



**Press Release**  
**KEN ENTERPRISES LIMITED (ERSTWHILE KEN ENTERPRISES PRIVATE LIMITED)**  
**July 04, 2025**  
**Rating Assigned and Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	4.31	ACUITE BBB-   Positive   Assigned	-
Bank Loan Ratings	40.00	ACUITE BBB-   Positive   Reaffirmed   Stable to Positive	-
Bank Loan Ratings	9.90	-	ACUITE A3   Assigned
Bank Loan Ratings	31.00	-	ACUITE A3   Reaffirmed
Total Outstanding Quantum (Rs. Cr)	85.21	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuité has reaffirmed its long-term rating of 'ACUITE BBB-' (read as ACUITE triple B minus) and short-term rating of 'ACUITE A3' (read as ACUITE A three) on the Rs 71.00 Cr. bank facilities of Ken Enterprises Limited (KEL) (Erstwhile Ken Enterprises Private Limited). The outlook revised from 'Stable to Positive'.

Acuité has assigned its long-term rating of 'ACUITE BBB-' (read as ACUITE triple B minus) and short-term rating of 'ACUITE A3' (read as ACUITE A three) on the Rs.14.21 Cr. bank facilities of Ken Enterprises Limited (KEL) (Erstwhile Ken Enterprises Private Limited). The outlook is 'Positive'.

**Rationale for rating reaffirmation and change in outlook**

The revision in outlook from 'stable to positive' reflects an improvement in the company's net worth, supported by equity infusion through its recent Initial Public Offering (IPO). The proceeds from IPO are to be utilised towards funding working capital requirements and strengthening the overall capital structure by reducing the dependency on external borrowings thereby improving profitability.

The rating reaffirmation considers the augmentation in business risk profile of the group backed by improvement in the operating performance. Further, the rating also factors in the experienced management, established operational track record, healthy financial risk profile, adequate liquidity position and efficient working capital management. The rating remained constrained on account of the working capital-intensive operations, susceptibility of its profitability to fluctuations in raw material prices, forex risk and presence in highly competitive nature of textile industry.

**About the Company**

Ken Enterprises Limited (KEL) (Erstwhile Ken Enterprises Private Limited) is engaged in manufacturing of Grey and finished fabrics for both domestic and international markets company with over four decades of experience in the industry. The company operates as a design-to-delivery solutions provider, offering a diverse range of fabrics for apparel, industrial, technical, and home furnishing applications. With exports to more than 20 countries and an approved vendor for global brands such as ZARA (Inditex Group), Target, and Primark.

**About the Group**

Kuber Cotspin Private Limited (KCPL) was incorporated on 19 October 2005 and is a wholly owned subsidiary of

KEL. Its registered office is in Kolhapur, Maharashtra, India. The Company is engaged in the Media and Publishing Industry. The Directors of the Company are Mr. Nikunj Hariprasad Bagdiya and Ms. Bina Hariprasad Bagdiya.

**Unsupported Rating**

Not Applicable

## Analytical Approach

### Extent of Consolidation

- Full Consolidation

### Rationale for Consolidation or Parent / Group / Govt. Support

Acuité has considered the consolidated business and financial risk profile of Ken Enterprises Limited (KEL) (Erstwhile Ken Enterprises Private Limited) and its wholly owned subsidiary Kuber Cotspin Private Limited.

### Key Rating Drivers

#### Strengths

##### Experienced management with long operational track record

Ken Enterprises Limited (KEL) (Erstwhile Ken Enterprises Private Limited), promoted by Mr. Nikunj Hariprasad Bagdiya, Mrs. Bina Hariprasad Bagdiya and Mr. Krishna Hariprasad Bagdiya, have over a decade of experience in the said line of business. The company is the second-generation textile manufacturing enterprise with 40 years of presence in Ichalkaranji, Maharashtra. It is the first weaving mill from Western Maharashtra. The company has international presence in 21 countries for the export of grey fabric (export accounts for ~30 to 35 percent of total sales). The company exports to USA, Kenya, South Korea, Bangladesh, Thailand, Vietnam, Turkey, Mexico and UAE to name a few. The experience of promoters coupled with long track record of operations has enabled the company to forge healthy relationships with customers and suppliers, which in turn has helped in growth of the business.

##### Augmentation of operating performance

The operating revenue of the group grew to Rs. 490.29 Cr. in FY2025 from Rs 407.39 Cr. in FY2024 as against Rs 372.29 Cr. in FY2023 aided by higher demand from the grey fabric segment and acquisition of new customer base. The operating profit margin improved and stood at 6.44 per cent in FY25 as against 6.21 per cent in FY24 and 3.75 per cent in FY23. The PAT margins have marginally increased to 2.51 per cent as on FY25 as against 2.19 per cent as on FY24 and 1.01 per cent in FY23. Acuite believes, the operating performance of the group would improve steadily on the back of addition of new customer base.

##### Healthy financial risk profile

The group has healthy financial risk profile marked by healthy net worth, gearing and debt protection metrics. KEL's net worth stood at Rs. 111.60 Cr. as on March 31, 2025 as against Rs. 44.85 Cr. as on March 31, 2024 on account of accretion of reserves and increase in share capital through IPO issue. The group's gearing stood at 0.32 times as on March 31, 2025 as against 1.07 times as on 31 March, 2024 and 1.38 times as on March 31, 2023. The company's total debt as on March 31, 2025 stood at Rs. 35.18 Cr. as against Rs. 47.84 Cr. March 31, 2024 and Rs. 49.45 Cr. as on March 31, 2023; comprising of long-term debt of Rs. 0.77 Cr, short-term debt of Rs. 31.61 Cr. TOL/TNW stood at 1.65 times as on March 31, 2025 as against 4.40 times as on March 31, 2024. Interest coverage ratio of the group stood at 2.07 times in FY25 against 1.98 times in FY24. DSCR stood at 1.37 times in FY25 against 1.32 times in FY24. Acuite believes that the financial risk profile of the group will improve backed by steady accruals and no major debt funded capex plans.

#### Weaknesses

##### Working capital intensive operations

The group has working capital intensive operations with average gross current asset (GCA) at 197 days during FY2025 as against 205 days in FY2024. Inventory days stood at 102 days in FY2025 against 108 days in FY2024. The group now is moving towards procuring raw material directly from spinning mills instead of traders and hence is required to procure and stock in bulk. The debtor days stood at 85 days in FY2025 against 96 days in FY2024. The average credit period allowed by the group to its customers upto 90 days. The creditor days stood at 135 days in FY2025 against 167 days in FY2024. Further, the reliance on fund based and non-fund-based limits stood moderate at ~87 per cent for last six months ended May 2025. Acuite believes that the working capital operations of the group will remain at similar levels over the medium term given the nature of the industry.

##### Susceptibility of profitability to volatility in raw material prices, forex risk in an intensely competitive and fragmented industry

Profit margins are highly susceptible to fluctuations in raw material prices, which are influenced by seasonal factors such as monsoon variations, leading to unpredictable cost structures. Additionally, the competitive landscape is intense due to low entry barriers and a fragmented industry structure, which results in significant pricing pressures from peers. This combination of volatile raw material costs and aggressive competition poses a continuous challenge to maintain stable profit margins for companies engaged in manufacturing. The group is

exposed to forex risk as export contributes ~ 21 per cent in total sales.

### **Rating Sensitivities**

- Sustain improvement in revenues and profitability
- Changes in financial risk profile
- Deterioration in working capital cycle

### **Liquidity Position**

#### **Adequate**

The group has adequate liquidity marked by group's net cash accruals, which stood at Rs. 13.53 Cr. as on March 31, 2025, against Rs.5.35 Cr. repayment over the same period. Going ahead group is expected to generate cash accruals in the range of Rs.20-23 Cr. through FY26-27 against no repayment obligation during the same period. The company as on date has cash and cash equivalents of Rs. 15.97 Cr. The current ratio stood comfortable at 1.53 times as on March 31, 2025. The reliance on fund based and non-fund-based limits stood moderate at ~87 per cent for last six months ended May 2025. Acuité believes that the group would maintain adequate liquidity position over the medium term.

### **Outlook: Positive**

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	490.29	407.39
PAT	Rs. Cr.	12.32	8.93
PAT Margin	(%)	2.51	2.19
Total Debt/Tangible Net Worth	Times	0.32	1.07
PBDIT/Interest	Times	2.07	1.98

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

Not Applicable

### Any Other Information

None

### Applicable Criteria

- 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>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.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
05 Apr 2024	Letter of Credit	Short Term	27.50	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	1.00	ACUITE A3 (Assigned)
	Letter of Credit	Short Term	2.40	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	35.00	ACUITE BBB-   Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB-   Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	0.10	ACUITE BBB-   Stable (Reaffirmed)
31 Mar 2023	Letter of Credit	Short Term	27.50	ACUITE A3 (Assigned)
	Cash Credit	Long Term	35.00	ACUITE BBB-   Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	2.50	ACUITE BBB-   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE BBB-   Positive   Reaffirmed   Stable to Positive
Canara Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	28.50	Simple	ACUITE A3   Reaffirmed
Canara Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.50	Simple	ACUITE A3   Reaffirmed
Canara Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.90	Simple	ACUITE A3   Assigned
Canara Bank	Not avl. / Not appl.	Term Loan	18 Nov 2021	Not avl. / Not appl.	31 Mar 2026	4.31	Simple	ACUITE BBB-   Positive   Assigned

### \*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr.No	Company Name
1	Ken Enterprises Limited (Erstwhile Ken Enterprises Private Limited)
2	Kuber Cotspin Private Limited (KCPL)

## Contacts

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### About Acuité Ratings & Research

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