

Manav Investment and Trading Company Limited

November 22, 2018

Summary of rated instruments

Instrument*	Previous Rated Amount (Rs. Crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-Convertible Debentures (NCDs)	325.00	325.00	[ICRA]AAA(SO) (Stable); withdrawn
Non-Convertible Debentures (NCDs)	45.00	45.00	Provisional [ICRA]AAA(SO) (Stable); withdrawn
Total	370.00	370.00	

*Instrument details are provided in Annexure-1

Rating action

ICRA has withdrawn the long-term rating of [ICRA]AAA(SO) (pronounced ICRA Triple A Structured Obligation)¹ with a stable outlook assigned to the Rs. 325.00-crore² non-convertible debenture programme of Manav Investment and Trading Company Limited (MITCL or the company). ICRA has also withdrawn the long-term rating of Provisional [ICRA]AAA(SO) (pronounced Provisional ICRA Triple A Structured Obligation)³ with a stable outlook assigned to the Rs. 45.00-crore⁴ non-convertible debenture programme of MITCL.

The letter SO in parenthesis suffixed to the rating symbol stands for Structured Obligation. An SO rating is specific to the rated issue, its terms, and its structure. 'SO' ratings do not represent ICRA's opinion on the general credit quality of the issuers concerned.

Rationale

The ratings for the overall Rs. 370.00-crore NCD programme have been withdrawn, as there are no amounts outstanding against the rated instrument.

Analytical approach: For arriving at the rating, ICRA has applied its rating methodologies as indicated below.

Links to applicable criteria:

[Approach for rating debt instruments backed by third-party explicit support](#)

[ICRA Policy on Withdrawal and Suspension of Credit Rating](#)

About the company:

MITCL was incorporated on 29th Feb 1988 and is an NBFC. The company has investments in specific listed companies of the B.K. Birla Group. The operating income for MITCL is primarily derived from guarantee fees and dividend income from its investments.

During FY2017, MITCL reported an operating income of Rs. 17.32 crores and net profit of Rs. 0.84 crores. As on March 31, 2017 the outstanding debt for MITCL stood at Rs. 150 crore.

¹ For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications

² 100 lakh = 1 crore = 10 million

³ For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications

⁴ 100 lakh = 1 crore = 10 million

About the underwriter

Axis Capital Limited (ACL), is a wholly owned subsidiary of Axis Bank (rated [ICRA]AAA(Stable)/ [ICRA]A1+). ACL was formerly known as Axis Securities and Sales Limited. However, post the acquisition of the businesses of Enam Securities Private Limited, the name was changed to Axis Capital Limited w.e.f. October 2012. ACL is currently engaged in three broad business segments, namely, Investment Banking, Institutional Equities and Investment Solutions. It is one of the leading Institutional Brokerage houses amongst the domestic brokers and has also established a credible position in the market in the Investment Bankers league standings. ICRA takes comfort from ACL's parentage and the resultant strong linkage between the two entities, with ACL sharing the 'Axis' brand name. Further, the MD and CEO of the Bank is the chairperson of ACL.

Key financial indicators - ACL

	FY2017	FY2018
Operating Income (Rs. crore)	318.61	402.27
PAT (Rs. crore)	113.22	138.79
Net worth	411.09	426.03
Total Assets	1198.81	1361.25
Total Borrowings	-	-

OI: Operating Income; PAT: Profit after Tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

Current Rating (FY2019)					Chronology of Rating History for the past 3 years			
Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs Crore)	Date & Rating November 2018	Date & Rating in FY2018 March 2018	Date & Rating in FY2018 Feb 18	Date & Rating in FY2017	Date & Rating in FY2016
1 NCD 1	Long Term	325.00	0.00	[ICRA]AAA (SO) (Stable) Withdrawn	[ICRA]AAA (SO) (Stable)	Provisional [ICRA]AAA (SO) (Stable)	-	-
2 NCD 2	Long Term	45.00	-	Provisional [ICRA]AAA (SO) (Stable) Withdrawn	Provisional [ICRA]AAA (SO) (Stable)	Provisional [ICRA]AAA (SO) (Stable)		

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE726Z07016	NCD 1	March 2018	9.00% ⁵	June 2021	325.00	[ICRA]AAA(SO) (Stable); Withdrawn
-	NCD 2	-	-	-	45.00	Provisional [ICRA]AAA(SO)(Stable); Withdrawn

Source: Manav Investment and Trading Company Limited

⁵ Payable on redemption date to ensure yield on XIRR basis

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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

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