

November 10, 2025

## Elan Professional Appliances Private Limited: [ICRA]BBB-(Stable); assigned

### Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Issuer Rating	-	[ICRA]BBB-(Stable); assigned

\*Instrument details are provided in Annexure I

### Rationale

The rating assigned to Elan Professional Appliances Private Limited (EPAPL/Elan) considers its established position in the Indian commercial refrigeration segment and the extensive experience of its promoters in the industry, which ensures repeat business from institutional clients. These strengths, coupled with sustained revenue growth, which have enabled the company to scale-up its operating income (OI) to around Rs. 307 crore in FY2025, reflecting a healthy compounded annual growth rate (CAGR) of about 31% over the past five years. However, the operating profit margin (OPM) declined to about 4% in FY2025 from about 5% in FY2024, primarily due to an increase in raw material prices and higher transportation costs. ICRA notes that EPAPL commenced its own manufacturing operations through its joint venture (JV), Freeze Kool Appliances Private Limited (FKAPL), in FY2025. This backward integration is expected to support future revenue growth and margin expansion, aided by product diversification. The rating also draws comfort from EPAPL's comfortable capital structure, as reflected in a gearing of 0.4 times and TOL/TNW of 1.3 times as on March 31, 2025.

The rating is, however, constrained by EPAPL's moderate scale of operations relative to larger industry peers, despite steady improvement in recent years. The company's operations remain working capital intensive, with NWC/OI at around 28% in FY2025, driven by elongated receivables and inventory holding requirements. Further, EPAPL's profitability remains susceptible to fluctuations in commodity prices and foreign exchange rates, given its dependence on imports. The company also faces stiff competition from large, organised players in the refrigeration segment, which could exert pressure on margins. ICRA has taken note of the increase in investments and loans & advances extended to Group entities. The impact of these exposures on EPAPL's liquidity profile will remain a key monitorable.

The Stable outlook on the rating reflects ICRA's opinion that EPAPL's operational and financial profile would remain comfortable, adequately supported by its reasonable market position in key products and healthy demand outlook in the commercial refrigeration segment.

### Key rating drivers and their description

#### Credit strengths

**Established presence and extensive experience of promoters** – Elan has an established track record with more than a decade in the commercial refrigeration industry in supplying products such as glass-top chest freezers, bar refrigeration units, beverage dispensers, and biomedical refrigeration systems, which are sold under its own brand 'Elan Pro'. Further, extensive experience of the promoters in the refrigeration industry, aids in repeat orders from key customers.

**Reputed customer base ensures repeat orders** – Elan has established relationships with its institutional customers, which reflect its good product quality, leading to repeat orders from them. Besides, a healthy presence in the commercial refrigeration segment has enabled the company to add new customers, leading to diversification in the customer base in the

last 2-3 years. The key institutional customers include, Hatsun Agro Product Ltd (dairy industry), United Breweries Limited, Kiranakart Technologies Private Limited (Zepto), Varun Beverages Ltd, Sri Durga Agencies (Coco-Cola). The repeat orders from existing customers and continuous addition of new customers supported consistent growth in sales volumes and scale-up its operating revenues to Rs. 306.9 crore in FY2025 from Rs. 104.6 crore in FY2021, on a standalone basis.

**Comfortable capital structure and debt coverage indicators** – EPAPL’s financial profile is characterised by a conservative capital structure including TOL/TNW of 1.3 times as on March 31, 2025, on account of limited reliance on external debt. Further, given the steady earnings, its debt protection metrics remained adequate, characterised by Total Debt/OPBDITA of around 2.6 times, and interest coverage ratio of around 7.7 times in FY2025 which is projected to remain comfortable in the near term.

### Credit challenges

**Moderate scale of operations** – EPAPL’s scale of operations is moderate with revenues of around Rs. 327 crore in FY2025 (Rs. 241.1 crore in FY2024), which limits the benefits arising from economies of scale. Nonetheless, the company has posted steady revenue growth in the past few years, except in FY2021, when its operations were impacted by the Covid pandemic. Nevertheless, ICRA expects a steady growth in the company’s revenue in the near to medium term, supported by repeat business from its key customers and expansion of product portfolio.

**Working capital-intensive nature of business and investment in Group companies** – Elan’s working capital intensity is moderately high at around 28% in FY2025 owing to extended receivable days and high inventory requirements. Further, in FY2025, the company has made investment of Rs. 6.8 crore in FKAPL and loans & advances to an extent of Rs. 2.6 crore to other Group entity, Wendor Innovations Private Limited. Further, any major investment or loans & advances to the Group entities, could impact the liquidity profile of EPAPL.

**Susceptibility of profit margins to fluctuations in raw material prices and exchange rates** – Elan’s profitability remains susceptible to any fluctuations in the input prices such as steel, copper prices and other fabrication item prices, as reflected in decline in OPM in FY2025 over FY2024. Further, the competition in the commercial refrigeration industry is high with the presence of large domestic players and cheap imports from China limiting the company’s pricing flexibility. The company also remains exposed to fluctuation in foreign exchange rates owing to import, however it enjoys natural hedge as it exports to the Asian markets, which stood at around 13% of the total sales in FY2025.

### Liquidity position: Adequate

The liquidity is expected to remain adequate on account of steady cash generation from business and adequate buffer in working capital limits. The average working capital utilisation stood at around 75% on the sanctioned limit over the 12-month period ending September 2025. While the company has unutilised working capital limits of Rs. 3.8 crore as on September 30, 2025, the average cushion stood at Rs. 7.7 crore during the past 12 months ending in September 2025. The company is projected to generate cash accruals in the range of Rs. 7–10 crore in FY2026 against the repayment obligations of Rs. 0.2 crore per annum in FY2026 and Rs. 1.6 crore in FY2027. ICRA also notes that the company does not have any major debt-funded capital expenditure plans in the near term.

### Rating sensitivities

**Positive factors** – The rating could be upgraded if there is steady increase in revenues and earnings leading to an improvement liquidity position while maintaining comfortable debt protection metrics on a sustained basis.

**Negative factors** – The rating could be downgraded if there is significant decline in revenues and earnings, any major elongation of working capital cycle or any large capex and/ or substantial investment to the Group entities, impacting the debt protection metrics or liquidity position on sustained basis. A specific credit metric for rating downgrade is if interest coverage is less than 2.8 times on a sustained basis.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not applicable
Consolidation/Standalone	The rating is based on EPAPL's consolidated financial statements and the list of the companies considered for consolidation have been mentioned in Annexure-II

## About the company

Elan was incorporated in May 2009 and is headquartered at Gurugram, Haryana. The company provides commercial refrigeration solutions for various industries including retail, hospitality, healthcare sectors and beverages, etc. Elan offers a diverse product portfolio including glass-top chest freezers, bar refrigeration units, beverage dispensers, and biomedical refrigeration systems and it has a distribution network of over 300 channel partners across India. The company is currently managed by Mr. Sanjay Jain, Mr. Shashank Joshi, and Mr. Ranjan Jain.

### Key financial indicators (audited)

Elan (consolidated)	FY2024	FY2025
Operating income	241.1	327.0
PAT	8.4	10.0
OPBDIT/OI	5.1%	3.9%
PAT/OI	3.5%	3.0%
Total outside liabilities/Tangible net worth (times)	0.9	1.3
Total debt/OPBDIT (times)	1.0	2.6
Interest coverage (times)	5.5	7.7

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

### Status of non-cooperation with previous CRA: Not applicable

Any other information: None

## Rating history for past three years

Instrument	Type	Current year (FY2026)		Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	Nov 10, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Issuer Rating	Long term	0.00	[ICRA]BBB-(Stable)	-	-	-	-	-	-

## Complexity level of the rated instruments

Instrument	Complexity indicator
Issuer Rating	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

**Annexure I: Instrument details**

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Issuer Rating	NA	NA	NA	0.00	[ICRA]BBB-(Stable)

Source: Company

**Annexure II: List of entities considered for consolidated analysis**

Company Name	Ownership	Consolidation Approach
Elan Professional Appliances Private Limited	Parent entity	Full Consolidation
Icold Refrigeration Private Limited	60.0%	Full Consolidation

Source: Company

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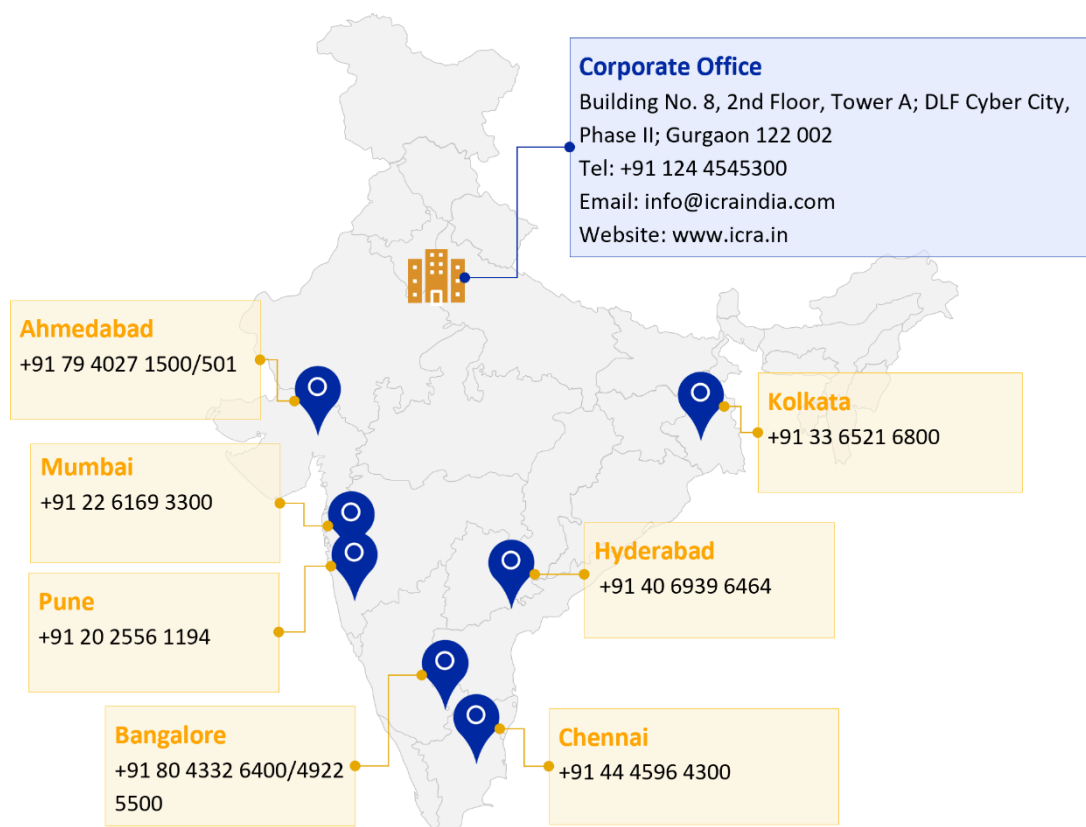
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