

Press Release

Karvy Data Management Services Limited

September 15, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	110.00	-	ACUITE D Reaffirmed Issuer not co-operating*
Bank Loan Ratings	490.00	ACUITE D Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	600.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed 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.

About the Company

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:

Acuite 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.

Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with an 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 Acuite's policies.

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). Acuite has endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite 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.

Rating Sensitivity

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

Material Covenants

Not Applicable

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

Status of non-cooperation with previous CRA

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.

Applicable Criteria

- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
17 Jun 2021	Bank Guarantee	Short Term	110.00	ACUITE D (Issuer not co-operating*)
	Term Loan	Long Term	111.85	ACUITE D (Issuer not co-operating*)
	Cash Credit	Long Term	220.00	ACUITE D (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	158.15	ACUITE D (Issuer not co-operating*)
17 Mar 2020	Term Loan	Long Term	111.85	ACUITE D (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Long Term	158.15	ACUITE D (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	110.00	ACUITE D (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	220.00	ACUITE D (Downgraded and Issuer not co-operating*)

27 Nov 2019	Term Loan	Long Term	111.85	ACUITE BB+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	110.00	ACUITE A4+ (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	158.15	ACUITE BB+ (Issuer not co-operating*)
	Cash Credit	Long Term	220.00	ACUITE BB+ (Issuer not co-operating*)
12 Nov 2019	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*)
	Cash Credit	Long Term	220.00	ACUITE BBB+ (Issuer not co-operating*)
22 Aug 2018	Cash Credit	Long Term	220.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Term Loan	Long Term	111.85	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Proposed Bank Facility	Long Term	158.15	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Bank Guarantee	Short Term	110.00	ACUITE A2 (Upgraded from ACUITE A3+)
13 Jul 2017	Cash Credit	Long Term	20.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	6.40	ACUITE BBB Stable (Withdrawn)
	Cash Credit	Long Term	35.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	47.91	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Cash Credit	Long Term	25.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Cash Credit	Long Term	40.00	ACUITE BBB Stable (Assigned)
			Long	
20 Aug 2016	Cash Credit	Term	20.00	ACUITE BBB Stable (Assigned)
	Proposed Long Term Loan	Long Term	282.09	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Bank Guarantee	Short Term	5.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Bank Guarantee	Short Term	30.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Letter of Credit	Short Term	30.00	ACUITE A3+ (Assigned)
	Bank Guarantee	Short Term	30.00	ACUITE A3+ (Assigned)
	Letter of Credit	Short Term	35.00	ACUITE A3+ (Assigned)
20 Aug 2016	Term Loan	Long Term	54.70	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	80.00	ACUITE BBB- Stable (Reaffirmed)
	Proposed Cash Credit	Long Term	130.30	ACUITE BBB- Stable (Reaffirmed)

	Bank Guarantee	Short Term	35.00	ACUITE A3 (Reaffirmed)
	Proposed Bank Guarantee	Long Term	300.00	ACUITE BBB- Stable (Assigned)
02 Aug 2016	Term Loan	Long Term	54.70	ACUITE BBB- Stable (Downgraded from ACUITE BBB+ Stable)
	Cash Credit	Long Term	80.00	ACUITE BBB- Stable (Downgraded from ACUITE BBB+ Stable)
	Proposed Cash Credit	Long Term	130.30	ACUITE BBB- Stable (Downgraded from ACUITE BBB+ Stable)
	Bank Guarantee	Short Term	35.00	ACUITE A3 (Downgraded from ACUITE A2)
	Cash Credit	Long Term	10.00	ACUITE BBB- Stable (Withdrawn)
06 Jul 2015	Term Loan	Long Term	73.00	ACUITE BBB+ Stable (Assigned)
	Proposed Long Term Loan	Long Term	12.00	ACUITE BBB+ Stable (Assigned)
	Cash Credit	Long Term	50.00	ACUITE BBB+ Stable (Assigned)
	Proposed Cash Credit	Long Term	130.00	ACUITE BBB+ Stable (Assigned)
	Bank Guarantee	Short Term	10.00	ACUITE A2 (Assigned)
	Proposed Bank Guarantee	Short Term	25.00	ACUITE A2 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	110.00	ACUITE D Reaffirmed Issuer not co-operating*
State Bank of Mauritius Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	220.00	ACUITE D Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	158.15	ACUITE D Reaffirmed Issuer not co-operating*
Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	111.85	ACUITE D Reaffirmed Issuer not co-operating*

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About Acuité Ratings & Research

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