

## Kabra Commercial Limited

July 03, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	0.75	CARE BB-; Stable; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	19.15	CARE A4; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

\*Issuer did not cooperate; based on best available information.

### Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Kabra Commercial Limited (KCL) to monitor the rating vide email communications dated June 23, 2025, June 27, 2025, and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Limited (CareEdge Ratings) has reviewed the rating on the basis of the best available information which however, in CARE Ratings Limited's (CareEdge Ratings) opinion is not sufficient to arrive at a fair rating. Further, KCL has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on KCL's bank facilities will now be denoted as CARE BB-; Stable/CARE A4; ISSUER NOT COOPERATING\*.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.**

The ratings continue to be constrained by small scale of operation albeit improvement in FY25 and intense competition due to low entry barriers. The ratings, however, continue to derive comfort from the experience of the promoters, established relationship with reputed clients, improving profitability margins, comfortable capital structure and debt coverage indicators.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of key rating drivers:

At the time of last rating on July 04, 2024, the following were the rating strengths and weaknesses (updated for the information available from the company):

#### Key weaknesses

##### Small scale of operations albeit improvement in FY25

The scale of operations of the company remained small marked by total operating income of Rs.23.83 crore in FY25 as against Rs.19.58 crore in FY24. The small scale restricts the financial flexibility of the company in times of stress, and it suffers on account of lack of economies of scale.

##### 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. 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.

#### Key strengths

##### Extensive industry experience of the promoters

The company is into coal handling and related services apart from coal trading business since 1982 and accordingly has long operational track record. Furthermore, Mr. Rajesh Kumar Kabra, having around three decades of experience in this line of business, looks after the day-to-day operations of the company. He is supported by other promoter Mr. Ramawtar Kabra, having around five decades of experience in this line of business and other non-executive and independent directors along with a team

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

of experienced professional. By virtue of its long presence and satisfactory track record in the industry, it has been able to cater to reputed clients in the sector like paper, cement, power, steel etc.

### Improving profitability margins

The PBILDT margin in FY25 has improved to 11.93% in FY25 vis-à-vis 5.72% Supply of coal contributed around 40% in PBILDT of Rs 2.84 crore in FY25.

### Comfortable capital structure and Debt coverage indicators

The debt profile of the company largely constitutes working capital borrowings. Further majority of such borrowings are backed by fixed deposits, thereby leading to much lower net debt as against gross debt levels. The capital structure of the company has continued to improve on account of accumulation of profits into reserves and reduction in debt levels as overall gearing continued to improve from 0.69x as on March 31, 2024, to 0.13x as on March 31, 2025. Accordingly, TD/GCA improved and stood at 1.63x as on March 31, 2025(P.Y.: 18.62x).

### Applicable criteria

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

[Short Term Instruments](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Transport Services	Transport Related Services

Incorporated in 1982, Kabra Commercial Limited (KCL), is promoted by Mr. Rajesh Kumar Kabra. KCL is listed on the Bombay Stock Exchange and Calcutta Stock Exchange. KCL provides coal handling and other related services including coal liaisons 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.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (Abridged)
Total operating income	19.58	23.83
PBILDT	1.12	2.84
PAT	0.63	1.56
Overall gearing (times)	0.69	0.13
Interest coverage (times)	1.39	3.54

A: Audited; Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** Not applicable

**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-Bank Overdraft		-	-	-	0.75	CARE BB-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-ILC/FLC		-	-	-	19.15	CARE A4; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information.

#### 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 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Bank Overdraft	LT	0.75	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable (04-Jul-24)	1)CARE BB-; Stable (04-Jul-23)	1)CARE BB-; Stable (15-Jun-22)
2	Non-fund-based - ST-ILC/FLC	ST	19.15	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4 (04-Jul-24)	1)CARE A4 (04-Jul-23)	1)CARE A4 (15-Jun-22)

\*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short 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-Bank Overdraft	Simple
2	Non-fund-based - ST-ILC/FLC	Simple

#### Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

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