

KCM Appliances Private Limited

July 03, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term / Short Term Bank Facilities	-	-	Reaffirmed at CARE BB+; Stable / CARE A4+ and Withdrawn
Long Term Bank Facilities	-	-	Reaffirmed at CARE BB+; Stable and Withdrawn

Details of instruments/facilities in Annexure-1.

Detailed Rationale and Key Rating Drivers

CARE has reaffirmed and withdrawn the outstanding ratings of 'CARE BB+; Stable/CARE A4+' assigned to the bank facilities of KCM Appliances Private Limited (KCM) with immediate effect. The above action has been taken at the request of KCM and 'No Objection Certificate' received from the banks that have extended the facilities rated by CARE.

The rating assigned to the bank facilities of KCM Appliances Private limited (KCM) is constrained by decline in profitability, geographic concentration of sales in southern states, moderately leveraged capital structure and elongated working capital cycle. However, ratings derive comfort from extensive experience of promoters and established distribution network in South India

Analytical approach: Consolidated

CARE Rating Limited (CareEdge Ratings) has adopted consolidated approach as KCM has a wholly owned subsidiary, Elkitich Private Limited with strong operational linkages, exhibits cash flow fungibility and is managed by common promoters. KCM has also provided corporate guarantee to the debt facilities of EPL. The details of subsidiaries are mentioned in Annexure 6.

Outlook: Stable

CARE Ratings believes that the company will continue to benefit from the experience of the promoters in the industry and long track record of operations over the medium term.

Detailed description of key rating drivers:

Key Weaknesses

Decline in profitability

In FY25, the profitability margins of the company had dropped owing to inability to absorb fixed cost owing to nascent stage of operations post CAPEX at a subsidiary level and incremental selling and promotion expenses. However, promoter support continues in the form of equity infusion of Rs 27.45 crore in FY25 and unsecured loans which stood at Rs. 9.34 crores in March 31, 2025 (PY: Rs. 3.22 Crores).

Elongated working capital cycle

The average working capital cycle stands at around 110 days for last few years for KCM at a consolidated level. The inventory holding is high as the firm needs to stock raw materials as it imports from China and other domestic suppliers as well, which has a lead time. The Chinese suppliers supply mostly on advance payment whereas Indian suppliers provide credit period of around 60 days: hence the blended credit period averages out to around 36 days. Also, the company typically stocks up inventory during March period to cater to the increased demand for the upcoming festive season in Kerala, Onam.

Key Strengths

Extensive experience of promoters

KCM was founded in 2006 by Nuvais Chenengadan, initially focusing on the retail trading of kitchen appliances such as gas stoves and pressure cookers. In 2010, Nuvais established the brands "Impex" and "Onix,". Since its inception, KCM has experienced significant growth, evolving from a manufacturer of inverters to a producer and seller of high-end electronic appliances. Presently, KCM offers nearly 400 products, including Smart TVs, consumer appliances, gas stoves, and cookware, catering to both domestic and international markets.

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

Strong distribution network with established relationships with prominent retailers

KCM has established a strong presence in South India, with over 100 regional partners and 5,000 retailers across the southern states, along with 30 service centers in Kerala. Its products are available at leading international and regional retailers, including LULU Group, Carrefour, Nesto, Hyper Panda, Future Retail, and D -mart. Kerala accounts for approximately 70% of total sales, with Tamil Nadu and Karnataka following as key markets. Currently, online sales through e-commerce platforms represent about 5% of total revenue, however the E-com business is expected to grow in the medium term.

Liquidity: Stretched

The estimated GCA levels are about ₹15-16 Cr are tightly matched against scheduled debt repayments of around 13 Cr. The working capital limits of the company are highly utilized, additionally the company avails ad hoc limits during festive season. The working capital cycle is expected to remain elongated due to the nature of business at around 100 days.

Assumptions/Covenants: Not Applicable
Environment, social, and governance (ESG) risks: Not Applicable
Applicable criteria
[Definition of Default](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Rating Outlook and Rating Watch](#)
[Manufacturing Companies](#)
[Financial Ratios – Non financial Sector](#)
[Withdrawal Policy](#)
[Short Term Instruments](#)
About the company and industry
Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Household Products	Household Products

KCM Appliances was originally started as a partnership firm in the year 2006 by Nuvais Chenengadan and reconstituted as a private limited company in the year 2010 as KCM Appliances Pvt Ltd (KCM). KCM is engaged in assembly of LED TVs, manufacturing of kitchen appliances (Gas stove, Pressure cooker, Cooktops and Cookware), and trading of household Appliances (Fan, AC, Washing Machine, Mixer, Grinder, etc). KCM operates 3 manufacturing plants, one at Kolar (Karnataka) and two at Kochi (Kerala). In FY23, KCM initiated a greenfield project aimed at consolidating its manufacturing operations into a single location and enhancing its production capacity and capabilities. The new manufacturing facility is housed under its wholly owned subsidiary, Elkitch Private limited (EPL). The project is partially funded through debt and is being implemented in phases.

KCM Appliances (Consolidated)

Brief Financials (₹ crore)	31-03-2023 (A)	31-03-2024 (A)	31-03-2025 (UA)
Total operating income	332.05	392.86	464.53
PBILDT	18.50	10.18	5.5
PAT	3.32	9.79	-33.4
Overall gearing (times)	0.96	1.69	NA
Interest coverage (times)	1.47	0.75	NA

A: Audited UA: Unaudited NA: Not Available; Note: these are latest available financial results

KCM Appliances Private limited (Standalone)

Brief Financials (₹ crore)	31-03-2023 (A)	31-03-2024 (A)	31-03-2025 (UA)
Total operating income	332.05	403.18	464.53
PBILDT	18.54	12.31	7.95
PAT	3.36	15.52	-6.41
Overall gearing (times)	0.96	0.89	0.69
Interest coverage (times)	1.48	1.03	0.53

A: Audited UA: Unaudited; Note: these are latest available financial results

Elkitch Private Limited (Standalone)

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	2.62	68.19
PBILDT	-2.15	-2.45
PAT	-5.62	-26.98
Overall gearing (times)	-52.29	-6.46
Interest coverage (times)	-1.36	-0.23

A: Audited UA: Unaudited; 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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	07-04-2028	0.00	Withdrawn
Fund-based - LT/ ST-Cash Credit		-	-	-	0.00	Withdrawn

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-Term Loan	LT	-	-	1)CARE BB+; Stable (03-Jul-25)	1)CARE BB+; Stable (18-Nov-24)	-	-
2	Fund-based - LT/ ST-Cash Credit	LT/ST	-	-	1)CARE BB+; Stable / CARE A4+ (03-Jul-25)	1)CARE BB+; Stable / CARE A4+ (18-Nov-24)	-	-

LT: Long term; LT/ST: Long term/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-Term Loan	Simple
2	Fund-based - LT/ ST-Cash Credit	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Elkitch Private Limited	Full	Similar line of business and requires support.

Note on complexity levels of rated instruments: CARE 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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