

MIRC Electronics Limited

May 29, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 215.00 Crore	Regulator [^]
Long Term Rating	IVR BB/ Stable (Rating Downgraded)	RBI
Short Term Rating	IVR A4 (Rating Downgraded)	RBI
[^] Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.		

Instrument	Amount (Rs. crore)	Ratings	Rating Action	Regulator [^]
Non-Convertible Debentures	60.00	IVR BB/ Stable	Rating Downgraded	MCA
Total	60.00 (Rupees Sixty crore only)			
[^] Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.				

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

Rationale

Infomerics Ratings has downgraded the rating assigned to the Non- Convertible Debentures (NCDs) and bank facilities of MIRC Electronics Limited (MIRC) on account of subdued financial performance in FY26 (FY refers to the period from April 01 to March 31). The rating continues to derive 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 coverage metrics, working capital intensive nature of operations, and highly competitive industry with exposure to technology and forex risks.

Outlook: Stable

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

Analytical Approach

Approach	
Consolidation/ Standalone	Standalone
Parent/ Group Support	Not Applicable

Key Rating Drivers with Detailed Description

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%, TV at ~22% and WM at ~11%, which together accounted for ~78% of total revenues in FY25. The company has shifted focus to branded sales as reflected, in increase in branded sales to ~79% during FY25.

Infusion of funds leading to improvement in the capital structure

MIRC had 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 has improved significantly as on March 31, 2026, to Rs. 237.70 crore from Rs. 125.68 crore as on March 31, 2025. The proceeds from the preferential issuance have been used to reduce 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 respectively on March 31, 2025, to 0.33x and 1.20x respectively as on March 31, 2026.

Further, the company is in process of issuing share warrants amounting to Rs. 65 crore, of which ~25% is expected to be received in July 2026, and the rest within 18 months of subscription date.

Weaknesses

Subdued financial performance in FY26

MIRC's total operating income (TOI) has deteriorated from Rs. 746.69 crore in FY25 to Rs. 670.83 crore in FY26. The absolute EBITDA has deteriorated from Rs. 8.14 crore in FY25 to negative Rs. 38.14 crore in FY26. PAT losses continue and have increased over FY26. Thus, EBITDA margin deteriorated from 1.09% in FY25 to being negative in -in FY26. The decline in turnover is, 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. Moreover, the commodity and input costs increased for raw materials like copper, memory chips, plastics, and shortage of AC refrigerants. Also, the company recognized an inventory write-down amounting to Rs. 29.39

crore during FY26, which has been disclosed as an exceptional item. Going forward, consistent reporting of operational performance remains a key monitorable.

Weak debt coverage metrics

Debt protection metrics indicated by interest coverage ratio and debt service coverage ratio (DSCR) stood below unity for FY25 and negative in FY26. Total debt to EBITDA stood high at 12.50x as on March 31, 2025, and turned negative as on March 31, 2026. However, the company has completed rights issue, issuance of equity shares on preferential basis, and raised NCDs as well which has supported the liquidity of the company.

Going forward, sustained improvement in operational performance will be critical for improvement of debt coverage 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 85 days in FY26. Average collection period stood at 77 days in FY25 and 80 days in FY26. The average creditor days are elongated and stood at 139 days in FY25 and 110 days in FY26. However, the company has reduced its outstanding creditors by using proceeds from preferential issue and plans to maintain average creditor days at around 90 days. The fund-based working capital limits have largely remained unutilized since raise of funds. However, 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.

Liquidity –Stretched

Cash flow from operations stood negative for FY26 and is expected to be negative in FY27 too. The company's debt repayment of ~Rs.30 crore in FY27 will be supported through available liquidity from recent infusion of funds. The cash and bank balance stood at ~Rs. 90 crore as on May 25, 2026. Further, the fund based working capital limits remain largely unutilised since fund infusion.

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 coverage metrics on 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.

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.

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2024	31-03-2025	31-03-2026
	Audited	Audited	Audited
Total Operating Income	968.04	746.69	670.83
EBITDA	-45.67	8.14	-38.14
PAT	-62.21	-2.30	-74.74
Total Debt	103.91	101.73	77.62
Tangible Net Worth (TNW)	128.35	125.68	237.70
EBITDA Margin (%)	-4.72	1.09	-5.69
PAT Margin (%)	-6.38	-0.30	-11.14
Overall Gearing (times)	0.81	0.81	0.33
Interest Coverage (times)	-3.03	0.56	-2.33

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

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](#)

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years

Sr. No.	Facilities/ Instruments	Current Ratings (Year 2026-27)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
					October 30, 2025	--	--
1.	Fund based facilities	Long Term	74.62	IVR BB/ Stable	IVR BB+/ Stable	--	--
2.	Non-fund-based facilities	Short Term	140.38	IVR A4	IVR A4+	--	--
3.	NCD	Long Term	60.00	IVR BB/ Stable	IVR BB+/ Stable	--	--

Annexure 1: Instrument/Facility Details

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook	Listing Status	Regulator^	Complexity Indicator
NCD- I	INE831 A07017	July 08, 2025	12.00%	July 08, 2028	30.00	IVR BB/ Stable	Unlisted	MCA	Complex
NCD- II	INE831 A07025	July 22, 2025	12.00%	July 22, 2028	30.00	IVR BB/ Stable	Unlisted	MCA	Complex
GECL	--	--	--	July 2026	1.53	IVR BB/ Stable	NA	RBI	Simple
GECL	--	--	--	August 2026	1.25	IVR BB/ Stable	NA	RBI	Simple
GECL 2.0	--	--	--	March 2028	2.71	IVR BB/ Stable	NA	RBI	Simple
GECL	--	--	--	Feb 2026	0.13	IVR BB/ Stable	NA	RBI	Simple
Cash Credit	--	--	--	--	35.00	IVR BB/ Stable	NA	RBI	Simple
Cash Credit	--	--	--	--	14.00	IVR BB/ Stable	NA	RBI	Simple
Cash Credit	--	--	--	--	18.00	IVR BB/ Stable	NA	RBI	Simple
WCDL	--	--	--	--	2.00	IVR BB/ Stable	NA	RBI	Simple
Letter of Credit	--	--	--	--	60.00	IVR A4	NA	RBI	Simple
Letter of Credit	--	--	--	--	14.70	IVR A4	NA	RBI	Simple
Letter of Credit	--	--	--	--	15.00	IVR A4	NA	RBI	Simple
Letter of Credit/ Bank Guarantee	--	--	--	--	50.68	IVR A4	NA	RBI	Simple

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure 2: Facility wise lender details

https://infomericsstorage.blob.core.windows.net/uploads/Len_MIRC_29may26_3623b4822c.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	
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 Consolidated analysis: Not Applicable**Annexure 5: List of activities / instruments and names of regulators**

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) *	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) *	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings/Loans from overseas lenders/Loans from Multilaterals	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	Refer foot note
15	Issuer Ratings #	Refer foot note
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI



Sr. No.	Instrument / activity Name	Regulator of the instrument
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/ NBFCs/ NHB/FIs)	RBI
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) @	Investor-side Regulator such as IRDAI, PFRDA

Footnotes:

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In Press Release(s) subsequent to issuance(s), CRA shall separately capture the rated quantum details along with names of respective regulators.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

@ These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor side regulators have been included.

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