

RAMSONS FOOD LIMITED

September 24, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	58.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	195.00	CARE BB-; Stable / 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 (including No Default Statement) from Ramsons Food Limited (RFL) to monitor the rating vide e-mail communications dated September 18, 2025, September 19, 2025, September 20, 2025, among others 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 (CareEdge Ratings)'s opinion is not sufficient to arrive at a fair rating. Further, RFL has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The ratings on RFL's bank facilities will now be denoted as

'CARE BB-; Stable; ISSUER NOT COOPERATING/ 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(s)

The ratings assigned to the bank facilities of Ramsons Food Limited remain constrained on account of low profitability margins inherent in trading operations, inventory risk, leveraged financial risk profile marked by high overall gearing and weak debt coverage indicators. The ratings, however, continues to derive strength from resourceful and experienced promoters in the dairy industry.

Analytical approach: Combined

CARE Ratings has taken a combined view of RFL, Nagina Foods Private Limited and Ramsons & Co. owing to common promoters, operational synergies, and presence in similar line of business. Details of entities combined are presented in [Annexure 6](#).

Outlook: Stable

The rating outlook "Stable" indicates the expected sustenance of RFL's scale of operations over the medium term on back established track record of its promoter.

Detailed description of key rating drivers:

At the time of last rating on July 02, 2024, the following were the rating strengths and weaknesses (updated from the information available from client).

Key weaknesses

Leveraged capital structure along with weak debt protection metrics

The financial risk profile of the group remains leveraged as marked by high overall gearing and debt protection metrics. The overall gearing of the group remained high at 2.39x as on March 31, 2025 (PY: 1.56x). The debt coverage indicators of group continued to remain weak as reflected by PBILDT interest coverage and total debt/GCA of 2.14x (PY: 0.97x) and 22.00x in FY25 respectively.

Inventory holding risk

The group avails warehouse funding to meet its working capital requirements and the inventory equivalent to the limit has to be maintained throughout in the third-party warehouses in arrangement with the banks. Additionally, the group builds up inventory during December to May every year and liquidates the same during June to November every year, thereby leading to higher level of inventories as at the end of financial year. Therefore, the working capital cycle of the group stood at 66 days as on March 31, 2025 (PY: 96 days) primarily due to high year-end inventory holding period of 45 days (PY: 63 days).

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Moderate Scale of Operations and Low profitability margins

The scale of operations of the group as reflected by Total Operating Income in FY25 stood moderate of Rs. 1566.87 crore (PY: Rs. 1053.59 crore). However, the profitability margins of the group remained low marked by PBILDT and PAT margins in FY25 at 1.81% (PY: 1.81%) and 0.67% (PY: -0.24%) owing to the trading nature of business.

Highly fragmented nature of industry leading to competition

The dairy industry is highly fragmented due to the presence of many unorganized players, restricting the bargaining power of modest players with customers and suppliers in terms of pricing as well as credit terms. However, the evolution of the dairy industry from an unorganized to a relatively organized sector along with increased consumption of different value-added products, such as cheese, probiotic drinks, yogurt, etc. is currently driving the dairy industry in India.

Key strengths

Resourceful and experienced promoters in dairy industry

Ramsons group is promoted by Mr. Ashok Gupta, Mr. Pardeep Gupta, and Mr. Bhushan Gupta, who have more than three decades of experience in the dairy industry. The top management is supported by an experienced second line of management. Besides long experience, the group also benefits from promoters' funding support.

Liquidity: Stretched

The liquidity profile of the group continues to remain stretched as marked by quick ratio of 0.64% (PY: 1.15%). Further free cash and bank balance of the group remained low at around 0.51 crore as on March 31, 2025. The average working capital utilisation in last 12 months has been around 60%. The company does not have any major capex plan for mid-term.

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Financial Ratios – Non financial Sector](#)

[Wholesale Trading](#)

[Short Term Instruments](#)

[Consolidation](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Consumer Services	Retailing	Distributors

Ramsons Food Limited, established in May 2019, is engaged in the trading of dairy products such as skimmed milk powder, desi ghee, whey powder and butter etc. with its group entities Nagina Foods Private Limited and Ramsons & Co. The group runs on a Business to business (B2B) model and revenue is generated through two channels: institutional sales (50% of total sales), i.e., ice cream manufacturers, sweet manufacturers, ghee manufacturers, etc. and remaining 50% is through small dealers and traders. Further, the group procures the raw materials from farmers, sends it for processing (outsourced) and sells it under its own brand name "Ramsons". The company is promoted by Mr. Ashok Gupta, Mr. Pardeep Gupta and Mr. Bhushan Gupta.

Combined Financials

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	1053.59	1,566.87
PBILDT	19.04	28.41

PAT	-2.54	10.48
Overall gearing (times)	1.56	2.39
Interest coverage (times)	0.97	2.14

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

Basis of combination: The numbers have been combined through row-by-row addition of all line items of the entities mentioned under Analytical approach after excluding intra-group investments and loans and advances.

Standalone Financials: Ramsons Food Limited

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	940.69	1,502.51
PBILDT	15.82	26.63
PAT	-3.16	9.86
Overall gearing (times)	1.76	2.59
Interest coverage (times)	0.93	2.16

A: Audited UA: Unaudited; 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-Cash Credit		-	-	-	58.00	CARE BB-; Stable; ISSUER NOT COOPERATING*
Fund-based – LT/ ST-Working Capital Limits		-	-	-	195.00	CARE BB-; Stable / 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-Cash Credit	LT	58.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable (02-Jul-24) 2)CARE BB-; Stable (11-Jun-24)	1)CARE BB; Stable (06-Sep-23)	1)CARE BB; Stable (17-Jan-23) 2)CARE BB; Stable (10-May-22)
2	Fund-based – LT/ST-Working Capital Limits	LT/ST	195.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable / CARE A4 (02-Jul-24) 2)CARE BB-; Stable / CARE A4 (11-Jun-24)	1)CARE BB; Stable / CARE A4 (06-Sep-23)	1)CARE BB; Stable / CARE A4 (17-Jan-23) 2)CARE BB; Stable / CARE A4 (10-May-22)

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

LT: Long term; ST: Short term; LT/ST: Long term/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-Cash Credit	Simple
2	Fund-based – LT/ ST-Working Capital Limits	Simple

Annexure-5: Lender details

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

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

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Ramsons & Co.	Full	Operational and financial linkages along with common promoters and management personnel
2	Nagina Food Pvt. Ltd.	Full	Operational and financial linkages along with common promoters and management personnel.

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