



Press Release
TARA CAPITAL PARTNERS INDIA PRIVATE LIMITED
March 10, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non Convertible Debentures (NCD)	95.00	ACUITE BB- Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	95.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of ‘**ACUITE BB-’**(read as **ACUITE double B minus**) on the Rs. 95.00 Cr. Non Convertible Debentures of Tara Capital Partners India Private Limited (TCPIPL). The outlook is '**Stable**'.

Rationale for the Rating

The reaffirmation of the rating takes into cognizance the inherent risk profile of the business exposing it to the volatility of capital markets. The company has a strong business risk profile as it generates advisory income from its offshore client; along with the proprietary trading by way of algo system built internally. The increasing revenue by way of advisory and MTM value of the portfolio signify the growth TCPIPL has shown since inception; the percentage growth was seen in proportion to its margin available for trading and increasing frequency of services provided to the client. TCPIPL; despite of early stage of operations has demonstrated growth and efficiency in the business model and acuite believes that the company would be able to generate revenue in the near term.

The rating is however constrained on account of TCPIPL’s susceptibility to the level of volatility in the capital markets. as well as highly competitive landscape in the advisory services. The rating is further constrained due to the risk of client concentration and its initial years of operations.

About the company

Tara Capital Partners India Private Limited, incorporated in the year 2018 is a Mumbai, Maharashtra based, established and diversified financial advisory & proprietary trading company that provides innovative solutions to the asset management community. It serves the highly specialized and sophisticated needs of institutional clients through a comprehensive range of tailored solutions. The company is registered with the SEBI as both a proprietary trading member and investment advisor. It is an active trading member on the NSE with plans to activate membership on the BSE and MCX in the near future.

Currently the company has a strength of 75 people spread across 4 offices situated in Mumbai, Delhi, Calcutta and Chennai as on December 31, 2024. Head office being situated in Mumbai. The company’s directors are Mr. Anshuman Ghose and MR. Jagdeep Kannarath; Mr. Ghose hold 99.99% of the equity in the company.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered standalone approach to arrive at the rating of Tara Capital Partners India Private Limited.

Key Rating Drivers

Strength

Adequate risk management system

TCPIPL has adequate risk management system. It manages risk in its internally built HFT / Algo system by monitoring quantity limits, price range checks, spread order quantity, value limit, leverage capping etc. The backend operations team also manages risk through monitoring every transaction that takes place. This is

particularly relevant for its proprietary trading positions.

Acuité believes the company's risk management practices will remain adequate and support the continuity of its consultancy and proprietary trading operations.

Improvement in profitability backed by enhancement in the algo system

Tara Capital Partners India Private Limited has reported a revenue of Rs 133.06 Cr. in FY 24 against Rs 70.39 Cr. in FY23 with Rs.23.37 Cr. as the MTM value of its positions in derivatives as on January 31, 2025. TCPIPL reported an income of Rs.92.39 Cr. (Prov.) till January 31, 2025. The revenue from advisory services stood at Rs.80.49 Cr. and Rs.11.90 Cr. from its proprietary trading business for the same period.

Acuite believes that the company would be able to grow its portfolio value backed by its enhancing price action strategies and system based proprietary trading along with advisory services to be provided.

Weakness

Inherent exposure to capital Markets

The company's operating performance is linked to the capital markets, which are inherently volatile as they are driven by economic and political factors as well as investor sentiments. Trading volume and earnings depend heavily on the level of trading activity in capital market. The company's revenue is heavily dependent on the capital market scenario as the consultancy fees and proprietary trading income involves activities in the Cash and derivatives segment.

Client concentration risk in the initial years of operation

TCPIPL, commenced its operations in 2018 where the company onboarded an offshore client, and simultaneously built a proprietary trading system to benefit from the outputs derived by the internally built system. The company has a license from SEBI as a registered proprietary trader; yet most of the revenue for TCPIPL is via advisory services towards a single client.

Rating Sensitivity

- Client concentration risk
- Profitability over and above the incremental finance cost
- Sustainability in the revenue from operations
- Changes in the regulatory environment

All Covenants

Until the Final Settlement Date, the Issuer shall fulfil such financial covenants as may be agreed between the Issuer and the Debenture Trustee from time to time.

Commencing from the Deemed Date of Allotment until the Final Settlement Date, the Issuer shall:

1. The value of the Assets of the Issuer is more than its liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.

The financial covenants set out in Section 8.2.2 (Financial Covenants) of the Key Information Document shall be tested, until the Final Settlement Date, on a quarterly basis, i.e., as on each Quarterly Date, on the basis of standalone financial statements of the Issuer.

Liquidity Position

Adequate

The company had adequate cash and cash equivalents worth Rs. 29.08 Cr. as on March 31, 2024. and the margin held with clearing member stood at Rs 6.76 Cr. as on March 31, 2024.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials - Standalone / Originator

Particulars	Unit	FY24(Actuals)	FY23(Actuals)
Operating Income	Rs. Cr	133.06	70.39
PAT	Rs. Cr	3.27	0.85
PAT Margin	(%)	2.45	1.21
TOL/Tangible net	Times	4.22	0.80

worth			
PBDIT/Interest	Times	6.96	11.18

*Note the FY23 and FY 24 figures are as per Ind-AS

**Operating Income does not include interest on FDs and Other Income

*** Ratios as per Acuite calculations

Status of non-cooperation with previous CRA (if applicable):

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Although Acuite requested an interaction with the Audit Committee the issuer entity was unable to arrange it.

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Banks And Financial Institutions: <https://www.acuite.in/view-rating-criteria-45.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.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

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
12 Mar 2024	Proposed Non Convertible Debentures	Long Term	95.00	ACUITE BB- Stable (Assigned)

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	INE0TI408015	Non-Convertible Debentures (NCD)	27 Mar 2024	9.00	27 Mar 2030	25.00	Simple	ACUITE BB- Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	70.00	Simple	ACUITE BB- Stable Reaffirmed

Contacts

Mohit Jain Senior Vice President-Rating Operations	Contact details exclusively for investors and lenders
Nattasha Venkatesh Associate Analyst-Rating Operations	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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.