

Press Release

Karvy Data Management Services Limited

November 12, 2019

Rating Update



Total Bank Facilities Rated*	Rs.600.00 Cr. #
Long Term Rating	ACUITE BBB+ Issuer not co-operating*
Short Term Rating	ACUITE A2 Issuer not co-operating*

Refer Annexure for details

* The issuer did not co-operate; based on best available information.

Acuité has reviewed long-term rating of '**ACUITE BBB+**' (read as **ACUITE triple B plus**) and short term rating of '**ACUITE A2**' (read as **ACUITE A two**) on the Rs.600 crore bank facilities of KARVY DATA MANAGEMENT SERVICES LIMITED (KDMSL). This rating is now an indicative rating and is based on best available information.

The Hyderabad-based KDMSL, part of the Karvy group, was incorporated in 2008. The Karvy group is a three-decade old diversified financial services conglomerate with presence in stock broking, data management, institutional equities, wealth management and asset management services. Karvy Stock Broking Limited (KSBL) is the flagship company of the group and holds 30 percent stake in KDMSL with the balance 70 percent held by Karvy Realty India Limited (KRIL). KDMSL undertakes E-Governance projects, back office processing, data management services for the government and also for industries such as telecom, banking sectors among others.

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

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

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

	Unit	FY19 (Actual)	FY18 (Actual)	FY17 (Actual)
Operating Income	Rs. Cr.	1255.15	884.79	408.23
EBITDA	Rs. Cr.	216.96	175.34	98.36
PAT	Rs. Cr.	75.37	36.67	19.73
EBITDA Margin	(%)	17.29	19.82	24.09
PAT Margin	(%)	6.01	4.14	4.83
ROCE	(%)	19.16	19.93	28.02
Total Debt/Tangible Net Worth	Times	2.53	2.47	2.72
PBDIT/Interest	Times	2.56	2.41	2.35
Total Debt/PBDIT	Times	3.21	2.98	3.82

Gross Current Assets (Days)	Days	250	226	329
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Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
22-Aug-2018	Cash Credit	Long Term	220.00	ACUITE BBB+/Stable (Upgraded)
	Term Loans	Long Term	111.85	ACUITE BBB+/Stable (Upgraded)
	Proposed Bank Facility	Long Term	158.15	ACUITE BBB+/Stable (Upgraded)
	Bank Guarantee	Short Term	110.00	ACUITE A2 (Upgraded)
13-Jul-2017	Term Loans	Long Term	47.91	ACUITE BBB/Stable (Upgraded)
	Cash Credit	Long Term	80.00	ACUITE BBB/Stable (Upgraded)
	Cash Credit	Long Term	60.00	ACUITE BBB/Stable (Assigned)
	Letter of Credit	Short Term	65.00	ACUITE A3+ (Assigned)
	Bank Guarantee	Short Term	30.00	ACUITE A3+ (Assigned)
	Bank Guarantee	Short Term	35.00	ACUITE A3+ (Upgraded)
	Proposed Fund Based	Long Term	282.09	ACUITE BBB/Stable (Upgraded)
20-Aug-2016	Term Loans	Long Term	54.70	ACUITE BBB-/Stable (Reaffirmed)
	Cash Credit	Long Term	80.00	ACUITE BBB-/Stable (Reaffirmed)
	Proposed Cash Credit	Long Term	130.00	ACUITE BBB-/Stable (Reaffirmed)
	Bank Guarantee	Short Term	35.00	ACUITE A3 (Reaffirmed)
	Proposed Fund Based	Long Term	300.00	ACUITE BBB-/Stable (Reaffirmed)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	220.00	ACUITE BBB+ Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	111.85	ACUITE BBB+ Issuer not co-operating*

Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	158.15	ACUITE BBB+ Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	110.00	ACUITE A2 Issuer not co-operating*

*The issuer did not co-operate; based on best available information.

Contacts

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About Acuite Ratings & Research:

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