

Millennium Semiconductors India Private Limited

April 01, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	56.26	CARE A-; Stable	Assigned
Long-term / Short-term bank facilities	143.74	CARE A-; Stable / CARE A2+	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Millennium Semiconductors India Private Limited (MSIPL) factor in the company's significant scale-up in operations in the last few years, supported by an increase in volume from existing customers, addition of new clients, and a diversified end-user base. CARE Ratings Limited (CareEdge Ratings) expects MSIPL to sustain its growth momentum in the near term, aided by its expanding customer relationships and diversified business profile.

Ratings also factor in MSIPL's moderate yet stable profitability, which supports healthy accrual generation, and a comfortable financial risk profile and adequate liquidity position. The company benefits from vast experience of the promoters and a well-established technical team, which resulted in long-standing relationships with reputed customers as well as global suppliers.

Ratings are constrained by the working capital intensive MSIPL's operations, leading to elevated receivables and inventory levels and consequent impact on cash flow generation. Ratings also factor in susceptibility of the company's profitability to exchange rate fluctuation risk due to import dependence, competitive intensity in the semiconductor distribution industry, and susceptibility to demand to cyclicity in the automotive end-user segment.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in the scale of operations with total operating income (TOI) exceeding ₹2500 crore on a sustained basis while maintaining its profit margin.
- Total debt to profit before interest, lease rentals, depreciation and taxation (TD/PBILDT) remaining below 1.25x on a sustained basis.
- Improvement in gross current assets (GCA) period less than 150 days on a sustained basis.

Negative factors

- Significant decline in scale of operations and/or profit margins on a sustained basis.
- Deterioration in overall gearing exceeding 1x on a sustained basis.
- Deterioration in debt coverage indicators with interest coverage reaching below 3.5x on a sustained basis.

Analytical approach: Consolidated.

While arriving at ratings, CareEdge Ratings has considered consolidated financial statements of MSIPL, including its subsidiaries, due to presence of common management, brand name, and operational linkages, as detailed in Annexure- 6.

Outlook: Stable

Stable outlook reflects that the rated entity will continue to benefit from its established track record and healthy relationships with clientele translating into healthy operations.

Detailed description of key rating drivers:

Key strengths

Experienced promoters supported by a strong technology team

MSIPL is promoted by Hareesh Abichandani, who has over three decades of experience in the electronic components distribution industry. The company is supported by a sizeable technical team, enabling it to provide design support and demand-creation services, which facilitates component selection and integration at the product development stage, and enhances customer stickiness and support repeat business. This also provides better revenue visibility compared to conventional distribution models.

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

Established relationships with reputed customers and diversified supplier base

MSIPL benefits from established relationships with reputed customers and multiple global suppliers across diversified industry segments, supporting growth in its scale of operations. The customer profile remains diversified, including large original equipment manufacturer (OEM) linked entities, with top 10 customers accounting for a moderate 40–45% of total sales in recent times. On the supply side, relationships with multiple international manufacturers provide procurement flexibility and supply continuity. The company operates across automotive, industrial, consumer electronics and other segments, with automotive and industrial applications contributing a significant share of revenues, lending relatively better revenue visibility and supporting repeat business. However, segmental concentration remains moderately high and is a key monitorable.

Growing scale of operation and moderate profitability

MSIPL delivered a healthy scale-up in operations, with revenue rising from ₹370 crore in FY22 to ₹1,117 crore in FY25, reflecting a robust ~45% compounded annual growth rate (CAGR) in the last three years and a sharp ~56% y-o-y growth in FY25. This growth has been driven by technology-led demand generation and further supported by acquisition of its Singapore based subsidiary (MSPL) in August 2024, which enhanced sourcing capabilities. Revenue expansion has remained aligned with healthy industry demand, particularly in the automotive and industrial electronics segments, which together accounted for ~85% of FY25 sales, moderating to 74% in 9MFY26 as the metering segment scaled up. In 9MFY26, the company already achieved revenue ₹1,219 crore, surpassing full-year revenue of FY25, reflecting sustained business momentum and accelerated growth. Profitability remained moderate yet stable, with PBILDT margin at 7.37% (PY: 7.34%) and profit after taxation (PAT) margin at 4.68% (PY: 4.46%) in FY25, resulting in healthy gross cash accruals of ₹54 crore in FY25 (PY: ₹35 crore).

Comfortable financial risk profile

MSIPL's financial risk profile stood comfortable marked by healthy tangible net worth (TNW), comfortable capital structure and debt protection metrics. Net worth improved to ~₹291 crore as on March 31, 2025 (PY: ₹147 crore), driven by internal accruals and capital restructuring linked to acquisition of the subsidiary, Millennium Semiconductors PTE Limited. Capital structure stood comfortable marked by overall gearing at 0.4x (PY: 0.65x) and total outside liabilities (TOL)/TNW at 1.15x (PY: 1.62x) as on March 31, 2025. In FY25, debt coverage indicators stood comfortable marked by TD to gross cash accruals at 2.16x (PY: 2.75x) and PBILDT interest coverage ratio at 6.6x (PY: 5.97x), y-o-y improvement is primarily considering improved profitability. The company is undertaking a capex project for development of an integrated facility in Pune, with a total cost of ~₹75–83 crore, funded through a mix of term debt and internal accruals. While capex remains manageable, its impact on leverage and liquidity, and working capital requirements, will remain monitorable. Debt coverage indicators are expected to remain comfortable in the medium term.

Key weaknesses

Working capital intensive operations

MSIPL's operations remain working-capital intensive, reflected in an increase in GCA days to 179 days in FY25 (FY24: 166 days), primarily due to higher funds blocked in receivables and inventory. The company extends a credit period of 80–90 days to its customers, resulting in an average collection period of 85 days in FY25 (PY: 82 days). Inventory levels also remained elevated with average inventory days at 60 in FY25 (PY: 78 days). Conversely, the company avails only moderate credit from suppliers, leading to a creditor period of 58 days in FY25 (PY: 76 days). Consequently, operating cycle remained elongated at 87 days in FY25 (PY: 85 days). Efficient management of working capital will therefore remain important from a credit perspective going forward.

Intense competition, margin vulnerability with cyclicity in automotive industry

MSIPL operates in a competitive semiconductor distribution industry, with presence of multiple domestic and global players, which limits pricing flexibility and keeps margins at moderate levels. A significant portion of the company's revenue is derived from the automotive segment, which is inherently cyclical in nature. Slowdown in automotive demand may impact off-take and the company's revenue and profitability. However, increasing share of industrial and metering segments provides some diversification.

Foreign exchange fluctuation risk

MSIPL is a net importer, procuring most of its materials from China, Singapore, Taiwan, Hong Kong, and the USA, while its sales are primarily domestic. Apart from natural hedge, to mitigate currency risk, MSIPL typically hedges 30–35% of its import payables at given time through forward contracts, which lock in future exchange rates and protect against adverse currency movements. MSIPL revises its domestic selling prices on a quarterly basis, using the average exchange rate of the preceding quarter as a benchmark. This mechanism functions as an operational hedge as increase in import costs arising from currency depreciation is partially offset by higher selling prices in the subsequent quarter. Despite these measures, exposure to foreign exchange volatility

persists due to the company's substantial net import position. Consequently, MSIPL recorded a foreign exchange gain of ₹2.46 crore in FY25 (PY: ₹3.76 crore).

Liquidity: Adequate

MSIPL's liquidity is adequate, supported by expected gross cash accruals of ₹70 to 100 crore p.a. against moderate repayment obligations of ₹5 to 15 crore p.a. over the medium term. The company had free cash and bank balances of ~₹20 crore as on December 31, 2025, and average maximum working capital utilisation remained moderate at ~76% for 12 months ended February 2026. However, the company's operations remain working capital intensive, with operating cash flow turning negative in FY25 due to higher receivables and inventory associated with scale-up in operations. Liquidity profile therefore depends on efficient working capital management. The current ratio remained comfortable at 1.72x as on March 31, 2025. Sustained improvement in cash flow generation remains a key monitorable.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Wholesale Trading](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Commercial services and supplies	Trading and distributors

MSIPL is a value-added distributor of electrical and electronic components, including semiconductors, catering to multiple global manufacturers across sectors such as automotive, consumer electronics, industrial, lighting, defence, medical and internet of things (IoT). The company also provides technology support and demand creation services to its customers. MSIPL operates warehousing facilities at Chakan, Maharashtra (1,00,000 sq. ft.), Noida, Uttar Pradesh (40,000 sq. ft.), China (7,000 sq. ft.) and Singapore (5,000 sq. ft.), supporting its supply-chain operations. Originally established as a proprietorship in 1995, the business was reconstituted as a partnership firm in 2003 and subsequently incorporated as a private limited company in August 2020. MSIPL is promoted by Haresh Abichandani and Taruna Haresh Abichandani. In August 2024, MSIPL acquired Millennium Semiconductors Pte. Limited (MSPL), a Singapore-based distributor of electronic components incorporated in 2012, expanding its overseas presence.

Consolidated – Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	716.19	1,116.91	1,217.23
PBILDT*	52.61	82.29	78.35
Profit after tax (PAT)	31.96	52.24	51.34
Overall gearing (x)	0.65	0.40	0.48
Interest coverage (x)	5.97	6.60	7.97

A: Audited UA: Unaudited; 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-Term Loan		-	-	31-07-2032	56.26	CARE A-; Stable
Fund-based - LT/ ST-Working Capital Limits		-	-	-	143.74	CARE A-; Stable / CARE A2+

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/ ST-Working Capital Limits	LT/ST	143.74	CARE A-; Stable / CARE A2+				
2	Fund-based - LT-Term Loan	LT	56.26	CARE A-; Stable				

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-Working Capital Limits	Simple

Annexure-5: Lender details

To view 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	Millennium Semiconductors PTE Ltd	Full	Subsidiary

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.

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