

July 14, 2021

## Ganganagar Commodity Limited: Ratings withdrawn

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term fund-based bank lines	10.00	0.00	[ICRA]BB- (Stable); withdrawn
Short-term non-fund based bank lines	35.00	0.00	[ICRA]A4; withdrawn
Unallocated	15.00	0.00	[ICRA]A4; withdrawn
<b>Total</b>	<b>60.00</b>	<b>0.00</b>	

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

The ratings outstanding of [ICRA] BB- (Stable)/[ICRA]A4 on the long-term and short-term fund based and short-term non-fund based bank lines of Ganganagar Commodity Limited (GCL) have been withdrawn at the company's request and based on the no-objection certificate received from its lenders. This is in accordance with ICRA's policy on the withdrawal of credit ratings. ICRA does not have information to suggest that the credit risk has changed since the time the ratings were last reviewed. The key rating drivers, liquidity position, and rating sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Rating Methodology for Brokerage Houses</a> <a href="#">ICRA's Policy on Withdrawal of Ratings</a>
Parent/Group Support	NA
Consolidation/Standalone	Standalone

### About the company

GCL is a Ganganagar-based commodity broking company, which was founded in 1994 by Mr. Tilak Raj Sharma. The company is a member of national-level commodity exchanges, i.e. National Commodity & Derivatives Exchange (NCDEX) and Multi Commodity Exchange (MCX) and offers its members access to the trading platforms of both NCDEX and MCX using the TRADEX and ODIN technology platforms. It also has a membership at ACE Exchange. As on March 31, 2020, GCL was operating out of 3 branches and had a total of 106 franchises.

In FY2020, GCL reported a net profit of Rs. 0.24 crore on a total income of Rs. 8.17 crore compared to a net profit of Rs. 0.34 crore on a total income of Rs. 8.63 crore in the previous financial year. As on March 31, 2020, GCL reported a net worth of Rs. 17.91 crore and a gearing of 1.53 times.

## Key financial indicators (audited)

GCL	FY2018	FY2019	FY2020*
Brokerage Income (Rs. crore)	1.23	1.71	1.75
Fee Income (other than broking; Rs. crore)	0.00	0.00	0.00
Net Interest Income (Rs. crore)	1.07	0.15	0.08
Other Non-interest Income (Rs. crore)	1.61	2.22	2.50
Net Operating Income (NOI; Rs. crore)	2.69	2.37	2.58
Total Operating Expenses (Rs. crore)	4.90	7.01	6.63
Profit before Tax (Rs. crore)	0.34	0.47	0.32
Profit after Tax (PAT; Rs. crore)	0.21	0.34	0.24
Net Worth (Rs. crore)	17.05	17.39	17.91
Borrowings (Rs. crore)	3.55	8.41	7.48
Gearing (times)	0.21	0.48	1.53
Cost-to-Income Ratio (%)	182.33%	295.68%	256.76%
Return to Net Worth (%)	1.24%	1.96%	1.37%
PAT/NOI (%)	7.82%	14.26%	9.34%

Source: Company, ICRA Research; \* Provisional numbers; All ratios as per ICRA calculations

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

## Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the Past 3 Years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2022	Date & Rating in FY2021		Date & Rating in FY2020	Date & Rating in FY2019
						Jul 14, 2021	Oct 12, 2020		
1	Long-term fund-based bank lines	Long term	0.00	-	[ICRA]BB- (Stable); Withdrawn	[ICRA]BB- (Stable)	[ICRA]BB- (Stable)	-	-
2	Short-term non-fund based bank lines	Short term	0.00	-	[ICRA]A4; Withdrawn	[ICRA]A4	[ICRA]A4	[ICRA]A4	-
3	Unallocated	Short term	0.00	-	[ICRA]A4; Withdrawn	[ICRA]A4	[ICRA]A4	[ICRA]A4	-

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term fund-based bank lines	Simple
Short-term non-fund based bank lines	Very Simple
Unallocated	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [www.icra.in](http://www.icra.in)

**Annexure-1: Instrument details**

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term fund based bank lines	NA	NA	NA	0.00	[ICRA]BB- (Stable); Withdrawn
NA	Short-term non-fund based bank lines	NA	NA	NA	0.00	[ICRA]A4; Withdrawn
NA	Unallocated	NA	NA	NA	0.00	[ICRA]A4; Withdrawn

**Source:** GCL

**Annexure-2: List of entities considered for consolidated analysis: Not applicable**

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### Branches



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