

October 08, 2025

Big C Mobiles Pvt. Ltd.: Ratings downgraded to [ICRA]BB+(Stable)/[ICRA]A4+; Outlook revised to Stable

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term - Fund based - Cash credit	37.00	37.00	[ICRA]BB+(Stable); downgraded from [ICRA]BBB-(Negative) and outlook revised to Stable from Negative
Short term – Non fund based limits	5.00	5.00	[ICRA]A4+; downgraded from [ICRA]A3
Total	42.00	42.00	

*Instrument details are provided in Annexure-I

Rationale

The ratings downgrade of Big C Mobiles Pvt. Ltd. (BMPL) considers the sustained weak earnings, resulting in continued pressure on debt coverage indicators, coupled with a rise in selling and marketing expenses. The operating losses in its subsidiary (85% holding), Big C Mobiles TN Pvt. Ltd. (BMTPL), have further weighed on consolidated performance. BMPL's revenues fell by around 12% on a YoY basis in FY2025 due to the closure of a few weak-performing stores, while its operating profit margins (OPM) moderated by 40 bps to 1.1% in FY2025 owing to higher selling expenses and a decline in revenue in FY2025 over FY2024. The weak earnings have led to a moderation in BMPL's debt coverage indicators, with interest coverage and DSCR remaining low at 1.6 times and 0.8 times, respectively, in FY2025 against 2.3 times and 0.7 times, respectively, in FY2024. Further, its TOL/TNW remained elevated at 4.6 times as on March 31, 2025, and is likely to remain high in the medium term, owing to moderation in net worth with continued operating losses in the subsidiary. The ratings remain constrained by high brand concentration risk, with the top three brands contributing 50–55% of total sales in FY2024 and FY2025. Despite the company's foray into Tamil Nadu, it remains exposed to geographical concentration risk, as more than 95% of total sales are generated from stores in Andhra Pradesh and Telangana. The ratings also factor in the intense competition in the industry from e-commerce players, other large mobile retail chains, and unorganised stores.

Nonetheless, the ratings continue to factor in the promoters' significant experience in the mobile retail business, which has enabled them to establish strong relationships with major mobile phone suppliers. The company operates 206 stores under the brand 'Big C' as of August 2025, enjoying a reputed presence and strong market position in Andhra Pradesh and Telangana.

The Stable outlook on the long-term rating reflects ICRA's expectation that BMPL is likely to register modest revenue growth and an improvement in margins over the medium term. Further, the outlook underlines ICRA's expectation that any incremental capex undertaken to enhance capacity will be funded in a manner that enables the entity to durably maintain its debt protection metrics commensurate with the existing rating.

Key rating drivers and their description

Credit strengths

Significant experience of promoters with presence in mobile retailing industry – The promoters have around two decades of experience in the mobile retailing business, which has led to long working relationships with renowned brands in the mobile retail industry, aiding sales growth. BMPL has a strong presence in Andhra Pradesh and Telangana, which supports its

established market position in the region. It is one of the largest retailers in South India, with 206 stores as on August 31, 2025, spread across Andhra Pradesh and Telangana.

Established tie-ups with major mobile phone suppliers – BMPL has established relationships with suppliers of mobile phones such as Vivo, Oppo, Samsung, and Xiaomi, which have contributed to most of its sales over the past few years. Strong relationships with major mobile manufacturers provide comfort regarding sales volumes in the long term, although the contribution from these brands has been declining over the last two years.

Credit challenges

Low profitability due to trading nature of business; losses in subsidiary putting further pressure – Given the retail nature of operations, BMPL's OPMs are expected to remain at moderate levels due to limited pricing flexibility amid intense competition. In FY2025, the company reported an OPM of around 1.1% against around 1.5% in FY2024, mainly due to the reduction in scale and an increase in selling expenses. Further, the mobile retail industry is characterised by stiff competition owing to its fragmented structure, with significant volume share held by several small unorganised players, continuous expansion by a few large regional players, and the strong presence of e-commerce giants. However, with a strong brand presence and focused marketing initiatives, BMPL has been able to maintain a reasonable market position over the years, despite limited pricing flexibility. Furthermore, continued operating losses from its subsidiary, Big C Mobiles TN Pvt. Ltd., have led to moderation in earnings and coverage indicators on a consolidated basis.

Sustained moderation debt protection metrics – BMPL's debt coverage metrics moderated in FY2025 due to an increase in selling and marketing expenses and operating losses from its subsidiary, BMTPL. The debt coverage indicators, such as interest coverage and DSCR, remained modest at 1.6 times and 0.8 times, respectively, in FY2025. Further, total debt/OPBDITA stood high at 5.8 times as on March 31, 2025, compared to 3.0 times as on March 31, 2022, owing to a reduction in the net worth base led by losses at the subsidiary entity. Moreover, its TOL/TNW remains high at 4.6 times as on March 31, 2025, and is likely to remain elevated in the near to medium term, given the moderation in net worth due to continued expected losses in the subsidiary.

Geographical and product concentration risks amid intense competition in mobile retail industry – The company remains exposed to high brand concentration risk, with the top three brands (Vivo, Xiaomi, and Samsung) contributing around 50–55% of total sales in FY2025. Despite its foray into Tamil Nadu, BMPL continues to face geographical concentration risk, as more than 95% of total sales are derived from stores in Andhra Pradesh and Telangana. The ratings also consider the intense competition in the industry from e-commerce players, other large mobile retail chains, and unorganised stores.

Liquidity position: Stretched

BMPL's liquidity position is expected to remain stretched, supported by the limited buffer available in working capital limits and free cash and bank balances of Rs. 5.4 crore as on March 31, 2025. The average working capital utilisation stood high at around 85% for the 12-month period ending June 2025. The company has Rs. 5.9 crore of principal debt obligation in FY2026, which can be serviced through its estimated cash flow from operations and available liquidity. BMPL has capex plans of around Rs. 2-3 crore in FY2026, which will be funded mainly through internal accruals. The flexibility to reduce the directors' remuneration and availability of need-based unsecured loans from promoters support the liquidity to an extent.

Rating sensitivities

Positive factors – ICRA could upgrade BMPL's ratings if the company demonstrates a healthy growth in its revenues and earnings leading to an improvement in debt coverage indicators and liquidity profile on a sustained basis. Specific credit metric that may lead to ratings upgrade includes an interest coverage of more than 2.8 times on a sustained basis.

Negative factors – Pressure on the ratings could arise if there is sustained pressure on the company's revenues or margins or deterioration in its working capital cycle, impacting the debt coverage metrics or liquidity position on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Retail Corporate Credit Rating Methodology
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of BIG C Mobiles Pvt. Ltd. The list of entities forming part of BIGC's consolidated financials are enlisted in Annexure II

About the company

BMPL was incorporated in 2002 by Mr. Guru Swamy Naidu, Mr. Balachandrudu, Mr. Balaji, and Mr. Kailash as Balaji Watch and Mobiles Private Limited and was initially engaged in the retailing of watches and mobile phones. In 2006, the company discontinued retailing watches and limited its business to mobile phones through a chain of multi-brand outlets under the name 'Big C'. As on August 31, 2025, BMPL operated 206 retail outlets spread across Andhra Pradesh and Telangana, selling mobile phones of brands such as Samsung, Xiaomi, Vivo, Oppo, Apple, and OnePlus. It also has a subsidiary, Big C Mobiles TN Private Limited, which operates 25 stores as on August 31, 2025, in Tamil Nadu.

Key financial indicators (audited)

Consolidated	FY2024	FY2025*
Operating income	1104.3	970.8
PAT	-3.2	-0.5
OPBDIT/OI	1.5%	1.1%
PAT/OI	-0.3%	0.0%
Total outside liabilities/Tangible net worth (times)	5.3	4.6
Total debt/OPBDIT (times)	4.3	5.8
Interest coverage (times)	2.3	1.6

Source: Company, ICRA Research; * Provisional financial submitted by company; All ratios as per ICRA's calculations; Amount in Rs. crore PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Instrument	Current ratings (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs. crore)	Oct 08, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund Based-Cash Credit	Long term	37.00	[ICRA]BB+ (Stable)	Nov 07, 2024	[ICRA]BBB- (Negative)	Sep 18, 2023	[ICRA]BBB- (Stable)	Jun 24, 2022	[ICRA]BBB- (Stable)
Non-Fund Based- Others	Short term	5.00	[ICRA]A4+	Nov 07, 2024	[ICRA]A3	Sep 18, 2023	[ICRA]A3	Jun 24, 2022	[ICRA]A3
Unallocated limits	Long term/ Short term	-	-	Nov 07, 2024	[ICRA]BBB- (Negative)/ [ICRA]A3	Sep 18, 2023	[ICRA]BBB- (Stable)/[ICRA]A3	Jun 24, 2022	[ICRA]BBB- (Stable)/[ICRA]A3

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term – Fund Based – Cash credit	Simple
Short term – Non fund based	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash credit	-	NA	-	37.00	[ICRA]BB+ (Stable)
NA	Short term - Non fund based	-	NA	-	5.00	[ICRA]A4+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	BMPL Owner-ship	Consolidation Approach
Big C Mobiles TN Pvt. Ltd.	85%	Full Consolidation

Source: Company, ICRA Research

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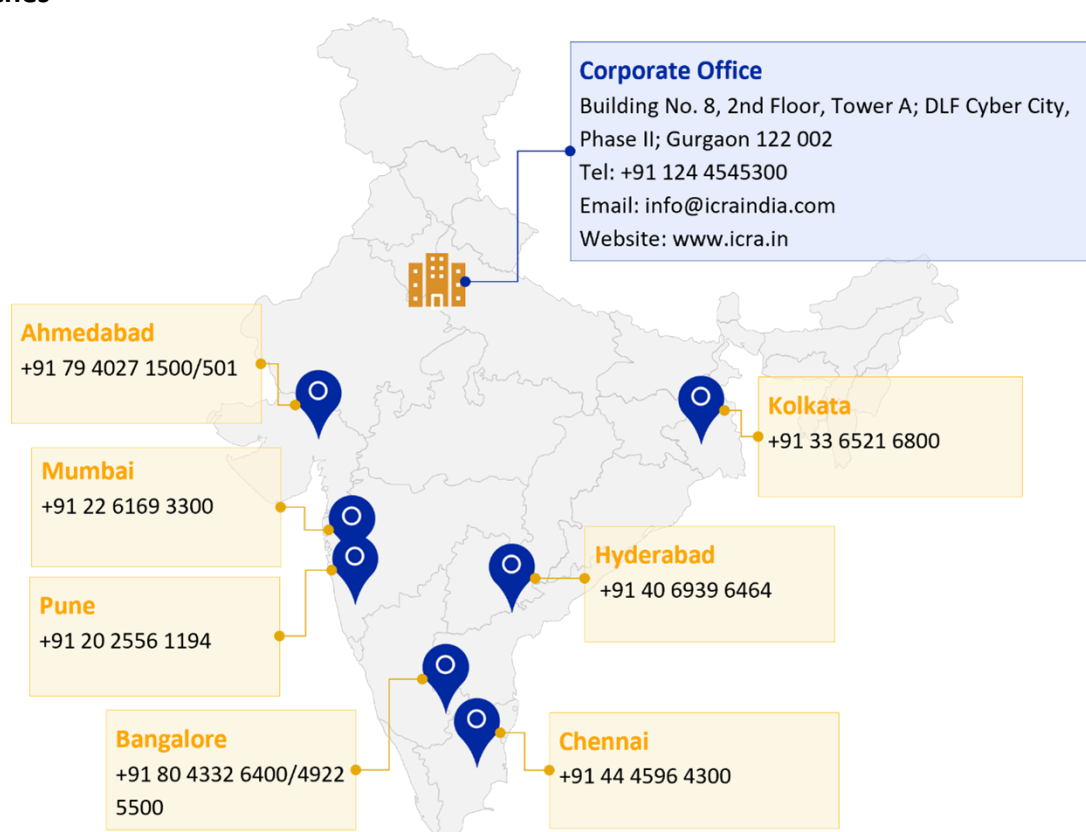
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