

October 07, 2026

Big C Mobiles Pvt. Ltd.: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator [#]
Long term – Fund-based – Cash credit	37.00	37.00	[ICRA]BB+ (Stable); reaffirmed	RBI
Short term - Non-fund based limits	5.00	5.00	[ICRA]A4+; reaffirmed	RBI
Total	42.00	42.00		

*Instrument details are provided in Annexure I

[#]SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of financial sector regulators other than SEBI.

Rationale

The ratings reaffirmation for the bank lines of Big C Mobiles Pvt. Ltd. (BMPL) considers the company's established market position in the mobile phone retailing business in Andhra Pradesh and Telangana, supported by the promoters' extensive industry experience and long-standing relationships with major mobile phone suppliers. The ratings factor in the marginal improvement in BMPL's operating profitability in FY2026 and the expected gradual increase in its earnings over the medium term. While revenues moderated by 4.8% to Rs. 928.5 crore in FY2026 due to the closure of a few underperforming stores, its operating profit margin (OPM) rose marginally to around 1.2% in FY2026 from around 1.1% in FY2025, supported by an enhanced mix of relatively better-margin products.

The ratings are, however, constrained by sustained weak earnings, resulting in continued pressure on debt coverage indicators and liquidity position. Further, the operating losses in its subsidiary (85% holding), Big C Mobiles TN Pvt. Ltd. (BMTPL), have further weighed on consolidated performance. The modest earnings kept BMPL's debt coverage indicators moderate, with interest coverage of 1.6 times and debt service coverage ratio (DSCR) of 0.8 times, in FY2026. Further, its TOL/TNW was elevated at 4.6 times as on March 31, 2026, and is likely to remain high in the medium term, owing to moderation in net worth with sustained operating losses in the subsidiary. The ratings continue to be constrained by brand concentration risk, with the top three brands contributing around 65% of total sales in FY2026. 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.

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 anticipation that any incremental capital expenditure (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 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 around 200 stores as on August 31, 2026, 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

Thin profitability due to trading nature of business; continued losses in subsidiary – 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 FY2026, the company reported an OPM of around 1.2% against around 1.1% in FY2025. 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 dominance of e-commerce giants. However, with a strong brand presence and focussed 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 FY2026 due to limited earnings amid continued 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 FY2026. Further, total debt/OPBDITA stood high at 5.4 times as on March 31, 2026, compared to 3.0 times as on March 31, 2022. Further, owing to a reduction in the net worth base due to losses at the subsidiary entity, its TOL/TNW is elevated at 4.6 times as on March 31, 2026, and is likely to remain heightened over 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 – BMPL remains exposed to high brand concentration risk, with the top three brands (Vivo, Oppo and Apple) contributing around 65% of total sales in FY2026. Despite its foray into Tamil Nadu, the company 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, on account of limited buffer available in working capital limits and moderate free cash and bank balances of around Rs. 3.4 crore as on March 31, 2026. The average working capital utilisation stood high at around 88% for the 12-month period ending in July 2026. The company has principal debt obligations of Rs. 5.3 crore in FY2027 and around Rs. 1 crore in FY2028, which can be serviced through its estimated cash flow from operations and available liquidity. BMPL has capex plans of Rs. 1-2 crore in FY2027, 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. A specific credit metric that may lead to a 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	Corporate Credit Rating Methodology Retail
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

Big C Mobiles Private Limited (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 engaged in retailing of watches and mobile phones. In 2006, the company discontinued the retailing of watches and limited its business to mobile phones retail only. BMPL is majorly into retailing of mobiles phones and tablets through a chain of multi-brand outlets under the brand name of 'Big C'. As on August 31, 2026, the company had 200 retail outlets spread across Andhra Pradesh and Telangana selling mobile phones of brands such as Samsung, Xiaomi, Vivo, Oppo, Apple, OnePlus, etc. It has a subsidiary, Big C Mobiles TN Private Limited, which has 15 stores in Tamil Nadu as on March 31, 2026. The company is planning to close all stores in Tamil Nadu in the current year.

Key financial indicators (audited)

BMPL (consolidated)	Consolidated	
	FY2025	FY2026*
Operating income (OI)	975.4	928.5
PAT	-0.6	-0.6
OPBDIT/OI	1.1%	1.2%
PAT/OI	-0.1%	-0.1%
Total outside liabilities/Tangible net worth (times)	4.6	4.6
Total debt/OPBDIT (times)	5.9	5.4
Interest coverage (times)	1.6	1.6

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current ratings (FY2027)				Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	FY2027		FY2026		FY2025		FY2024	
			Oct 7, 2026	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based – Cash credit	Long-term	37.00	[ICRA]BB+ (Stable)		Oct 08, 2025	[ICRA]BB+ (Stable)	Nov 07, 2024	[ICRA]BBB- (Negative)	Sep 18, 2023	[ICRA]BBB- (Stable)
Non-fund based – Others	Short-term	5.00	[ICRA]A4+		Oct 08, 2025	[ICRA]A4+	Nov 07, 2024	[ICRA]A3	Sep 18, 2023	[ICRA]A3
Unallocated limits	Long- term/Short- term						Nov 07, 2024	[ICRA]BBB- (Negative)/ [ICRA]A3	Sep 18, 2023	[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 - Others	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	Financial sector regulator [#]
NA	Cash credit	-	NA	-	37.00	[ICRA]BB+ (Stable)	RBI
NA	Non-fund based	-	NA	-	5.00	[ICRA]A4+	RBI

Source: Company

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

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Big C Mobiles TN Pvt. Ltd.	85%	Full consolidation

Source: Company

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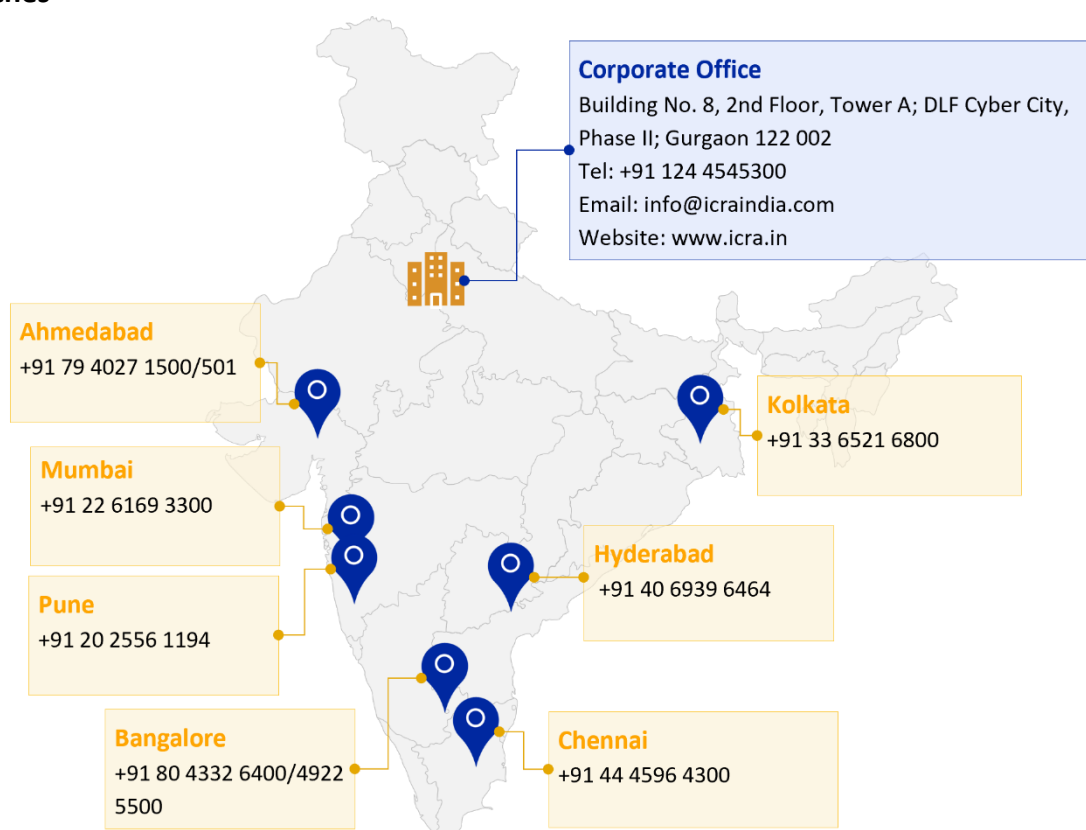
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