



## Press Release

### Trust Investment Advisors Private Limited (TIAPL)

**April 01, 2022**

#### **Ratings**

Facilities	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Short Term Fund based facility - Commercial Paper	450.00	IVR A1+ (IVR A One Plus)	IVR A1+ (IVR A One Plus)	Reaffirmed	Simple
<b>Total</b>	<b>450.00</b>				

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

#### **Details of facilities are in Annexure 1**

#### **Detailed Rationale**

The rating reaffirmation of Trust Investment Advisors Private Limited (TIAPL) continuous to derive comfort from Established operational track record and experienced promoters and Established relationships with strong institutional clients and investors. However, the rating is constrained by Interest rate risk and Competition.

#### **Key Rating Sensitivities:**

##### **Upward Factor:**

- Substantial & sustained improvement in the revenue & Profitability margin while maintaining the debt protection metrics.

##### **Downward Factor:**

- Any further decline in revenue and/or profitability margin leading to decline in debt protection metrics.

#### **Detailed Description of Key Rating Drivers**

##### **Key Rating Strengths**

**Established operational track record and experienced promoters.**



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The Trust group has presence in merchant banking, wealth management, advisory business, and portfolio management services. The group offers a wide array of financial services to domestic and overseas clients. Trust group has substantially expanded its portfolio advisory services through Chanakya Capital Partners which is the advisory arm of the group catering to international clients. The group has been able to fortify its presence in both capital markets with its strong sourcing, structuring, underwriting, and distribution capabilities for debt issuances. Trust group has been associated with some of the marquee issues like Bank of India, IDBI bank, KKR group, NHAI, Bajaj group and L & T Finance Limited amongst others. The group's clientele includes leading banks, family offices, provident funds and high networth individuals (HNIs). The group has also demonstrated expertise in structuring and syndication of innovative and marquee structured transactions.

### **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.

#### **Competition**

The industry is characterized by competition from various players to tap the market share at competitive pricing strategy.

#### **Analytical Approach: Consolidated**

Infomerics has taken a consolidated view on the Trust Capital Services (India) Private Limited (Holding Company) and its subsidiaries, namely Trust Investment Advisors Private Limited, Trust Securities Services Private Limited, Sankhya Financial Services Private Limited, Trust Asset Management Private Limited, Chanakya Capital Partners



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and Trust AMC Trustee Private Limited collectively referred to as 'Trust group'. This because of the common promoters, shared brand name, significant operational and financial synergies between the companies.

### **Applicable Criteria:**

[Rating Methodology for trading Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

### **Liquidity - Adequate**

Trust group's (Consolidated) assets as on March 31, 2021, 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 group also has moderate exposures to certain non-core assets such as advances for property, loans/investments to sister concerns. The management expects to unwind some of these exposures over the near term. The borrowings comprise a mix of pledge based overdraft, commercial paper, non-convertible debentures (NCDs) and loans from sister concerns.

### **About the Group**

TCSPL is holding company and has 2 wholly owned subsidiaries as well as 4 fellow subsidiaries, namely Trust securities services private limited which is providing broking services, Trust investment advisors private limited it holds license for portfolio management services (PMS) and registered with SEBI as category 1 Merchant Banker. Sankhya Financial Services Private Limited is a Non deposit taking NBFC and is registered with RBI since 2011. Chanakya capital partners is a Mauritius based consultancy service providing company. Trust asset management company private limited is a SEBI approved AMC and Trust AMC trustee private limited.



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### Financials (Consolidated)

For the year ended* As on	INR in Crore	
	31-03-2020	31-03-2021
	Audited	Audited
Total Operating Income	308.62	327.91
EBITDA	217.84	242.84
PAT	56.07	68.61
Total Debt	1161.45	1379.33
Tangible Net Worth	398.82	462.42
EBITDA Margin (%)	70.59	74.06
PAT Margin (%)	18.17	20.92
Overall Gearing Ratio (x)	2.91	2.98

\* Classification as per Infomerics' standards

### 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)

For the year ended* As on	INR in Crore	
	31-03-2020	31-03-2021
	Audited	Audited
Total Operating Income	141.34	142.42
EBITDA	105.64	102.42
PAT	39.16	40.69
Total Debt	580.92	567.02
Tangible Net Worth	172.14	209.11
EBITDA Margin (%)	74.74	71.91



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PAT Margin (%)	27.71	28.57
Overall Gearing Ratio (x)	3.37	2.71

\* Classification as per Infomerics' standards

**Details of Non-Co-operation with any other CRA: Nil**

**Any other information: N.A.**

**Rating History for last three years:**

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22 (PR dated: April 28, 2021)	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1.	Fund Based Facility – Commercial Paper	Short Term	450.00	IVR A1+	IVR A1+	-	-

### Name and Contact Details of the Rating Analysts:

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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 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
Short Term Fund Based Facility – Commercial Paper	-	-	-	450.00	IVR A1+

**Annexure 2: List of companies considered for consolidated analysis: Not Applicable.**

**Annexure 3: Facility wise lender details: Not Applicable.**

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable.**

**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](http://www.infomerics.com).