

Press Release

Karvy Data Management Services Limited

March 17, 2020



Rating Update

Total Bank Facilities Rated	Rs. 600.00 Cr. #
Long Term Rating	ACUITE D (Downgraded) Issuer not co-operating*
Short Term Rating	ACUITE D (Downgraded) Issuer not co-operating*

Refer Annexure for details

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

Acuité has downgraded the rating to '**ACUITE D**' (**read as ACUITE D**) on the Rs.600.00 crore bank facilities of KARVY DATA MANAGEMENT SERVICES LIMITED. This rating is now an indicative rating and is based on best available information.

Acuité has relied on publicly available information with regard to conduct of the account.

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.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

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>
- Service Entities - <https://www.acuite.in/view-rating-criteria-50.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 endeavored 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

The rated entity has not shared the latest financial statements despite repeated requests.

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

Not Applicable

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated

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requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
27-Nov-2019	Cash Credit	Long Term	220.00	ACUITE BB+ Issuer not co-operating*
	Term Loan	Long Term	111.85	ACUITE BB+ Issuer not co-operating*
	Proposed Bank Facility	Long Term	158.15	ACUITE BB+ Issuer not co-operating*
	Bank Guarantee	Short Term	110.00	ACUITE A4+ Issuer not co-operating*
12-Nov-2019	Cash Credit	Long Term	220.00	ACUITE BBB+ Issuer not co-operating*
	Term Loan	Long Term	111.85	ACUITE BBB+ Issuer not co-operating*
	Proposed Bank Facility	Long Term	158.15	ACUITE BBB+ Issuer not co-operating*
	Bank Guarantee	Short Term	110.00	ACUITE A2 Issuer not co-operating*
22-Aug-2018	Cash Credit	Long Term	220.00	ACUITE BBB+/ Stable (Upgraded)
	Term Loan	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)

#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 D (Downgraded) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	111.85	ACUITE D (Downgraded) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	110.00	ACUITE D (Downgraded) Issuer not co-operating*
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	158.15	ACUITE D (Downgraded) Issuer not co-operating*

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

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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