



KAMAL TIMBERS INDIA LIMITED

Policy on Trade Receivable

POLICY ON TRADE RECEIVABLE

PURPOSE

This Trade Receivable Policy ("Policy") is formulated to establish a structured framework for managing trade receivables of the Company in a prudent and consistent manner. The objective of this Policy is to ensure timely collection of dues, optimize working capital, minimize credit risk and support sustainable business growth.

SCOPE

This Policy shall apply to all credit sales made by the Company to all its customers, unless otherwise approved by the Board of Directors.

DEFINITIONS

- **Trade Receivables:** Amounts due from customers arising from sale of services in the ordinary course of business.
- **Credit Period:** The period allowed to customers for payment against invoices raised by the Company.
- **Overdue Receivables:** Receivables outstanding beyond the approved credit period.

CREDIT ASSESSMENT AND APPROVAL

- Credit shall be extended to customers based on their creditworthiness, payment track record, financial strength and business relationship with the Company.
- New customers shall be evaluated prior to extending credit, based on available financial information, market reputation and internal assessment.
- Credit limits and credit periods shall be approved in accordance with the delegation matrix approved by the Board of Directors.

CREDIT PERIOD

- The Company may extend a standard credit period of 70-85 days to its customers.
- Any deviation from the approved credit period shall require prior approval from the competent authority.

INVOICING AND DOCUMENTATION

- Invoices shall be raised promptly upon completion of services.
- All invoices shall clearly specify the payment terms, due date and mode of payment.
- Proper supporting documents shall be maintained for all credit sales.

MONITORING AND COLLECTION

- Trade receivables shall be reviewed on a periodic basis to monitor ageing and collection status.
- The finance team shall follow up with customers for timely realization of outstanding dues.
- Regular ageing analysis shall be placed before the management for review.

OVERDUE RECEIVABLES

- Receivables outstanding beyond the approved credit period shall be classified as overdue.
- Appropriate follow-up actions, including reminders and escalation, shall be initiated for overdue receivables.

PROVISIONING AND WRITE-OFF

- Provision for doubtful receivables shall be made in accordance with applicable accounting standards and internal assessment.

REPORTING

- Periodic reports on trade receivables, ageing analysis and collection efficiency shall be submitted to the management and the Board, as required.

DELEGATION OF AUTHORITY (CREDIT APPROVAL MATRIX)

The Board of Directors hereby delegates authority for approval of credit limits and deviations as under:

Particulars	Authority
Approval of standard credit period up to 70-85 days	Accounts Head
Enhancement of credit limit within approved policy	CFO
Deviation beyond standard credit period or limits	Managing Director

REVIEW AND AMENDMENT

- This Policy shall be reviewed periodically to ensure its adequacy and effectiveness.
- Any amendment to this Policy shall be subject to approval of the Board of Directors.

DISSEMINATION OF THE POLICY

The policy shall be hosted on the website of the Company i.e. www.kamaltimbers.com



Effective Date: 20th April, 2026

Date of Approval by Board of Directors: 20th April, 2026