KPT Industries Limited

July 08, 2025

Facilities	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	15.56 (Reduced from 17.08)	CARE BBB; Stable	Reaffirmed
Long-term / Short-term bank facilities	18.00	CARE BBB; Stable / CARE A3+	Reaffirmed
Short-term bank facilities	23.23	CARE A3+	Reaffirmed

Details of facilities in Annexure-1

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of KPT Industries Limited (KPTIL, formerly known as Kulkarni Power Tools Limited) factors in healthy profitability in FY25 (Audited; refers to April 1 to March 31), and a stable scale of operations, comfortable overall gearing, and improved debt coverage indicators. CARE Ratings Limited (CareEdge Ratings) also takes note of the company's ongoing efforts towards business diversification, supported by the expected growth in E-Cart sales going forward. Ratings continue to derive strength from the promoters' extensive experience, the company's long operational track record of over four decades in the electric power tools industry, and its established distribution network.
However, the above strengths are constrained by KPTIL's modest scale of operations and net worth base, the working capital-intensive operations, high dependence on a single business segment, profitability susceptible to raw material price volatility, and the fragmented and intensely competitive nature of the electric power tools industry.

Rating sensitivities: Factors likely to lead to rating actions.

Positive factors -

- The company's ability to scale up its operations and improvement in profit before interest, lease, depreciation and taxes (PBILDT) margin above 15% on a sustained basis.
- Improvement diversification with substantially improving sales from E-Cart segment.
- Improvement in overall gearing and total debt to gross cash accrual (GCA) below 0.45x and 1.80x, respectively, on a sustained basis.

Negative factors-

- Deterioration in overall gearing to over 1.40x on a sustained basis.
- Declining profitability with PBILDT margin below 8%.
- Operating cycle deteriorating to over 200 days on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

The Stable outlook reflects CareEdge Ratings' expectation that KPTIL will continue to maintain its operating risk profile, supported by its established presence in the power tools industry and the long-standing experience of its promoters. The company's solvency and liquidity position are also expected to remain comfortable over the medium term.

Detailed description of key rating drivers:

Key strengths

Extensive experience and long-standing track record of promoters in power tool industry

KPTIL is currently under the leadership of P.A Kulkarni, serving as the Executive Chairman, and Dilip Kulkarni, the Managing Director. Both individuals have over four decades of extensive experience in manufacturing electric power tools. They oversee the company's overall management. Supported by a seasoned team, the promoters hold key positions in different divisions within the organisation. Their significant tenure in the industry has equipped them with ample knowledge and expertise in the field.

Improved yet modest scale of operations with healthy profitability margins

KPTIL's scale of operations registered a moderate growth of ~9% in FY25, with the company reporting a total operating income (TOI) of ₹166.05 crore, compared to ₹151.63 crore in FY24. This growth was primarily driven by improved demand in the Blower and E-Cart divisions, while Power Tool growth remained stable. The company's profitability margins continued to remain healthy, with the PBILDT margin improving by 86 basis points to 16.00% in FY25 (PY: 15.14%), largely due to the sale of larger-sized blowers and with increased sales in the E-Cart segment, which command better margins. The company also introduced new products in the power tools segment which supported improvement in profitability. Consequently, the profit after tax (PAT) margin improved to 8.39% in FY25 (PY: 7.95%), and return indicators also strengthened, with return on capital

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

employed (ROCE) improving to 25.37% in FY25 (PY: 24.24%). CareEdge Ratings expects the company to sustain its profitability levels going forward, driven by its established product profile, improving scale, and focus on higher-margin segments.

Improved capital structure and debt protection metrics

KPTIL's capital structure has improved over the years, supported by profit accretion to net worth, scheduled repayment of long-term debt, and moderate utilisation of working capital limits. As on March 31, 2025, the total debt reduced to ₹23.35 crore from ₹36.91 crore in FY24. Accordingly, overall gearing improved to 0.34x as on March 31, 2025, compared to 0.67x as on March 31, 2024. Debt coverage indicators strengthened, with total debt to GCA improving to 1.33x in FY25 (PY: 2.40x), and the interest coverage ratio remained healthy at 5.75x in FY25 (PY: 5.80x). CareEdge Ratings expects the company's capital structure and debt protection metrics to remain comfortable over the medium term in absence of plans of debt-funded capex or increasing working capital borrowings.

Low customer concentration and an extensive dealer network

The company maintains a diversified customer base, with the top 10 customers accounting for ~18% of total sales (similar to the previous year) indicating low customer concentration risk. KPTIL's power tool products' distribution is facilitated through a network of ~500 dealers operating from a central distribution depot. The company sources raw materials from both domestic and overseas markets where import constitutes a major portion. This diversified customer base and supply chain reduce counterparty risk to a certain extent.

Key weaknesses

Product concentration risk

KPTIL derives a major portion of its revenue from the Portable Power Tools segment, which contributed ~69% of total sales in FY25, followed by the Blowers division (23%) and the E-Cart segment (8%). This high dependence on a single product segment exposes the company to product concentration risk, where slowdown in demand or adverse developments in the power tools industry could materially impact revenue and profitability. However, gradual traction in the E-Cart segment and regular flow of after-sales servicing income is expected to support marginal diversification in the medium term. The company expects similar order inflow for E-Carts in FY26 as witnessed in FY25, with potential orders from both existing and new institutional clients.

Working capital intensive operations

KPTIL operates in the business where working capital is high with funds mainly blocked in inventory and receivables. The company generally keeps raw material inventory of 110 to 120 days and finished goods inventory of 55 to 65 days led by wide variety of products mainly under power tools division. The blower division operates mostly on make-to-order basis. Moreover, KPTIL provides credit period of 75 to 80 days to customers (dealer) for power tools division and 90 to 110 days to customer for blower division, reflecting working capital intensive operations. KPTIL's operating cycle has deteriorated to 175 days in FY25 compared to 167 days in FY24. Efficient management of working capital cycle and improvement in liquidity position will remain a key rating sensitivity.

Profitability susceptible to raw material price volatility

KPTIL's primary raw material comprises ferrous castings, steel, copper wire, non-ferrous castings, the prices of which are volatile in nature. The raw material cost is the major cost for the company and accounts for ~65% of total sales. The company's ability to pass on the increased raw material cost to its customers is limited owing to its presence in highly competitive industry. Accordingly, the company's profitability margin remains susceptible to raw material prices.

Intense competition from organised and unorganised players

KPTIL manufactures products and operates in a Power tool industry comprising several players in the unorganised sector resulting in high degree of fragmentation. The industry is characterised by low entry barriers and low level of product differentiation due to minimal technological inputs and availability of standardised machinery for production. The competition leads to pricing pressures, which is likely to put pressure on the operating margin of the industry players. However, with distribution channel of 500 dealers and addition of new product line, the same is mitigated to some extent.

Liquidity: Adequate

KPTIL's adequate liquidity is characterised by sufficient cash accruals against repayment obligations, unutilised bank limits, and free cash balance. GCA is expected to be in the range of ₹15-18 crore in FY26 against the repayment obligations to the tune of ₹2.95 crore in the same period. KPTIL had cash and cash equivalents to the tune of ₹0.40 crore as on March 31, 2025. KPTIL also derives comfort from the unutilised lines of cash credit facilities of ~₹6.05 crore (sanctioned limit: ₹30.25 crore) as on May 2025. The average CC utilisation for the 12 months ended May 30, 2025, stood at ~82%. The company's current ratio stood at 2.16x as on March 31, 2025 (PY. 1.57x).

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies

[Financial Ratios – Non financial Sector](#)
[Short Term Instruments](#)

About company

Industry classification

Macroeconomic Indicator	Sector	Industry	Basic Industry
Industrials	Capital goods	Electrical equipment	Other electrical equipment

KPTIL was incorporated in 1976 as Kulkarni Black & Decker Limited, a joint venture between the Kulkarni family led by Prakash Kulkarni and Black & Decker, USA. In 1993, the entire stake of Black & Decker, USA, was acquired by the Kulkarni family and the company's name was subsequently changed to Kulkarni Power Tools Limited. KPTIL operates in three business segments - portable power tools, blowers, and E-Cart.

Particular	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	151.63	166.05
PBILDT	22.95	26.58
PAT	12.06	13.93
Overall gearing (times)	0.67	0.34
Interest coverage (times)	5.80	5.75

A: Audited; UA: Unaudited NA: Not Available, 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 facility: Annexure-3

Complexity level of rated for this company: Annexure 4

Lender details: Annexure-5

Annexure-1: Details of 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		-	-	-	10.77	CARE BBB; Stable
Fund-based - LT-Term Loan		-	-	March 2028	4.79	CARE BBB; Stable
Fund-based - LT/ ST-CC/Packing Credit		-	-	-	18.00	CARE BBB; Stable / CARE A3+
Fund-based - ST-Packing Credit in Indian rupee		-	-	-	1.48	CARE A3+
Non-fund-based - ST-BG/LC		-	-	-	21.75	CARE A3+

Annexure-2: Rating history of last three years

Sr. No.	Name of the 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-Term Loan	LT	4.79	CARE BBB; Stable	-	1)CARE BBB; Stable (05-Jul-24)	1)CARE BBB-; Positive (07-Jul-23)	1)CARE BBB-; Stable (21-Jul-22)
2	Fund-based - LT-Cash Credit	LT	10.77	CARE BBB; Stable	-	1)CARE BBB; Stable (05-Jul-24)	1)CARE BBB-; Positive (07-Jul-23)	1)CARE BBB-; Stable (21-Jul-22)
3	Fund-based - ST-Packing Credit in Indian rupee	ST	1.48	CARE A3+	-	1)CARE A3+ (05-Jul-24)	1)CARE A3 (07-Jul-23)	1)CARE A3 (21-Jul-22)
4	Non-fund-based - ST-BG/LC	ST	21.75	CARE A3+	-	1)CARE A3+ (05-Jul-24)	1)CARE A3 (07-Jul-23)	1)CARE A3 (21-Jul-22)
5	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (07-Jul-23)	1)CARE BBB-; Stable (21-Jul-22)
6	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (07-Jul-23)	1)CARE BBB-; Stable (21-Jul-22)
7	Fund-based - LT/ ST-CC/Packing Credit	LT/ST	18.00	CARE BBB; Stable / CARE A3+	-	1)CARE BBB; Stable / CARE A3+ (05-Jul-24)	1)CARE BBB-; Positive / CARE A3 (07-Jul-23)	1)CARE BBB-; Stable / CARE A3 (21-Jul-22)

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated facilities: Not available

Annexure 4: Complexity level of facilities rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - LT/ ST-CC/Packing Credit	Simple
4	Fund-based - ST-Packing Credit in Indian rupee	Simple
5	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender details
To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instrument: 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.

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About us:

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