

Date: 31.03.2022

National Stock Exchange of India
Ltd.

Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
BandraKurla Complex,
Bandra (East),
Mumbai – 400 051
Scrip Name: Inventure

BSE Ltd.

Department of Corporate
Services, P. J. Towers,
Dalal Street,
Mumbai - 400 001
Scrip Code: 533506

Dear Sir/Madam,

Ref: - Inventure Growth & Securities Limited.

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) 2015

Pursuant to the requirements under Regulation 30 of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that, the Company has applied for credit rating from Credit Rating Company i.e. Infomercs Valuation and Rating Pvt. Ltd. (RBI & SEBI Registered Credit Rating Agency).

Copy of the Press Release attached herewith for your kind perusal, please take the above on your record.

Thanking You.

Yours faithfully,

For Inventure Growth and Securities Limited



Bhavi Gandhi
Company Secretary





Press Release

Inventure Growth & Securities Limited

March 30, 2022

Ratings

Instrument / Facility	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Proposed Long Term – Bank Facilities/Short Term Facilities	50.00	IVR BB+/Stable (IVR Double B Plus with Stable Outlook) IVR A4+ (IVR A Four Plus)	Assigned	Simple
Total		50.00 (Rs Fifty Crores Only)		

Details of Facilities are in Annexure 1

Detailed Rationale

The assignment of Ratings to the proposed bank loan facilities of Inventure Growth & Securities Limited (IGSL) takes into consideration experienced promoters and management, improving scale of operations and comfortable capitalisation. However, the ratings are constrained by uncertainties inherent in capital markets and competitive nature of industry.

Key Rating Sensitivities:

Upward Factors

- Sustained improvement in financial performance & profitability margins

Downward Factors

- Substantial decline in trading volumes and profitability.
- Changes in the regulatory environment

List of Key Rating Drivers with Detailed Description

Key Rating Strengths



Press Release

Experienced Promoters with established track record

Mr. Kanji B Rita, the current Chairman and Managing Director, established Inventure Group in 1995 with incorporation of IGSL as a public listed company on June 22, 1995. The Group's major area of focus has been Stock Broking, Commodity Broking, Equity Research, IPO's, Mutual Fund, Insurance and Distribution. With a track record of operations of over three decades, the Inventure Group has established a strong client base having a mix of retail as well as institutional clients. The group is currently headed by Mr. Kanji B Rita along with a team of seasoned professionals, possessing more than two decades of experience in the equity broking and capital market related businesses.

Improving scale of operations and margins

During FY2021, the company earned a PAT of Rs. 7.68 crore when compared to Rs 4.32 crore in FY2020. The increase in PAT has been largely contributed by increase in operating income levels which grew from Rs. 15.33 crore in FY2020 to Rs. 25.42 crore in FY2021. EBITDA & PAT margins remained healthy and stood at 22.44% & 24.48% respectively in FY2021.

Comfortable capitalization

The company's tangible net worth stood at Rs. 155.62 crore as on March 31, 2021. The gearing is comfortable at 0.05x as on March 31, 2021. Entire borrowings of the company are in the form of overdraft facility for meeting the working capital requirement and the utilisation of the same has also been low in the last 12 months.

Key Rating Weaknesses



Press Release

Susceptibility to uncertainties inherent in the capital market business

IGSL 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 and the company's operating performance is linked to the capital markets, which are inherently volatile as they are driven by economic and political factors as well as investor sentiments.

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: Standalone

IVR has considered the standalone approach while assessing the financial and business risk profile of Inventure Growth & Securities Limited.

Applicable Criteria:

Rating Methodology for Trading Companies: [Trading Companies | Infomerics Ratings](#)

Financial Ratios & Interpretation: <https://www.infomerics.com/rating-criteria-detail/financial-ratios--implication>

Liquidity – Adequate



Press Release

IGSL has maintained adequate liquidity of Rs. 5.74 crores against no stipulated repayment schedule of the long-term loans as on 28 February 2022. The company average fund-based utilisation levels are very low over the past 12 months period ended Dec 2021. Current ratio for FY21 was 4.10x and quick ratio was 4.08x indicating adequate liquidity. Although it has a higher utilisation of the bank guarantee, most of its working capital facility such as overdraft facilities utilisation remained low and same is secured against FDs and Shares. which provides additional liquidity cushion.

About the Company

Inventure Growth and Securities Limited (IGSL), incorporated in 1995, is a BSE/NSE listed entity engaged in broking of shares and other securities and other related activities. The Company's segments include Equity/Commodity Broking, Financing & Other related activities.

It offers the service of equity broking including equities, derivatives, commodities, and depository's services, among others. It provides research services on both fundamental and technical side. Its depository services include opening of Demat Account, dematerialization of securities, pledge of securities, pay-in and pay-out of securities and holding statement of client in relation to securities.

It also offers investment opportunity in a diverse range of products, such as distribution of initial public offerings (IPOs). At the retail level, the Company provides investment advisory service and distributes financial products, such as mutual funds and insurance products. IGSL operates through 224 business locations including branches, franchisees and sub-brokers located across India.

Financials (Standalone):

(Rs. Crore)



Press Release

For the year ended* As on	31-03-2020	31-03-2021
	Audited	Audited
Total Income	22.34	31.38
EBITDA	-0.73	5.70
PAT	4.32	7.68
Tangible Net worth	146.11	155.62
Gearing (Times)	0.00	0.05
Interest Coverage (Times)	-0.61	35.98
DSCR (Times)	4.95	63.10

***Classification as per Infomerics standards**

Status of non-cooperation with previous CRA: N.A.

Any other information: N.A.

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2021-22)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19
2.	Proposed bank loans	Long Term/ Short Term	50.00	IVR BB+/Stable IVR A4+	-	-	-

Name and Contact Details of the Rating Analyst:

Name: Mr. Sree Harsha	Name: Mr. Prakash Kabra
Tel: (022) 62396023	Tel: (022) 62396023
Email: sree.harsha@infomercis.com	Email: prakash.kabra@infomercis.com

About Infomerics:



Press Release

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. It is gradually gaining prominence in domestic rating and/or grading space. Infomerics is striving for positioning itself as the most trusted & credible rating agency in the country and is gradually widening its product portfolio. Company's long experience in varied spectrum of financial services is helping it to fine-tune its product offerings to best suit the market.

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, suspend 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
Proposed Bank Loan Facilities- Long Term / Short Term	-	-	-	50.00	IVR BB+/Stable (IVR Double B Plus with Stable Outlook) IVR A4+ (IVR A Four Plus)

Annexure 2: List of companies considered for consolidated analysis: Not Applicable.

Annexure 3: Facility wise lender details: Not applicable

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



Press Release

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.

