



Rating Rationale

Anand Rathi Share And Stock Brokers Ltd

14 Mar 2018

Brickwork Ratings has reviewed the Rating for the Bank Loan facilities of ₹ 635.00 Crore of Anand Rathi Share And Stock Brokers Ltd based on best available information, as the issuer did not cooperate. Accordingly the rating for the said instrument is as under

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating*	
	Previous	Present		Previous (Dec, 2016)	Present
Fund based	175.00	175.00	Long Term	BWR BBB Rating under watch with developing implications	Issuer did not Co-operate; BWR BBB (BWR Triple B) Rating under watch with developing implications <i>Reaffirmed</i>
Non Fund Based	460.00	460.00	Short Term	BWR A2 Rating under watch with developing implications	Issuer did not Co-operate; BWR A2 (BWR A Two) Rating under watch with developing implications <i>Reaffirmed</i>
Total	635.00	635.00	₹ Six Hundred Thirty Five Crores Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
Issuer did not co-operate; based on best available information



Ratings: Reaffirmed

Rating Outlook: Ratings under Watch with Developing Implications

BWR believes the Anand Rathi Share and Stock Brokers Ltd's business risk profile will be maintained over the medium term. The rating outlook may be revised to 'Positive' in case the group's promoters get a clean chit in the ongoing EOW probe along with improvement in the revenues and profits. However, any adverse observation by the EOW in the ongoing probe will be considered a negative.

Nature of Non-co-operation:

The rating was due for a review in December 2017. BWR took up with the issuer to provide required information over emails dated 05.02.17 & 13.02.18 and through telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the issuer/Company, BWR is unable to assess the issuer's/Company's financial performance and its ability to service its debt and maintain a valid rating.

Limitations of the rating: Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a rating.

About the Company (Information as available in December, 2016)

Established in 1991 as Navratan Capital & Securities Pvt Ltd, later got converted into a Public Limited company in 2007 as Anand Rathi Share And Stock Brokers Ltd (ARSSBL), ARSSBL is a Mumbai-based stock broking firm and is a 100% subsidiary of Anand Rathi Financial Services Ltd. The Company is a member of BSE, NSE and operates in the cash as well as derivative segment in both of these exchanges.

Rating History for the last three years (including withdrawn/suspended ratings)

S.No	Instrument /Facility	Current Rating (2018)			Rating History		
		Type	Amount (₹ Cr)	Rating^	2017	01st December 2016	15th Apr 2015
1.	Fund Based Overdraft	Long Term	175.00	Issuer not cooperating BWR BBB Rating under watch with developing implications <i>(Reaffirmed)</i>	-	BWR BBB Rating under watch with developing implications	-
2.	Non Fund Based Bank Guarantee	Short Term	460.00	Issuer Not Cooperating BWR A2 Rating under watch with developing implications <i>(Reaffirmed)</i>	-	BWR A2 Rating under watch with developing implications	-
Total			635.00	₹ Six Hundred Thirty Five Crores Only			

^ Issuer did not co-operate; based on best available information

Status of non-cooperation with previous CRA (if applicable)-Reason and comments

NA

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

For any other criteria obtain [hyperlinks](#) from website

Anand Rathi Share And Stock Brokers Ltd

Annexure I

Particulars	Units	2015	2016
Net Sales/Revenues	₹ Cr	122.11	126.59
EBIDTA	₹ Cr	9.64	10.95
PAT	₹ Cr	-1.99	4.49
Tangible Networkth	₹ Cr	60.74	63.72
Total Debt : TNW	Times	1.88	1.41
Current Ratio	Times	1.16	1.10

Note: As per information available with BWR

Analytical Contacts	Media
<i>Ravindra Kumar</i> <i>General Manager - Ratings</i>	media@brickworkratings.com
analyst@brickworkratings.com	Relationship Contact
	bd@brickworkratings.com
Phone: 1-860-425-2742	



For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 10,00,000 Cr. In addition, BWR has rated over 6300 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹24,440 Cr have been rated.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.