Nov 01, 2022) IVR BBB / Stable; IVR A3+ (Sept 20, 2022)	--



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About Infomerics:

Infomerics Valuation and Rating Limited (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please 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



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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: Instrument/Facility Details :

Name of Facility/Security	ISIN	Date of Issuance	Coupon Rate/IRR	Maturity Date	Size of Facility (Rs. Crore)	Listing Status	Rating Assigned/Outlook
Non-Convertible Debentures (NCDs)	INE0KH208019	13 th September 2024	Not Applicable*	13 th June 2026	49.00	Listed	IVR BBB / Stable
Bank Guarantee	--	--	--	--	265.00	--	IVR A3+
Overdraft	--	--	--	--	14.50	--	IVR BBB / Stable; IVR A3+
Line of Credit	--	--	--	--	3.25	--	IVR BBB / Stable; IVR A3+

*Zero Coupon Non-Convertible Debentures

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-anspl-feb25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities:

DESCRIPTION	PARTICULARS
Issuer	ANS Private Limited
Type of Instrument	Rated, Listed, Senior, Unsecured, Transferable, Redeemable, Taxable, Zero Coupon Non-Convertible Debentures
Debenture Trustee	MITCON Credentia Trusteeship Services



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	Limited
Depository	NSDL and CDSL
Security	Unsecured
Seniority	Senior
Issue Size	Rs. 49 Crores (Comprising of Base Issue size of Rs. 30 Crores and Green Shoe Option of Rs. 19 Crores)
Mode of Issue	Private Placement
Face Value/ Principal	Rs. 1,00,000/- Per Debenture
Minimum subscription size	1 Debentures bearing face value of Rs. 1,00,000 /- each and in multiples of 1 Debenture(s) thereafter.
Coupon Rate	Not Applicable
IRR to Client if compounded annually)	10.75%
Tenor	21 months
Redemption Date	June 13, 2026
Redemption Amount	Rs. 1,19,539/- per Debenture to be paid on the Redemption Date
Redemption Premium /Discount	Rs. 19,539 /- per Debenture to be paid on the Redemption Date
Issue Price	Rs. 1,00,000 Per Debenture
Default Interest rate	In case of default in payment of principal and/or Redemption Premium amount on the Redemption date, additional interest @ 2% p.a. over the Coupon will be payable by the Company for the defaulting period.
Objects of the Issue / Purpose for which there is requirement of funds	The proceeds of this Issue shall be utilized as follows: 100% (One Hundred Percent) to finance the working capital requirement of the Company.



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Covenants of the issue	<p>The Company must use the Issue proceeds solely for the specified Purpose outlined in Clause 5. In the event of any material loss or damage due to unforeseen events, such as natural disasters not covered by insurance, the Company must promptly inform the Debenture Trustee. The Company is also responsible for paying reasonable costs incurred by the Trustee in protecting Debenture Holders' interests, subject to prior approval, excluding foreign travel costs. Additionally, the Company must ensure timely payment of rents, royalties, taxes, and other governmental dues, while maintaining its corporate status and complying with all laws and regulations. It is prohibited from taking actions that could impair the Company's ability to conduct business or meet obligations. The Company must pay applicable stamp duties and penalties, or the Trustee may settle these on its behalf, at the Company's expense. Necessary information, including quarterly reports and any grievance details, must be provided to the Trustee, who must also be notified of any Event of Default or potential defaults. Grievances from Debenture Holders should be resolved promptly, and the Company must comply with the Investor Education Fund (IEPF) regulations regarding unclaimed amounts. Corporate governance standards must be adhered to, and the Company must disclose</p>
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	<p>legal matters that could materially affect it. It must also comply with all laws related to the Debentures and ensure proper filings and assistance in monitoring security cover and financial reports, in line with SEBI LODR Regulations. The Company must submit required reports to BSE, including security cover certificates and financial reports, within the designated timelines. If there are delays in executing Transaction Documents, the Company is required to either refund application money with interest or pay penal interest on outstanding amounts until the documents are executed. It must maintain internal controls to prevent fraud and money laundering and seek written consent from the Debenture Trustee for any actions that affect these covenants. The Company is prohibited from changing its business nature or amending Constitutional Documents that would have a Material Adverse Effect, declaring dividends until all Debenture Holder dues are cleared, entering into mergers or restructurings with Material Adverse Effects, or allowing a Change of Control. The Company must not alter its capital structure in a way that reduces its paid-up or authorized capital or repurchase shares. The financial year-end cannot be changed from March 31 unless required by law. The Company must provide various reports to the Trustee, including audited and unaudited financial</p>
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	statements, notices of material adverse effects, legal proceedings, and updates on Events of Default. It must ensure compliance with regulatory bodies like SEBI and BSE and submit necessary documents for ISIN allotment in line with SEBI rules.
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Annexure 4: List of companies considered for consolidated/ analysis:

Name of the company/Entity	Consolidation Approach
Alfa Fiscal Services Private Limited	100% Owned by ANSPL
Ajay Natavarlal Commodities Private Limited	44.69% Owned by ANSPL

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.

