



**Press Release**  
**Kanika Investment Limited**  
**December 18, 2024**  
**Rating Withdrawn**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	100.00	Not Applicable   Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	100.00	-	-

**Rating Rationale**

Acuite has withdrawn its long-term rating on the Rs. 100.00 Cr. bank facilities of Kanika Investment Limited without assigning any rating as the instrument is fully repaid. The rating has been withdrawn as per Acuite's policy of withdrawal of ratings as applicable to the respective instrument/facility. The rating has been withdrawn on account of the request received from the company and the NDC(No Due Certificate) & NOC (No Objection Certificate) received from the banker.

**About the Company**

Tamil Nadu based Kanika Investment Limited (KIL) was incorporated in 1979, as an investment company for the promoters of Dalmia Bharat Limited (DBL). Subsequently in May 2016, it started its operations as Non-banking financial company (NBFC). Initially, KIL was in various business verticals including dealer financing, unsecured business loans, equipment loans and loans to microfinance institutions but now shifted its focus entirely on dealer financing. KIL has been sold to Shri Nirman Limited (SNL) in Sep, 2017. KIL's shares are currently held by Shri Nirman Limited (SNL) and Keshav Power Limited (KPL). SNL and KPL, both are investment companies of the promoters. The present directors of the company are Mr. Sanjay Naveen Gowan, Mr. Kunal Mehta and Mr. Hemant Kumar.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Not Applicable

**Key Rating Drivers**

**Strengths**

Not Applicable

**Weaknesses**

Not Applicable

**Rating Sensitivities**

Not Applicable

**Liquidity Position**

Not Applicable

**Outlook: Not Applicable**

**Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	3.06	6.78
PAT	Rs. Cr.	(2.19)	(0.23)
PAT Margin	(%)	(71.78)	(3.41)
Total Debt/Tangible Net Worth	Times	0.32	4.20
PBDIT/Interest	Times	(0.18)	0.97

### Status of non-cooperation with previous CRA (if applicable)

Not Applicable

### Any other information

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.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. Acuité'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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
04 Jul 2024	Cash Credit	Long Term	30.00	ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+)
	Cash Credit	Long Term	5.00	ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+)
	Proposed Long Term Bank Facility	Long Term	65.00	ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+)
07 Apr 2023	Cash Credit	Long Term	30.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+   Stable)
	Cash Credit	Long Term	5.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+   Stable)
	Proposed Long Term Bank Facility	Long Term	65.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+   Stable)
26 Jul 2022	Cash Credit	Long Term	30.00	ACUITE BBB+   Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB+   Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	65.00	ACUITE BBB+   Stable (Reaffirmed)
27 Apr 2021	Term Loan	Long Term	10.00	ACUITE BBB+ (Upgraded & Withdrawn from ACUITE BBB   Stable)
	Term Loan	Long Term	5.00	ACUITE BBB+ (Upgraded & Withdrawn from ACUITE BBB   Stable)
	Cash Credit	Long Term	60.00	ACUITE BBB+   Stable (Upgraded from ACUITE BBB   Stable)
	Cash Credit	Long Term	10.00	ACUITE BBB+   Stable (Upgraded from ACUITE BBB   Stable)
	Proposed Long Term Bank Facility	Long Term	30.00	ACUITE BBB+   Stable (Upgraded from ACUITE BBB   Stable)

# Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Indusind Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	Not Applicable Withdrawn
Bandhan Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	Not Applicable Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	65.00	Simple	Not Applicable Withdrawn

## Contacts

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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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