

MIRC Electronics Limited

March 05, 2026

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Long Term Bank Facilities	-	-	Reaffirmed at CARE BB-; Stable and Withdrawn
Short Term Bank Facilities	-	-	Reaffirmed at CARE A4 and Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed and withdrawn the outstanding ratings of 'CARE BB-; Stable/ CARE A4' [Double B Minus; Outlook: Stable/ A Four] assigned to the bank facilities of MIRC Electronics Limited (MIRC) with immediate effect. The above action has been taken at the request of MIRC, 'No Objection Certificate' and 'No Dues Certificate' received from the banks that have extended the facilities rated by CareEdge Ratings. CareEdge Ratings has also withdrawn the rating of the proposed bank facilities as no facility has been availed against the rating by CareEdge Ratings.

Ratings assigned to the bank facilities of MIRC continue to be constrained by its subdued operating performance, leveraged capital structure and weak debt protection metrics, working capital intensive operations and exposure to technology obsolescence risk. The ratings are further constrained by highly competitive industry, exposure to volatility in foreign exchange rates and stretched liquidity position.

The ratings, however, continue to derive comfort from MIRC's long track record and vast experience of its promoters in the consumer durables industry.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CareEdge Ratings' expectations that MIRC will maintain its financial risk profile in the medium term.

Detailed description of key rating drivers:

Key weaknesses

Subdued operating performance

In FY25 (refers to April 01 to March 31), MIRC reported a degrowth of ~23% in total operating income (TOI) to ₹746.69 crore (PY: ₹967.98 crore). Further, in 9MFY26 (refers to April 01 to December 31), MIRC reported ~6% y-o-y decline in TOI to ₹522.12 crore (PY: ₹552.85 crore).

In FY25, PBILDT margin improved but stood low at 1.09% against operating losses in FY24. In 9MFY26, the company booked operating loss of ₹27.76 crore (9MFY25: operating profit of ₹15.46 crore).

Leveraged capital structure and weak debt protection metrics

MIRC's capital structure demonstrated high leverage marked by total outside liabilities to tangible net worth (TOL/TNW) of 3.20x as on March 31, 2025 (PY: 3.44x). MIRC's debt protection metrics remained weak marked by PBILDT interest coverage at 0.56x in FY25 (PY: negative interest coverage).

Working capital intensive operations and exposure to technology obsolescence risk

MIRC's operations require it to maintain a wide range of stock keeping units (SKUs) at various warehouses located across the country, resulting in inventory days of around 100 days over the past three years. Additionally, the company extends a credit period of 2-3 months to its distributors, reflected in average collection period of 76 days in FY25. This is partially offset by average creditors' period of 137 days in FY25, leading to an operating cycle of 50 days in FY25 (PY: 50 days).

The large inventory holding requirements in an industry with rapidly changing technology exposes the company to the risk of inventory write-offs on slow moving inventory, which could impact its financial risk profile.

Highly competitive industry and exposure to volatility in foreign exchange rates

MIRC operates in a very competitive and fragmented industry dominated by large MNCs with global presence. As compared to its global competitors, MIRC has limited financial flexibility. Besides, presence of large number of players and low product switching cost results in low brand loyalty from consumers in consumer durables segment. Efforts on product differentiation and product penetration is necessary to compete in the industry.

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

The company also faces import threats especially from Chinese competitors. However, the government's push for make in India may positively affect the company. 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.

Key strengths

Experienced promoters and management team coupled with established brand equity

MIRC was established in 1981 and is promoted by Gulu. L. Mirchandani (Chairman) and Vijay. J. Mansukhani (Managing Director). The promoters have a long track record of nearly four decades in the consumer durable industry. The operations are supported by a professional management team for heading different divisions of the company. MIRC has presence in the Indian consumer durable industry with its brand name "Onida", which is well-recognized in the domestic market, with a wide distribution network of dealers/ distributors supported by warehouses spread across the country.

Liquidity: Stretched

MIRC's liquidity position remains stretched with negative cash accruals, negative cash flow from operations and thin current ratio in FY25. However, the liquidity is likely to improve with infusion of funds via rights issue of ~₹49 crore in August 2025 and a preferential allotment amounting to ~₹150 crore in October 2025.

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
Consumer Discretionary	Consumer Durables	Consumer Durables	Household Appliances

MIRC is engaged in manufacturing/assembling and marketing of consumer durables in brown goods and white goods segments including consumer electronics and home appliances like Flat TVs, Washing Machines, Air-Conditioners.

MIRC markets its products across India primarily under the ONIDA Brand. Apart from this, the company has another brand IGO which was launched in 2002-03 for targeting the rural segments. The company has ventured into Electronic Manufacturing Services for OEMs. MIRC's manufacturing units are strategically located at Wada and Chiplun in Maharashtra while another one at Roorkee, Uttarakhand. The Wada factory is located close to Sea port being around 50Kms away from JNPT and its less than around 50 Kms away from warehousing hub at Bhiwandi

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	967.98	746.69	522.12
PBILDT*	-45.72	8.14	-27.76
Profit after tax (PAT)	-62.21	-2.30	-27.38
Overall gearing (x)	0.97	1.21	NA
Interest coverage (x)	-3.04	0.56	-2.15

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		-	-	-	0.00	Withdrawn
Fund-based - LT-Term Loan		-	-	21-03-2028	0.00	Withdrawn
Non-fund-based - ST-BG/LC		-	-	-	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-Cash Credit	LT	-	-	1)CARE BB-; Stable (05-Mar-26) 2)CARE BB-; Stable (01-Apr-25)	1)CARE BB-; Stable (23-May-24)	1)CARE BB; Stable (08-Jan-24)	1)CARE BB+; Stable (04-Jan-23)
2	Non-fund-based - ST-BG/LC	ST	-	-	1)CARE A4 (05-Mar-26) 2)CARE A4 (01-Apr-25)	1)CARE A4 (23-May-24)	1)CARE A4 (08-Jan-24)	1)CARE A4+ (04-Jan-23)
3	Fund-based - LT-Term Loan	LT	-	-	1)CARE BB-; Stable (05-Mar-26) 2)CARE BB-; Stable (01-Apr-25)	1)CARE BB-; Stable (23-May-24)	1)CARE BB; Stable (08-Jan-24)	1)CARE BB+; Stable (04-Jan-23)

LT: Long term; ST: 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-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-BG/LC	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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