

Press Release

Kay Kay Trading Company

October 27, 2020

Rating Update



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|-------------------------------------|---|
| Total Bank Facilities Rated# | Rs.14.75 Cr.# |
| Long Term Rating | ACUITE BB+ (Downgraded from ACUITE BBB/Stable) Issuer not co-operating* |
| Short Term Rating | ACUITE A4+ (Downgraded from ACUITE A3+) Issuer not co-operating* |

#Refer Annexure for details

*The issuer did not co-operate; based on best available information.

Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB**' (read as **ACUITE triple B**) and the short term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3+**' (read as **ACUITE A three plus**) on the Rs.14.75 crore bank facilities of Kay Kay Trading Company (KKTC). This rating is now an indicative rating and is based on the best available information. The rating downgrade is on account of information risk.

KKTC set up in 1988, is a partnership firm by Mr. Manoj Khetan, Mrs. Sunita Khetan and Mr. Nishit Khetan. It is engaged in trading of gypsum to cement companies. Previously, the firm was engaged in trading of bearings which has now been discontinued.

Non-cooperation by the issuer/borrower: Acuité 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.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Trading Entities - <https://www.acuite.in/view-rating-criteria-61.htm>

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 endeavored 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.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

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

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.

Rating History (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr) | Ratings/Outlook |
|--------------|------------------------------------|------------|-----------------|--|
| 02-Aug-2019 | Cash Credit | Long Term | 11.50 | ACUITE BBB/ Stable (Upgraded from ACUITE BBB-/Stable) |
| | Proposed Bank Guarantee | Short Term | 3.25 | ACUITE A3+ (Upgraded from ACUITE A3) |
| 20-June-2018 | Cash Credit | Long Term | 7.00 | ACUITE BBB-/ Stable (Assigned) |
| | Proposed Cash Credit | Long Term | 5.00 | ACUITE BBB-/ Stable (Assigned) |
| | Bank Guarantee/Letter of Guarantee | Short Term | 2.00 | ACUITE A3 (Assigned) |
| | Proposed Bank Guarantee | Short Term | 0.75 | ACUITE A3 (Assigned) |

#Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Crore) | Ratings/Outlook |
|-------------------------|------------------|----------------|----------------|-------------------------------|---|
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 11.50 | ACUITE BB+ (Downgraded from ACUITE BBB/Stable) Issuer not co-operating* |
| Proposed Bank Guarantee | Not Applicable | Not Applicable | Not Applicable | 3.25 | ACUITE A4+ (Downgraded from ACUITE A3+) Issuer not co-operating* |

Contacts

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About Acuite Ratings & Research:

Acuite Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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