



Press Release

MIRC Electronics Limited

October 30, 2025

Ratings

Instrument/ Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Non-Convertible Debentures	60.00	IVR BB+/ Stable (IVR Double B Plus with Stable Outlook)	--	Assigned	Complex
Total	60.00 (Rupees Sixty crore only)				
Long Term Bank Facilities	74.62	IVR BB+/ Stable (IVR Double B Plus with Stable Outlook)	--	Assigned	Simple
Short Term Bank Facilities	89.70	IVR A4+ (IVR A Four Plus)	--	Assigned	Simple
Short Term Bank Facilities- Proposed	50.68	IVR A4+ (IVR A Four Plus)	--	Assigned	Simple
Total	215.00 (Rupees Two hundred fifteen crore only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has assigned rating to the Non- Convertible Debentures (NCDs) and bank facilities of MIRC Electronics Limited (MIRC). The rating derives strength from experience of the promoters & established brand presence, wide product portfolio, and infusion of funds resulting in improvement in capital structure. However, the rating strengths are partially offset by subdued operating performance, weak debt protection metrics, working capital intensive nature of operations, and highly competitive industry with exposure to technology and forex risks.

The stable outlook reflects expected improvement in operational and financial performance of the company in medium term.



Press Release

Key Rating Sensitivities:

Upward Factors

- Substantial increase in revenue along with improvement in profitability on a sustained basis
- Sustenance of capital structure and improvement in debt protection metrics on a sustained basis

Downward Factors

- Further deterioration in scale of operations along with continued operating losses.
- Stretch in working capital cycle impacting liquidity position of the company.
- Sharp changes in leverage.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced promoters and established brand presence

MIRC Electronics Limited, established in 1981 is promoted by Mr Gulu. L. Mirchandani and Mr Vijay. J. Mansukhani. The company's promoters have a long track record of nearly four decades in the consumer durable industry. MIRC's brand 'Onida' enjoys strong recognition and recall across India.

Wide product portfolio

MIRC's product lines include televisions (TV), air conditioners (AC), and washing machines (WM) and target budget-conscious to mid-range consumers. The company derives majority of its revenue from AC at ~45% (PY: ~24%), TV at ~22% (PY: ~14%) and WM at ~11% (PY: ~13%), which together accounted for ~78% of total revenues in FY25 (PY: ~51%). During FY25 (FY refers to the period from April 01 to March 31), there was an increase in branded sales to ~79% from ~51% in FY24.

Infusion of funds leading to improvement in the capital structure

MIRC has successfully completed rights issue of Rs. 50 crore in August 2025 as well as issuance of equity shares on preferential basis of Rs. 149.50 crore in October 2025. Accordingly, tangible networth of the company is expected to improve significantly as on March 31, 2026. The proceeds from the preferential issuance have been used to reduce



Press Release

creditors, working capital borrowings and unsecured loans from promoters of ~Rs. 19 crore. MIRC has also repaid a term loan of ~Rs.16 crore on September 01, 2025, from the sale of non-core assets. Thus, overall gearing and TOL/ATNW of the company has significantly improved from 0.81x and 3.20x as on March 31, 2025 .

Key Rating Weaknesses

Focus on branded segment improves operating performance but continues to be subdued

MIRC's total operating income (TOI) has deteriorated to Rs. 746.69 crore in FY25 from Rs. 968.04 crore in FY24 and Rs. 1110.23 crore in FY23 on account of MIRC's focus on reducing its OEM business due to low margins and concentration on the high margin branded segment. There has been an increase in the volumes sold of AC, TV, WM. Accordingly, the absolute EBITDA has improved to Rs. 8.14 crore in FY25 from being negative in FY24. PAT losses continue but have reduced over FY24. The EBITDA margin turned positive to 1.09% in FY25 from being negative in FY24. PAT margins continue to be negative.

MIRC reported ~38% YoY decline in TOI to ~Rs. 141 crore in Q1FY26 (unaudited basis) as compared to ~Rs. 228 crore in Q1FY25 (unaudited basis), primarily due to unfavourable weather conditions impacting the sale of ACs, one of the major selling products of MIRC and is an industry wide phenomenon. EBITDA and PAT was negative. Going forward, consistent reporting of operational performance remains a key monitorable.

Weak debt protection metrics

Debt protection metrics indicated by interest coverage ratio and debt service coverage ratio (DSCR) stood below unity for FY25. Total debt to EBITDA stood high at 12.50x as on March 31, 2025. Going forward, sustained improvement in operational performance will be critical for improvement of debt protection metrics.

Working capital intensive nature of operations

MIRC's operations are working capital intensive, and the company needs to maintain a large basket of SKUs (stock keeping unit) at various warehouses present across country resulting in high inventory days of 106 days in FY25 and 92 days in FY24. Average collection period stood at 77 days in FY25 and 47 days in FY24. The average creditor days are elongated and stood at 139 days in FY25 and 92 days in FY24. However, the company has reduced its



Press Release

outstanding creditors by using proceeds from preferential issue and plans to maintain average creditor days at around 90 days. The fund-based working capital utilization was at ~79% for the last 12 months ended August 2025. The operations are expected to remain working capital intensive over the medium term.

Highly competitive industry and exposure to technology risk and forex risk

MIRC is part of highly competitive industry characterized by presence of established domestic brands, international players, and numerous regional manufacturers, each striving for market share through aggressive pricing, innovation, and widespread distribution networks. In addition, rapid technological advancements and evolving consumer preferences demand continuous product innovation and marketing investments, further raising operational challenges. Such competitive pressures result in limited pricing power and margin volatility for MIRC. Further, MIRC imports its major raw materials and components from countries such as China and Hong Kong while majority of its sales are in the domestic market, exposing its profitability to fluctuations in foreign exchange rates. The risk is, however, partly mitigated by its hedging policy wherein it hedges part of the exposure through forward contracts.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria for assigning Rating outlook](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity – Adequate

DSCR stood below unity as on March 31, 2025, and the promoters infused ~Rs. 11 crore in the form of unsecured loans in FY25 to support liquidity and debt repayments. The company has infused Rs.199.50 crore through rights issue in August 2025, and preferential issue of equity shares in October 2025 which has improved the liquidity position. The average fund based working capital utilisation was moderate at ~79% for the past 12 months ended August 2025, however the company has used the proceeds to reduce working capital borrowings in



Press Release

October 2025. Current ratio stood moderate at 1.10 times as on March 31, 2025. The cash and bank balance stood at Rs. 105 crore as on October 10, 2025.

About the Company

MIRC Electronics Limited established in 1981 with registered office at Mumbai, Maharashtra is engaged in manufacturing/assembling and marketing of consumer durables including TVs, WMs, ACs, dishwashers and air coolers. The company markets its products across India primarily under the ONIDA brand. In 2021, the company had ventured into Electronic Manufacturing Services for OEMs. MIRC's manufacturing units are located at Wada and Chiplun in Maharashtra and at Roorkee, Uttarakhand.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	968.04	746.69
EBITDA	-45.67	8.14
PAT	-62.21	-2.30
Total Debt	103.91	101.73
Tangible Net Worth	128.35	125.68
EBITDA Margin (%)	-4.72	1.09
PAT Margin (%)	-6.38	-0.30
Overall Gearing Ratio (x)	0.81	0.81
Interest Coverage (x)	-3.03	0.56

*As per Infomerics Standard

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr.	Name of Facilities/ Instruments	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					--	--	--
1.	GECL	Long Term	2.91	IVR BB+/ Stable	--	--	--
2.	GECL 2.0	Long Term	2.71	IVR BB+/ Stable	--	--	--
3.	Cash Credit	Long Term	67.00	IVR BB+/ Stable	--	--	--
4.	WCDL	Long Term	2.00	IVR BB+/ Stable	--	--	--



Press Release

Sr.	Name of Facilities/ Instruments	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					--	--	--
5.	Letter of Credit	Short Term	89.70	IVR A4+	--	--	--
6.	Proposed Letter of Credit/ Bank Guarantee	Short Term	50.68	IVR A4+	--	--	--
7.	Non-Convertible Debentures	Long Term	60.00	IVR BB+/ Stable	--	--	--

Name and Contact Details of the Rating Analyst:

Name: Neha Khan Tel: (022) 62396023 Email: neha.khan@infomerics.com	Name: Jyotsna Gadgil Tel: (020) 29913006 Email: jyotsna.gadgil@infomerics.com
---	--

About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI). Adhering to best international practices and maintaining high degree of ethics, team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks. Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations. Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary. For more information and definition of ratings please visit www.infomerics.com.



Press Release

Disclaimer: Infomerics' ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities or to sanction, renew, disburse or recall the concerned bank facilities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
GECL	--	--	--	July 2026	1.53	IVR BB+/ Stable
GECL	--	--	--	August 2026	1.25	IVR BB+/ Stable
GECL 2.0	--	--	--	March 2028	2.71	IVR BB+/ Stable
GECL	--	--	--	February 2026	0.13	IVR BB+/ Stable
Cash Credit	--	--	--	--	67.00	IVR BB+/ Stable
WCDL	--	--	--	--	2.00	IVR BB+/ Stable
Letter of Credit	--	--	--	--	89.70	IVR A4+
Proposed Letter of Credit/ Bank Guarantee	--	--	--	--	50.68	IVR A4+
Non- Convertible Debentures- I	INE831A07017	July 08, 2025	12.00%	July 08, 2028	30.00	IVR BB+/ Stable
Non- Convertible Debentures- II	INE831A07025	July 22, 2025	12.00%	July 22, 2028	30.00	IVR BB+/ Stable

Annexure 2: Facility wise lender details: <https://www.infomerics.com/admin/prfiles/Len-MIRCElectronics30Oct25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities:

Secured, redeemable, unlisted and senior Non- Convertible Debentures		INE831A07017, INE831A07025
Financial Covenant		
i.	Total Debt/ EBITDA	Should be equal to or less than 4 times for FY26 and FY27
ii.	Target Revenue and EBITDA	FY26: Revenue- Rs. 1000 crore; EBITDA- Rs. 35 crore with a permitted variation of 10% above or below each of the targets FY27: Revenue- Rs. 1300 crore; EBITDA- Rs. 55 crore with a permitted variation of to 10% above or below each of the targets
Non- financial Covenant		



Press Release

Secured, redeemable, unlisted and senior Non- Convertible Debentures		INE831A07017, INE831A07025
i.	Put Option	Available to the Investor at the end of 12 th month from the date of disbursement and at six months frequency there after
ii.	Lock-in	18 months from the date of Disbursement. No Pre-payment allowed within the Lock-in period.
iii.	Events of Default	Payment default Rating downgrade

Annexure 4: List of companies considered for combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

