

December 26, 2023

## Trans Global Securities Limited: Long term rating downgraded based on best available information, Moved to Non-Cooperating category; Short term rating Moved to Non-Cooperating category

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term/Short-term fund based/Non-fund based	21.00	21.00	[ICRA]BB- (Stable)/[ICRA]A4 ISSUER NOT COOPERATING; long-term rating downgraded from [ICRA]BB (Stable) based on best available information, Moved to Non-Cooperating category; Short term rating Moved to Non-Cooperating category
<b>Total</b>	<b>21.00</b>	<b>21.00</b>	

\*Issuer did not cooperate; based on best available information

^Instrument details are provided in Annexure I

### Rationale

The rating downgrade factors in the lack of adequate information about Trans Global Securities Limited's performance and hence the uncertainty around its credit risk. ICRA has also moved the assigned ratings to the 'ISSUER NOT COOPERATING' category. The ratings shall be denoted as '[ICRA]BB- (Stable)/[ICRA]A4; ISSUER NOT COOPERATING'.

ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for the payment of the surveillance fee that became due. Despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis the best available/dated/limited information on the issuer's performance.

Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using these ratings as they **may not adequately** reflect the credit risk profile of the entity. The rating action has been taken in accordance with [ICRA's policy in respect of non-cooperation](#) by a rated entity available at ICRA's website.

Please refer to the [link](#) for the previous detailed rationale that captures the key rating drivers and their description, liquidity position, and rating sensitivities. ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">ICRA's Credit Rating Methodology for Stockbroking &amp; Allied Services</a> <a href="#">ICRA's Policy in Respect of Non-cooperation by a Rated Entity</a>
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

## About the company

Incorporated in 1995 by the sibling duo of Mr. Sunil Gupta and Mr. Sushil Gupta, Trans Global Securities Limited (TGSL) is a securities broking company registered with the National Stock Exchange (NSE) and BSE. TGSL is primarily engaged in proprietary trading and has a small presence in the securities broking business. It is a self-clearing agent in the derivatives (futures & options) and cash segments and is also a member of Central Depository Services (India) Limited (CDSL). Its broking operations are conducted through its registered office in Kolkata and the Mumbai branch.

### Key financial indicators (audited)^

	FY2020	FY2021	FY2022*
Trading income	12.3	10.2	11.8
Brokerage income	0.1	0.0	0.1
Net operating income (NOI)	12.0	10.2	11.9
Total operating expenses	15.4	7.2	11.0
Profit before tax	-3.4	3.0	1.0
Profit after tax (PAT)	-3.9	3.3	0.9
Net worth	46.8	50.1	51.0
Borrowings	0.0	0.0	0.0
Gearing (times)	0.0	0.0	0.0
Cost-to-income ratio	128.4%	70.7%	92.1%
Return on net worth	-7.9%	6.7%	1.9%
PAT/NOI	-32.1%	32.0%	7.9%

Source: Company, ICRA Research; \* Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore; ^ICRA is unable to provide the latest information because of non-cooperation by the entity

### Status of non-cooperation with previous CRA: Not applicable

### Any other information: None

## Rating history for past three years

Instrument	Type	Current rating (FY2024)			Chronology of rating history for the past 3 years		
		Amount rated (Rs. crore)	Amount outstanding as of Dec 26, 2023 (Rs. crore)	Date & rating in FY2024	Date & rating in FY2023	Date & rating in FY2022	Date & rating in FY2021
				Dec 26, 2023	Sep 22, 2022	-	-
1 Fund-based/non-fund based bank facilities – Others	Long term/Short term	21.00	NA	[ICRA]BB- (Stable)/ [ICRA]A4 ISSUER NOT COOPERATING	[ICRA]BB (Stable)/[ICRA]A4	-	-

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Long term/Short term – Fund-based/Non-fund based bank facilities	Simple

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: [Click Here](#)

#### Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund based/non-fund based bank facilities – Others	NA	NA	NA	21.00	[ICRA]BB- (Stable)/[ICRA]A4 ISSUER NOT COOPERATING

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

#### Annexure II: List of entities considered for consolidated analysis – Not applicable

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## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

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