



Abans Holdings Limited

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Offer Details

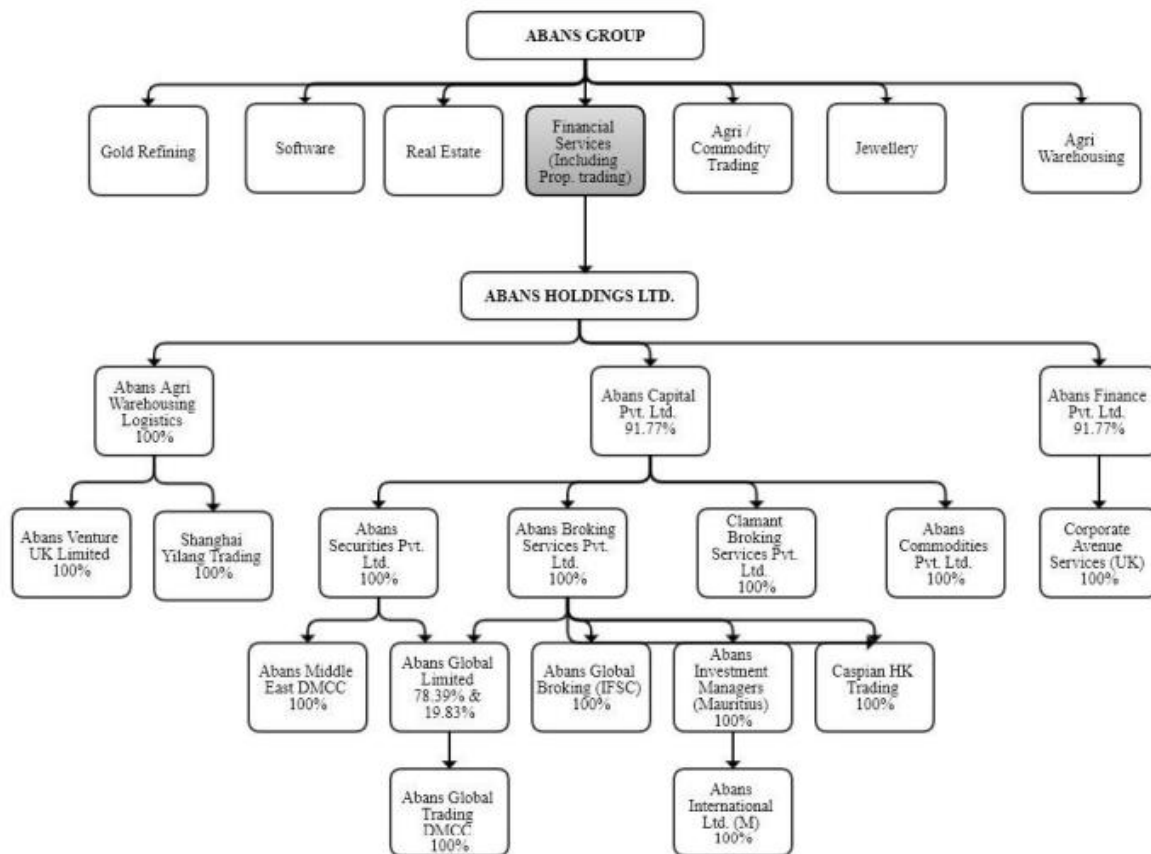
Fresh Issue	Rs. 102.60Cr.
Offer for Sale	Rs.243Cr.
Shares Face Value	Rs.2 per share
Shares price band	Rs.256 to Rs.270 per share
Lot	55 shares
Opening Date	December 12, 2022
ClosingDate	December 15, 2022

Business Overview

- **Abans group is globally diversified organisation** engaged in Financial Services, Gold Refining, Jewellery, Commodities Trading, Agricultural Trading and Warehousing, Software Development and Real Estate.
- **The Abans Group's financial services division is represented by Abans Holdings Limited.**
- **Company run a diverse international financial services** that offers NBFC services, multi-asset international institutional equities trading, commodities, private client broking, asset management, investment advice services, and foreign exchange, Corporate, institutional, and high net worth individual clients can use wealth management services.
- **Company has grown from commodity trading company into a diversified multi-asset and multi-national financial services** company having varied financial services businesses which are mainly organized as under:
 - ❖ **Finance Business:** This business is primarily focused on lending to private traders and other small and medium businesses involved in the commodities trading market.
 - ❖ **Agency Business:** Company is SEBI registered Stock and Commodity Exchange Brokers with memberships across all the major stock exchanges in India also company is SEBI Registered Portfolio Management company as well as a SEBI Registered Category-I FPI. Also they offer various institutional and non-institutional trading services, wealth management and private client brokerage services, mainly in equity, commodities and foreign exchange.
 - ❖ **Capital and Other business:** Capital Business includes company's internal treasury operations which manage excess capital funds. Company do so by

investing their capital in low / medium risk strategies, maintaining positions in physical as well as exchange traded commodities and other instruments. Further, the company provides Warehousing Services to commodity market participants.

- **Company has 17 subsidiaries (13 direct and 14 indirect/stepdown).**



- **Company currently have active business in across 6 countries,** across eastern continents, including Hong Kong, UK, UAE, China, Mauritius and India.

What is working for company ?

- **Integrated Financial Service:** Company provides to their clients an integrated financial services platform, offering various financial services and products, including financing, institutional trading, private client brokerage, asset management and investment advisory services. Further, these services are provided not only in the Indian markets but across various markets and exchanges globally.
- **Providing innovative financial products globally:** Company is global financial services provider offering opportunities in multi-asset global institutional trading in equities, commodities and foreign exchange, private client broking, asset management and investment advisory services and wealth management services to corporate, institutional and high net worth individual clients.
- **Strong relationship with clients and market participants:** Company has good network of clients and traders not only in India but also on a global scale, mainly in UK, Mauritius, Hong Kong and the Middle East.
- **Standardized operating procedures and efficient use of technology:** Company have implemented standardized operating procedures that have enabled them to develop a scalable and replicable business model across the globe and across various financing product portfolios.

What is not working for company?

- Company is primarily a holding Company and **operate all their business through 17 subsidiaries** and the performance of that Subsidiaries may adversely affect the results of operations.
- One of company subsidiary **Abans Commodities Private Limited is involved in a proceeding before SEBI regarding allegations of** participation by it of pair-contracts as a trading member/clearing member. Any adverse outcome may affect the business.
- There are **operational risks associated with the financial services industry** which, if realised, may have adverse effect on business.
- The **company is having 17 subsidiaries and number of employees is only 100** which is doubtful.
- **Certain elements of the business are seasonal in nature** this could lead to quarter on quarter variation in result of operations.

Financial Statements

Profit & Loss Statement

(Fig. in cr.)

	Mar 2019	Mar 2020	Mar 2021	Mar 2022
Sales +	4,377	2,771	1,331	639
Expenses +	4,321	2,675	1,250	554
Operating Profit	57	96	81	84
OPM %	1%	3%	6%	13%
Other Income +	0	1	0	8
Interest	17	53	31	26
Depreciation	2	1	1	1
Profit before tax	38	42	49	66
Tax %	6%	7%	7%	6%
Net Profit	36	39	46	62
EPS in Rs	35,330.00	112.89	9.07	13.37
Dividend Payout %	0%	0%	0%	0%

Source: Screener.in

Balance sheet

(Fig. in cr.)

	Mar 2019	Mar 2020	Mar 2021	Mar 2022
Share Capital +	0	3	9	
Reserves	368	456	445	
Borrowings +	384	319	267	
Other Liabilities +	334	435	460	
Total Liabilities	1,086	1,213	1,182	
Fixed Assets +	27	21	20	
CWIP	0	0	0	
Investments	39	47	60	
Other Assets +	1,020	1,144	1,102	
Total Assets	1,086	1,213	1,182	

Source: Screener.in

Cash Flow Statement

(Fig. in cr.)

	Mar 2019	Mar 2020	Mar 2021	Mar 2022
Cash from Operating Activity +	-126	18	62	
Cash from Investing Activity +	1	-64	-4	
Cash from Financing Activity +	185	22	66	
Net Cash Flow	59	-24	124	

Source: Screener.in

Our Recommendation

We recommend you to **Avoid** to this IPO on the following parameters:

- Company **operate all their business through 17 subsidiaries.**
- Company has **17 subsidiaries and only 100 employees.**
- Certain **elements of the business are seasonal in nature.**
- **The business of company is highly diversified.**

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