

Greenchef Appliances Limited

November 13, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	94.94 (Enhanced from 74.94)	CARE BBB-; Negative	Reaffirmed
Short-term bank facilities	11.00	CARE A3	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to the enhanced bank facilities of Greenchef Appliances Limited (GAL) continue to derive strength from improving scale of operations, extensive industry experience of promoters in similar business, and reasonably wide distributor network with diversified product portfolio. However, these rating strengths are constrained by moderate debt coverage indicators and working capital intensive operations. Ratings also factor in GAL's presence in highly competitive market with geographical concentration risk and its margins are susceptible to raw material price volatility and its operations being exposed to consumer spending trends.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in profit before interest, lease rentals, depreciation, and taxation (PBILDT) margins to above 6% while improving the scale of operations.

Negative factors

- TD/PBILDT of over 4x by FY26.

Analytical approach: Standalone

Outlook: Negative

Negative outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectation that in case of non-improvement in profit before depreciation, interest, and taxes (PBDIT) margins of the company, coverage indicators are likely to remain at elevated level, which would impact the company's liquidity position. The outlook may be revised to 'Stable' in case the company is able to improve its sales and profitability as envisaged.

Detailed description of key rating drivers:

Key strengths

Fund raising through initial public offer

The company had raised net proceeds of ₹48.47 crore through its initial public offer (IPO), out of which, ₹30 crore was allocated to construct a 15-acre manufacturing facility in Tumkur, near Bangalore, aimed at consolidating existing units, expanding capacity, introducing new product lines, and enabling backward integration for plastic product manufacturing. Despite plans to commence operations in FY25, labour and contractor challenges delayed the launch. The facility was completed and became operational in August 2025. This consolidation is expected to enhance operational efficiency. Anticipating timely completion, the company had invested in marketing and expanded its product portfolio in FY25. However, capacity constraints hindered full realisation of these efforts, resulting in stagnant profitability margins and increased borrowings.

Diversified product portfolio with indigenous manufacturing facility

The company has its own manufacturing facility and manufactures several home appliances, including liquefied petroleum gas (LPG) gas stoves, pressure cooker, and mixer grinder among others, which has resulted in reduced dependency on imports and also helped it maintain quality of products offered. Widespread distributor presence of GAL has 12 branches across India and ~450+ distributors catering consumers in Karnataka, Tamil Nadu, Maharashtra, Rajasthan, Orissa, Gujarat, and Uttar Pradesh among others. The company has presence in Bihar and Haryana and is planning to expand to Himachal Pradesh, Punjab, and Jammu Kashmir.

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

Extensive industry experience of promoters

GAL is promoted by Sukhlal Jain and his family, who are engaged in manufacturing domestic appliances since 1999. He has over four decades of experience in a similar business. His sons, Praveen Kumar and Vikas Kumar, actively participate in the company's day-to-day business operations. Praveen Kumar is the managing director (MD) and manages sales and marketing, and Vikas Kumar handles production.

Key weaknesses

Working capital intensive operations

GAL's operations remained working capital intensive due to higher inventory maintained for different stock keeping units (SKUs) and higher credit period offered to distributors, given its presence in highly competitive and fragmented industry. Generally, the company maintains ~50 days of finished goods and raw material inventory of ~20 days and it offers ~90 days of credit period to its distributors. The company gets an average credit period of ~30-45 day. The average working capital utilisation stood high at ~91% for 12-months ended October 2025.

Margins are susceptible to raw material price volatility

GAL's primary raw materials are aluminium sheets, steel sheets and metal scraps, plastic parts, copper wires, and electrical components among others, prices of which are linked to global commodity prices and fluctuations in raw material prices directly impact product prices or profit margins for manufacturers. Hence, operating margin is thin and is susceptible to raw material price volatility. Increase in raw material prices has to be absorbed by the company, as it is difficult to pass on the increase in price to consumers owing to low brand recognition. The company has intense competition from well-known brands such as Hawkins Butterfly, and Prestige among others.

Exposed to geographical concentration risk

With ~60% of GAL's business concentrated in south India, with ~50% from Karnataka, GAL is exposed to geographical concentration risk. However, GAL's penetration in north and west locations in the previous few years have diversified the risk to certain extent. The company increased its focus on sales through e-commerce platforms and institutional sales.

Exposure to consumer spending trends and intense competition from other branded players

GAL's sales, profitability, and cash accruals are closely linked to overall macro-economic conditions, consumer confidence, and spending patterns owing to the nature of its products. Its sales remain vulnerable to consumers' changing tastes and preferences, and competition from other branded players, such as TTK Prestige Limited, Hawkins Cooker Limited, Butterfly Gandhimathi Appliances Limited, and Stove kraft Limited, among others, which results in limited pricing power and necessitates market and promotion spends.

Liquidity: Adequate

The company's liquidity profile remained adequate, as the gross cash accruals (GCAs) is expected to cover debt repayments sufficiently translating to satisfactory debt service coverage ratio (DSCR). Working capital utilisation stood high at 91% in the 12 months ended October 2025. As on March 31, 2025, the company had cash and cash equivalents of ₹0.22 crore.

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 the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer durables	Consumer durables	Household appliances

Established in Bengaluru, GAL is engaged in manufacturing and marketing kitchen appliances such as gas stove, cooker, chimney, and mixer-grinder, among others. The company is promoted and managed by Sukhlal Jain and his family.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	331.02	372.90
PBILDT	12.84	14.96
PAT	4.85	5.96
Overall gearing (times)	1.06	0.72
Interest coverage (times)	2.29	2.91

A: Audited; 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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	69.50	CARE BBB-; Negative
Fund-based - LT-Term Loan	-	-	-	December 2030	25.44	CARE BBB-; Negative
Non-fund-based - ST-Bank Guarantee	-	-	-	-	1.00	CARE A3
Non-fund-based - ST-ILC/FLC	-	-	-	-	10.00	CARE A3

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	69.50	CARE BBB-; Negative	1)CARE BBB-; Negative (02-Apr-25)	1)CARE BBB-; Stable (03-Apr-24)	-	1)CARE BB+; Positive (17-Mar-23) 2)CARE BB; Stable; ISSUER NOT COOPERATING* (27-Jul-22)
2	Non-fund-based - ST-Letter of credit	ST	-	-	-	-	-	1)Withdrawn (17-Mar-23) 2)CARE A4; ISSUER NOT COOPERATING* (27-Jul-22)
3	Non-fund-based - ST-Bank Guarantee	ST	1.00	CARE A3	1)CARE A3 (02-Apr-25)	1)CARE A3 (03-Apr-24)	-	1)CARE A4+ (17-Mar-23) 2)CARE A4; ISSUER NOT COOPERATING* (27-Jul-22)
4	Fund-based - LT-Term Loan	LT	25.44	CARE BBB-; Negative	1)CARE BBB-; Negative (02-Apr-25)	1)CARE BBB-; Stable (03-Apr-24)	-	1)CARE BB+; Positive (17-Mar-23) 2)CARE BB; Stable; ISSUER NOT COOPERATING* (27-Jul-22)
5	Non-fund-based - ST-ILC/FLC	ST	10.00	CARE A3	1)CARE A3 (02-Apr-25)	-	-	-

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

LT: Long term; ST: 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-Term Loan	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple
4	Non-fund-based - ST-ILC/FLC	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

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Analytical Contacts Karthik Raj K Director CARE Ratings Limited Phone: +91-80-4662 5555 E-mail: karthik.raj@careedge.in
Relationship Contact Saikat Roy Senior Director CARE Ratings Limited Phone: +91-22-6754 3404 E-mail: saikat.roy@careedge.in	Himanshu Jain Associate Director CARE Ratings Limited Phone: +91-80-4662 5528 E-mail: himanshu.jain@careedge.in
	Sourav Dalan Analyst CARE Ratings Limited E-mail: Sourav.dalan@careedge.in

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**