

Effulgence Trading And Services Private Limited (Erstwhile Arka Carbon Fuels Private Limited)

August 25, 2022

Ratings

Facilities / Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	10.00	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	120.00	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Facilities	130.00 (Rs. One Hundred Thirty Crore Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated June 14, 2021, placed the rating(s) of Effulgence Trading And Services Private Limited (ETSPL) under the 'issuer non-cooperating' category as ETSPL 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. ETSPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated April 30, 2022, May 10, 2022, May 20, 2022.

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).

Detailed description of the key rating drivers

Please refer to PR dated [June 14, 2021](#)

Analytical approach: Standalone

Applicable Criteria

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

[Policy on default recognition](#)

About the Company

ACFPL is a part of Swastik group (SG) and Mr. Hitesh Bindal is the founder promoter of the company. The company has changed its name to Effulgence Trading And Services Private Limited (ETSPL) from May 24, 2022. ETSPL imports its coal requirement directly or through merchant importers in India and supplies it to the domestic market for usage by various industries like cement, captive power plants, steel and bricks. ETSPL is also engaged in trading of domestic coal purchased through e-auction route from Coal India Limited (CIL). SG, based out of Indore, Madhya Pradesh, is primarily involved in the business of coal trading. The group has presence of more than two decades with interests in diversified businesses including coal trading, logistics, construction and real estate.

Brief Financials (Rs. crore)	FY20(A)	FY21(A)	FY22(Prov.)	Q1FY23 (Prov.)
Total operating income	0.00	0.00	NA	NA
PBILDT	-4.49	-49.89	NA	NA
PAT	3.09	32.66	NA	NA
Overall gearing (times)	NM	NM	NA	NA
Interest coverage (times)	NM	NM	NA	NA

A: Audited; Prov.: Provisional; NA: Not Available; NM: Not Meaningful

¹Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications

*Issuer did not cooperate; Based on best available information

Status of non-cooperation with previous CRA: CRISIL has continued the ratings assigned to the bank facilities of ETSPL to 'Issuer Not Cooperating' category vide press release dated June 09, 2022 on account of its inability to carry out a review in the absence of the requisite information from the company.

India Ratings has continued the ratings assigned to the bank facilities of ETSPL to 'Issuer Not Cooperating' category vide press release dated July 28, 2022 on account of its inability to carry out a review in the absence of the requisite information from the company.

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument/facility: Annexure-3

Complexity level of various instruments rated for this company: Annexure-4

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	10.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit		-	-	-	120.00	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (Rs. crore)	Rating	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	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Cash Credit	LT	10.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (14-Jun-21)	1)CARE D; ISSUER NOT COOPERATING* (26-May-20)	1)CARE D; ISSUER NOT COOPERATING* (30-May-19)
2	Non-fund-based - ST-Letter of credit	ST	120.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (14-Jun-21)	1)CARE D; ISSUER NOT COOPERATING* (26-May-20)	1)CARE D; ISSUER NOT COOPERATING* (30-May-19)

*Issuer did not cooperate; Based on best available information

Annexure 3: Detailed explanation of the covenants of the rated instruments/facilities: Not Applicable

Annexure 4: Complexity level of various instruments rated for this company

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

Annexure 5: Bank Lender Details for this Company

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

Note on complexity levels of the rated instrument: CARE Ratings Ltd. 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.

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About CARE Ratings Limited:

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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