



Press Release

Purbanchal Composite Panel (India) Private Limited September 30, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long term Bank Facilities	6.30 (Reduced from Rs. 7.11 crore)	IVR BBB/ Stable (IVR Triple B with Stable outlook)	IVR BBB/ Stable (IVR Triple B with Stable outlook)	Rating Reaffirmed	Simple
Short term Bank Facilities	6.40 (Enhanced from Rs. 4.00 Crore)	IVR A3+ (IVR A Three Plus)	IVR A3+ (IVR A Three Plus)	Rating Reaffirmed	Simple
Total	12.70	(Rupees Twelve crores and Seventy lakhs 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

For arriving at the rating, Infomerics has combined the financial risk profiles of the Purbanchal Group Purbanchal Lumbers Private Limited (PLuPL), Amulyamica Industries Private Limited (Erstwhile Purbanchal Laminates Private Limited) (AMIPL) and Purbanchal Composite Panel India Private Limited (PCPIPL) as these entities are under common management and have strong operational linkages and cash flow fungibility and similar line of business.

Infomerics Ratings has reaffirmed its rating to the bank facilities of Purbanchal Lumbers Private Limited (PLuPL) The ratings derives strength from stable profitability, comfortable capital structure, experience promoters and long track record of operations.

The ratings are however constrained by volatile revenue growth, working capital intensive operations, operation in a highly fragmented segment with many unorganized players, susceptibility to raw material prices and currency fluctuation.

The 'Stable' outlook reflects Infomerics expectations of stable credit profile over FY26-FY28 in absence of debt led capex and expected stable operating profile.



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Key Rating Sensitivities:

Upward Factors

- Growth in scale of operation with improvement in profit margins leading to improvement in cash accruals on sustained basis.
- Efficient management of working capital along with timely sanctioning of additional limits leading to moderation in average bank limit utilisation

Downward Factors

- Significant drop in revenue or profitability resulting into less cash accruals.
- Any significantly larger than expected debt-funded capex or acquisition or stretch in the working capital cycle, weakening the financial risk profile and liquidity.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Moderation in scale of operation and profitability margins:

The scale of operations of Purbanchal Group, on a combined basis, has declined to Rs. 295.89 crore in FY25 (P) (period refers to April 01, 2024, to March 31, 2025) as against Rs. 321.46 crore in FY24, primarily on account of a decline in overall sales volumes and realizations. The moderation was further backed by a change in product mix, with an increase in share of value-added products having relatively lower realizations.

The operating profitability witnessed a marginal improvement, with the EBITDA margin increasing by 42 bps to 7.70% in FY25 (P) from 7.28% in FY24, supported by moderate raw material costs. In line with this, the PAT margin also improved by 29 bps to 2.69% in FY25 (P), aided by lower interest expenses and reduced depreciation costs. Overall, while profitability margins have improved, they continue to remain at a modest level in line with the moderate scale of operations.

Comfortable capital structure coupled with robust debt protection metrics

The capital structure of the group remained stable, with the adjusted overall gearing ratio at 0.37x and the TOL/TNW ratio at 1.57x as on March 31, 2025 (P), as against 0.35x and 1.49x, respectively, as on March 31, 2024. The marginal moderation in these ratios was primarily on account of lower adjusted net worth, which stood at Rs. 113.86 crore as on March 31, 2025



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(P) compared to Rs. 116.47 crore as on March 31, 2024, despite profit accretion, owing to infusion of unsecured loans by promoters and directors which are subordinated to bank loans and thus treated as quasi-capital.

The debt coverage indicators remained comfortable, with the interest coverage ratio at 2.58x in FY25 (Prov.) (2.60x in FY24) and the total debt to GCA ratio at 3.36x in FY25 (Prov.) (3.29x in FY24). The marginal moderation in coverage metrics was due to slight increase in total debt during FY25, although the overall credit profile continued to remain at a comfortable level.

Experienced promoters & long track record of the company in timber processing work

Purbanchal Group has a track record of more than two decades in the timber processing sector. It was established by Mr. Rakesh Kumar Agarwal, Mr. Mukesh Kumar Agarwal, and Mr. Omprakash Agarwal, having an experience of over two decades in timber processing and manufacturing related activities. They are well supported by a team of qualified and experienced professionals.

Diversified customer profile and geographic presence

The group is expanding its presence in both domestic as well as in export market. It is now also focusing on export & project Specification & OEM market by adding different sizes of laminates and also adding related products such as plywood, etc by following asset light modes. The group has started & running parallelly new related product line i.e. plywood wherein credit terms are less liberal & it will bring the overall outstanding days to lower level.

Locational advantage

The company is located in Gandhidham, Gujarat and it benefits from its proximity to the Kandla port, which is approximately 24 km, as it has specialized machinery for unloading of logs and this has led to growth of timber-based companies in the nearby area.



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Key Rating Weaknesses

Operation in a highly fragmented segment with many unorganized players

The domestic timber processing sector is highly crowded with the presence of many unorganized players with varied statures & capabilities. The boom in the timber processing industry sector, a few years back, resulted in an amelioration in the number of players. While the competition is perceived to be healthy, significant price cut by a few players during the bidding process is a matter of serious concern for the users with respect to the quality of output. 75% of the industry is mainly dominated by unorganised players.

Working Capital Intensive Operations

The net operating cycle of the Group remained elongated, standing at 143 days in FY25 (P) as against 111 days in FY24, primarily on account of higher inventory holding. The inventory days increased to 116 days in FY25 (P), largely on account of the averaging effect, as the Group maintains a wide range of laminate products to cater to distributor demand. Moreover, since the major demand arises in the first quarter of every financial year, inventory levels typically remain elevated at the end of March. In addition, the creditors' period also stretched to 146 days in FY25 (P) from 128 days in FY24.

Susceptible to raw material price and currency fluctuation

Purbanchal Group imports timber logs, Base Paper, Phenol, Melamine and PVC Resin mostly from overseas market, which are usually procured against 180 days LC, with delivery cycles ranging between twenty to thirty days. The production of veneer from logs is carried out without company orders on a rolling stock basis, as a result of which, the companies remain exposed to any adverse movement in timber prices during the period from procurement of timber to receipt of order from customers, as the final selling prices would be governed by the veneer prices as well as timber prices prevalent during that period. Moreover, since the companies rely upon imported logs for its raw material requirement; it remains exposed to change in export policies and political instability arising in the exporting countries. Moreover, the profitability of the companies is exposed to any adverse foreign exchange fluctuations as they do not hedge any of its forex exposure.



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Analytical Approach: Combined

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Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition and post default recognition policy](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Consolidation of Companies](#)

Liquidity –Adequate

The group's cash accruals are expected to be in the range of Rs.15.61 crores to Rs.22.44 crores for projected years FY26 to FY28 vis-à-vis moderate debt repayment obligations ranging between Rs.2.00 crore to Rs. 1.83 crores. Cash and equivalents were at Rs.7.97 crore as on March 31, 2025(P). Absence of any major debt funded capex and unsecured loans from promoters further supports liquidity. Internal cash accruals, unutilised bank lines and cash and equivalents will be sufficient vis-à-vis debt obligation and the incremental working capital requirement. Thus, the overall liquidity position of the company remained adequate.

About the Group:

The Purbanchal Group (PG) is promoted by Mr. Rakesh Agarwal, Mr. Mukesh Agarwal, and Mr. Omprakash Agarwal, with considerable experience in the timber industry. The group is engaged across the value chain of timber processing i.e. trading to further manufacturing of Veneers, Plywood, Bagasse Board, Laminates and WPC board. The facilities are located in



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Gandhidham, Gujarat. The group has 7 branches, and its network of dealers is spread across 50 cities in India.

About the Company:

Purbanchal Composite Panel (India) Private Limited was incorporated on July 04, 2016, and its registered office located at Tinsukia, Assam. It is engaged in manufacturing of laminates using timber.

Financials (Combined):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Unaudited	Provisional
Total Operating Income	321.46	295.89
EBITDA	23.40	22.78
PAT	7.73	7.99
Total Debt	40.97	41.85
Adjusted Tangible Net Worth	116.47	113.86
EBITDA Margin (%)	7.70	7.81
PAT Margin (%)	2.40	2.69
Overall Gearing Ratio (x)	0.35	0.37
Interest Coverage (x)	2.60	2.58

* Classification as per Infomerics' standards.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	44.77	42.36
EBITDA	4.33	4.07
PAT	0.81	0.84
Total Debt	14.67	12.59
Adjusted Tangible Net Worth	9.66	17.97
EBITDA Margin (%)	9.67	9.61
PAT Margin (%)	1.81	1.98
Overall Gearing Ratio (x)	1.52	0.70
Interest Coverage (x)	1.79	2.12

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: None

Any other information: Nil



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Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					July 03, 2024	Jun 27, 2023	--
1.	Term Loan	Long Term	1.30	IVR BBB/Stable	IVR BBB/Stable	IVR BBB-/Stable	--
2.	Cash Credit	Long Term	5.00	IVR BBB/Stable	IVR BBB/Stable	IVR BBB-/Stable	--
3.	Letter of credit	Short Term	6.40	IVR A3+	IVR A3+	IVR A3+	--

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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: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	March 2027	1.30	IVR BBB/ Stable
Cash Credit	-	-	-	-	5.00	IVR BBB/ Stable
Letter of Credit	-	-	-	-	6.40	IVR A3+

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/len-purbanchal-composite-30sept25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for Combined analysis:

Name of the company/Entity	Combined Approach
Purbanchal Lumbers Private Limited	Combined (100%)
Amulyamica Industries Private Limited (Erstwhile Purbanchal Laminates Private Limited)	Combined (100%)
Purbanchal Composite Panel India Private Limited	Combined (100%)

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 www.infomerics.com.