# MKJ Tradex Limited

July 07, 2026

| Facilities/Instruments | Amount (₹ crore) | Rating[1] | Rating Action |
|---|---|---|---|
| Long-term bank facilities | 80.00 | CARE BBB; Stable | Reaffirmed |

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.

## Rationale and key rating drivers

Reaffirmation of rating assigned to bank facilities of MKJ Tradex Limited (MKJ) derive strength from experienced and resourceful promoters and the company being part of the Keventer group, which has business interest in diverse sectors. The rating draws comfort from established relationship with supplier and customers in niche stainless steel segment and insulation from volatility in prices of raw materials and finished goods. The rating also factors in satisfactory financial performance in FY26 (refers to period from April 01 to March 31), stable capital structure and improving debt coverage indicators.

The rating is constrained by supplier concentration risk and working capital intensive business.

## Rating sensitivities: Factors likely to lead to rating actions

**Positive factors**

- Growth in scale of operations marked by total operating income (TOI) above ₹1,000 crore on a sustained basis.
- Improvement in liquidity with decline in working capital cycle below 60 days.
- Improvement in debt coverage indicators marked by total debt to gross cash accruals (TD/GCA) below 8x on a sustained basis.

**Negative factors**

- Elongation of working capital cycle beyond current levels.
- Deterioration in capital structure marked by overall gearing above 2.00x on a sustained basis.

**Analytical approach:** Standalone, factoring linkages with the Kolkata-based Keventer group.

**Outlook:** Stable

The company is expected to sustain its operational performance given established relationship with customers and supplier, ensuring repeat orders from customers and steady supply of goods from supplier. The company is expected to have satisfactory capital structure given it has no reliance on term debt going forward.

## Detailed description of key rating drivers:

### Key strengths

**Experienced and resourceful promoters**

MKJ is part of the Kolkata-based Keventer group led by Mahendra Kumar Jalan (Promoter and Chairman). The group operates across diverse sectors including steel, food processing, dairy, and real estate. MKJ's operations are being managed by Mahendra Kumar Jalan who is supported by his son Mayank Jalan. Promoters have extended regular financial support to MKJ to fund its business operations, indicating strong financial backing.

**Established relationships with supplier and customers in niche stainless steel (SS) segment**

MKJ has been associated with its sole supplier, Mukand Limited (ML), for over four decades for the supply of SS products, ensuring continuity in procurement. Prior to MKJ, the group had longstanding relations with ML through other group entities engaged in trading steel and alloy products, reflecting established supply linkages. MKJ trades in specialised stainless-steel products such as SS wire rods, wires, and bright bars, across grades, shapes, and sizes, catering to end-use industries including automotive, industrial, oil & gas, and energy. MKJ's customer profile includes reputed players in the stainless-steel segment, resulting in repeat orders and supporting demand visibility.

The longstanding supplier association and repeat customer base are expected to support stable operations and sustained demand in the near-to-medium term.

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

**Insulated from volatility in price of inputs and finished goods**
As a consignment agent of ML, MKJ earns a fixed commission on the sale of finished goods and inputs supplied to ML. Under this model, including direct sales, MKJ remains largely insulated from volatility in steel product and input prices, as such risks are borne by ML or the end customers. However, this structure also constrains the company's profitability margins.

The commission-based structure is expected to support earnings stability in the near-to-medium term, though margin expansion is likely to remain limited.

**Satisfactory financial performance, stable capital structure and improving debt coverage indicators in FY26**
In FY26, TOI declined by ~15% to ₹639.67 crore (FY25: ₹752.40 crore) due to lower direct sales of SS products, following a shift in procurement preference by a key customer towards commission-based sales.

Consequently, commission sales increased sharply by ~116% to ₹700.54 crore in FY26 (₹325 crore in FY25) driven by a ~100% year-on-year increase in volumes and ~8% improvement in realisations. As a result, gross business turnover increased by ~25% to ₹1,862.44 crore (FY25: ₹1,492.94 crore), despite decline in reported operating income.

Profit before interest, lease rentals, depreciation and taxation (PBILDT) margin (on a direct sales basis) improved to 5.09% in FY26 from 3.49% in FY25, primarily due to higher proportion of commission sales. However, on a gross business turnover basis, PBILDT margin remained stable at 1.75% in FY26 (FY25: 1.76%), indicating steady operating profitability.

Capital structure remained satisfactory, with overall gearing stable at 0.77x as on March 31, 2026 (0.76x as on March 31, 2025), despite higher debt levels due to increased working capital utilisation and increase in unsecured loans from related parties.

Debt protection metrics improved, with TD/GCA improved from 6.61x in FY25 to 5.60x in FY26, supported by higher cash profits, though it remains elevated. Interest coverage ratio also improved from 2.31x in FY25 to 3.07x in FY26 due to higher operating profit and lower finance costs.

A charge had been created on equity investments of ₹0.14 crore (22,000 shares; 0.88% stake) held in MKJ Developers Limited, as these shares were pledged for a loan availed by another group company. This loan was repaid in FY26, and the charge on these shares has been released per management articulation.

The company's financial performance is expected to remain stable in the near-to-medium term and profitability margins are likely to remain range-bound, while debt coverage indicators are expected to gradually improve with stable cash accruals.

## Key weaknesses

**Supplier concentration risk**
MKJ depends on a single supplier, ML, for sourcing stainless steel products. The company follows a model where it procures customer orders and based on these orders, MKJ supplies raw materials/inputs to ML for manufacturing of stainless steel. Hence, ML remains the sole supplier to MKJ, exposing the company to supplier concentration risk.

However, the risk is mitigated by a healthy and longstanding relationship of over four decades with ML, supporting business continuity.

The association with ML is expected to continue in the near-to-medium term; however, disruption in this relationship may adversely impact the company's operations.

**Working capital intensive business**
The company is required to make payments to ML within 3–4 days for purchase of finished goods, resulting in a consistently low creditor period in the last three years. For supply of raw materials, MKJ extends a credit period of 15–21 days to ML.
The credit period extended to other customers varies based on market conditions and transaction terms. Currently, the company extends a credit period of 30–40 days to such customers.

Purchases from ML are backed by confirmed customer orders, and goods are dispatched directly from ML's works to customers, resulting in nil inventory holding for MKJ.

The working capital cycle (based on direct sales) elongated from 88 days in FY25 to 108 days in FY26, driven by an increase in outstanding debtors from ₹174.77 crore as on March 31, 2025, to ₹195.43 crore as on March 31, 2026, in line with higher gross business turnover.

However, on a gross business turnover basis (including direct and commission sales), debtor days and working capital cycle improved to 36 days in FY26 from 44 days in FY25, reflecting the increasing share of commission-based sales.

**Liquidity**: Adequate
The liquidity position remains adequate, supported by gross cash accruals of ₹16.78 crore in FY26 against negligible term debt repayment obligations of ₹0.02 crore each in FY26 and FY27. Going forward, the company does not have significant term debt repayment obligations. Average utilisation of fund-based limits remained moderate at 72% for 12 months ended May 2026, indicating adequate headroom.

The liquidity position is expected to remain adequate in the near-to-medium term, supported by stable cash accruals, low repayment obligations, and moderate cushion available in working capital limits.

**Environment, social, and governance (ESG) risks-** Not applicable

## Applicable criteria

Definition of Default
Factoring Linkages Parent Sub JV Group
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Wholesale Trading

## About the company and industry

### Industry classification

| Macroeconomic indicator | Sector | Industry | Basic industry |
| --- | --- | --- | --- |
| Services | Services | Commercial services and supplies | Trading and distributors |

Incorporated in 1995, MKJ forms part of the Kolkata-based Keventer group promoted by Mahendra Kumar Jalan, which has diversified business interests across steel, food processing, dairy, and real estate.

MKJ operates as a consignment agent of ML for stainless steel industrial products such as wires, wire rods, and bright bars. The company is also engaged in supplying key inputs such as ferro alloys and nickel used in stainless steel manufacturing.

The company's operations are managed by Mahendra Kumar Jalan, supported by his son Mayank Jalan.

| Brief Financials (₹ crore) | March 31, 2025 (A) | March 31, 2026 (Prov.) |
| --- | ---: | ---: |
| Total operating income | 752.40 | 639.67 |
| PBILDT* | 26.28 | 32.55 |
| Profit after tax (PAT) | 12.06 | 16.73 |
| Overall gearing (x) | 0.76 | 0.77 |
| Interest coverage (x) | 2.31 | 3.07 |

A: Audited Prov.: Provisional; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

**Status of non-cooperation with previous CRA:** CRISIL Ratings has maintained the rating of MKJ under 'Issuer Not Cooperating' category vide press release dated November 12, 2025, due to non-furnishing of requisite information for monitoring of rating.

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of 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-Cash Credit | - | - | - | - | 80.00 | CARE BBB; Stable |

### 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 2026-2027 | 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 |
| 1 | Fund-based - LT-Cash Credit | LT | 80.00 | CARE BBB; Stable | - | 1)CARE BBB; Stable (04-Jul-25) | 1)CARE BBB; Stable (02-Aug-24) | 1)CARE BBB; Stable (04-Aug-23) |

LT: Long 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-Cash Credit | Simple |

### Annexure-5: Lender details

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|---|
| To view lender-wise details of bank facilities please click here |

### Annexure-6: List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026 to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

| Sr. No. | Facilities/Instruments Name | Regulator of the Instruments[2] |
|---|---|---|
| 1. | Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities) | SEBI |
| 2. | Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities) | MCA |
| 3. | Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) * | SEBI |
| 4. | Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) * | SEBI |
| 5. | Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) * | RBI |
| 6. | Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year | RBI |
| 7. | Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year | RBI |
| 8. | Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^ | RBI |
| 9. | External Commercial Borrowings and Other Similar Borrowings | RBI |
| 10. | Certificates of Deposit | RBI |
| 11. | Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs | RBI |
| 12. | Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs | MCA |
| 13. | Inter Corporate Deposits / Loans Extended by Corporates | MCA |
| 14. | Borrowing Programme ~ | - |

[2]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

| Sr. No. | Facilities/Instruments Name | Regulator of the Instruments[2] |
|---|---|---|
| 15. | Issuer Ratings # | - |
| 16. | Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs) | SEBI |
| 17. | Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs | SEBI |
| 18. | Listed Security Receipts | SEBI |
| 19. | Unlisted Security Receipts | RBI |
| 20. | Independent Credit Evaluation (ICE) | RBI |
| 21. | Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs) | RBI |
| 22. | Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)) | SEBI |
| 23. | Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)) | MCA |
| 24. | Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) * | Investor-side regulator such as IRDAI, PFRDA @ |

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the rating notes subsequent to issuance(s), CARE Ratings Limited shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

# There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

**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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**About us:**

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