

Affluence Shares and Stocks Private Limited (Revised)

September 29, 2022

Rating

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Short Term Bank Facilities	10.00	CARE A4; ISSUER NOT COOPERATING* (A Four ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	10.00 (₹ Ten 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 Shares and Stocks Private Limited (ASSPL) under the 'issuer non-cooperating' category as ASSPL had failed to provide information for monitoring of the ratings as agreed to in its Rating Agreement. ASSPL continues to be non-cooperative despite repeated requests for submission of information through phone calls and emails dated July 25, 2022, July 15, 2022 and July 05, 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 19, 2021 the following were the rating strengths and weaknesses (updated for publicly available information).

Key rating weaknesses

Small scale of operations with leveraged capital structure

ASSPL is engaged in stock broking and other financial services with total income of Rs.14.02 crore in FY21 as against Rs. 5.87 crore in FY20. Further, overall gearing ratio remained at 0.04x as on March 31, 2021 compared to 0.38x 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. 7.19 crore in FY21 as against a PAT of Rs. 0.05 crore for FY20. ROTA has risen sharply to 19.72% in FY21 from 0.08 in FY20 due to increase in other income.

Analytical approach: Standalone

Applicable criteria

[CARE's Policy on Default Recognition](#)
[Policy in respect of Non-cooperation by issuer](#)
[Criteria for Short Term Instruments](#)
[Financial Ratios – Financial Sector](#)

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

[Rating Methodology-Service sector companies](#)

About the company

Affluence Shares and Stocks Pvt. Ltd. (ASSPL) was incorporated in January 2000 as Archi Shares and Stocks Brokers Pvt. Ltd. with an objective to provide stock broking services. Subsequently, the company has been acquired by Affluence group and changed its name to ASSPL in September 2012. Further, ASSPL changed its registered office from the state of Gujarat to Daman and Diu by a special resolution in March 2014. ASSPL is mainly engaged in equity broking services, currency trading, depository services as depository participant of Central Depository Services (India) Limited (CDSL) and financial advisory services.

ASSPL is a trading member registered in capital market, derivatives, currency derivatives, IPO segment of National Stock Exchange of India Ltd. (NSE) and also capital market, derivatives of Bombay Stock Exchange Ltd (BSE).

ASSPL is a flagship company of Affluence group which offer other services like commodity broking [Affluence Commodities Pvt. Ltd. currency trading [Affluence Fincon Service Pvt. Ltd. (AFSPL)] mutual funds and insurance broking services. The clientele of ASSPL primarily includes High Net-worth Individuals (HNIs).

Brief Financials (₹ crore)	March 31, 2020 (A)	March 31, 2021 (A)	March 31, 2022 (A)	Q1FY23 (U/A)
Total operating income	5.87	14.02	NA	NA
PAT	0.05	7.19	NA	NA
Interest coverage (times)	1.02	4.23	NA	NA
Total Assets	25.18	47.77	NA	NA
Net NPA (%)	0.00	0.00	NA	NA
ROTA (%)	0.08	19.72	NA	NA

A: Audited; NA: Not available

Status of non-cooperation with previous CRA: Not applicable

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	-	-	-	-	10.00	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**	10.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING*	1)CARE A4; ISSUER NOT COOPERATING*	1)CARE A4; ISSUER NOT COOPERATING*

						(19-Aug-21)	(25-May-20)	(30-May-19)
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****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:

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:

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