



Press Release

Trust Investment Advisors Private Limited (TIAPL)

April 28, 2021

Ratings

Instrument / Facility	Amount (Rs. crore)	Ratings*	Rating Action
Short Term Bank Facility Proposed Commercial Paper	450.00	IVR A1+ (IVR A One Plus)	Assigned
Total	450.00 (Four Hundred & Fifty Crore)		

**The above rating is based on the following condition to be maintained:*

For above mentioned proposed CP issuance, TIAPL will keep an equivalent amount of bank limits unutilized.

Details of Facilities are in Annexure 1

Detailed Rationale

The rating assigned to Trust Investment Advisors Private Limited (TIAPL) derives strength from the Established operational track record, Experienced promoters and Established relationships with strong institutional clients and investors, however the rating is constrained by Interest rate risk and Intense Competition in merchant banking and capital market.

Key Rating Sensitivities:

Upward Factors

- Substantial business growth while maintaining profitability.
- Revenue diversification

Downward Factors

- Substantial deterioration in profitability
- decline in debt protection metrics.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths



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Established operational track record.

Trust Capital Services (India) Private Limited is the holding company of TIAPL. The Trust group has presence in merchant banking, wealth management, advisory business, and portfolio management services. TIAPL offers a wide array of financial services to domestic and overseas clients. TIAPL has recently made a foray into overseas markets through its subsidiary Chanakya Capital Partners which is the advisory arm of the company catering to international clients. The company has been able to fortify its presence in capital markets with its strong sourcing, structuring, underwriting, and distribution capabilities for debt issuances.

Experienced Promoters.

TIAPL's operations are headed by Ms. Nipa Sheth, she is a CA gold medallist and CFA. She has over two decades of experience in creation and distribution of comprehensive financial solutions across Asset Classes. Under her leadership, Trust Group has grown from being a distribution house of debt products in 2001 to a full-fledged Investment Bank providing services across origination, intermediation, advisory and fund management and distribution. She is assisted by a team of experienced professionals.

Established relationships with strong institutional clients and investors.

Due to the established presence and long track record of operations in the domestic market, TIAPL enjoys a large institutional client base including Banks, Insurance companies, Mutual funds and Large Corporates.

Key Rating Weaknesses

Interest rate risk

All the securities are exposed to an inherent interest rate risk which depends on various factors & market conditions, although low in Government securities.

Intense Competition in merchant banking and capital market

Intense competition in merchant banking space and capital market may impact the company's profitability. The company's income is associated with the bond market, which is



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linked to the overall economic activity. The slowdown in economy may lower the volume of bond issuance and the liquidity in the market. Such events could impact the profitability and liquidity of the group. However, The company has started focusing on portfolio management services and advisory services to diversify its revenue mix.

Analytical Approach: Standalone

Applicable Criteria:

Rating Methodology for Trading company

Financial Ratios & Interpretation (Non- Financial Sector)

Liquidity – Adequate

TIAPL's assets as on March 31, 2020, mostly comprises of liquid investments in PSU bonds and corporate bonds. These assets are largely held for trading activities, so there is no scheduled repayment against them. The liquidity profile is adequate marked by TIAPL has unutilized working capital limits worth Rs.398 crore as on March 31, 2021.

About the Company

Trust Investment Advisors Private Limited (TIAPL) incorporated in 2006, is registered as category 1 merchant banker and portfolio manager the company is also engaged in the trading of debt securities. The company received portfolio manager license in October 2006 and merchant banking license in March 2007. The company is active in origination & distribution of debt instruments across the entire maturity segment—from Commercial Papers to AT1 and Perpetual Bonds.

Financials (Standalone):

(Rs. In Crore)

For the year ended/As on	31-03-2019	31-03-2020
	Audited	Audited
Total Operating Income	164.42	141.34



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EBITDA	132.19	105.64
PAT	39.16	39.16
Total Debt	823.00	543.79
Tangible Net Worth	135.01	172.14
Total Assets	1,107.58	875.67
PAT Margin (%)	23.82	27.71
Long Term Debt Equity ratio (times)	3.03	1.75
Overall Gearing Ratio (x)	6.10	3.16

Status of non-cooperation with previous CRA: NA

Any other information: NA

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2021-22)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19
1.	Proposed Commercial Paper	Short Term	450.00	IVR A1+	-	-	-

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

Name and Contact Details of the Rating Analyst:

Name: Hardik Gala Tel: (022) 62396023 Email: Hardik.gala@infomerics.com	Name: Prakash Kabra Tel: (022) 62396023 Email: Prakash.kabra@infomerics.com
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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities



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and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. It is gradually gaining prominence in domestic rating and/or grading space. Infomerics is striving for positioning itself as the most trusted & credible rating agency in the country and is gradually widening its product portfolio. Company's long experience in varied spectrum of financial services is helping it to fine-tune its product offerings to best suit the market.

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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Proposed Commercial Paper	-	-	-	450.00	IVR A1+