

## Press Release

### Karvy Data Management Services Limited

June 17, 2021

### Rating Update



|                                     |                                      |
|-------------------------------------|--------------------------------------|
| <b>Total Bank Facilities Rated*</b> | Rs.600.00 Cr.#                       |
| <b>Long Term Rating</b>             | ACUITE D<br>Issuer not co-operating* |
| <b>Short Term Rating</b>            | ACUITE D<br>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

Acuite 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<br>(Downgraded from ACUITE BB+)<br>Issuer not co-operating*    |
|             | Term Loan                       | Long term  | 111.85          | ACUITE D<br>(Downgraded from ACUITE BB+)<br>Issuer not co-operating*    |
|             | Proposed Bank Facility          | Long term  | 158.15          | ACUITE D<br>(Downgraded from ACUITE BB+)<br>Issuer not co-operating*    |
|             | Bank Guarantee                  | Short Term | 110.00          | ACUITE D<br>(Downgraded from ACUITE A4+)<br>Issuer not co-operating*    |
| 27th Nov 19 | Cash Credit                     | Long term  | 220.00          | ACUITE BB+<br>(Downgraded from ACUITE BBB+)<br>Issuer not co-operating* |
|             | Term Loan                       | Long term  | 111.85          | ACUITE BB+<br>(Downgraded from ACUITE BBB+)<br>Issuer not co-operating* |
|             | Proposed Bank Facility          | Long term  | 158.15          | ACUITE BB+<br>(Downgraded from ACUITE BBB+)<br>Issuer not co-operating* |
|             | Bank Guarantee                  | Short Term | 110.00          | ACUITE A4+<br>(Downgraded from ACUITE A2)<br>Issuer not co-operating*   |
| 12th Nov 19 | Cash Credit                     | Long term  | 220.00          | ACUITE BBB+<br>Issuer not co-operating*                                 |
|             | Term Loan                       | Long term  | 111.85          | ACUITE BBB+<br>Issuer not co-operating*                                 |
|             | Proposed Bank Facility          | Long term  | 158.15          | ACUITE BBB+<br>Issuer not co-operating*                                 |

|  |                |            |        |                                       |
|--|----------------|------------|--------|---------------------------------------|
|  | Bank Guarantee | Short Term | 110.00 | ACUITE A2<br>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<br>Issuer not co-operating* |
| Term Loan              | Not Available    | Not Available  | Not Available  | 111.85                        | ACUITE D<br>Issuer not co-operating* |
| Proposed Bank Facility | Not Applicable   | Not Applicable | Not Applicable | 158.15                        | ACUITE D<br>Issuer not co-operating* |
| Bank Guarantee         | Not Applicable   | Not Applicable | Not Applicable | 110.00                        | ACUITE D<br>Issuer not co-operating* |

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

#### Contacts

| Analytical   | Rating Desk  |
|--|--|
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#### 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.

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