

## Inani Securities Limited

June 06, 2023

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	0.25	CARE B-; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B; Stable;
Short Term Bank Facilities	6.25	CARE A4; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

### Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated May 23, 2022, placed the rating(s) of Inani Securities Limited (ISL) under the 'issuer non-cooperating' category as ISL had failed to provide information for monitoring of the rating. ISL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls between May 29 to June 1, 2023. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

The revision in ratings is on account of significant decrease in TOI and operational loss in FY23.

**Analytical approach:** Standalone

**Outlook:** Stable

CARE Ratings believes that the entity will continue to benefit from the extensive experience of the promoters and management in the industry.

### Detailed description of the key rating drivers:

At the time of last rating on [May 23, 2022](#), the following were the rating strengths and weaknesses (updated for the information available from BSE)

#### Key weaknesses

##### Small scale of operations

The scale of operations of the company marked by Total Operating Income decreased significantly by 32.20% to Rs.1.79 crore from Rs.2.64 crore.

##### High creditor days

The operating cycle of the company remained comfortable during review period. However, the creditor days of the company remained high at 880 days in FY23.

##### Highly fragmented industry with intense competition from large number of players

ISL faces stiff competition in the stock broking industry with large number of organized players like Bajaj finance, Cholamandalam investment and finance, Angel broking, Share khan among others.

#### Key strengths

##### Experience of the promoters for three decades in capital markets and long track record of the Company

ISL was incorporated in the year 1995 and promoted by Mr. Venu Gopal Inani, Mr. Ramakanth Inani and Mr. Lakshmikanth Inani. The management team of ISL led by Mr. Lakshmikanth Inani (Managing Director) and Mr. Ramakanth Inani (Director) who has three decades of experience in capital markets and Mr. Vishnukanth Inani (WTD) has two decades of experience in capital markets along with well experienced executive team. Through their experience in this industry, they have established healthy relationship with large number of clients.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

### Satisfactory profitability margins

The profitability margins marked by PAT stood satisfactory during the review period. PAT margin stood at 25.20%.

### Comfortable capital structure and debt coverage indicators

The capital structure of the company marked by gearing ratio stood satisfactory at 0.01x as on 31st March 2023. The debt coverage indicators marked by TD/GCA stood 0.25x in FY23.

### Liquidity: Stretched

As per audited results available on BSE's website the liquidity position of company is supported by positive cash accruals of Rs. 0.77 crore and cash and bank balance of Rs. 5.73 crore as on March 31,2023 as against negligible repayment obligation.

### Environment, social, and governance (ESG) risks: Not Applicable

### Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Service Sector Companies](#)

[Policy on Withdrawal of Ratings](#)

### About the company and industry

#### Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Financial Services	Financial Services	Capital Markets	Stockbroking & Allied

Hyderabad based, Inani Securities Private limited (ISPL) was incorporated on May 19th, 1994. Later on, the said company was converted into Inani securities Limited (ISL) on April 26, 1995, and listed in BSE. ISL was promoted by Inani family members i.e., Mr. Venu Gopal Inani, Mr. Ramakanth Inani and Mr. Lakshmikanth Inani. ISL is one of the old integrated capital intermediaries in the financial sector. Currently, ISL offers customized, end to end wealth management services and research services to its clients.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)
Total operating income	1.99	1.05
PBILDT	0.45	-0.85
PAT	0.40	0.45
Overall gearing (times)	0.03	0.01
Interest coverage (times)	1.58	-3.68

A: Audited Note: 'the above results are latest financial results available'

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating history for last three years:** Please refer Annexure-2

**Covenants of rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated:** Annexure-4

**Lender details:** Annexure-5

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	0.25	CARE B-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	6.25	CARE A4; ISSUER NOT COOPERATING*

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

**Annexure-2: Rating history for the last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Fund-based - LT-Cash Credit	LT	0.25	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (23-May-22)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (12-Aug-21)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (17-Aug-20)
2	Non-fund-based - ST-Bank Guarantee	ST	6.25	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (23-May-22)	1)CARE A4; ISSUER NOT COOPERATING* (12-Aug-21)	1)CARE A4; ISSUER NOT COOPERATING* (17-Aug-20)

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

\*Long term/Short term.

**Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not Applicable****Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - ST-Bank Guarantee	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on the complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

### Contact us

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#### About us:

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#### Disclaimer:

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