

Kikani Exports Private Limited

October 03, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term / Short Term Bank Facilities	-	-	Rating continues to remain under ISSUER NOT COOPERATING category; Reaffirmed at CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING* and Withdrawn
Long Term Bank Facilities	-	-	Rating continues to remain under ISSUER NOT COOPERATING category; Reaffirmed at CARE BB; Stable; ISSUER NOT COOPERATING* and Withdrawn

Details of instruments/facilities in Annexure-1

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed and withdrawn the outstanding ratings of CARE BB; Stable; ISSUER NOT COOPERATING/ CARE A4; ISSUER NOT COOPERATING (Double B; Outlook: Stable; ISSUER NOT COOPERATING/ A Four; ISSUER NOT COOPERATING) assigned to the bank facilities of Kikani Exports Private Limited (KEPL) with immediate effect. The above action has been taken at the request of KEPL along with No Objection Certificate received from the bank that has extended the facilities rated by CareEdge Ratings.

The ratings assigned to the bank facilities of KEPL remain constrained by moderate capital structure and debt coverage indicators during FY24 (Audited refers to the period April 01 to March 31). The ratings, further, remained constrained on account of exposure of operating margins to raw material price volatility and foreign currency fluctuations. However, the ratings derive strength from vast experience of the promoters, long operational track record of the company with geographically diversified clientele and improved financial performance during FY24.

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers:

At the time of last rating on December 16, 2024 the following were the rating strengths and weaknesses (updated based on information available from registrar of companies).

Key Weaknesses

Moderate capital structure and debt coverage indicators

The capital structure moderated due to higher reliance on external working capital borrowings marked by overall gearing of 2.77x as on March 31, 2024 as against 2.59x as on March 31, 2023. Further, The debt coverage indicators although improved on account of improved profitability but remained moderate with total debt to gross cash accruals at 7.96x as on March 31, 2024 (PY:12.81x) and interest coverage at 2.36x in FY24 as against 2.15x in FY23.

Exposure to volatility of raw materials and forex rates

The profitability of textile mills depends largely on the prices of cotton and cotton yarn which are governed by various factors such as area under cultivation, monsoon, international demand-supply situation, etc. The movement in cotton prices without parallel movement in yarn prices impacts the profitability of the spinning and knitting mills. The cotton textile industry is inherently prone to volatility in cotton and yarn prices. Further, the profitability is exposed to fluctuations in exchange rates, though the risk is partially limited by some natural hedge through its foreign exchange denominated loans. The PBILDT margin of the company has been volatile in the range of 4.00-7.00% over the past three years ended FY24.

Key Strengths

Vast experience of the promoters

KEPL was incorporated in the year 2000, promoted by Mr. Lalit Kumar Kikani. Mr. Lalit Kumar Kikani has more than four decades of experience in yarn trading. Currently, Mr. Vrajesh Kikani, son of Mr. Lalit Kumar Kikani, is taking care of the operations and management of KEPL. Mr. Vrajesh Kikani also has about two decades of experience in the textile industry.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Long track record of operations of the company with presence in both trading and manufacturing

KEPL has over two decades of operations in trading of cotton yarn of various counts to different export geographies. The company also ventured into its own manufacturing by putting up a spinning unit during FY14 and knitting unit in FY21. As on December 31, 2023, the company has installed capacity of 29,376 spindles and 86 knitting machines.

Diversified geographic presence and customer base

The company has diversified geographic presence in around 20 different countries including US, Europe, Egypt, Srilanka, etc. While all the traded yarn is exported, the produce from own manufacturing is sold domestically. The export sales account for 63.76% (PY: 61.55%) of total sales in FY24.

Improved Financial performance during FY24

The company witnessed an increase in financial performance during FY24 due to increase in export sales as marked by TOI of Rs. 1141.74 crore in FY24 as against income of Rs. 794.25 crore in FY23. Further due to improved TOI with stable cost of sales, PBILDT margin has improved to 5.61% in FY24 as against 4.76% in FY23. However, on account of higher interest and depreciation costs the PAT margin remained thin at 0.67% in FY24 as against 0.80% in FY23.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

[Withdrawal Policy](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Wholesale Trading](#)

[Rating Methodology - Cotton Textile Manufacturing](#)

About the company

Kikani Exports Private Limited (KEPL) was incorporated in March 2000. The company is into spinning, knitting and trading of cotton yarn and grey fabrics. KEPL has its manufacturing units located at Ahmedabad, Gujarat with installed capacity of 29,376 spindles and 86 knitting machines. KEPL trades yarn to various markets in the Far East, Middle East, Africa, Europe, China, South America etc.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	1,161.10	794.25	1141.74
PBILDT	78.27	37.79	64.02
PAT	35.28	6.37	7.57
Overall gearing (times)	2.42	2.59	2.77
Interest coverage (times)	5.73	2.15	2.36

A: Audited; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Annexure-2

Covenants of rated instruments/facilities: Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST-CC/Packing Credit		-	-	-	0.00	Withdrawn
Term Loan-Long Term		-	-	March 2030	0.00	Withdrawn

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Term Loan-Long Term	LT	-	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (03-Oct-25)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (16-Dec-24)	1)CARE BB+; Stable (05-Mar-24)	1)CARE BB+; Stable (14-Feb-23)
2	Fund-based - LT/ ST-CC/Packing Credit	LT/ ST	-	-	1)CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING* (03-Oct-25)	1)CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING* (16-Dec-24)	1)CARE BB+; Stable / CARE A4+ (05-Mar-24)	1)CARE BB+; Stable / CARE A4+ (14-Feb-23)

*Issuer did not cooperate; based on best available information.

LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT/ ST-CC/Packing Credit	Simple
2	Term Loan-Long Term	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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