

Press Release
Karismaa Foundations Private Limited
December 21, 2023



Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	15.50	ACUITE C Downgraded Issuer not co-operating*	-
Bank Loan Ratings	9.50	-	ACUITE A4 Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	25.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE C**' (read as **ACUITE C**) from **ACUITE B-**' (read as **ACUITE B minus**) and reaffirms the short-term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 25.00 crore bank facilities of Karismaa Foundations Private Limited. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

The rating action is on the account of delays reflected in Credit Bureau Information Report of the company.

About the Company

Karismaa Foundations Private Limited (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.

About the Group

Sugesan Transport Private Limited, incorporated in 1971, is a Chennai-based company promoted by Mr. Rajendra Sheth, Mr. Premkumar Sheth, Mr. Mukesh Sheth and Mr. Jesmin Sheth. The company, apart from offering heavy earth equipment and cranes on hire, also undertakes road laying and plant erection services. STPL operates across India and has a fleet of 35 (cranes and related equipment). STPL caters to L&T, ECC Construction Group, Reliance Petroleum Limited, Boruka Steels Limited among others. KFPL, a group company develops residential projects in Tamil Nadu and Karnataka. The company is in the process of developing six projects under the name Cielo, Orion, Twine, Prisma, Blue Beach and Site. The two companies form the Karismaa group.

Unsupported Rating

Not Applicable

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. Acuité believes that information risk is a critical component in such ratings, and noncooperation 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.

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.

Key Financials

The rated entity has not shared the latest financial statement for Acuite to comment.

Rating Sensitivity

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

All Covenants

None

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Status of non-cooperation with previous CRA

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.

Applicable Criteria

- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.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>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
11 Oct 2023	Proposed Cash Credit	Long Term	5.00	ACUITE B- (Issuer not co-operating*)
	Term Loan	Long Term	0.40	ACUITE B- (Issuer not co-operating*)
	Proposed Bank Guarantee	Short Term	9.50	ACUITE A4 (Issuer not co-operating*)
	Term Loan	Long Term	0.40	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*)
	Term Loan	Long Term	0.30	ACUITE B- (Issuer not co-operating*)
	Term Loan	Long Term	0.40	ACUITE B- (Issuer not co-operating*)
	Term Loan	Long Term	0.55	ACUITE B- (Issuer not co-operating*)
	Proposed Term Loan	Long Term	1.50	ACUITE B- (Issuer not co-operating*)
13 Jul 2022	Term Loan	Long Term	0.40	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*)
	Term Loan	Long Term	0.40	ACUITE B- (Issuer not co-operating*)
	Term Loan	Long Term	0.55	ACUITE B- (Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	2.45	ACUITE B- (Issuer not co-operating*)
	Term Loan	Long Term	0.30	ACUITE B- (Issuer not co-operating*)
	Term Loan	Long Term	0.40	ACUITE B- (Issuer not co-operating*)
	Proposed Term Loan	Long Term	4.50	ACUITE B- (Issuer not co-operating*)
14 Apr 2021	Proposed Term Loan	Long Term	4.50	ACUITE B- (Issuer not co-operating*)
	Proposed Cash Credit	Long Term	5.00	ACUITE B- (Issuer not co-operating*)
	Term Loan	Long Term	0.40	ACUITE B- (Issuer not co-operating*)
	Term Loan	Long Term	0.40	ACUITE B- (Issuer not co-operating*)
	Term Loan	Long Term	0.55	ACUITE B- (Issuer not co-operating*)
	Proposed Bank Guarantee	Short Term	9.50	ACUITE A4 (Issuer not co-operating*)
		Long		ACUITE B- (Issuer not co-

	Term Loan	Term	0.30	operating*)
	Term Loan	Long Term	0.40	ACUITE B- (Issuer not co-operating*)
	Proposed Term Loan	Long Term	1.50	ACUITE B- (Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	2.45	ACUITE B- (Issuer not co-operating*)
16 Jan 2020	Term Loan	Long Term	0.40	ACUITE B- (Issuer not co-operating*)
	Term Loan	Long Term	0.40	ACUITE B- (Issuer not co-operating*)
	Term Loan	Long Term	0.30	ACUITE B- (Issuer not co-operating*)
	Term Loan	Long Term	0.55	ACUITE B- (Issuer not co-operating*)
	Proposed Term Loan	Long Term	1.50	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 Cash Credit	Long Term	5.00	ACUITE B- (Issuer not co-operating*)
	Term Loan	Long Term	0.40	ACUITE B- (Issuer not co-operating*)
	Proposed Bank Guarantee	Short Term	9.50	ACUITE A4 (Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Not Applicable	Not Applicable	Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	9.50	ACUITE A4 Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	5.00	ACUITE C Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	Simple	2.45	ACUITE C Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Term Loan	Not Applicable	Not Applicable	Not Applicable	Simple	4.50	ACUITE C Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Term Loan	Not Applicable	Not Applicable	Not Applicable	Simple	1.50	ACUITE C Downgraded Issuer not co-operating*
Indusind Bank Ltd	Not Applicable	Term Loan	Not available	Not available	07 Aug 2017	Simple	0.40	ACUITE C Downgraded Issuer not co-operating*
Indusind Bank Ltd	Not Applicable	Term Loan	Not available	Not available	07 Aug 2017	Simple	0.40	ACUITE C Downgraded Issuer not co-operating*
Indusind Bank Ltd	Not Applicable	Term Loan	Not available	Not available	07 Aug 2017	Simple	0.40	ACUITE C Downgraded Issuer not co-operating*
Indusind Bank Ltd	Not Applicable	Term Loan	Not available	Not available	21 Aug 2017	Simple	0.30	ACUITE C Downgraded Issuer not co-operating*
Indusind Bank Ltd	Not Applicable	Term Loan	Not available	Not available	21 Aug 2017	Simple	0.55	ACUITE C Downgraded Issuer not co-operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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