

Press Release

Karvy Data Management Services Limited

June 17, 2021



Rating Update

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

#Refer Annexure for details

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

Acuité has reviewed the long-term rating of '**ACUITE D (read as ACUITE D)**' and the short term rating of '**ACUITE D (read as ACUITE D)**' on the Rs.600.00 Cr bank facilities of Karvy Data Management Services Limited. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

The Hyderabad-based KDMSL, part of the Karvy group, was incorporated in 2008 and was promoted by Mr. C. Parthasarathy, Mr. V. Mahesh and Mr. V. Ganesh. 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 the 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.

Liquidity Indicators

"No information provided by the issuer / available for Acuite to comment upon."

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

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)

None

Any other information

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

Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
17th Mar 20	Cash Credit	Long term	220.00	ACUITE D (Downgraded from ACUITE BB+) Issuer not co-operating*
	Term Loan	Long term	111.85	ACUITE D (Downgraded from ACUITE BB+) Issuer not co-operating*
	Proposed Bank Facility	Long term	158.15	ACUITE D (Downgraded from ACUITE BB+) Issuer not co-operating*
	Bank Guarantee	Short Term	110.00	ACUITE D (Downgraded from ACUITE A4+) Issuer not co-operating*
27th Nov 19	Cash Credit	Long term	220.00	ACUITE BB+ (Downgraded from ACUITE BBB+) Issuer not co-operating*
	Term Loan	Long term	111.85	ACUITE BB+ (Downgraded from ACUITE BBB+) Issuer not co-operating*
	Proposed Bank Facility	Long term	158.15	ACUITE BB+ (Downgraded from ACUITE BBB+) Issuer not co-operating*
	Bank Guarantee	Short Term	110.00	ACUITE A4+ (Downgraded from ACUITE A2) Issuer not co-operating*
12th Nov 19	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*
--	----------------	------------	--------	---------------------------------------

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

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	220.00	ACUITE D Issuer not co-operating*
Term Loan	Not Available	Not Available	Not Available	111.85	ACUITE D Issuer not co-operating*
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	158.15	ACUITE D Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	110.00	ACUITE D Issuer not co-operating*

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

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President- Corporate and Infrastructure Sector Tel: 022-49294041 aditya.gupta@acuite.in	Varsha Bist Senior Manager – Rating Desk Tel: 022-49294011 rating.desk@acuite.in
Shivam Agarwal Analyst – Rating Operations Tel: 040-4004 2327 shivam.agarwal@acuite.in	

About Acuité Ratings & Research:

Acuité Ratings & Research 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 8,589 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.

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. Acuité ratings 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. Acuité ratings 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, Acuite's rating scale and its definitions.