Press Release
ABANS FINTRADE PRIVATE LIMITED
July 10, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non Convertible Debentures (NCD)	100.00	ACUITE BBB- | Stable | Assigned	-
Total Outstanding Quantum (Rs. Cr)	100.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has assigned the long-term rating of **'ACUITE BBB-' (read as ACUITE Triple B Minus)**on the Rs. 100.00 Cr. Non-Convertible Debentures of Abans Fintrade Private Limited (AFPL). The outlook is '**Stable**'.

Rationale for Rating

The rating recommendation has factored in the continuous support of Abans group to AFPL, strong earning profile and a strong networth. Abans group has been providing technical support and backing by Mr. Abhishek Bansal which has been a significant factor for growth for AFPL. Moreover the the networth of the entity has grown in considerable steps over the past two financial years where the networth in FY23 was at Rs. 270.87 Cr. and has now grown to Rs. 347.38 Cr. in FY25(Prov). The PAT has also grown from a loss of Rs. 7.50 Cr. in FY23 to Rs. 34.51 Cr. in FY25 (Prov). However there has been a slight moderation from FY24 off 11.80%, which is primarily attributable to trading volumes. AFPL has low debt on their books as their debt to equity is 0.08 times in FY25 (Prov.) and this will give AFPL the operational advantage of being able to raise debt whenever necessary. In FY25 (Prov.) AFPL has been operating with a DSCR of 7.18 and Interest Coverage Ratio of 9.26 which reflects a strong financial footing, with significant buffers to meet debt obligations and interest expenses. These ratios suggest that the company is well-positioned to withstand adverse financial conditions and maintain its debt repayment schedule comfortably.

However, the proprietary book is what is bringing in most of AFPL's profitability and therefore the inherent risk of the markets are prevalent to AFPL as the gold trading business is contributing very little to the profitability irrespective of the size of the operations. Therefore the inherent risk of trading entities has also been incorporated into the credit rating profile.

About the Company

Abans Fintrade Private Limited (AFPL) is a Mumbai based company which was incorporated in the year 2015. The company is engaged in the trading of precious and semi-precious jewellery, along with debentures, securities and derivatives on recognised stock exchanges. Present directors of the company are Mr. Atish Tripathy and Mr. Shivshankar Singh.

Unsupported Rating

Not Applicable

Analytical Approach

The approach used to arrive at the rating for Abans Fintrade Private Limited is standalone. However, since there are many synergies, common promoters and related party transactions with Abans Group the implicit support of Abans group has also been considered.

Key Rating Drivers

Strengths

Implicit support of Abans group and Abans Group's strength

Abans group is a globally diversified organization engaged in Financial Services, Gold Refining, Jewellery, Commodities Trading, Agricultural Trading and Warehousing, Software Development and Real Estate. The group is founded by Mr. Abhishek Bansal who leads a global team of qualified people operating businesses from multiple locations including India, United Kingdom, Dubai, Shanghai, Hongkong, Mauritius and Singapore. Abans holdings provides all the necessary expertise and support to Abans Fintrade for its trading activities which is primarily why both Abans holdings and Abans fintrade have grown successfully over the last financial year. Abans holdings has grown effectively and efficiently as it can be observed in the growth of their profitability and networth. Abans holdings, PAT has grown from Rs 89 Cr. in FY24 to Rs 109 Cr. in FY25 where the networth has grown from Rs 921 Cr. in FY24 to Rs 1064 Cr. in FY25. In the same time period PAT has remained subdued, however there is significant growth in PAT and networth from FY23 to FY25. It is understood that Abans Holdings consolidated business profile will continue to support AFPL through its expertise of seasoned professionals managing its operations and established track record of operations.

Healthy Networth and Earning Profile

The networth has grown considerably from FY23 to FY25(Prov), demonstrated by steady progression, increasing from Rs 270.87 crore in FY23 to Rs 347.38 crore in FY25(Prov). Moreover, this growth is predominantly attributable to AFPL's robust earnings profile from the proprietary book, with PAT transitioning from a loss of Rs 7.50 crore in FY23 to a profit of Rs 34.51 crore in FY25 (Prov). However, it is noteworthy that profitability experienced a slight decline from FY24 to FY25 (Prov.), with PAT decreasing from Rs 39.13 crore to Rs 34.51 crore in FY25 (Prov). This reduction is primarily linked to fluctuations in trading volumes during the year, which are not indicative of any fundamental deterioration in operational performance.

Increased operations of Gold Trading segment

The significant increase in operating revenue and costs for AFPL indicates that FY25 has been a period of heightened activity, driven by increased demand. This can be captured by the significant increase in operating revenue and while higher revenues reflect successful sales growth, the concomitant rise in operating costs—such as procurement expenses, logistics and compliance costs—suggests that the business is operating at a higher scale, which has strained profit margins in FY25. The persistently low margins highlight the intense competitive landscape and price-sensitive nature of the gold trading industry, where profit is often squeezed by fluctuations in gold prices, transaction costs, and regulatory compliance. This scenario underscores the importance of operational efficiency and cost management to sustain profitability amidst volatile market conditions, as revenue growth alone may not translate into improved margins without controlling underlying cost drivers.

Weaknesses

Risks involved in Trading activities

AFPL is also engaged in trading within the physical bullion and agricultural commodity markets, primarily dealing with local wholesalers and traders to hedge the group's exposure to exchange-traded instruments. These physical transactions involve the purchase and sale of goods and are conducted with a limited number of counterparties. Notably, the top ten counterparties account for over 90% of the group's total physical commodity transactions. While AFPL has maintained relationships with known and reputable counterparties, this concentrated exposure introduces a risk of over-dependence on a limited pool of trading partners. The inability to effectively manage and mitigate such counterparty risk could pose potential adverse impacts on the group's operational stability and financial condition.

Additionally, AFPL employs hedging strategies within its proprietary trading operations to mitigate foreign exchange volatility. These strategies include the use of derivatives such as futures and options to implement mechanisms like cash-and-carry arbitrage. Cash-and-carry arbitrage involves purchasing an asset in the spot market and simultaneously selling its derivative in the futures market, capitalizing on pricing discrepancies between the two markets. The profit from this strategy is primarily determined by the purchase price of the underlying asset plus its associated carrying costs. While the acquisition cost of the underlying asset is certain, the total carrying costs are subject to variability, introducing a level of uncertainty. Nonetheless, such arbitrage strategies help mitigate trading risks to a certain extent by exploiting market inefficiencies.

Rating Sensitivities

- Business volumes & operating performance
- Proportion of the proprietary trading income
- Any changes in management and ownership pattern
- Changes in regulatory environment

All Covenants

Currently not available, since these are proposed NCD limits

Liquidity Position

Adequate

The company had maintained unencumbered cash and cash equivalents of Rs 2.23 Cr. as on March 31, 2025 (Prov). Acuité believes the liquidity position will remain adequate in the near to medium term.

Outlook: Stable

Other Factors affecting Rating
None

Key Financials :

Particulars	Unit	FY25 (Provisionals)	FY24 (Actuals)
Operating Income	Rs. Cr	1520.59	206.75
PAT	Rs. Cr	34.51	39.13
PAT Margin	(%)	2.27	18.92
Total debt/Tangible net worth	Times	0.08	0.23
PBDIT/Interest	Times	9.26	4.15

Status of non-cooperation with previous CRA (if applicable)
None

Any other information
None

Applicable Criteria
• Default Recognition :- https://www.acuite.in/view-rating-criteria-52.htm
• Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm
• Trading Entities: https://www.acuite.in/view-rating-criteria-61.htm

Note on complexity levels of the rated instrument
In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History: Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	100.00	Simple	ACUITE BBB- | Stable | Assigned

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations Shabad Palakkal Associate Analyst-Rating Operations	**Contact details exclusively for investors and lenders** Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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