



Religare Comtrade Limited

Instrument	Amount	Rating Action
		November 2014
Short Term Debt Programme	Rs. 300 crore (enhanced from Rs. 200 crore)	[ICRA]A1+/ Assigned

ICRA has assigned a rating of [ICRA]A1+ (pronounced ICRA A one plus) to the Rs. 300 crore (enhanced from Rs. 200 crore) short-term debt programme of Religare Comtrade Limited (RCTL)[†].

The rating for RCTL is based on its parentage in the form of Religare Commodities Limited (RCL) [Rated [ICRA]A1+] and ultimately Religare Enterprises Limited (REL), which has good capitalization levels (consolidated net worth of Rs. 3,507 crore as on September 30, 2014) and has demonstrated support to RCL both through equity, funding and management support. ICRA expects the group support to continue for the company going forward and any change in the group support would warrant a rating change for the company.

The rating for RCTL also factors in Religare group's track record in equity and commodity broking business and the good franchise of the group in the areas of operation. RCTL is engaged in the arbitrage trading in equity, commodities and bullion segment. The company does not take exposures to directional trades and there are adequate risk management systems deployed by the company. ICRA expects the company to upgrade the risk management systems as the scale of operations increases from current levels. The scale of operations of the company is currently small with an adjusted net worth of Rs. 64 crore and total proprietary book outstanding of around Rs. 41 crore as on September 30, 2014. With the incremental business being funded through borrowings, the adjusted gearing of the company increased from 0.47 times as on March 31, 2014 to 0.83 times as on September 30, 2014. Incrementally, the company intends to borrow from debt markets as well as banking system in order to grow the business volumes and thus the gearing could increase further from current levels. Nevertheless, ICRA expects that there would be equity support from parents in line with the increase in business volumes so thus maintain prudent capitalisation levels going forward as well. The liquidity profile for the company is expected to be comfortable owing to the nature of business and group support available to the company.

Owing to the relatively nascent stage of operations for the company, the profitability indicators for the company are subdued. However, the company has been able to report profits as a significant proportion of expenses are being shared with RCTL's parents – RSL and RCL. For the year ended March 31, 2014, RCTL reported a profit of Rs. 5.36 crore as compared with a net profit of Rs. 3.57 crore for 2012-13. For the half year ended September 30, 2014, the company reported a net profit of Rs. 1.31 crore. Overall the ability of the company to improve the scale of operations and profitability while managing the risk and maintaining prudent capital structure would remain key rating sensitivities.

Company Profile **Religare Comtrade Limited**

RCTL is a wholly owned subsidiary of Religare Commodities Limited (RCL), which in turn is a wholly owned subsidiary of Religare Securities Limited (RSL). RCTL is engaged in the business of arbitrage trading activities in commodities and bullion.

[†] For complete rating definition please refer to ICRA Website www.icra.in or any of the ICRA Rating Publications

^{*} Considering 100% equity credit for the CCDs



Religare Commodities Limited

Religare Commodities Limited (RCL) is a wholly owned subsidiary of Religare Securities Limited (RSL). RCL is engaged in commodity broking and uses the network of branches and franchises as RSL in addition to its sole locations. On the consolidated basis with RSL, the company reported a net profit of Rs. 20.9 crore for the year 2013-14 as compared with a net profit of Rs. 187.8 crore for 2012-13. On a consolidated basis with RSL and RCTL, the company reported a net profit of Rs. 15.1 crore for H1, 2014-15 as compared with a net profit of Rs. 8.2 crore for the corresponding period of previous financial year.

Religare Securities Limited

RSL is a wholly owned subsidiary of Religare Enterprises Limited. RSL is engaged in equity broking and is present in 1550 locations across the country with a client base of over 8.5 lakhs. For the year ended March 31, 2014, RSL reported an operating income of Rs. 204.95 crore and a net profit of Rs. 18.42 crore as compared with an operating income[†] of Rs. 227.33 crore and a net profit of Rs. 176.75 crore for the year 2012-13.

About Religare Enterprises Limited

REL has been promoted by Mr. Malvinder Singh and Mr. Shivinder Singh, erstwhile promoters of Ranbaxy Laboratories Limited. REL is primarily a holding company with around 11 subsidiary companies through which it offers its range of financial services. REL through its subsidiaries has presence in over 550 cities and towns through a network of 1,750 business locations. The main operating companies are Religare Securities Limited (broking firm) and Religare Finvest Limited (non-banking finance company, providing loans against shares and asset finance), which together account for around 60% of REL's total income. REL came out with its initial public offer in November 2007 and is listed at the Bombay Stock Exchange and the National Stock Exchange.

For the year ended March 31, 2014, REL (consolidated) reported a net profit of Rs. 26.6 crore as compared with a net loss[^] of Rs 481 crore for 2012-13. For the half year ended September 30, 2014, REL (consolidated) reported a net profit[^] of Rs. 60.6 crore as compared with a net loss[^] of Rs. 75.5 crore for the corresponding period of previous financial year.

November 2014

For further details please contact:

Analyst Contacts:

Mr. Karthik Srinivasan (Tel No 91-22-6179 6365)
karthiks@icraindia.com

Relationship Contacts:

Mr. Vivek Mathur (Tel. No. +91-124-4545310)
vivek@icraindia.com

© Copyright, 2014, ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

[†] Excluding trading income

[^] Before minority interest

**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001
Tel: +91-11-23357940-50, Fax: +91-11-23357014

Corporate Office**Mr. Vivek Mathur**Mobile: **9871221122**Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

Mumbai**Mr. L. Shivakumar**Mobile: **9821086490**Email: shivakumar@icraindia.com

1802, 18th Floor, Tower 3,
Indiabulls Finance Centre,
Senapati Bapat Marg,
Elphinstone, Mumbai 400013,
Board : +91-22-61796300; Fax: +91-22-24331390

Kolkata**Mr. Jayanta Roy**Mobile: **+91 9903394664**Email: jayanta@icraindia.com

A-10 & 11, 3rd Floor, FMC Fortuna
234/3A, A.J.C. Bose Road
Kolkata—700020
Tel +91-33-22876617/8839 22800008/22831411,
Fax +91-33-22870728

Chennai**Mr. Jayanta Chatterjee**Mobile: **9845022459**Email: jayantac@icraindia.com

5th Floor, Karumuttu Centre
634 Anna Salai, Nandanam
Chennai—600035
Tel: +91-44-45964300; Fax: +91-44 24343663

Bangalore**Bangalore****Mr. Jayanta Chatterjee**Mobile: **9845022459**Email: jayantac@icraindia.com

'The Millenia'
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,
Murphy Road, Bangalore 560 008
Tel: +91-80-43326400; Fax: +91-80-43326409

Ahmedabad**Mr. L. Shivakumar**Mobile: **989986490**Email: shivakumar@icraindia.com

907 & 908 Sakar -II, Ellisbridge,
Ahmedabad- 380006
Tel: +91-79-26585049, 26585494, 26584924; Fax: +91-
79-25569231

Pune**Mr. L. Shivakumar**Mobile: **989986490**Email: shivakumar@icraindia.com

5A, 5th Floor, Symphony, S.No. 99, CTS 3909, Range Hills
Road, Shivajinagar, Pune-411 020
Tel: + 91-20-25561194-25560196; Fax: +91-20-25561231

Hyderabad**Mr. Jayanta Chatterjee**Mobile: **9845022459**Email: jayantac@icraindia.com

4th Floor, Shobhan, 6-3-927/A&B, Somajiguda, Raj
Bhavan Road, Hyderabad—500083
Tel:- +91-40-40676500