



**Press Release**  
**KEN ENTERPRISES LIMITED (ERSTWHILE KEN ENTERPRISES PRIVATE LIMITED)**  
**July 17, 2025**  
**Rating Upgraded**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	44.31	ACUITE BBB   Stable   Upgraded   Positive to Stable	-
Bank Loan Ratings	40.90	-	ACUITE A3+   Upgraded
Total Outstanding Quantum (Rs. Cr)	85.21	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has upgraded its long-term rating to '**ACUITE BBB**' (read as **ACUITE triple B**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and short-term rating to '**ACUITE A3+**' (read as **ACUITE A three plus**) from '**ACUITE A3**' (read as **ACUITE A three**) on the Rs. 85.21 Cr. bank facilities of Ken Enterprises Limited (KEL) (Erstwhile Ken Enterprises Private Limited). The outlook is revised from '**Positive to Stable**'.

**Rationale for rating**

The client had appealed and provided additional clarifications and information pertaining to the Quarter 1 performance and the advantages of the asset-light model. The rating upgrade further considers 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 factors in the group's long operations track record, experienced management, augmentation in operating performance and healthy financial risk profile. However, the rating remained constrained on account of working capital intensive operations and susceptibility of profitability to volatility in raw material prices, forex risk in an intensely competitive and fragmented industry.

**About the Company**

Ken Enterprises Limited (KEL) (Erstwhile Ken Enterprises Private Limited) incorporated in 1998. The Company's Registered Office is at Maharashtra, India. KEL 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 Ichalkaranji, Kolhapur District, Maharashtra, India. The Company is engaged in the

textile and offering a diverse range of fabrics for apparel, industrial, technical, and home furnishing applications. 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 due to business and financial linkages.

## 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 improved 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 FY2025 as against 6.21 per cent in FY2024 and 3.75 per cent in FY2023. The PAT margins have marginally increased to 2.51 per cent in FY2025 as against 2.19 per cent as on FY2024 and 1.01 per cent in FY2023. Further, the revenue in Q1FY2026 improved and stood at Rs. 96.90 Cr. as against Rs.84.10 Cr. in Q1FY2025. The operating profit margin marginally improved and stood at 6.60 per cent in Q1FY2026 compared to 6.10 per cent in Q1FY2025. The PAT margins have improved in Q1FY2026 and stood at 2.60 per cent as compared to 1.73 per cent in Q1FY2025. 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. (comprising of long-term debt of Rs.0.77 Cr, short-term debt of Rs.31.61 Cr.) as against Rs. 47.84 Cr. March 31, 2024 and Rs. 49.45 Cr. as on March 31, 2023. 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 (ICR) of the group stood at 2.07 times in FY2025 against 1.98 times in FY2024. DSCR stood at 1.37 times in FY2025 against 1.32 times in FY2024. Acuite believes that the financial risk profile of the group will improve on the back of infusion of fresh equity, 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 assets (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, the group hedges its forex risk exposure, thus the risk is mitigated to an extent.

#### **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 backed 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. The reliance on fund based and non-fund-based limits stood moderate at ~87 per cent for last six months ended May 2025.

#### **Outlook: Stable**

#### **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>

## 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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
04 Jul 2025	Letter of Credit	Short Term	28.50	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	2.50	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	9.90	ACUITE A3 (Assigned)
	Term Loan	Long Term	4.31	ACUITE BBB-   Positive (Assigned)
	Cash Credit	Long Term	40.00	ACUITE BBB-   Positive (Reaffirmed)
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   Stable   Upgraded   Positive to Stable ( from ACUITE BBB- )
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+   Upgraded ( from ACUITE A3 )
Canara Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.40	Simple	ACUITE A3+   Upgraded ( from ACUITE A3 )
Canara Bank	Not avl. / Not appl.	Term Loan	18 Nov 2021	Not avl. / Not appl.	31 Mar 2026	4.31	Simple	ACUITE BBB   Stable   Upgraded   Positive to Stable ( from ACUITE BBB- )

### \*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

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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