

## Shri Ram Commodities

May 07, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Short-term bank facilities	13.23	CARE D; 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 placed the rating of Shri Ram Commodities (SRC) under the 'issuer not cooperating' (INC) category vide its press release dated March 18, 2024, considering SRC's failure to provide information for monitoring the rating and non-payment of surveillance fees for the rating exercise. The rating of CARE D assigned to short-term bank facilities of SRC continues to remain under INC category, as the firm has neither provided requisite information for monitoring ratings nor paid the surveillance fees for the rating exercise as agreed in its Rating Agreement, despite, CARE Ratings seeking information from SRC to monitor the rating(s) vide e-mail communications dated February 21, 2025, February 11, 2025, and February 01, 2025, and numerous phone calls. In line with the extant Securities and Exchange Board of India (SEBI) guidelines, CARE Ratings has reviewed the rating based on best available information, which in CARE Ratings' opinion is not sufficient to arrive at a fair rating. The rating on SRC's short-term bank facilities will now be denoted as **CARE D; ISSUER NOT COOPERATING\***.

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

**Analytical approach:** Standalone

**Outlook:** Not applicable

### Detailed description of key rating drivers:

At the time of last rating on March 18, 2024, following were the rating strengths and weaknesses (CARE Ratings did not receive information after FY22)

### Key weaknesses

#### Ongoing delays

Based on feedback from the banker on February 07, 2023, there are ongoing overdue payments on the term loan, and the cash credit/overdraft (CC/OD) limit is overdrawn. Term loan payments have been overdue since November 2022. There is no updated information available.

#### Small scale of operations

The firm's operations remain small with total income of ₹4.13 crore in FY22, decreased from ₹5.38 crore in FY21 considering decline in net brokerage income. Updated information is not available.

#### Inherent volatility in the revenue profile with majority income coming from brokerage segment

The firm's majority income is derived from trading in commodities. Income derived from this segment is highly volatile and speculative in nature. Though income from the segment has increased on a year-on-year basis in FY22, the firm's ability to continue to achieve profits in the segment remains a key rating consideration. Updated information is not available.

#### Increasingly competitive business segment

Broking business in India is highly competitive and SRC faces fierce competition from large broking firms. Large broking firms are in a better position to reduce operating expenses and maintain their margins. Broking business in India is becoming increasingly competitive with reducing brokerage fees and volatile volumes.

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

### Constitution of the entity being a partnership firm

SRC's constitution as a partnership firm has the inherent risk of possibility of withdrawal of partners' capital at the time of personal contingency and the firm being dissolved on the death/retirement/insolvency of partners. Partnership firms have restricted access to external borrowing as credit worthiness of partners would be the key factor affecting lenders' credit decision.

### Key strengths

#### Experienced partners:

Rattan Lal Aggarwal, Deepa Gupta and Ramesh Bansal are partners for SRC. They have nine years of industry experience through their association with SRC alone. Partners have adequate acumen across aspects of business, which are likely to benefit SRC in the long run.

#### Applicable criteria

[Definition of Default](#)

[Policy in respect of non-cooperation by issuers](#)

[Financial Ratios - Financial Sector](#)

[Broking Firms](#)

[Short Term Instruments](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial services	Financial services	Capital markets	Stockbroking & allied

SRC was established in June 2010 as a partnership firm, and its commercial operations started in 2011. The firm is being currently managed by Rattan Lal Aggarwal, Deepa Gupta, and Ramesh Bansal as its partners. SRC is a trading member of the Multi Commodity Exchange of India Limited (MCX Member ID - 46005) with clearing support of Globe Commodities limited and trading-cum-clearing member of National Commodity and Derivatives exchange Limited (NCDEX Member ID - 01059) since 2011. The firm has also taken the membership from Bombay Stock Exchange Limited (BSE- Member id: 6693) and National Stock Exchange of India Limited (NSE - Member id: 90150). SRC has 30 franchisees spread across India.

Brief Financials (₹ crore)	March 31, 2020 (A)	March 31, 2021 (A)	March 31, 2022 (A)
Total operating income	2.95	5.38	4.13
PAT	1.18	0.89	0.84
Total assets	0.15	17.13	16.64
RONW (%)	0.21	16.48	12.42
PAT margin (%)	1.16	16.56	20.34

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

**Detailed explanation of 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 and Rating Outlook
Fund-based - ST-Bank Overdraft	-	-	-	Not available	4.23	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee	-	-	-	Not available	9.00	CARE D; 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 2025-2026	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
1	Non-fund-based - ST-Bank Guarantee	ST**	9.00	CARE D; ISSUER NOT COOPERATING*	-	-	1)CARE D; ISSUER NOT COOPERATING* (18-Mar-24)	1)CARE D (21-Mar-23) 2)CARE D (09-Feb-23)
2	Fund-based - ST-Bank Overdraft	ST**	4.23	CARE D; ISSUER NOT COOPERATING*	-	-	1)CARE D; ISSUER NOT COOPERATING* (18-Mar-24)	1)CARE D (21-Mar-23) 2)CARE D (09-Feb-23)

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

\*\*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 - ST-Bank Overdraft	Simple
2	Non-fund-based - ST-Bank Guarantee	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 based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

### Contact us

<p><b>Media Contact</b></p> <p>Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a></p> <p><b>Relationship Contact</b></p> <p>Pradeep Kumar V Senior Director <b>CARE Ratings Limited</b> Phone: 044-28501001 E-mail: <a href="mailto:pradeep.kumar@careedge.in">pradeep.kumar@careedge.in</a></p>	<p><b>Analytical Contacts</b></p> <p>Priyesh Ruparelia Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 1593 E-mail: <a href="mailto:Priyesh.ruparelia@careedge.in">Priyesh.ruparelia@careedge.in</a></p> <p>Jatin Arora Assistant Director <b>CARE Ratings Limited</b> Phone: +91-0120-4452033 E-mail: <a href="mailto:Jatin.arora@careedge.in">Jatin.arora@careedge.in</a></p> <p>Jaya Gupta Analyst <b>CARE Ratings Limited</b> E-mail: <a href="mailto:jaya.gupta@careedge.in">jaya.gupta@careedge.in</a></p>
---	--

### About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

### Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

**For detailed Rationale Report and subscription information,  
please visit [www.careedge.in](http://www.careedge.in)**