

Press Release

Karismaa Foundations Private Limited

January 16, 2020



Rating Update

Total Bank Facilities Rated*	Rs.25.00Cr.#
Long Term Rating	ACUITE B- Issuer not co-operating*
Short Term Rating	ACUITE A4 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 B-**' (**read as ACUITE B minus**) and short term rating of '**ACUITE A4**' (**read as ACUITE A four**) to the Rs. 25.00 crore bank facilities of Karismaa Foundations Private Limited (KFPL). This rating is now an indicative rating and is based on best available information.

KFPL, incorporated in 2010, is a Chennai-based company promoted by Mr. Rakesh Sheth and Mr. Rajesh. The company undertakes civil construction contracts for private companies, real estate projects and also provides heavy earth equipment such as cranes on contract basis. Further, the company is in the process of developing six residential projects under the names Cielo, Orion, Twine, Prisma, Blue Beach and Site. Sugesan Transport Private Limited (STPL), a group company provides heavy earth equipment and cranes on contract basis. Further, STPL has a fleet of 35 equipment and operates across India. The two companies are together referred to as the Karismaa group. For FY2016-17, the group reported profit after tax (PAT) of Rs.0.16 crore on operating income of Rs.35.41 crore as against net loss of Rs.0.75 crore on operating income of Rs.52.57 crore in the previous year.

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/criteria-default.htm>
- Entities In Services Sector - <https://www.acuite.in/view-rating-criteria-8.htm>
- Consolidation of Companies - <https://www.acuite.in/view-rating-criteria-22.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-40.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

The rated entity has not shared the latest Financial Statements despite repeated attempts.

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 (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
24-Oct-2018	Term loans	Long Term	0.40	ACUITE B- Issuer not co-operating*
	Term loans	Long Term	0.40	ACUITE B- Issuer not co-operating*
	Term loans	Long Term	0.40	ACUITE B- Issuer not co-operating*
	Term loans	Long Term	0.30	ACUITE B- Issuer not co-operating*
	Term loans	Long Term	0.55	ACUITE B- Issuer not co-operating*
	Proposed Long Term Loan	Long Term	2.45	ACUITE B- Issuer not co-operating*
	Proposed Term Loan	Long Term	4.50	ACUITE B- Issuer not co-operating*
	Proposed Term Loan	Long Term	1.50	ACUITE B- Issuer not co-operating*
	Proposed Cash Credit	Long Term	5.00	ACUITE B- Issuer not co-operating*
	Proposed Bank Guarantee	Short Term	9.50	ACUITE A4 Issuer not co-operating*
06-Jan-2016	Term Loan	Long Term	0.40	ACUITE B- / Stable (Assigned)
	Term Loan	Long Term	0.40	ACUITE B- / Stable (Assigned)
	Term Loan	Long Term	0.40	ACUITE B- / Stable (Assigned)
	Term Loan	Long Term	0.30	ACUITE B- / Stable (Assigned)
	Term Loan	Long Term	0.55	ACUITE B- / Stable (Assigned)

	Proposed Term Loan	Long Term	2.45	ACUITE B- / Stable (Assigned)
	Proposed Term Loan	Long Term	4.50	ACUITE B- / Stable (Assigned)
	Proposed Term Loan	Long Term	1.50	ACUITE B- / Stable (Assigned)
	Proposed Cash Credit	Long Term	5.00	ACUITE B- / Stable (Assigned)
	Proposed Bank Guarantee	Short Term	9.50	ACUITE A4 (Assigned)

*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
Term loans	Not Applicable	Not Applicable	Not Applicable	0.40	ACUITE B- Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	0.40	ACUITE B- Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	0.40	ACUITE B- Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	0.30	ACUITE B- Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	0.55	ACUITE B- Issuer not co-operating*
Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	2.45	ACUITE B- Issuer not co-operating*
Proposed Term Loan	Not Applicable	Not Applicable	Not Applicable	4.50	ACUITE B- Issuer not co-operating*
Proposed Term Loan	Not Applicable	Not Applicable	Not Applicable	1.5	ACUITE B- Issuer not co-operating*
Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE B- Issuer not co-operating*
Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	9.50	ACUITE A4 Issuer not co-operating*

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

Contacts

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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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