



Press Release
PRAKASH RETAIL PRIVATE LIMITED
November 07, 2025
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.00	ACUITE BBB- Stable Assigned	-
Bank Loan Ratings	60.00	ACUITE BBB- Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	70.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on Rs.60.00 Cr. bank facilities of Prakash Retail Private Limited (PRPL). The outlook remains '**Stable**'. Further, Acuite has assigned long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on Rs.10.00 Cr. bank facilities of PRPL. The outlook is '**Stable**'.

Rationale for Rating

The rating reaffirmation factors in the experience of promoters in the retail business with vintage of operations over decades. PRPL showcases increase in revenue by 21% in FY25 over FY24 supported by a strong retail footprint of 21 outlets and wide product portfolio across the coastal region of Karnataka and rest in other districts of Karnataka under the brand "Harsha". Liquidity remains adequate, backed by sufficient net cash accruals against debt repayments, surplus bank balances, efficient working capital management along with extended finance facility albeit high bank limit utilization and low current ratio. However, geographic concentration in Karnataka and absence from e-commerce heightens exposure to regional and competitive risks, which remains key monitorable. The rating is also constrained by moderation in profitability margins due to opening of four new stores in a single year and subsequently increase in variable expenses during FY25. The company maintains moderate financial risk profile marked by increase in networth, high gearing and decline in debt protection metrics.

About the Company

Udupi based, Prakash Retail Private Limited (PRPL) was founded by five brothers, Mr. Surya Prakash K, Mr. Ashok Kumar, Mr. Harish M, Mr. Suresh M and Mr. Rajesh M, in 1985 as a partnership firm and changed to private limited company in 1999. The company is engaged in the business of dealing in Electronic, Electrical, Home appliances, Kitchen ware, IT products (Mobile & laptops), Furniture and fitness and other consumer durable products. PRPL has twenty one retail outlet stores spread across cities of Karnataka such as Bangalore, Mysuru, Udupi, Mangaluru, Puttur, Kundapura, Shimoga, Hubli, Belgaum, Dharwad among others. The store area ranges between 7000-32000 sq. ft. The company operates showrooms under the brand name 'Harsha'. The company is also well known for after sale services with a dedicated and well-trained staff and customer care executives.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of Prakash Retail Private Limited (PRPL) to arrive at the rating.

Key Rating Drivers

Strengths

Experienced management, established brand presence and track record of operations

The promoter has established track record of operations along with wide product portfolio under the brand name 'Harsha' for around three decades in Karnataka. PRPL is promoted and managed by Mr. Surya Prakash. He has around 35 years of experience in this industry. He is instrumental in creating the brand "Harsha". PRPL has twenty-one stores spread across Karnataka. PRPL has established relations with its original equipment manufacturers (OEM's) such as LG Electronics India Pvt Ltd, Samsung India Electronics Ltd, Sony India Pvt Ltd, Godrej and Boyce Mfg. Co. Ltd, Panasonic India Pvt Ltd and Haier Appliances (India) Pvt Ltd., among others. The company procures 90% directly from manufacturers which enables to secure supplier incentives for surpassing sales targets thereby supporting its competitive positioning and profitability. Acuite believes that having experienced management and maintaining strong relationship with suppliers will help the company to increase its scale of operations over the medium term.

Increase in revenue during FY25

The operating income of the company has increased by 21% and stood at Rs.608.09 Cr. in FY25 as against Rs.503.27 Cr. in FY24. This was due to addition of new branches (Sagara, Mysuru, Rajarajeshwari Nagar Bangalore and Belgaum) resulting an increase in sales volume during FY25. Sales Mix stood at ~32% from mobile and laptop, ~30% from white goods such as refrigerators, dishwashers, and other heavy appliances, about 18% from brown goods like TVs and radios, and the remaining 20% from electrical and kitchen appliances. Further, the company has achieved Rs.295.88 Cr. (net sales) till September 2025. The company has also added one new showroom in H1FY26 at Bengaluru, Ullal Main Road. Acuite believes that the scale of operations will improve over the medium term backed by addition of new showroom which will help in further penetrating the market with established market position and reduced pricing due to GST reduction.

Efficient working capital cycle

The efficient working capital cycle of the company is marked by Gross Current Assets (GCA) of 95 days in FY2025 as against 92 days in FY2024. The GCA days is majorly driven by the moderate inventory days. The inventory days of the company stood at 80 days in FY2025 as against 81 days in FY2024 due to year end commitments. The company carries an average inventory for 45 to 55 days and has ~8000-10000 SKUs per store. The debtor days stood low at 3 days for the last two years ending March 31, 2025. The retail business is based on cash and carry model indicating healthy collections. Under the whole sale business, debtor days extend up to 15-30 days. The creditors days stood at 79 days in FY2025 as against 75 days in FY2024. The other current assets include GST to be carried forward of Rs.9.27 Cr, tax refund receivable of Rs.3.62 Cr. and others in FY25. Acuite believes that the working capital operations will remain at the same levels as evident from efficient collection cycle due to nature of business over the medium term.

Weaknesses

Geographical concentration

PRPL has 21 retail outlets majorly spread across the coastal region of Karnataka and rest in other districts of Karnataka. PRPL's operations continues to remain concentrated in the state of Karnataka.

Steady but low profitability margins during FY25

The company operates on thin EBITDA margins and stood at 3.61 percent in FY25 as against 3.86 percent in FY24. The PAT margin stood at 0.40 percent in FY25 as against 0.57 percent in FY24 due to increase in interest costs. The RoCE stood at 16.98% in FY25 as against 16.92% in FY24. The company faces tough competition from other dealers and large ecommerce players. PRPL is strong in Kitchen and Electrical appliances which gives an edge over competitors who focuses on white and brown goods. Further, it has also tied up with Bajaj Finance and others to sell products through their website for customers opting for financing facility from them. Acuite believes that the profitability margins will remain on similar levels over the medium term.

Moderate Financial Risk Profile

The company's financial risk profile is moderate marked by increase in networth, high gearing and decline in debt protection metrics. The net worth of the company increased to Rs.28.02 Cr. as on 31st March 2025 as against Rs.26.81 Cr. as on March 31, 2024, due to small accretion of reserves. Acuite has considered Rs.4.10 Cr. as a part of quasi-equity because the management has undertaken to maintain these unsecured loans in the business over the long term. The debt to equity stood at 2.74 times as on 31st March 2025 as against 2.26 times as on 31st March 2024. The debt protection metrics declined marked by Interest Coverage Ratio of 1.66 times and Debt Service Coverage Ratio of 1.09 times as on 31st March 2025. The TOL/TNW stood at 6.82 times in FY25 as against 5.59 times in FY24. Acuite believes that the financial risk profile will remain on similar levels over the medium term backed by debt funded capex plan of adding another showroom.

Rating Sensitivities

Movement in operating income and profitability margins
Timely completion of capex plan
Debt protection metrics

Liquidity Position

Adequate

The company's liquidity position remains adequate supported by sufficient net cash accruals of Rs.8.25 Cr. against long term debt repayment of Rs. 6.41 Cr. over the same period. The company is expected to generate healthy NCAs in the range of Rs.12-15 Cr. in FY2025-26 against CPLTD of Rs.6-7.00 Cr for the same period. The current ratio remained low at 0.97 times in FY25 and FY24. The company maintains cash and bank balances of Rs.6.99 Cr. in FY25 as against Rs.1.51 Cr. in FY24. Further, the average bank limit utilization of fund based limits stood at 97% for eight months ending Sept'25. The company is adding a new showroom at Shivmogga of Rs.7.41 Cr. that is funded by mix of debt and internal accruals which is expected to increase their revenue and is expected to be operational by December 25. Acuite believes that liquidity profile will remain on similar levels over the medium term backed by sufficient accruals against debt repayments, debt funded capex plans, efficient working capital cycle albeit low current ratio and high bank limit utilizations.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	608.09	503.27
PAT	Rs. Cr.	2.43	2.86
PAT Margin	(%)	0.40	0.57
Total Debt/Tangible Net Worth	Times	2.74	2.26
PBDIT/Interest	Times	1.66	1.92

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>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.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
03 Oct 2024	Cash Credit	Long Term	22.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	4.40	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	13.73	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.60	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	4.22	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	2.28	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.59	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	5.00	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	4.00	ACUITE BBB- Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	1.18	ACUITE BBB- Stable (Reaffirmed)
20 Oct 2023	Cash Credit	Long Term	22.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	13.65	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	5.93	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	2.40	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.02	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	5.00	ACUITE BBB- Stable (Assigned)
06 Oct 2023	Cash Credit	Long Term	22.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	13.65	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	5.93	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	2.40	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.02	ACUITE BBB- Stable (Reaffirmed)
21 Jul 2022	Cash Credit	Long Term	20.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	1.50	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	0.30	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	14.83	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	3.91	ACUITE BBB- Stable (Reaffirmed)
		Long		ACUITE BBB- Stable

	Working Capital Term Loan	Term	0.72	(Reaffirmed)
	Proposed Long Term Loan	Long Term	0.24	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	2.50	ACUITE BBB- Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Canara Bank	Not avl. / Not appl.	Ad-hoc Limits (Fund Based)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.24	Simple	ACUITE BBB- Stable Reaffirmed
Canara Bank	Not avl. / Not appl.	Ad-hoc Limits (Fund Based)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.76	Simple	ACUITE BBB- Stable Assigned
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE BBB- Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.76	Simple	ACUITE BBB- Stable Reaffirmed
Canara Bank	Not avl. / Not appl.	Term Loan	02 Mar 2020	Not avl. / Not appl.	22 Dec 2027	11.69	Simple	ACUITE BBB- Stable Reaffirmed
SVC Co-Op Bank Limited	Not avl. / Not appl.	Term Loan	02 Apr 2020	Not avl. / Not appl.	01 Apr 2026	2.57	Simple	ACUITE BBB- Stable Reaffirmed
SVC Co-Op Bank Limited	Not avl. / Not appl.	Term Loan	14 Jun 2023	Not avl. / Not appl.	13 Jun 2033	2.07	Simple	ACUITE BBB- Stable Reaffirmed
SVC Co-Op Bank Limited	Not avl. / Not appl.	Term Loan	28 Nov 2023	Not avl. / Not appl.	27 Nov 2033	6.13	Simple	ACUITE BBB- Stable Reaffirmed
Canara Bank	Not avl. / Not appl.	Term Loan	18 Jun 2025	Not avl. / Not appl.	18 May 2032	5.24	Simple	ACUITE BBB- Stable Assigned
SVC Co-Op Bank Limited	Not avl. / Not appl.	Working Capital Term Loan	30 Sep 2024	Not avl. / Not appl.	30 Sep 2029	3.54	Simple	ACUITE BBB- Stable Reaffirmed

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