

## K.P.R.M Ramasswami Dhal Trading Company

January 23, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	11.62 (Reduced from 12.28)	CARE BB+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Rating assigned to the bank facilities of K.P.R.M Ramasswami Dhal Trading Company (KPRM) continues to be constrained by moderate capital structure, partnership nature of constitution and presence in highly fragmented and competitive industry. However, rating derives comfort from the extensive experience of the promoters in the industry and improving scale of operations.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Sustained increase in scale of operations above ₹200 crores and profit before interest, lease rentals, depreciation, and taxation (PBILDT) margins above 5% on a sustained basis.
- Improvement in debt protection metrics with total debt/gross cash accruals (TD/GCA) below 4x.

#### Negative factors

- Any debt funded capex or significant withdrawal of capital leading to deterioration in overall gearing above 2x on a sustained basis.
- Deterioration in liquidity indicators or elongation of working capital cycle on sustained basis.

**Analytical approach:** Standalone

### Outlook: Stable

The stable outlook reflects that the firm is expected to sustain its operational performance in the medium-term deriving benefits from the extensive experience of promoters in the agriculture processing industry.

### Detailed description of key rating drivers:

#### Key weaknesses

##### Moderate capital structure

The capital structure of the firm is moderate marked by overall gearing of 1.85x as on March 31, 2025 (PY: 1.53x). This increase in gearing is attributed to capital withdrawals and the infusion of additional unsecured loans from the promoters. In FY25, the firm undertook capital expenditure for the purchase of sortex machinery and two grinding machines at an aggregate cost of ₹5.28 crore. This expenditure was funded through a term loan of ₹1.50 crore, with the remaining amount met through internal accruals and unsecured loans.

##### Presence in highly fragmented and competitive industry

The firm operates in a highly competitive and fragmented industry, facing intense competition from both organized and unorganized players. This fragmented and highly competitive industry results in price competition thereby affecting the profitability margins of the companies operating in the industry.

##### Partnership nature of constitution with inherent risk of withdrawal of capital

Operating as a partnership entails inherent risks, particularly the possibility of capital withdrawals by partners during personal exigencies, which may adversely affect the firm's capital structure and liquidity. During FY25, the partners withdrew ₹1.75 crore and infused the same in the form of interest-bearing unsecured loans.

### Key strengths

#### Extensive experience of the promoters

The managing partner, K. P. R. M. Ramasswamy, has nearly three decades of experience in the agro industry. Before founding KPRM, he was involved in the same business under different entity names since 1990. His long-standing presence in the market

<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.

has enabled the firm to build strong relationships with suppliers and customers, resulting in an established customer base and facilitating regular orders from existing clients.

### Improving scale of operations

The firm's scale of operations has expanded consistently, recording a CAGR of 23% over the past five years to reach ₹187.60 crore in FY25 (PY: ₹132.05 crore), supported by higher sales volumes and improved realizations. However, operating profitability witnessed moderation in FY25, with PBILDT margins declining to 4.14% from 5.47% in the previous year. The moderation in margin was primarily attributable to elevated black gram prices, which remained firm during the year due to reduced acreage and weather-related yield pressures.

### Liquidity: Stretched

The liquidity of the firm is stretched marked by high utilization of working capital limits and reliance on unsecured loans from promoters. Owing to seasonality associated with agro products and for meeting out the demand from the customers, the firm maintains enough stock in hand. The average working capital utilization of the firm stood moderate at 90% for the 12-month ended period ended December 2025. The current ratio stood at 2.68x as on March 31, 2025 (PY: 2.74x).

**Assumptions/Covenants:** Not applicable

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

### Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Wholesale Trading](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Food Products	Other Food Products

KPRM founded in Salem in 2014 by K. P. R. M. Ramasamy is a partnership firm specializing in the wholesale and retail trade of pulses, primarily black gram. Operations began in February 2017. KPRM purchases and sells processed black gram, leveraging the experience of its two associated concerns active in the pulse trade since 1990. The firm boasts a strong customer base across Tamil Nadu, Kerala, and Karnataka.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	December 31, 2025 (UA)
Total operating income	132.05	187.60	120
PBILDT*	7.24	7.77	--
Profit after tax (PAT)	2.21	2.08	--
Overall gearing (x)	1.54	1.85	--
Interest coverage (x)	6.05	5.59	--

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

\*PBILDT: Profit before interest, lease rentals, depreciation and tax

**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		-	-	-	10.00	CARE BB+; Stable
Fund-based - LT-Term Loan		-	-	November-2028	1.62	CARE BB+; Stable

**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	10.00	CARE BB+; Stable	-	1)CARE BB+; Stable (29-Jan-25)	1)CARE BB+; Stable (12-Jan-24)	1)CARE BB+; Stable (07-Dec-22)
2	Fund-based - LT-Term Loan	LT	1.62	CARE BB+; Stable	-	1)CARE BB+; Stable (29-Jan-25)	1)CARE BB+; Stable (12-Jan-24)	-

LT: Long 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-Term Loan	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.

## Contact us

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