



Press Release
KANSAL TIMBER STORE
December 15, 2025
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	1.00	ACUITE BB- Stable Assigned	-
Bank Loan Ratings	14.00	ACUITE BB- Stable Reaffirmed	-
Bank Loan Ratings	5.00	-	ACUITE A4 Assigned
Bank Loan Ratings	8.00	-	ACUITE A4 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	28.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE BB-**' (read as **ACUITE Double B Minus**) on Rs.14 crore bank facility and short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on Rs. 8 crore bank facility Kansal Timber Store. The Outlook is "**Stable**".

Further, Acuite has assigned the long-term rating of '**ACUITE BB-**' (read as **ACUITE Double B Minus**) on Rs.1 crore bank facility and short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on Rs. 5 crore bank facility Kansal Timber Store. The Outlook is "**Stable**".

Rationale for Rating:

The rating reaffirmation reflects the extensive experience of KTS's proprietor in the timber industry and improvement in the scale of operations of the firm in FY25 on y-o-y basis along with improvement in margins. However, the above-mentioned strengths are partly off set by the below average financial risk profile reflected by high gearing, low net worth and moderate coverage indicators and intensive working capital requirement.

About the Company

Kansal Timber Store (KTS), established in 2011 and based in New Delhi, is engaged in providing quality timber and wood products under the proprietorship of Mr. Anuj Kumar Kansal. The entity mainly offers a wide range of timber, including teak logs, pine wood, sawn timber, moulding margins, hardwoods, and softwoods, catering to both residential and commercial requirements. KTS primarily procures teak logs from external sources, processes them into customized sizes and shapes as per customer specifications, and sells mainly to wholesalers. Additionally, the entity undertakes trading activities and operates two stores in Delhi along with another strategically located outlet in Gandhidham Gujarat, benefiting from proximity to the wood market.

Unsupported Rating

Not Applicable.

Analytical Approach

Acuite has considered the standalone business and financial risk profile of Kansal Timber Store to arrive at the rating.

Key Rating Drivers

Strengths

Experienced management and established track record of operations

The firm has a long track record of over a decade in providing Timber and Wood Products with an established track record of operations. Over the years, the firm has been able to establish healthy relationships with both its customers and suppliers. KTS primarily procures teak logs from external sources, processes them into customized sizes and shapes as per customer specifications, and sells mainly to wholesalers. Currently the firm is managed by Mr. Anuj Kumar Kansal, who has been associated with this industry for over a decade.

Improvement in Operational performance:

KTS registered a growth in operating income, reporting Rs.85.66 crore in FY2025 as against Rs.67.54 crore in FY2024, reflecting a 26.83% increase driven by improved demand for wood and wood products. The company derives ~67% of its revenue from manufacturing and ~33% from trading activities. In 7MFY2026, KTS achieved Rs.48.73 crore in FY 2025 compared to Rs.49.09 crore in the 7MFY2025, indicating stable performance. EBITDA margin improved to 3.31% in FY2025 from 2.59% in FY2024 on account of decline in raw material price, while PAT margin stood at 1.16% in FY 2025 versus 1.19% in FY2024. Acuite believes that operating performance of the KTS will be same in line with FY 2025 in the medium term however volatility in raw material prices, forex risk management, and shipping cost will be key monitorable.

Weaknesses

Below Average Financial Risk Profile:

The Firm's financial risk profile marked below average marked by low net worth, high gearing and moderate coverage indicators. The net worth of the firm is low but increased to Rs.3.29 crore in FY 2025 as compared to Rs.2.67 crore in FY 24 driven by internal accruals. Total borrowing stood at Rs.24.94 crore in FY 25 as compared to Rs.23.95 crore in FY 24. Total borrowing consist of long-term borrowings of Rs.2.29 crore, USL from relatives and other parties of Rs.7.82 crore, working capital loan of Rs.14.38 crore and CPLTD of Rs.0.45 crore. Gearing stood very high amid low net worth and stood at 7.58 times in FY 25 as against 8.97 times in FY24. Coverage indicators remain moderate in FY 25 with ICR and DSCR stood at 1.58 times and 1.55 times. TOL/TNW stood at 13.11 times and Debt-EBITDA stood at 8.59 times in FY 2025. Acuite believes, their financial risk profile will remain below average in the medium term supported by low net worth, high gearing and moderate debt protection indicators.

Intensive Working Capital Management:

The firm's working capital cycle remains intensive, as indicated by an increase in GCA days to 190 day in FY2025 from 182 day in FY2024, primarily on account of elongated receivable days at 91 day (FY2025) against 78 day (FY2024). While the firm generally offers a credit period of 60–90 days, instances of extended credit up to 120–180 days have contributed to higher debtor levels, though ageing analysis as on HY1FY2026 reflects that 77% of receivables are within 120 days. Inventory holding continues to be high at 91 days in FY2025 (97 days in FY2024), owing to high the processing time of turning raw material into finished product as per the requirements of clients. Additionally, creditor days increased to 82 day in FY2025 from 49 day in FY2024, supported by buyer credit arrangements settled within 120 days. Acuite believes that given the nature of operations the firm's working capital requirements are expected to remain intensive over the near to medium term.

Rating Sensitivities

1. Movement in the scale of operations and profitability
2. Working capital Management

3. Movement in Capital structure and debt protection metrics

Liquidity Position

Adequate

The liquidity of the firm marked adequate with net cash accrual stood at Rs.1.07 crore against long term debt obligations of Rs. 0.04 crore in FY 25. The current ratio stood at 1.35 times in FY 2025 as compared to 1.60 times in FY 24. The Cash and bank balance stood at Rs. 0.12 crore in FY 25. Average fund based limit utilized at 94% for six month ended as on Nov'25. Acuite believes liquidity of the firm will remain adequate over the medium term.

Outlook: Stable

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	85.66	67.54
PAT	Rs. Cr.	0.99	0.80
PAT Margin	(%)	1.16	1.19
Total Debt/Tangible Net Worth	Times	7.58	8.97
PBDIT/Interest	Times	1.58	1.53

Status of non-cooperation with previous CRA (if applicable)

Not Applicable.

Any other information

None.

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
16 Sep 2024	Letter of Credit	Short Term	8.00	ACUITE A4 (Assigned)
	Cash Credit	Long Term	14.00	ACUITE BB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
INDUSIND BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	14.00	Simple	ACUITE BB- Stable Reaffirmed
INDUSIND BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE BB- Stable Assigned
INDUSIND BANK LIMITED	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE A4 Reaffirmed
INDUSIND BANK LIMITED	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A4 Assigned

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About Acuité Ratings & Research

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