July 16, 2026

Kamman Corporation: Ratings upgraded and removed from Issuer Not-Cooperating category

Summary of rating action

Instrument*	Previous rated amount (Rs. Crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long term - Fund based – Cash credit	10.00	7.00	[ICRA]BB (Stable); upgraded from [ICRA]B+ (Stable) and removed from Issuer Not-Cooperating category	RBI
Long term/Short term – Unallocated limits	5.00	-	-	RBI
Long term – Fund based – Term loan	-	0.24	[ICRA]BB (Stable); upgraded from [ICRA]B+ (Stable) and removed from Issuer Not-Cooperating category	RBI
Short term – Interchangeable	(8.00)	(7.00)	[ICRA]A4+; upgraded from [ICRA] A4 and removed from Issuer Not-Cooperating category	RBI
Total	**15.00**	**7.24**		

**Instrument details are provided in Annexure I*

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of financial sector regulators other than SEBI.

Rationale

ICRA's rating action for Kamman Corporation (KC/the firm) factors in its established business relationship with Premier Industrial Corporation Limited (PICL), wherein the firm procures raw materials for PICL and also distributes the products manufactured by the latter. The ratings derive comfort from the firm's growing scale of operations, with the revenues increasing to Rs. 71.4 crore in FY2026 from Rs. 36.4 crore in FY2023, supported by healthy volume growth in ferro alloy powders and metal powders. The demand is likely to remain strong, given the healthy prospects in the end-user industries such as construction, automotive and industrial manufacturing. Further, the diversification in the product portfolio and end-user industries at the current scale of operations is expected to drive a steady growth in volumes. The ratings also consider the extensive experience of the partners in the welding consumables raw material industry and the firm's established relationships with customers and suppliers.

The ratings, however, remain constrained by Kamman Corporation's modest scale of operations along with its high dependence on the business generated through PICL and exposure to fluctuations in raw material prices. Further, the firm's operations remain working capital intensive, requiring adequate funding support for the inventory and receivables. Nevertheless, the liquidity profile is expected to remain adequate, supported by sanctioned working capital facilities and the demonstrated financial flexibility of the partners.

Overall, the ratings reflect an improving scale of operations and a comfortable capital structure, balanced against the customer concentration, high working capital intensity and exposure to commodity price risks.

The Stable outlook reflects ICRA's expectation that Kamman Corporation will witness steady business growth and a stable operating performance, backed by healthy demand drivers in the welding consumables industry. The outlook also factors in the firm's comfortable financial profile, adequate liquidity and expected financial flexibility from the partners.

Key rating drivers and their description

Credit strengths

Experienced promoters with established track record – The firm benefits from the extensive experience of its partners, who have a longstanding presence in the welding consumables raw material industry. The promoters' experience has supported the development of strong supplier and customer relationships, operational capabilities and market understanding, enabling the firm to scale up its operations while maintaining a stable business performance over the years.

Growth in trading volumes to remain supported from healthy demand prospects in end-user industries – The company deals in a diversified range of welding consumable raw materials, including mineral powders, ferro alloy powders, metal powders and chemical powders along with a small share of wires. The demand from the key end-user industries such as infrastructure, construction, automotive and industrial sectors is likely to remain healthy. The domestic welding consumables market is expected to register a CAGR of 8.5–9.5% over FY2025–FY2030, driven by Government-led infrastructure push and industrial growth. The demand remains diversified across multiple end-user industries, providing stability to the volumes.

Credit challenges

Limited operating scale relative to established industry participants – Despite the improvement in revenues over the last few years, the scale of operations remains modest in comparison to the larger participants operating in the welding consumables and industrial raw materials space. The smaller scale limits the bargaining power with suppliers and customers and may constrain the profitability during periods of adverse market conditions.

Exposure to raw material price fluctuations – The company's profitability remains susceptible to the movement in the prices of metals, ferro alloys and other industrial raw materials. While a large proportion of the procurement is now sourced domestically, volatility in commodity prices can impact margins, especially given the trading-oriented nature of operations.

Working capital intensive nature of operations – The procurement and trading business requires maintenance of inventory and extension of credit to customers, resulting in working capital requirements. Any elongation in the receivable cycle or inventory holding period could impact the liquidity and necessitate higher external funding support.

Risks of capital withdrawal due to status as a partnership firm – KC remains susceptible to the risks associated with its status as a partnership firm, including the risk of capital withdrawal. However, ICRA takes comfort from the firm's comfortable liquidity profile.

Liquidity position: Adequate

The liquidity profile is expected to remain adequate, supported by operating cash accruals, sanctioned working capital facilities of Rs. 13 crore (including FDOD of Rs. 6 crore) and the firm's established banking relationships. Additionally, the liquidity position is supported by the demonstrated financial flexibility and expected need-based support from the partners.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings if the firm demonstrates a sustained improvement in its scale of operations, while maintaining healthy profitability and working capital metrics.

Negative factors – ICRA could downgrade the ratings if the firm's operating performance weakens materially, resulting in a decline in revenues or profitability. Further, a sustained increase in working capital intensity and/or a deterioration in liquidity could exert pressure on the ratings.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Kamman Corporation (KC) was incorporated in 1978 as a partnership firm. The firm trades in minerals such as fluorspar, iron powder, mica powder, alginates, MS wire rods and ferro alloys and is an ISO 9001:2000 certified entity. The company has its registered office at Vikhroli, Mumbai, a sales office in Chennai and a processing unit at Mankoli (Maharashtra).

Kamman Corporation is a promoter group entity associated with Premier Industrial Corporation Limited (PICL) and operates as a trading arm, supporting the group's welding consumables raw material value chain. The entity procures key raw materials for PICL and also distributes the products manufactured by PICL, thereby facilitating sourcing efficiency and market reach within the domestic welding consumables ecosystem.

Key financial indicators (audited)

KC - Standalone	FY2024	FY2025	FY2026*
Operating income	42.6	61.3	71.8
PAT	0.9	1.9	2.5
OPBDIT/OI	6.3%	6.2%	7.1%
PAT/OI	2.2%	3.1%	3.5%
Total outside liabilities/Tangible net worth (times)	2.3	1.3	1.6
Total debt/OPBDIT (times)	4.9	5.1	4.6
Interest coverage (times)	1.3	1.4	1.4

*Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation; * Provisional numbers*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instruments	Current (FY2027)			Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
	Type	Amount rated (Rs. crore)	Jul 16, 2026	Date	Rating	Date	Rating	Date	Rating
Fund based – Cash credit	Long term	7.00	[ICRA]BB (Stable)	Aug 26, 2025	[ICRA]B+(Stable); ISSUER NOT COOPERATING	Jun 28, 2024	[ICRA]B+(Stable); ISSUER NOT COOPERATING	May 25, 2023	[ICRA]B+(Stable); ISSUER NOT COOPERATING
Unallocated limits	Long term/ Short term	-	-	Aug 26, 2025	[ICRA]B+(Stable)/ [ICRA]A4; ISSUER NOT COOPERATING	Jun 28, 2024	[ICRA]B+(Stable)/ [ICRA]A4; ISSUER NOT COOPERATING	May 25, 2023	[ICRA]B+(Stable)/ [ICRA]A4; ISSUER NOT COOPERATING
Fund based – Term loan	Long term	0.24	[ICRA]BB (Stable)	-	-	-	-	-	-
Interchangeable	Short term	(7.00)	[ICRA]A4+	Aug 26, 2025	[ICRA]A4; ISSUER NOT COOPERATING	Jun 28, 2024	[ICRA]A4; ISSUER NOT COOPERATING	May 25, 2023	[ICRA]A4; ISSUER NOT COOPERATING

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term - Fund based – Cash credit	Simple
Long term – Fund based – Term loan	Simple
Short term – Interchangeable	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click Here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook	Financial Sector Regulator#
NA	**Long term - Fund based – Cash credit**	NA	NA	NA	7.00	[ICRA]BB (Stable)	RBI
NA	**Long term – Fund based – Term loan**	NA	NA	NA	0.24	[ICRA]BB (Stable)	RBI
NA	**Short term – Interchangeable**	NA	NA	NA	(7.00)	[ICRA]A4+	RBI

Source: Company

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Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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