Kamal Timbers India Private Limited

September 29th, 2025

Ratings

Sl. No.	Instrument/ Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
1.	Long Term Bank Facilities	23.56 (Enhanced from Rs. 15.62 crore)	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	Rating Upgraded	Simple
	Long Term Bank Facilities	3.44 (Reduced from Rs.5.00 crore)	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	Rating Upgraded	Simple
2.	Short Term Bank Facilities	58.00 (Enhanced from Rs. 50.00 crore)	IVR A3+ (IVR A Three Plus)	IVR A3 (IVR A Three)	Rating Upgraded	Simple
	Total	**85.00**	**Rupees Eighty-Five Crore only**			

Details of Facilities/Instruments are in Annexure 1.
Facility wise lender details are at Annexure 2.
Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has upgraded the long-term rating at IVR BBB with Stable outlook and short-term rating at IVR A3+ for the bank loan facilities of Kamal Timbers India Private Limited (KTIPL).

The rating continues to draw comfort from the experienced promoters with long track record of operations and moderate capital structure and comfortable debt protection metrics. However, these rating strengths are partially offset by highly competitive and fragmented nature of industry and regulatory risk.

The ‘Stable’ outlook indicates a low likelihood of rating change over the medium term. IVR believes KTIPL’s will continue to benefit to benefit from derive strength from its experienced directors indicating medium term revenue visibility.

IVR has principally relied on the audited financial results of KTIPL upto 31 March 2024, FY2025 (i.e. review period from 1st April 2024 to 31st March 2025) Provisional results and projected financials for FY2026, FY2027 and FY2028 and publicly available information/ clarifications provided by the company's management.

Key Rating Sensitivities:

Upward Factors

- Significant growth in the scale of business with TOI over Rs 300 crores
- Sustenance of the profit margin and improved overall financial risk profile leading to strengthening of the liquidity position of the company

Downward Factors

- Moderation in operating income and/or cash accruals on a sustained basis impacting the financial risk profile.
- Elongation in the operating cycle impacting the liquidity profile.

List of Key Rating Drivers with Detailed Description

A. **Key Rating Strengths**

- **Experienced promoters with long track record of operations**
  Kamal Timber Private Limited (KTPL) was established as a partnership firm in 1991 under the name of 'Kamal Timbers and Lotus Timber & Plywood' and later in 2005 was converted to a private limited entity. Mr. Kamal Chawla looks after day-to-day operations of the business. He has around three decades of experience in timber industry. Mrs. Alka Chawla is a graduate and has around 19 years' experience. Mrs. Chawla is well involved in business and oversees the admin & HR department of the entity. Infomerics believes that the rich experience of the promoters is expected to support in further improvement and diversification of business risk profile of the company in the coming years.

- **Moderate capital structure and comfortable debt protection metrics**
  Kamal timbers India Private Limited has comfortable capital structure with Adjusted tangible Net worth of Rs 43.04 crore as on 31 March 2025 (Provisional). Overall gearing stood comfortable at 0.65x as on 31 March 2025 (FY24:0.67x). KTIPLs DSCR and ISCR stood comfortable at 1.27x and 2.44x respectively as on 31 March 2025.

A. **Key Rating Weaknesses**

- **Highly competitive and fragmented nature of industry**
  KTIPL operates in a highly fragmented industry with low entry barriers which leads to presence of numerous players operating with small operations and proximity to the customers. The high level of competition and commoditized nature of timber industry restricts the pricing power of industry players which has a bearing on their profitability.

- **Regulatory Risk**
  The major raw material for KTIPL is timber, which the company is importing from different countries and from nearby markets. There are various laws related to the cutting of woods, governing the supply of wood. Given that it operates in an industry which is susceptible to changes in environmental regulations, there can be an impact on the company's ability to source raw material and thereby its operations in case of any adverse change in regulations.

Analytical Approach: For arriving at the ratings, INFOMERICS has applied its rating methodology as detailed in the rating criteria below. IVR has analysed KTIPL's credit profile by considering the standalone financial statements of the company.

Applicable Criteria:

- Rating Methodology for Manufacturing Companies.
- Financial Ratios & Interpretation (Non-Financial Sector).
- Criteria for assigning Rating outlook.
- Policy on Default Recognition
- Complexity Level of Rated Instruments/Facilities

Liquidity – Adequate
The company's liquidity is expected to be adequate. The gross cash accruals stood comfortable at Rs. 7.43 crore for FY2025 (provisional) which is sufficient for future repayment obligations. Further, the company is also likely to benefit from the resourcefulness of the promoters.

About the Company
Kamal Timbers India Private Limited (KTIPL) was established as a partnership firm in 1991

under the name of 'Kamal Timbers and Lotus Timber & Plywood' and later in 2005 was converted to a private limited entity by Mr. Kamal Chawla and Mrs. Alka Chawla. The company is engaged in the processing and trading of timber. KTIPL imports timber from countries such as Singapore, New Zealand and South Carolina and processes it in its sawmills. KTIPL has three units/Offices at Haryana, Gujarat, and New Delhi. The company is selling many products under its own brand name "KC". Mr. Kamal Chawla looks after day-to-day operations of the business. He has around three decades of experience in timber industry.

Financials (Standalone):

(Rs. crore)

For the year ended*/As on	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	182.66	237.95
EBITDA	1.61	15.24
PAT	2.51	7.16
Total Debt	22.02	27.99
Adjusted Tangible Net worth	33.04	43.04
EBITDA Margin (%)	0.88	6.41
PAT Margin (%)	1.31	3.00
Overall Adjusted Gearing Ratio(x)	0.67	0.65
Interest Coverage Ratio (x)	0.23	2.44

**Classification as per Infomerics' standards*

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25 (July 3, 2024)	Date(s) & Rating(s) assigned in 2023-24 (December 19, 2023)	Date(s) & Rating(s) assigned in 2022-23 (December 30, 2022)
1.	Fund based	Long Term	23.56	IVR BBB/Stable	IVR BBB-/Stable	IVR BBB-/Stable	-
2.	Fund Based (Proposed)	Long Term	3.44	IVR BBB/Stable	IVR BBB-/Stable	IVR BBB-/Stable	IVR BB+/Stable

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25 (July 3, 2024)	Date(s) & Rating(s) assigned in 2023-24 (December 19, 2023)	Date(s) & Rating(s) assigned in 2022-23 (December 30, 2022)
3.	Non-Fund Based	Short Term	58.00	IVR A3+	IVR A3	IVR A3	IVR A4+

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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	26.44	IVR BBB/Stable
GECL	-	-	February 2029	0.44	IVR BBB/Stable
GECL			June 2026	0.12	IVR BBB/Stable
Letter of Credit	-	-	-	58.00	IVR A3+

Annexure 2: Facility wise lender details:
https://www.infomerics.com/admin/prfiles/len-Kamal-Timbers-sep25.pdf
Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable
Annexure 4: List of companies considered for consolidated analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at Complexity Level of Rated Instruments/Facilities.