Elkitch Private Limited

January 20, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	93.38 (Reduced from 105.00)	CARE BB; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The ratings assigned to the bank facilities of Elkitch Private Limited (EPL) are constrained by weak debt coverage metrics, low cash accruals due to nascent stage of operations and highly leveraged capital structure. However, it derives comfort from successful completion of capex and commencement of commercial operations, long-standing experience of promoters, business vintage of the parent company in the same line of business and its operational linkages with the parent company.

The parent, KCM Appliances Private Limited's (KCM) credit profile factors in improvement in operating performance in FY26 and infusion of funds from the promoter as equity.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors:

- Stabilisation in operations leading to improvement in coverage indicators with interest coverage above 1.5x on a sustained basis.
- Improvement in credit profile of the parent.

Negative factors:

- Further deterioration in operating margins leading to stretch in liquidity position.
- Deterioration in credit profile of the parent.

Analytical approach: Standalone, factoring in linkages to the parent, KCM.

CARE Ratings Limited (CareEdge Ratings) has factored linkages in the form of operational, managerial and financial support from the parent company, KCM. EPL is a wholly owned subsidiary of KCM.

Outlook: Stable

CareEdge Ratings believes that the entity will benefit from strong operational linkages with the parent company and experience of the promoters over the medium term.

Detailed description of the key rating drivers

Key weakness

Leveraged capital structure due to debt-funded capex and unsecured loans from promoters

EPL's capital structure is leveraged due to the debt-funded capex. EPL saw an overrun in cost because of delays caused by covid-related issues. The project was estimated to cost ~₹109.5 crore for the first two phases, but the actual cost stood at ~₹140 crore, which was funded out of term loans from banks of ₹79 crore and balance infused by promoters. Promoter infusion has come in the form of unsecured loans and outstanding stood at ₹84.49 crore as of March 31, 2025.

Weak debt coverage indicators due to nascent stage of operations

Due to nascent stage of operations, the company recorded a PBILDT-level loss of ₹-1.76 crore in FY25 (FY refers to April 01 to March 31). With total promoter infusion standing at ₹84.49 crore, term loans amounting to ₹72.28 crore and working capital borrowings of ₹19.84 crore as on March 31, 2025, and a PBILDT-level loss, the debt coverage indicators remain stretched as of FY25. The repayment of term loans taken for the project started in October 2023, before the commencement of commercial production in January 2024. The parent company is supporting the company in case of any shortfall. Support has continued in the form of unsecured loan in FY25 and FY26 as the parent raised ₹50 crore in the form of equity (₹24 crore in FY25 and ₹26 crore in FY26) which has been subsequently lent to EPL.

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

Key strengths

Successful completion of capex and commencement of commercial operations

EPL is a wholly owned subsidiary of KCM, formed as a backward integration for KCM. Phase-1 and Phase-2 of the project have started commercial production with Phase-1 starting in January 2024 and Phase-2 in February 2025. With successful completion of capex, the company has recorded a TOI of ₹68.19 crore in FY25. EPL currently supplies non-stick stainless steel and aluminium cookware to KCM which is sold under the "Impex" brand.

Strong operational linkages with parent company which has an established market position

KCM has been in the business of manufacturing domestic appliances since 2006 with a vintage of ~18 years. KCM is engaged in a similar line of business and houses brands namely Impex, Familia, Onix, and By-Logic with over 400 SKUs. KCM has a strong distribution network in South India, comprising over 100 regional partners and 5,000 retailers in southern states and also has 30 service centres in Kerala. KCM has three manufacturing units - one in Kolar (Karnataka) and two in Kochi (Kerala). The company aims to consolidate all its manufacturing activity at one location which will be housed under Elkitch. Currently, stainless steel, non-stick and aluminium cookware is manufactured by EPL with ~95% of sales going to KCM. In FY26 Elkitch has also started supplying to major brands such as Butterfly, Preethi and Hawkins.

Improvement in operating performance in FY26 at a consolidated level

KCM's TOI on a consolidated level has grown at a CAGR of 11.4% over the past five years and increased by 13.6% in FY25 to ₹446 crore. Strong TV sales supported TOI growth, with TV revenue rising by 30% in FY25 to ₹207 crore from ₹159 crore in FY24. KCM's consolidated profitability declined, as PBILDT margins fell to 1.39% compared to 2.58% in FY24. Higher selling and promotion expenses of ₹33 crore in FY25 (PY: ₹30 crore) and the nascent stage of the subsidiary's operations led to the drop in PBILDT margin.

At the consolidated level, KCM recorded a PAT loss of ₹-31.44 crore. Although the company reported a PBT loss in FY26, losses narrowed to ₹-5.73 crore in 8MFY26. Improved operating performance in FY26 supported this recovery, with PBILDT reaching 7.31% in 8MFY26.

Further, during FY25 and FY26, KCM raised ₹50 crore (₹24 crore in FY25 and ₹26 crore in FY26) through equity and subsequently infused the same into EPL as unsecured loans.

Experienced promoters and long track record of operations

Nuvais Chenengadan, founder of KCM, has an experience of ~18 years in the electronic and home appliances industry. Before setting up KCM, Nuvais worked in Lagnuvo Power Track, which was started by his father in 1998 and is into retailing of home UPS and batteries. Subsequently, Nuvais established KCM and set up his own brands in the name of "Impex" and "Onix" in 2010.

Liquidity: Stretched

Liquidity position of the company is stretched due to losses in nascent stage of operation. The term debt repayment started in October 2023, before EPL became operational and repayment is being supported by promoter infusion. The company has a cash balance of ₹1.67 crore as on March 31, 2025. The average utilisation of working capital limits stood at ~65.4% for 12 months ended July 2025. In the current financial year, promoters have infused capital of ₹26 crore.

Applicable criteria

Definition of Default
Factoring Linkages Parent Sub JV Group
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector

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

EPL was established in FY23 and is a wholly owned subsidiary of KCM. In FY23, KCM initiated a greenfield project aimed at consolidating its manufacturing operations at a single location and enhancing its production capacity and capabilities. The new manufacturing facility is housed under EPL. EPL started commercial production in January 2024 with Phase-1 becoming operational and Phase-2 started commercial operations in February 2025.

Elkitch Private Limited (Standalone)

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	8MFY26 (UA)
Total operating income	2.62	68.58	76.61
PBILDT*	-2.27	-1.76	1.04
PAT	-5.74	-27.08	NA
Overall gearing (times)	-44.02	-5.81	NA
Interest coverage (times)	-1.44	-0.16	0.21

A: Audited UA: Unaudited; NA: Not available Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

KCM Appliances Private Limited (Consolidated)

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	8MFY26 (UA)
Total operating income	392.86	446.57	321.81
PBILDT*	10.15	6.21	23.54
PAT	9.76	-31.44	NA
Overall gearing (times)	1.70	1.98	NA
Interest coverage (times)	0.75	0.27	1.48

A: Audited UA: Unaudited; NA: Not available 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 (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		-	-	-	25.00	CARE BB; Stable
Fund-based - LT-Term Loan		-	-	05-11-2032	68.38	CARE BB; Stable

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	68.38	CARE BB; Stable	-	1)CARE BB; Stable (18-Nov-24)	-	-
2	Fund-based - LT-Cash Credit	LT	25.00	CARE BB; Stable	-	1)CARE BB; Stable (18-Nov-24)	-	-

LT: Long term

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

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

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About us:
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