

Kabra Commercial Limited

June 08, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 15.00 Crore	Regulator[^]
Long Term Rating	IVR B+/Stable (Rating Downgraded)	RBI
Short Term Rating	IVR A4 (Rating Reaffirmed)	RBI
[^] Kindly note that for activities or 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.		

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

Rationale

Infomerics has downgraded the long-term rating and reaffirmed the short-term rating assigned to the bank facilities of Kabra Commercial Limited (KCL) on account of decline in scale of operations. However, the company continues to derive comfort from the extensive experienced management and long track record of operations. The ratings also factor in the healthy financial risk profile coupled with moderate debt protection metrics. The rating remains constrained by the decline in profitability margin and exposure to cyclicity in end-user industries and volatility in coal prices coupled with intense competition due to low entry barriers.

Outlook: Stable

The long-term rating outlook remains 'Stable' based on the favourable industry outlook.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Standalone
Parent/ Group Support	Not applicable

Key Rating Drivers with Detailed Description

Strengths

- Experienced management and long track record of operations**

The key promoters of the company, Mr. Rajesh Kumar Kabra and Mr. Ramawtar Kabra have been engaged in coal handling and other related services near to three decades. The long-standing experience of the promoters has been engaged through coal handling and other related services. CSL registered office is in Kolkata. The promoters' experience, their strong

understanding of local market dynamics, and healthy relations with suppliers and customers will benefit the company going forward, resulting in steady growth in the scale of operations.

- **Healthy financial risk profile coupled with moderate debt protection metric**

KCL has a comfortable capital structure. The adjusted tangible net worth (ATNW) of the company remained in the same range bound and stood at Rs.19.55 Cr as on March 31, 2026, due to accretion of reserves. The long pending debtors of Rs.2.66 Cr has been excluded from the adjusted tangible net worth. Further, overall adjusted gearing of the company declined but remained comfortable and stood at 0.68x as on March 31, 2026, as against 0.13x as on March 31, 2025. Again, the overall indebtedness of the company marked by TOL/ATNW stood comfortable at 0.71x as on March 31, 2026.

However, the debt protection metrics of the company stood moderate marked by the Debt Service Coverage Ratio which stood moderate at 1.07x as on March 31, 2026. Going forward, the financial risk profile of the company will improve with no major debt funded capex plans.

Weaknesses

- **Decline in scale of operations**

The revenue of the company declines and stood at Rs.13.35 crore in FY2026 [refers to period April 1st, 2025, to Mar 31, 2026] as against Rs.23.83 crore in FY2025 [refers to period April 1st, 2024, to Mar 31, 2025], primarily, due to reduction in the orders. The low scale of operations restricts the financial flexibility of the company in times of stress, and it suffers on account of lack of economies of scale. Further, the company's revenue declined to Rs.2.63 crore in Q4FY2026 as compared to Rs.6.29 crore in Q4FY2025. Going forward, Infomerics believe the sustainability of the scale of operations will be a key rating monitorable.

- **Reduction in Profitability margins**

The company's profitability profile witnessed a decline in FY2026, with EBITDA margins stood at loss. The company's PAT decreased by 98.13% year-on-year and stood at Rs. 0.03 crore in FY2026 from Rs. 1.56 crore in FY2025. Further, there is decline in profitability in Q4FY2026 compared with Q4FY2025. Going forward, Infomerics believe the company's ability to improve and maintain the profitability levels over the medium term will remain a key rating monitorable.

- **Exposure to cyclicity in end-user industries and volatility in coal prices coupled with intense competition due to low entry barriers**

The company is into coal handling and related services, which is highly fragmented and competitive in nature due to low entry barriers. The company comprises players primarily from the steel, power, cement and aluminium industries, where demand is cyclical. Although the transaction size per customer is controlled, exposure to sizeable counterparty risk is

likely to persist over the medium term. Furthermore, with coal being an important resource for industrial activity both directly and indirectly, and prices are fixed by the government, KCL may remain susceptible to volatility in coal prices and any change in regulation. Further, all the entities in the industry trade the same products with little product differentiation resulting in price driven sales. Intense competition restricts the pricing flexibility of the company in the bulk customer segment hence the players in the industry do not have pricing power and are exposed to competition-induced pressures on profitability.

Liquidity – Stretched

The company has stretched liquidity position marked by weak current ratio of 0.46x as on 31st March 2026. Further, the net cash accruals stood at Rs.0.07 Cr as on March 31, 2026, as against long term debt repayment of Rs.0.03 Cr over the same period. The cash and bank balances of the company stood at Rs. 0.16 Cr as on March 31, 2026. Going forward, the company is likely to maintain the same liquidity position.

Rating Sensitivities

Upward Factors

- Significant growth in scale of business with improvement in topline and profitability leading to rise in gross cash accruals on a sustained basis.
- Improvement in capital structure and debt protection metrics on a sustained basis.
- Managing working capital requirement efficiently leading to improvement in the operating cycle with improvement in liquidity.

Downward Factors

- Decline in the revenue
- Moderation in capital structure and/ or coverage indicators.
- Elongation in the operating cycle.

About the Company

Incorporated in 1997, Kabra Commercial Limited (KCL) is a Kolkata based company, was promoted by Mr. Rajesh Kumar Kabra. KCL is listed on the Bombay Stock Exchange. The company is engaged in providing coal handling and other related services including coal liasioning services, logistics of coal (through railway), and quality checks for domestic and imported coal. KCL provides its services to a diversified client base in Cement, Power, Steel and other industries.

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025**	31-03-2026
	Audited	Audited
Total Operating Income	23.83	13.35
EBITDA	1.57	-0.52
PAT	1.56	0.03
Total Debt	2.63	13.29
Tangible Net Worth (TNW)	19.16	19.55
EBITDA Margin (%)	6.60	-3.90
PAT Margin (%)	6.19	0.20
Overall Gearing (times)	0.14	0.68
Interest Coverage (times)	1.96	-0.81

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

**FY2025 numbers are restated

Applicable Criteria

[Rating Methodology for Service Companies.](#)

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

[Criteria for assigning Rating outlook](#)

[Policy on Default Recognition and Post Default Curing Period](#)

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

Status of non-cooperation with previous CRA: Care Ratings Limited through its press release dated July 03, 2025 moved the rating of "Kabra Commercial Limited (KCL)" in the 'Issuer Not Cooperating' category on account of inadequate information and lack of management cooperation in the rating procedure despite repeated follow ups.

Any other information: Nil**Rating History for last three years**

Sr. No.	Instruments/ Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years		
		Type (Long Term/ Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
					February 23, 2026	-	-
1.	Fund based facilities	LT	3.62	IVR B+/ Stable	IVR BB-/ Stable	-	-
2.	Non-Fund based facilities	ST	11.38	IVR A4	IVR A4	-	-

**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	Listing Status	Regulator ^	Complexity Indicator
Term Loan	NA	NA	NA	July 2035	2.87	IVR B+/ Stable	NA	RBI	Simple
ODBD	NA	NA	NA	NA	0.75	IVR B+/ Stable	NA	RBI	Simple
ILC/FLC	NA	NA	NA	NA	4.00	IVR A4	NA	RBI	Simple
Proposed LC Limit	NA	NA	NA	NA	7.38	IVR A4	NA	RBI	Simple

^Kindly note that for activities or 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.

Annexure 2: Facility wise lender details (As per attached annexure)

https://infomericstorage.blob.core.windows.net/uploads/Len_Kabra_Commercial_8june26_7e13f2e01c.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities:**Annexure 4: List of companies considered for Consolidated/Combined analysis:****Annexure 5: List of activities / instruments and names of regulators**

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	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 Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings/Loans from overseas lenders/Loans from Multilaterals	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	Refer foot note



Sr. No.	Instrument / activity Name	Regulator of the instrument
15	Issuer Ratings #	Refer foot note
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual 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

Footnotes:

* 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 Press Release(s) subsequent to issuance(s), CRA shall separately capture the rated quantum details along with names of respective regulators.

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.

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

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

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About Infomerics

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