

## Alankit Assignments Limited (Revised)

August 14, 2024

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	20.75	CARE BB; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Short-term bank facilities	0.50	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 Limited (CARE Ratings) had, vide its press release dated July 21, 2023, placed the rating(s) of Alankit Assignments Limited (AAL) under the 'issuer non-cooperating' category, as AAL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. AAL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls, and letter/email dated June 25, 2024, June 15, 2024, and June 05, 2024. In line with the extant The Securities and Exchange Board of India (SEBI) guidelines, CARE Ratings has reviewed the rating based on the best available information, which however, in CARE Ratings' opinion is not sufficient to arrive at a fair rating. CARE Ratings' rating on AAL's bank facilities will now be denoted as 'CARE BB; Stable; ISSUER NOT COOPERATING' and 'CARE A4; ISSUER NOT COOPERATING'.

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

**Analytical approach:** Standalone; however, factors in the linkages with the other entities of the Alankit group.

**Outlook:** Stable

**Detailed description of key rating drivers:** At the time of the last rating on July 21, 2023, following were the key rating strengths and weaknesses (updated from information available from registrar of company):

### Key weaknesses

#### Outstanding legal issues pertaining to the group

The Income Tax department conducted a search at the group's premises under Section 132 of the Income Tax Act, 1961, which concluded on October 23, 2019. However, the group has confirmed that no irregularities were found during the search operations and no claims or disclosures were made against the company. Also, the company has not received further statement from the IT officials on the conclusive findings of the said search.

#### Moderate profitability parameters

The company's overall income and profitability continues to remain moderate owing to its small scale of operations. AAL has reported a profit-after-tax (PAT) of ₹3.75 crore in FY23 as against a PAT of 2.23 crore in FY22.

#### Exposure to other companies through investments and inter-corporate advances

As on March 31, 2023, despite ₹3.75 crore profit, the company's tangible net worth decreased to ₹84.86 crore due to increase in intangible assets from ₹86.51 crore as on March 31, 2022. Details of FY24 figures are not yet available.

### Key strengths

#### Long track record of operations

AAL was incorporated in January 1991 as a SEBI-registered financial services and stock broking company and has more than two decades of track record in the financial services industry (National Helpline for Senior Citizen [NHSC], depository, registrar and transfer agent, National Pension System [NPS], and Investor Education Protection Fund [IEPF], among others). Up to July 2021, AAL was headed by the founder, Alok Kumar Agarwal, who stepped down as its Chairman in July 2021 and does not hold shareholding in the company. Currently, the company is headed by Ankit Agarwal, Director. He has more than 12 years of experience in finance and research activities.

<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

### Part of Alankit group with diversified operations

AAL is a part of the Alankit group, which is a conglomerate of around 14 companies. The group's flagship company is Alankit Limited (AL), which is engaged in providing e-governance services. The company has a track record of profitable operations and is listed on the stock exchange with a market capitalisation of nearly ₹676 crore (as on August 08, 2024).

### Diversified product profile, despite on a small scale of operations

Post transferring the broking business to Alankit Imaginations in April 2022, the company now offers depository services, RTA services, NPS services, NHSC and IEPF, thus diversifying the revenue stream. The NHSC is an initiative by the Government of India (GoI), where AAL is the implementing agency for NHSC.

### Applicable criteria

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

[Policy on default recognition](#)

[Factoring Linkages Parent Sub JV Group](#)

[Financial Ratios - Financial Sector](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Broking firm](#)

### About the company and industry

#### Industry classification

Macro-economic Indicator	Sector	Industry	Basic Industry
Financial services	Financial services	Finance	Other financial services

AAL was promoted by Alok Kumar Agarwal and was incorporated in 1991 as a SEBI-registered financial services and stock broking company. Post his resignation, the company operates under the leadership of Ankit Agarwal. AAL is part of the Alankit group, which is a conglomerate of around 14 group companies with diversified activities into financial services, e-governance, insurance and healthcare verticals. The Alankit group has a track record of over 30 years and is headquartered in New Delhi with a pan-India presence with 21 regional offices. The group also has a presence in four overseas locations – London, Dubai, Canada, and Singapore.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	March 31, 2023 (A)
Total operating income	54.43	33.57	32.82
PAT	3.15	2.33	3.75
PBILDT margin (%)	13.45	20.02	23.3
Total assets	158.89	131.41	130.42
Net NPA (%)	0.00	0.00	0.00
ROTA (%)	1.96	1.54	2.86

A: Audited; UA: Unaudited; Note: these are latest available financial results

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

**Any other information:** Not applicable

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

**Covenants of rated instrument / facility:** Annexure-3

**Complexity level of 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-Long term		-	-	-	20.75	CARE BB; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	0.50	CARE A4; ISSUER NOT COOPERATING*

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

**Annexure-2: Rating history for 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 2024-2025	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
1	Fund-based-Long term	LT	20.75	CARE BB; Stable; ISSUER NOT COOPERATING *	-	1)CARE BB; Stable; ISSUER NOT COOPERATING * (21-Jul-23) 2)CARE BB+; Stable (05-Apr-23)	1)CARE BBB-; Stable (06-Apr-22)	-
2	Non-fund-based - ST-BG/LC	ST	0.50	CARE A4; ISSUER NOT COOPERATING *	-	1)CARE A4; ISSUER NOT COOPERATING * (21-Jul-23) 2)CARE A4+ (05-Apr-23)	1)CARE A3 (06-Apr-22)	-

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

LT: Long term; ST: Short term

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

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based-Long term	Simple
2	Non-fund-based - ST-BG/LC	Simple

**Annexure-5: Lender details**

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

**Note on complexity levels of 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](mailto:care@careedge.in) for clarifications.

### Contact us

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### About us:

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