Greenchef Appliances Limited

January 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	94.94	CARE BB+; Stable	Downgraded from CARE BBB-; Negative
Short-term bank facilities	11.00	CARE A4+	Downgraded from CARE A3

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The revision in ratings assigned to bank facilities of Greenchef Appliances Limited (GAL) reflects the losses incurred in H1FY26, primarily due to the relocation of its factory, which resulted in higher transition-related expenses and delays in fulfilling certain large-volume orders. Additionally, a decline in gross margins and increased financing costs has exerted further pressure on profitability. CARE Ratings Limited (CareEdge Ratings) also notes the company's rising debt and creditor levels, driven by ongoing capital expenditure and growing working capital requirements. It is crucial for GAL to achieve higher capacity utilisation at its new facility to strengthen debt coverage indicators, which currently remain at elevated levels. 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.

However, these rating weaknesses are partially offset by promoters' extensive industry experience in similar business, and reasonably wide distributor network with diversified product portfolio. The company is also prioritising the streamlining of payments from general trade customers and reducing dependence on imports by developing domestic suppliers, which is expected to help lower inventory levels. Going forward, achieving higher capacity utilisation and improving operating margins will remain critical rating monitorables.

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% supported by operational stabilisation at the newly commissioned facility.

Negative factors

- Lower-than-envisaged profitability leading to weakening of debt coverage indicators.
- Deteriorating liquidity profile.

Analytical approach: Standalone

Outlook: Stable

Stable Outlook reflects CareEdge Ratings' expectation that the company would be able to maintain its sales backed by its brand recall and extensive experience of the promoters.

Detailed description of key rating drivers:

Key weaknesses

Loss incurred in H1FY26 translating into elevated debt coverage indicators

GAL incurred an operating loss in the first half of FY26, primarily due to the relocation of its manufacturing facility, which resulted in production disruptions and transition-related expenses. The company's gross margins also declined as the share of sales through online platforms increased. Higher interest costs stemming from elevated debt levels contributed to a net loss for the period. Total outside liabilities to total net worth (TOL/TNW) of the company deteriorated to 1.88x as on September 30, 2025, from 1.57x as on March 31, 2025.

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

With debt levels having steadily increased in the last 18 months, CareEdge Ratings is of the opinion that it is imperative for GAL to accelerate operational ramp-up at its new facility and enhance operating margins to strengthen liquidity and improve debt coverage metrics.

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 ~60 days of finished goods and raw material industry of ~30 days and it offers ~90 days of credit period to its distributors. The company gets an average credit period of ~30-45 days. The average working capital utilisation stood high, approximately 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 intense competition.

Exposed to geographical concertation 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.

Key strengths

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. GAL's widespread distributor presence 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.

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.

Liquidity: Stretched

The company's liquidity profile is marked stretched by tightly matched accruals against repayments in FY26. Working capital utilisation stood high at 91% in the 12 months ended October 2025. As on September 30, 2025, the company had cash and cash equivalents of ₹4.81 crore. The company is implementing measures to reduce debtors and inventory levels by tightening credit norms for general trade customers and developing a network of local vendors to minimise reliance on imports. Successful execution of these initiatives will be critical to improving its liquidity position.

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)	September 30, 2025 (UA)
Total operating income	331.02	372.90	179.59
PBILDT*	12.84	14.96	-1.62
Profit after tax (PAT)	4.85	5.96	-4.51
Overall gearing (x)	1.06	0.72	NA
Interest coverage (x)	2.29	2.91	NM

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	69.50	CARE BB+; Stable
Fund-based - LT-Term Loan	-	-	-	December 2030	25.44	CARE BB+; Stable
Non-fund-based - ST-Bank Guarantee	-	-	-	-	1.00	CARE A4+
Non-fund-based - ST-ILC/FLC	-	-	-	-	10.00	CARE A4+

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 BB+; Stable	1)CARE BBB-; Negative (13-Nov-25) 2)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 A4+	1)CARE A3 (13-Nov-25) 2)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 BB+; Stable	1)CARE BBB-; Negative (13-Nov-25) 2)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 A4+	1)CARE A3 (13-Nov-25) 2)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.

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About us:

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