Kutchina Home Makers Private Limited

August 11, 2026

Facilities	Name of the Regulator[1]	Amount (₹ crore)	Ratings[2]	Rating Action
Long-term / Short-term bank facilities	RBI	1.00	CARE BBB-; Stable / CARE A3	LT rating downgraded from CARE BBB; Outlook revised from Negative and ST rating reaffirmed
Long-term bank facilities	RBI	104.41 (Enhanced from 95.25)	CARE BBB-; Stable	Downgraded from CARE BBB; Negative
Short-term bank facilities	RBI	3.54	CARE A3	Reaffirmed

Details of facilities in Annexure-1.

Rationale and key rating drivers

The revision in the ratings assigned to the bank facilities of Kutchina Home Makers Private Limited (KHMPL) is on account of continued elongation in working capital cycle over the years coupled with moderation in capital structure and debt protection metrics and high working capital utilisation. CARE factors in slowdown in sales of the newly set-up modular kitchen unit which has also put pressure on the debt coverage indicators of the company, however, the main product of the company, ie chimneys have witnessed significant growth in FY26 (refers to the period April 1 to March 31).

The ratings derive strength from experienced promoters with long track record of operations, established presence of "Kutchina" brand in Eastern India, strong distribution network and marketing spends with scheme related expenses on dealers and distributors and satisfactory financial performance in FY26.

The above strengths are however, partially constrained by product and supplier concentration with majority revenue being derived from chimneys, foreign exchange fluctuation risk, exposure to consumer spending trends, intense competition from other branded players and geographic concentration in Eastern India.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained increase in scale of operations above ₹400 crore whilst sustaining operating margins at current levels.
- Improvement in debt coverage indicators with total debt/ PBILDT going below 4x on a sustained basis.
- Improvement in operating cycle below 140 days on a sustained basis.

Negative factors

- Significant decline in scale of operations with PBILDT margin going below 7% on a sustained basis.
- Moderation in capital structure with overall gearing ratio above 1.80x on a sustained basis.
- Deterioration in operating cycle above 200 days on a sustained basis.
- Materialization of significant contingent liability relating to the Income Tax demand.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects the ability of the entity to sustain its operational performance backed by stable demand for kitchen appliances.

Detailed description of key rating drivers

Key strengths

Experienced promoters with long track record of operations

Namit Bajoria, promoter-Director of the company, has been in the trading business for the past two decades. He is an MBA in marketing, who started his career as a sales executive in a telecommunication company in 1992 and, within a year, ventured into own business of trading of telecommunication products and water purifiers. In 2000, he ventured into the trading of kitchen appliances (mainly chimneys) under Bajoria Appliances Pvt. Ltd (BAPL). His experience in the kitchen appliance industry, spanning

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

over the past two decades, led the group grow considerably and become an established player in the market, especially in the Eastern region of the country.

Established presence of "Kutchina" brand

The 'Kutchina' brand has an established presence in Eastern India. KHPL was initially focused on kitchen chimneys, but diversified into kitchen appliance products like hobs, water purifiers, electrical cooking mediums and other associated products like toaster, blenders, hand mixers, egg boilers, kettle bottles etc. The brand is ISO 9001: 2008 certified on account of the stringent safety control measures undertaken by the company.

Strong distribution network and marketing spends

The 'Kutchina' brand is backed by a presence in more than 20 states with four warehouses, six showrooms and around 87 showrooms running under the franchise model. The company has more than 550 distributors and around 2400 dealers/ retailers. KHPL's marketing strategy works on a multi-channel distribution-based model, which comprises multiple channels, including distributors, direct dealers, exclusive outlets, and retailers. The company has aggressively pursued various marketing and promotional activities to build a strong brand name from taking initiatives such as sponsoring shows, organizing events in residential complexes and malls, hoardings, pan-India television ads, etc. These initiatives have improved the company's brand recall especially in Eastern part of India, thereby aiding growth in revenues. Besides branding, which has created a demand, the company is also expanding its distribution network through discounts/schemes to its various dealers. Scheme related expenses form a major part of the advertising spend, i.e., around 65%, as the company spends on trip expenses for its dealers and distributors against achievement of specific sales targets. While having such a large dealer network also necessitates providing lenient credit terms and holding large inventory to cater to assortment of product demands from the network, the same has aided the company in growing its business.

Satisfactory financial performance in FY26.

The total operating income (TOI) moderated slightly to Rs.340.62 crore in FY26 (prov.) from Rs.351.54 crore in FY25, despite increase in sales from chimneys, on account of decline in sales of other appliances and modular kitchen and accessories. This is on account of subdued market activity arising from the election period in West Bengal, which constitutes the company's key operating market. Despite the moderation, the company continued to maintain a satisfactory scale of operations. The PBILDT margin improved slightly to 8.89% in FY26 as compared to 8.16% in FY25, on account of improved operational efficiencies. However, the PAT margin remained at similar levels at 1.82% in FY26 as compared to 1.81% in FY25 due to higher interest expenses.

Key weaknesses

Moderation in capital structure and debt protection metrics

The capital structure of the company marked by overall gearing moderated slightly and stood at 1.57x as on March 31, 2026, as against 1.51x as on March 31, 2025. The slight moderation is on account of increase in working capital borrowings and loan from related parties. With no new debt-funded capex going forward, the capital structure is expected to improve over the years. Debt protection metrics marked by TD/GCA deteriorated to 13.34x as on March 31, 2026, as against 10.86x as on March 31, 2025, due to both increase in total debt and reduction in GCA. Interest coverage ratio also deteriorated to 1.71x in FY26 as against 1.95x in FY25 on account of increase in interest cost.

Working capital intensive nature of operations

KHPL's operations are working capital intensive in nature, with the company maintaining high inventory to meet the growing demand of its distributor and dealer network, many stock keeping units and due to a credit period of around three to four months extended to its distributors. The operating cycle of the company stood elongated at 173 days in FY26 (157 days in FY25), largely owing to increase in average collection days, which increased to 130 days in FY26 as compared to 120 days in FY25 coupled with reduction in average creditor days from 76 days in FY25 to 63 days in FY26. The average collection period has increased in FY26 due to averaging effect as absolute debtors have witnessed reduction in FY26.

Product and supplier concentration risk

The company's major sales are dominated by chimneys, which contributed around 78% of the overall sales in FY26 (66% in FY25), despite KHPL having a large product portfolio. The share of revenues from modular kitchen (the second major driver) moderated to ~7% in FY26 from 12% in FY25. Sustenance of revenues from sale of chimney and additional revenue buildup from modular kitchen/appliances will remain monitorable from credit perspective.

KHPL has a long relationship with its prominent supplier for chimneys. Top 5 suppliers constitute of ~27% of the total purchases in FY26, in line with 27% in FY25, exposing the company to supplier concentration risk to an extent.

Foreign exchange fluctuation risk

The company's procurement is majorly import oriented; however, the sales are entirely concentrated in the domestic market; thereby exposing KHPL to foreign exchange fluctuation risk. The company imported goods worth ₹123 crore in FY26 vis-à-vis ₹78 crore in FY25. The company hedges around 50% to 60% of its total exposure and for the remaining exposure, the company currently has a WCDL (Working Capital Demand Loan) in foreign currency which is covered with forward contract. During FY26, the company incurred a forex loss of ₹0.25 crore from exchange rate fluctuation as against loss of ₹0.26 crore in FY25.

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

KHPL'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. Furthermore, its sales remain vulnerable to consumers' changing tastes and preferences, and competition from other branded players, which results in limited pricing power and necessitates market and promotion spends.

Geographic concentration in Eastern India

The company continues to be predominantly a regional player focused on East India, which contributed to around 93% of its revenues in FY26 as against around 83% in FY25, followed by its modest presence in the West and North India. The above leads to geographical concentration, leading to risk of region-specific economic impact on sales and profits. The company has been creating brand awareness amongst other regions as well by increasing its distributor and dealer network and increasing its marketing spends, although with a limited growth in revenues from these regions. Sustenance of operations in the Eastern region of the country and higher contribution from other regions will remain a key monitorable.

Liquidity: Adequate

The company's liquidity profile remains adequate, supported by GCA of Rs.10.67 crore against scheduled debt repayment obligations of Rs.6.30 crore in FY26. Additionally, the company repaid Rs. 5.00 crore of ad hoc short-term debt through unsecured loans infused by promoters/group companies during FY26. Going forward, cash accruals are expected to remain sufficient to meet the debt repayment requirement of Rs.7.80 crore in FY27.
Given the trading nature of its operations, the company continues to maintain a high reliance on working capital borrowings, with the average utilisation of fund-based limits remaining elevated at approximately 97% during the 12-month period ended March 2026. Additionally, the entity has received sanction of Rs.18 crore ECLGS loan which shall be used for repayment of unsecured loans which was earlier brought in promoters/group companies. Nevertheless, liquidity is further supported by a healthy free cash and bank balance of Rs. 6.43 crore as on March 31, 2026. The management has articulated that the promoters remain committed to extending financial support to the company whenever required.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Retail
Service Sector Companies
Short Term Instruments
Wholesale Trading

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Consumer Services	Retailing	Speciality Retail

KHPL, promoted by Namit Bajoria, is engaged in trading of a wide range of kitchen appliances, majorly kitchen chimneys. The company also has a modular kitchen division in West Bengal, the capacity of which has increased from 350 units per month to 1,000 units per month from September 2024. KHPL has an established presence in East India through its brand name 'Kutchina'.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (UA)
Total operating income	351.54	340.62
PBILDT*	28.67	30.27
Profit after tax (PAT)	6.37	6.19
Overall gearing (x)	1.51	1.57
Interest coverage (x)	1.95	1.71

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	RBI	Simple	-		-	-	89.78	CARE BBB-; Stable
Fund-based - LT-Term Loan	RBI	Simple	-		-	March 2029	14.63	CARE BBB-; Stable
Fund-based - LT/ ST-Standby Line of Credit	RBI	Simple	-		-	-	1.00	CARE BBB-; Stable / CARE A3
Non-fund-based - ST-Loan Equivalent Risk	RBI	Simple	-		-	-	3.54	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 2026-2027	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
1	Fund-based - LT-Cash Credit	LT	89.78	CARE BBB-; Stable	-	1)CARE BBB; Negative (04-Jul-25)	1)CARE BBB; Stable (18-Jul-24) 2)CARE BBB; Stable (05-Jul-24)	1)CARE BBB; Stable (19-Jun-23)
2	Non-fund-based - ST-Loan Equivalent Risk	ST	3.54	CARE A3	-	1)CARE A3 (04-Jul-25)	1)CARE A3 (18-Jul-24) 2)CARE A3 (05-Jul-24)	1)CARE A3 (19-Jun-23)
3	Fund-based - LT-Term Loan	LT	14.63	CARE BBB-; Stable	-	1)CARE BBB; Negative (04-Jul-25)	1)CARE BBB; Stable (18-Jul-24) 2)CARE BBB; Stable (05-Jul-24)	1)CARE BBB; Stable (19-Jun-23)
4	Non-fund-based - ST-Letter of credit	ST	-	-	-	-	-	1)Withdrawn (19-Jun-23)
5	Fund-based - LT/ ST-Standby Line of Credit	LT/ST	1.00	CARE BBB-; Stable / CARE A3	-	1)CARE BBB; Negative / CARE A3 (04-Jul-25)	1)CARE BBB; Stable / CARE A3 (18-Jul-24) 2)CARE BBB; Stable / CARE A3 (05-Jul-24)	1)CARE BBB; Stable / CARE A3 (19-Jun-23)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: 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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