

Affluence Commodities Private Limited

September 29, 2022

Rating

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Short Term Bank Facilities	25.00	CARE A4; ISSUER NOT COOPERATING* (A Four ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	25.00 (₹ Twenty-Five Crore Only)		

Details of instruments/facilities in Annexure-1.

Detailed rationale and key rating drivers

CARE had, vide its press release dated February 23, 2018 placed the ratings of Affluence Commodities Private Limited (ACPL) under the 'issuer non-cooperating' category as ACPL had failed to provide information for monitoring of the ratings as agreed to in its Rating Agreement. ACPL continues to be non-cooperative despite repeated requests for submission of information through phone calls and emails dated July 24, 2022, July 14, 2022 and July 04, 2022. In line with the extant SEBI guidelines, CARE has reviewed the ratings on the basis of the best available information which however, in CARE'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 ratings.

Detailed description of the key rating drivers

At the time of last rating done on August 18, 2021 the following were the rating strengths and weaknesses (updated for publicly available information).

Detailed description of the key rating drivers

Key rating weaknesses

Small scale of operations

The tangible net-worth of ACPL stood at Rs. 14.47 crore as on March 31, 2021 vis a vis Rs.13.31 crore as on March 31, 2020.

High dependence on capital markets leading to volatile revenues and profitability coupled with competitive industry

High dependence on equity capital markets exposes ACPL's business to volatility in stock markets. Turnover and earnings are expected to be adversely impacted in times of correction in the stock markets which thereby may impact profitability. Further, broking business in India is highly competitive which has resulted in downward pressure on fees.

Key rating strengths

Improved profitability profile:

The company reported PAT of Rs. 1.16 crore on a total income of Rs. 2.6 crore in FY21 as against net loss of Rs. 0.28 crore on a total income of Rs. 1.53 crore for FY20. ROTA has risen sharply to 5.09% in due to increase in other income.

Analytical approach: Standalone

Applicable criteria

[CARE's Policy on Default Recognition](#)

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

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

[Criteria for Short Term Instruments](#)

[Financial Ratios – Financial Sector](#)

[Rating Methodology-Service sector companies](#)

About the company

Affluence Commodities Pvt. Ltd. (ACPL) was incorporated in January 2007 with an objective to provide commodity broking services. The company acquired broking license from Multi Commodity Exchange (MCX) in February 2007 and from National Commodity and Derivative Exchange (NCDEX) in September 2008. ACPL is promoted by Mr. Dhiren M. Shah (who holds 97.89% equity shares as on March 31, 2016) and Mr. Deval J. Shah.

Brief Financials (₹ crore)	March 31, 2020 (A)	March 31, 2021 (A)	March 31, 2022 (A)	Q1FY23
Total operating income	1.53	2.60	NA	NA
PAT	-0.28	1.16	NA	NA
Interest coverage (times)	0.66	3.68	NA	NA
Total Assets	25.26	20.28	NA	NA
Net NPA (%)	0.00	0.00	NA	NA
ROTA (%)	-0.78	5.09	NA	NA

A: Audited; NA: Not available

Status of non-cooperation with previous CRA: Acuite have continued the ratings of ACPL as Issuer Not Cooperating vide press release dated July 29, 2022 on account of non-cooperation by management.

Any other information: Not applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of covenants of the rated instruments/facilities is given in 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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Non-fund-based - ST-Bank Guarantee	-	-	-	-	25.00	CARE A4; ISSUER NOT COOPERATING*

*Issuer did not co-operate; Based on best available information

Annexure-2: Rating history for the 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 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	Non-fund-based - ST-Bank Guarantee	ST**	25.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (18-Aug-21)	1)CARE A4; ISSUER NOT COOPERATING* (25-May-20)	1)CARE A4; ISSUER NOT COOPERATING* (30-May-19)

**Short term.

*Issuer did not co-operate; Based on best available information

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

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

Sr. No.	Name of Instrument	Complexity Level
1	Non-fund-based - ST-Bank Guarantee	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 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 for any clarifications.

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About us:

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