Onida Electronics Limited

(Erstwhile MIRC Electronics Limited)

October 28, 2026

Rating Action

Total Bank Loan Facilities Rated	**Rs 177.00 Crore (Reduced from Rs. 215.00 crore)**	**Regulator^**
Long Term Rating	**IVR BB/Stable (Rating Reaffirmed)**	**RBI**
Short Term Rating	**IVR A4 (Rating Reaffirmed)**	**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	**48.00**	**IVR BB/ Stable**	**Rating Reaffirmed**	**MCA**
Total	**48.00 (Rupees Forty-Eight 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 reaffirmed the rating assigned to the bank facilities and non-convertible debentures (NCDs) of Onida Electronics Limited (OEL). 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 ratings remain constrained by the subdued financial performance in FY 2026 (FY refers to the period from April 01 to March 31), weak debt coverage metrics, working capital intensive nature of operations and highly competitive industry coupled with exposure to technology risk and forex risk.

Outlook: Stable

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

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Standalone
Parent/ Group Support	Not Applicable

List of companies considered for consolidation/combined analysis is given at Annexure 4.

Key Rating Drivers with Detailed Description

Strengths

Experienced promoters and established brand presence

OEL established in 1981, was co-founded by Mr. Gulu L. Mirchandani and Mr. Vijay J. Mansukhani. The company has an established track record of over four decades in the consumer electronics and consumer durables industry with co-promoter and chairman Mr. Vijay J. Mansukhani, and Managing Director and CEO, Mr. Gunjan Srivastava having over four and three decades of experience, respectively. The company markets its consumer electronics and durables products under the ONIDA brand.

Wide product portfolio.

The company's product line includes 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 38%, TV at ~24% and washing machine at 11%, collectively accounting for around 73% of total revenues in FY 2026. The presence across multiple product categories provides some diversification in the company's revenue profile, although revenue remains concentrated in its three major product segments.

Infusion of funds leading to improvement in the capital structure.

The company has successfully completed rights issue of Rs. 49.49 crore in August 2025 as well as issuance of equity shares on preferential basis of Rs. 149.52 crore in October 2025. Accordingly, the tangible networth of the company improved significantly as on March 31, 2026, to Rs. 237.70 crore from Rs. 125.68 crore as on March 31, 2025, however after adjusting the long pending debtors, the adjusted tangible networth stood at Rs. 221.45 crore as on March 31, 2026. The proceeds from the preferential issuance have been used to reduce creditors, working capital borrowings and unsecured loans from promoters of ~Rs. 19 crore. The company has also repaid a term loan of ~Rs.16 crore on September 01, 2025, from the sale of non-core assets. The total debt thus reduced from Rs. 101.73 crore as on March 31, 2025, to Rs. 77.62 crore as on March 31, 2026. Consequently, overall gearing on ATNW and TOL/ATNW has significantly improved from 0.81x and 3.20x respectively as on March 31, 2025, to 0.35x and 1.29x respectively as on March 31, 2026. Further, on September 17, 2026, the company allotted convertible warrants on a preferential basis aggregating to approximately Rs.26 crore and has received Rs.6.50 crore, representing 25% of the issue amount, upon allotment, while the balance Rs.19.50 crore is receivable upon exercise of the warrants within 18 months from September 2026. This is expected to further improve the ATNW going forward.

Weaknesses

Subdued financial performance in FY 2026

The total operating income declined from Rs. 746.69 crore in FY 2025 to Rs. 660.01 crore in FY 2026, primarily due to lower turnover amid subdued air conditioner (AC) demand, driven by intermittent weather conditions and an early onset of the monsoon. The absolute EBITDA deteriorated from Rs. 8.14 crore in FY 2025 to negative Rs. 48.97 crore in FY 2026, mainly due to higher input and commodity costs, including copper, memory chips, plastics and AC refrigerants, coupled with lower operating income. Further, the company reported a net loss from exceptional items of Rs. 13.72 crore in FY 2026, primarily due to inventory write-downs and restructuring-related expenses, partially offset by gains from the sale of non-core assets. Consequently, the PAT widened significantly to negative Rs. 74.74 crore in FY 2026 from negative Rs. 2.30 crore in FY 2025. The company has achieved the topline of Rs. ~182 crore in Q1 FY 2027, However EBITDA remained at negative Rs. ~11 crore and PAT at negative ~14 crore.

Weak debt coverage metrics

Debt coverage metrics indicated by interest coverage ratio and debt service coverage ratio (DSCR) stood below unity for FY 2025 and negative in FY 2026. 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, raised NCDs, issued convertible warrants 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

Onida's operations are working capital intensive, and the company needs to maintain a large basket of stock keeping units at various warehouses present across country resulting in high inventory days of 106 days in FY 2025 and 85 days in FY 2026. Average collection period stood at 77 days in FY 2025 and 80 days in FY 2026. The average creditor days are elongated and stood at 139 days in FY 2025 and 110 days in FY 2026. 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 utilization largely remained low since raise of funds; however, the operations are expected to remain working capital intensive over medium term.

Highly competitive industry and exposure to technology risk and forex risk

OEL 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 OEL. Further the company 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

Cashflow from operations stood negative in FY 2026 and is expected to be negative in FY 2027 too. The company's debt repayment obligations in FY2027 are expected to be supported by liquidity available from earlier fund infusions and short-term investments. The company's free cash and bank balance stood at Rs. 27.97 crore as on September 30, 2026. Further, the preferential allotment of convertible warrants is expected to provide additional liquidity support, subject to the receipt of the balance amount upon conversion of the warrants. The average fund-based working capital utilisation remained low at approximately 2% during the 12 months ended September 2026.

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.

About the Company

Onida Electronics Limited (OEL) (Erstwhile MIRC Electronics Limited), established in 1981, is headquartered in Mumbai, Maharashtra. In May 2026, the company changed its name from MIRC Electronics Limited to Onida Electronics Limited, effective May 20, 2026, pursuant to the fresh Certificate of Incorporation issued by the Ministry of Corporate Affairs. It is engaged in the manufacturing, assembling and marketing of consumer durables, including televisions, washing machines, air conditioners, refrigerators and air coolers, primarily under the ONIDA brand. The company has a pan-India presence through its established distribution and marketing network and has manufacturing facilities located at Wada in Maharashtra and Roorkee in Uttarakhand.

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	746.69	660.01**
EBITDA	8.14	-48.97
PAT	-2.30	-74.74
Total Debt	101.73	77.62
Tangible Net Worth (TNW)	125.68	237.70
EBITDA Margin (%)	1.09	-7.42
PAT Margin (%)	-0.30	-11.14
Overall Gearing (times)	0.81	0.33
Interest Coverage (times)	0.56	-2.99

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

** The FY 2026 financial figures have been revised vis-à-vis the previous press release due to the reclassification of non-operating income, which was earlier considered as operating income, based on the availability of detailed notes to accounts.

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

Policy of Withdrawal of rating

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
					May 29, 2026	Oct 30, 2025		
1.	Fund-based facilities	LT	70.58	IVR BB/Stable	IVR BB/Stable	IVR BB+/Stable	--	--
2.	Non-fund based facilities	ST	106.42	IVR A4	IVR A4	IVR A4+	--	--
3.	NCD	LT	48.00	IVR BB/Stable	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	INE831A07017	July 08, 2025	12.00%	July 08, 2028	24.00	IVR BB/Stable	Unlisted	MCA	Complex
NCD -II	INE831A07025	July 22, 2025	12.00%	July 22, 2028	24.00	IVR BB/Stable	Unlisted	MCA	Complex
GECL	--	--	--	--	0.00 (Reduced from Rs. 1.25 crore)	Withdrawn#	NA	RBI	Simple
GECL 2.0	--	--	--	March 2028	1.58	IVR BB/Stable	NA	RBI	Simple
Cash Credit	--	--	--	--	14.00	IVR BB/Stable	NA	RBI	Simple
Letter of Credit	--	--	--	--	14.70	IVR A4	NA	RBI	Simple
GECL	--	--	--	--	0.00 (Reduced from Rs. 1.53 crore)	Withdrawn#	NA	RBI	Simple
Cash Credit	--	--	--	--	35.00	IVR BB/Stable	NA	RBI	Simple
Letter of Credit	--	--	--	--	60.00	IVR A4	NA	RBI	Simple
GECL	--	--	--	--	0.00 (Reduced from Rs. 0.13 crore)	Withdrawn#	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	--	--	--	--	15.00	IVR A4	NA	RBI	Simple
Proposed Letter of Credit/Bank Guarantee	--	--	--	--	16.72	IVR A4	NA	RBI	Simple

#The above action has been taken at the request of OEL and receipt of 'No Dues Certificate' from the respective lenders regarding repayment of the rated facilities. This is in line with Infomerics' policy for withdrawal of ratings.

^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://infomericstorage.blob.core.windows.net/uploads/len_OEL_oct26_a1299106b9.pdf

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

Name of the Instrument		Detailed Explanation
Unlisted, secured, redeemable non-convertible debentures		**INE831A07017, INE831A07025**
	Financial Covenants	
i	Total Debt/ EBITDA	Should be equal to or less than 4 times for FY 2026 and FY 2027
ii	Target Revenue and EBITDA	FY 2026: Revenue- Rs. 1000 crore; EBITDA- Rs. 35 crore with a permitted variation of 10% above or below each of the targets. FY 2027: Revenue- Rs. 1300 crore; EBITDA- Rs. 55 crore with a permitted variation of 10% above or below each of the targets.
	Non -Financial Covenants	
i	Put Option	Available to the Investor at the end of 12th 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 instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* $	RBI
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 and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11a	Fixed Deposits raised by NBFCs, HFCs, FIs	RBI
11b	Fixed Deposits raised by Banks	+
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 ~	-
15	Issuer Ratings #	-

Sr. No.	Instrument / activity Name	Regulator of the instruments
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 $	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	+
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (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 PRs subsequent to issuance(s), Infomerics Valuation and Rating Limited shall separately capture the rated quantum details along with names of respective regulators.

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

 # 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.

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

$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

+ To be finalized following a discussion with the regulatory authorities.

***Note:** 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.*

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