



**Press Release**  
**KAY KAY TRADING COMPANY**  
**July 25, 2025**  
**Rating Upgraded**

| Product                            | Quantum (Rs. Cr) | Long Term Rating                | Short Term Rating |
|------------------------------------|------------------|---------------------------------|-------------------|
| Bank Loan Ratings                  | 70.00            | ACUITE BBB+   Stable   Upgraded | -                 |
| Total Outstanding Quantum (Rs. Cr) | 70.00            | -                               | -                 |
| Total Withdrawn Quantum (Rs. Cr)   | 0.00             | -                               | -                 |

**Rating Rationale**

Acuité has upgraded its long term rating to ‘**ACUITE BBB+**’ (read as **ACUITE triple B Plus**) from ‘**ACUITE BB+**’ (read as **ACUITE double B Plus**) on the Rs 70.00 Cr. bank facilities of Kay Kay Trading Company (KKTC). The outlook is ‘**Stable**’.

**Rationale For Rating**

The rating upgrade and migration from the ‘Issuer Not Cooperating’ category reflect an improvement in the Group’s overall financial risk profile, along with efficient working capital management and an adequate liquidity position. The rating also factors in the promoters’ extensive experience of over three decades in the trading of gypsum, clinker, and laterite. However, the rating remains constrained by the declining topline trend over the past three fiscal years, vulnerability of profitability due to volatility in cement prices, and exposure to the cyclical and highly competitive nature of the industry.

**About the Company**

Mumbai based Kay Kay Trading Company (KKTC) is a partnership firm set up in 1988 by Mr. Manoj Khetan, Mrs. Sunita Khetan and Mr. Nishit Khetan. The firm is currently engaged in trading of mineral gypsum and clinker. Prior to trading of gypsum and clinker, the firm was engaged in trading of bearings which has now been discontinued. Further, the firm started trading of gypsum from FY17 and clinker from FY20 and it imports all traded goods from the Middle East countries. The firm currently operates from 14 ports across the country.

**About the Group**

Oceanic Trade Minerals Private Limited incorporated in the year 2019. The Registered Office is in Mumbai. Oceanic Trade Minerals Private Limited is currently engaged in import and trading of Natural Gypsum, Cement Clinker and Laterite. The Current Directors of the company are Mrs. Sunita Manoj Khetan and Mr. Manoj Shyam Sunder Khetan

**Unsupported Rating**

Not Applicable

**Analytical Approach**

**Extent of Consolidation**

• Full Consolidation

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

Acuité has consolidated the business and financial risk profiles of Oceanic Trade Minerals Private Limited and Kay Kay Trading Company and hereinafter referred to as Oceanic Group on account of their common line of business, common management, and significant operational and financial linkages.

### **Key Rating Drivers**

## Strengths

### **Experienced management and established track record of operations with reputed clientele**

The Mumbai-based Oceanic Group was incorporated by Mr. Manoj Khetan and family. The promoters possess over three decades of experience in the trading business. The extensive experience of the promoters has helped the group to establish strong ties with its suppliers and customers. The group caters to renowned cement manufacturing companies, including Ultratech Cement Ltd., Dalmia Cement Ltd., JK Cement Ltd., Ramco Cement Ltd., amongst others.

Acuité believes that the group will continue to benefit from its experienced management and established relationships with both customers as well as suppliers in the medium term.

### **Moderate financial risk profile**

OG's financial risk profile improved and overall stood moderate marked by moderate net worth, debt protection metrics and below unity gearing. The net worth stood at Rs. 84.66 Cr. as on March 31, 2025 (Prov.), against Rs.70.50 Cr. as on March 31, 2024. The net worth has improved primarily on account of accretion of profits into reserves. The gearing stood below unity at 0.94 times as on March 31, 2025 (Prov.), against 1.23 times as on March 31, 2024. The TOL/TNW stood at 1.41 times as on March 31, 2025 (Prov.), against 2.61 times as on March 31, 2024. The debt coverage ratios improved due to a reduction in total debt, which primarily comprises of working capital limits. Interest Coverage Ratio improved to 7.73 times in FY2025 (Prov.) against 4.65 times in FY2024. DSCR also improved to 5.60 times in FY2025 (Prov.) against 3.53 times in FY2024. Debt/EBITDA level stood at 2.91 times in FY2025 (Prov.) against 2.53 times in FY2024.

Going ahead, the financial risk profile of the company is expected to remain moderate over the medium term on account of steady operating performance and absence of debt funded capex plan over the medium term.

### **Efficient working capital management**

OG maintains an efficient working capital cycle, with GCA days at 77 days in FY2025 (Prov.) against 86 days in FY2024, driven by debtor and inventory days of 23 days and 49 days, respectively. The group typically receives 90% of payments within 7 days of dispatch and the remaining 10% within 30 days. Earlier, OG used to make 100% advance payments to its suppliers. However, now they are getting the credit period in the range of 15-20 days from the suppliers. The average bank limit utilization of the group stood at ~30.60% in the past 06 months ended March 2025.

Going ahead, the working capital operations of the group are expected to remain at the similar levels over the medium term.

## Weaknesses

### **Declining trend in the topline albeit marginal improvement in the bottom line over the past three fiscal years**

The Group's revenue declined over the last three years, falling to Rs.816.82 Cr. in FY2025 (Prov.) from Rs.965.99 Cr. in FY2024 and Rs.1,017.85 Cr. in FY2023. This moderation primarily stems from the discontinuation of customer-reimbursed transport charges and the absence of cement clinker and sulphur orders in FY2025. Despite this, margins have seen modest improvement, with PAT rising to 2.09% in FY2025 (Prov.) from 1.81% in FY2024 and 1.73% in FY2023, while operating margins remained stable between 3.14% and 3.52%.

Going ahead, sustained growth in revenue while maintaining profitability margins will remain a key monitorable.

### **Vulnerability of profitability owing to volatility in cement prices**

The profitability margins of the group are susceptible to volatility in gypsum and clinker prices in the international market as the group imports 100 percent of its traded goods from Middle Eastern countries. Significant changes in prices of gypsum and clinkers impact the margins of the group.

Acuité believes that profitability of the group will remain susceptible to volatility in gypsum and clinker prices in the near to medium term.

### **Susceptibility to cyclical nature of industry and competitive nature of industry**

The group engaged in trading business of gypsum, clinker and laterite to the top cement manufacturers of the country. The cement consumption is majorly dependent upon the economic activities taking place in and around the country. The end user industry being infrastructure and real state, any significant slowdown in these industries will impact the demand of cement and will impact the revenues of the group. Further, the firm competes with various players in the organized and unorganized segments in the gypsum trading industry, thus limiting the pricing power.

## Rating Sensitivities

- Sustained growth in revenue with sustainability of the profitability margins.
- Deterioration of its financial risk profile and liquidity position.

## Liquidity Position Adequate

OG has an adequate liquidity position marked by net cash accruals of Rs.17.90 Cr. in FY2025 (Prov.) against minimal repayment obligation of Rs.0.29 Cr. during the same period. Going ahead, the group is expected to continue to generate steady cash accruals against its minimal repayment obligations over the medium-term. It's working capital operations are efficient and the reliance on working capital limits stood low at ~30.60% for the last 06 months ended March 25. The current ratio stood at 1.56 times as on March 31, 2025 (Prov.). Further, the group maintained unencumbered cash and bank balance of Rs. 10.24 Cr. as on March 31, 2025 (Prov.).

Going ahead, the liquidity of the group is likely to remain adequate on account of expected steady cash accruals generation against its minimal repayment obligations, and buffer available from unutilised working capital limits.

## Outlook: Stable

## Other Factors affecting Rating

None

## Key Financials

| Particulars                   | Unit    | FY 25 (Provisional) | FY 24 (Actual) |
|-------------------------------|---------|---------------------|----------------|
| Operating Income              | Rs. Cr. | 816.82              | 965.99         |
| PAT                           | Rs. Cr. | 17.08               | 17.48          |
| PAT Margin                    | (%)     | 2.09                | 1.81           |
| Total Debt/Tangible Net Worth | Times   | 0.94                | 1.23           |
| PBDIT/Interest                | Times   | 7.73                | 4.65           |

### 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>
- 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                                                               |
|-------------|--------------------------------|-----------|-----------------|------------------------------------------------------------------------------|
| 13 May 2025 | Cash Credit                    | Long Term | 30.00           | ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+   Stable) |
|             | Cash Credit                    | Long Term | 10.00           | ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+   Stable) |
|             | Cash Credit                    | Long Term | 30.00           | ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+   Stable) |
| 22 Feb 2024 | Cash Credit                    | Long Term | 20.00           | ACUITE BBB+   Stable (Reaffirmed)                                            |
|             | Cash Credit                    | Long Term | 10.00           | ACUITE BBB+   Stable (Assigned)                                              |
|             | Cash Credit                    | Long Term | 20.00           | ACUITE BBB+   Stable (Reaffirmed)                                            |
|             | Cash Credit                    | Long Term | 10.00           | ACUITE BBB+   Stable (Assigned)                                              |
|             | Cash Credit                    | Long Term | 10.00           | ACUITE BBB+   Stable (Assigned)                                              |
| 06 Dec 2023 | Cash Credit                    | Long Term | 20.00           | ACUITE BBB+   Stable (Reaffirmed)                                            |
|             | Cash Credit                    | Long Term | 20.00           | ACUITE BBB+   Stable (Reaffirmed)                                            |
| 07 Sep 2022 | Cash Credit                    | Long Term | 20.00           | ACUITE BBB+   Positive (Reaffirmed)                                          |
|             | Cash Credit                    | Long Term | 20.00           | ACUITE BBB+   Positive (Reaffirmed)                                          |
| 18 Apr 2022 | Cash Credit                    | Long Term | 14.75           | ACUITE BBB+   Positive (Upgraded from ACUITE BB+)                            |
|             | Cash Credit                    | Long Term | 5.25            | ACUITE BBB+   Positive (Assigned)                                            |
|             | Cash Credit                    | Long Term | 20.00           | ACUITE BBB+   Positive (Assigned)                                            |
| 10 Feb 2022 | Cash Credit                    | Long Term | 14.75           | ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+   Stable) |

**Annexure - Details of instruments rated**

| <b>Lender's Name</b> | <b>ISIN</b>          | <b>Facilities</b> | <b>Date Of Issuance</b> | <b>Coupon Rate</b>   | <b>Maturity Date</b> | <b>Quantum (Rs. Cr.)</b> | <b>Complexity Level</b> | <b>Rating</b>                                       |
|----------------------|----------------------|-------------------|-------------------------|----------------------|----------------------|--------------------------|-------------------------|-----------------------------------------------------|
| Indusind Bank Ltd    | Not avl. / Not appl. | Cash Credit       | Not avl. / Not appl.    | Not avl. / Not appl. | Not avl. / Not appl. | 30.00                    | Simple                  | ACUITE BBB+   Stable   Upgraded ( from ACUITE BB+ ) |
| Yes Bank Ltd         | Not avl. / Not appl. | Cash Credit       | Not avl. / Not appl.    | Not avl. / Not appl. | Not avl. / Not appl. | 30.00                    | Simple                  | ACUITE BBB+   Stable   Upgraded ( from ACUITE BB+ ) |
| HDFC Bank Ltd        | Not avl. / Not appl. | Cash Credit       | Not avl. / Not appl.    | Not avl. / Not appl. | Not avl. / Not appl. | 10.00                    | Simple                  | ACUITE BBB+   Stable   Upgraded ( from ACUITE BB+ ) |

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

| <b>Sr.No.</b> | <b>Company Name</b>                    |
|---------------|----------------------------------------|
| 1             | Kay Kay Trading Company                |
| 2             | Oceanic Trade Minerals Private Limited |

## 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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