

Rishi Laser Limited

September 16, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Issuer rating Issuer Rating	-	-	Reaffirmed at CARE BB+; Stable and Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Ltd. (CareEdge Ratings) has reaffirmed and withdrawn the outstanding rating of 'CARE BB+; Stable' [Double B; Outlook: Stable] assigned to the issuer rating of Rishi Laser Limited (RLL) with immediate effect. The above action has been taken at the request of RLL.

Prior to withdrawal, the long-term rating assigned to Rishi Laser Limited (RLL) is constrained on account of its moderate scale of operations as well as profitability, modest net worth base albeit comfortable capital structure owing to low reliance on debt and stretched liquidity. The ratings also factor in RLL's presence in a competitive and cyclical metal fabrication industry with susceptibility of profitability to volatile raw material price and stabilization risk associated with on-going debt-funded capex. The rating, however, derives strength from vast experience of RLL's promoters in the metal component industry, established presence of more than three decades, and its reputed albeit moderately concentrated clientele base.

Analytical approach: Standalone

Outlook: Stable

A 'Stable' outlook reflects CareEdge Ratings expectation that the entity is likely to benefit from established presence in the industry along with reputed clientele base.

Detailed description of key rating drivers:

Key weaknesses

Moderate scale of operations and profitability

RLL's scale of operations and profitability have historically remained volatile. Total Operating Income (TOI) remained moderate at Rs.151 crore in FY25 as against Rs.140 crore in FY24 exhibiting marginal 7% y-o-y growth with increase in demand from customers. PBILDT margin of the company remained moderate at 9.24% in FY25 [PY: 8.45%]. In Q1FY26, RLL continued to report moderate TOI of Rs.41 crore [PY: Rs.37 crore] along with PBILDT margin of 9.73%.

Modest net worth base though capital structure and debt coverage indicators remained comfortable owing to low reliance on debt

RLL's overall gearing was comfortable owing to lower reliance on debt at 0.55x as on March 31, 2025. Tangible net worth increased with accretion of FY25 profits into reserves, though it continued to remain modest at Rs.35 crore as on March 31, 2025 [PY: 24 crore]. However, TOL/TNW of the company remained moderate owing to relatively high creditors at 1.40x as on March 31, 2025. Debt coverage indicators of the company remained comfortable as marked by PBILDT interest coverage ratio of 5.47x [PY: 5.15x] and total debt to GCA of 1.72x [PY: 1.15x] in FY25

Stabilization risk associated with debt-funded capex

The company has 70,000 square feet of rented covered space available at Malur, Karnataka. The company was planning to operationalize the said plant by installing new machines worth Rs.10 crore in FY25 which is envisaged to be funded through term loan of Rs.3 crore [sanction pending] and balance through internal accruals. The said capex was envisaged to be completed by FY25 end and commercial production is expected by Q1FY26.

Presence in the competitive and cyclical metal fabrication industry with susceptibility of profitability to volatile raw material price

The Indian metal fabrication industry is characterized as fragmented in nature with few large players and many small and mid-sized companies due to the varied applications of the products. Metal fabrication industry is also cyclical in nature as demand from some of the end user industries (earthmoving machinery, automotive, general Engineering, textile, railways, power plant equipment, telecommunications and instrumentation among others) is directly correlated to the economic growth. Further, raw

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

materials constitute ~55-60% of cost of sales for the company and the primary raw materials used by RLL are steel and other metals whose prices are volatile in nature, hence, any adverse movement in the raw material prices may affect operating profitability of the company

Key strengths

Experienced promoter and established track record of operations

Incorporated in 1992, RLL has established operational track record of more than three decades in metal products industry. It is engaged in fabrication of sheet metal components and machine parts and serves customers from diversified end user industries. Mr. Harshad Patel is Managing Director of the company, holding extensive experience of more than three and a half decades in metal products industry and associated with the company since its inception. He looks after strategic decision making of the company and he is assisted by a team of qualified senior management who assist in day-to-day operations of the company.

Reputed albeit moderately concentrated clientele base

RLL's customer portfolio includes reputed clients having stringent vendor induction process in place across diversified industries and the company is having long standing relationship with them and gets regular orders. However, customer concentration remained moderate marked by top 10 customers contributed ~75% of its TOI in FY24 [PY: ~79%].

Liquidity: Stretched

RLL's liquidity position remained stretched with recently sanctioned working capital limit of Rs.1 crore and extended credit period availed from suppliers for its working capital management. RLL had outstanding debt from Assets Care and Reconstruction company (ACRE) which was repaid in FY24 pertaining to default in previous years due to heavy losses attributed to slowdown in high dependence earthmoving segment and completion of debt-funded large capex. RLL reported cash accruals of Rs.11 crore in FY25 as against scheduled debt repayment obligation of Rs.4-5 crore in FY26. Also, RLL had liquid funds of Rs.5 crore as on March 31, 2025. Average utilization of working capital borrowings was moderate at ~80-90% during last twelve months ended July 2025.

Assumptions/Covenants: Not applicable

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

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Withdrawal Policy](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Iron & Steel](#)

About the firm and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Industrial Products	Iron & Steel Products

Incorporated in 1992 by Mr. Harshad Patel and family, Rishi Laser Limited (RLL) is listed on Bombay stock exchange (BSE) and is engaged in fabrication of sheet metal components and machine parts with six manufacturing units located across five states of India. It caters to a wide range of industries such as railways, earthmoving equipment, automotive, power plant equipment, telecommunication & instrumentation, textile, general engineering among others.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	140.11	150.93	41.03
PBILDT	11.84	13.95	3.99
PAT	8.72	8.25	1.77
Overall gearing (times)	0.50	0.55	NA
Interest coverage (times)	5.15	5.47	5.78

A: Audited UA: Unaudited NA: Not available; Note: these are latest available financial results

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Issuer Rating-Issuer Ratings	-	-	-	-	0.00	Withdrawn

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	Issuer Rating-Issuer Ratings	LT	-	-	1)CARE BB+ ; Stable (16-Sept-25)	1)CARE BB+; Stable (23-Aug-24)	-	-

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	Issuer Rating-Issuer Ratings	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated: Not applicable

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.

Contact us

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