Raphe Mphibr Private Limited

April 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	543.00 (Enhanced from 323.00)	CARE BB+; Stable	Downgraded from CARE BBB-; Stable
Long Term / Short Term Bank Facilities	100.00	CARE BB+; Stable / CARE A4+	Downgraded from CARE BBB-; Stable / CARE A3

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The downgrade of the ratings assigned to the bank facilities of Raphe Mphibr Private Ltd. (Raphe) factors in lower than envisaged operational performance in FY25 (refers to the period from April 01, 2024 to March 31, 2025) and 9MFY26 (refers to the period from April 01, 2025 to December 31, 2025) on account of delay in execution of orders leading to substantial operational loss in 9MFY26. The ratings are further constrained by working capital nature of operations, foreign exchange fluctuation risk, and technology obsolescence risk. The ratings, however, continue to derive strength from the resource-raising capability leading to a comfortable financial risk profile, and the experienced and professionally qualified management team, with the company's domain expertise in the niche segment of manufacturing and designing unmanned aerial vehicle (UAV) systems. The ratings are also supported by a strong order book position and a favourable outlook for drone manufacturing companies.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Timely execution of orderbook resulting in substantial increase in scale of operations and PBILDT margin on a sustained basis.
- Improvement in debt coverage indicators with interest coverage ratio (PBILDT/interest) above 2x on a sustained basis.
- Improvement in liquidity position

Negative factors

- Inability of company to execute the current unexecuted order book as envisaged.
- Any significant increase in debtors leading to further elongation of operating cycle.

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects CARE's opinion that the company will continue to benefit from experienced promoters and strong orderbook position.

Detailed description of key rating drivers:

Key weaknesses

Low order book execution resulting in decline in total operating income and loss-making operations in the current year:

Raphe achieved a total operating income of ₹263.84 crore in FY25 (PY: ₹85.19 crore). Although the scale of operations grew in FY25 owing to a growing order book and timely execution, the same was lower than that projected for FY25. The company reported moderation in profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin to 12.64% in FY25 (PY: 22.49%) largely on account of lower sales booked in Q4FY25 (January 01, 2025–March 31, 2025), and higher fixed overheads, majorly employee costs. An order from the Indian Army of ~₹83.00 crore was originally expected to be executed and delivered by March 2025; however, the same could not be executed per plan. In 9MFY26, the company reported a substantial decline in total operating income to ₹12.67 crore (PY: ₹241.41 crore) with operational and net loss of ₹158.29 crore (PY: PBILDT margin of 25%) and ₹183.60 crore (PY: profit after tax [PAT] margin of 14.94%) respectively. In 9MFY26, the envisaged order book execution did not progress per schedule. While the orders were not executed as envisaged, the fixed overheads, primarily

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

employee costs, resulted in an operational loss. Going forward, timely execution of the existing order book will remain a key monitorable.

Working Capital Nature of Operations

The company's operations cycle improved to 191 days in FY25 (PY: 489 days), though it still remained elongated. This was majorly driven by elongated inventory days of 166 days in FY25 (PY: 360 days). The extended inventory days are due to orders that require 1-2 years for design before the final product delivery and the significant time needed for pre-delivery inspections (PDI). Considering advance procurement of inventory to execute orders in Q1FY27 (April 01 to June 30), inventory levels are expected to remain high in the near to medium term.

Foreign Exchange Fluctuation Risk

As the company manufactures unmanned aerial vehicles (UAVs), it requires materials such as carbon fibre, motors, battery cells, and camera lenses. To meet these demands, it imports these materials from the UK, Germany, Switzerland, and France. Initial cash outflows for procurement are in foreign currency, while revenue realisation is in domestic currency, exposing the company to exchange rate fluctuations. Approximately 80-85% of raw materials are imported, and the company does not have a hedging policy for its foreign exchange exposure. Accordingly, adverse currency market movements may exert pressure on the company's profitability margins. The company earned foreign exchange fluctuation profit of Rs 0.90 crores in FY25 (PY: Rs 0.70 crore)

Risk of technology obsolescence

Raphe operates in a domain that requires continuous research and development and regular technological upgrades to meet changing customer needs. The ability of the company to develop technology to meet the requirements of its clients will be critical for sustaining operations. The company currently has the advanced machinery at its manufacturing facility required for drone manufacturing.

Key strengths

Resource Raising Capability leading to comfortable financial risk profile

The company has successfully raised funds from private equity (PE) investors. Over the past two years, these funds have been primarily allocated to capital expenditure, research and development expenses, and working capital requirements. In FY25 ,the company raised ₹459.00 crore in the form of equity and in the current financial year, the company has raised ₹485.00 crore in the form of compulsory convertible preference shares (CCPS). The same is largely utilised to meet capital expenditure and incremental working capital requirements. With significant fund infusion, the financial risk profile of the company remains comfortable, marked by overall gearing of 0.48x as on December 31, 2025.

Experienced and professionally qualified management

The company has an experienced and qualified management team of professionals and technical staff. Vikash Mishra, Founder and Chairman, looks after the Mechanical and Aerospace department. He is a Massachusetts Institute of Technology (MIT) graduate and has developed several patents in carbon fibre composites, advanced materials, prepreg technology, and biomimetics. Vivek Mishra, Co-founder, looks after the Electrical, Electronics and Controls department and has developed expertise in system identification, controls, robotics, and artificial intelligence (AI). Nitin Katiyar, Co-founder, heads the Software department. He has been involved in projects ranging from enterprise solutions, ground control stations, scientific testing suites, to embedded firmware development.

Strong order book position

As of March 23, 2026, Raphe has a strong unexecuted order book, which translates to an unexecuted order book/total operating income (TOI) ratio of 22x, ensuring strong revenue visibility. Projects with pre-existing designs are expected to be completed in less than a year, while those requiring specific customisation take longer due to the extensive research and development (R&D) phase. Most of these orders are from government entities, including the Indian Army and the Indian Navy, with some orders from private clients. Timely commencement and execution of the orders will remain a key monitorable.

Favourable outlook for drone manufacturing companies:

The Indian government has stepped up efforts to establish a sustainable drone manufacturing ecosystem in India. Over the last two years, there has been liberalisation of drone regulations. The Government's goal is to establish India as a global powerhouse for drone research and development, testing, production, operation, and export. Considering this, CARE believes that the company will likely benefit from a higher number of orders being floated in the sector over the medium term.

Liquidity: Stretched

Liquidity is supported by way of continued fund infusions from PE investors with which Raphe would be able to fund its repayment obligations despite loss making operations in current year. The average fund based working capital utilisation stood moderate at

51% for trailing 12 months ending December 2025. The company had free cash and bank balances of around ₹15 crore as on March 23,2026. Raphe is not planning to incur any major capex in the near to medium term.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Aerospace & Defense	Aerospace & Defense

Raphe MPhibr Private Limited is a hi-tech manufacturing company incorporated on July 21, 2017, and is headquartered in Noida, UP. The company was founded by three technocrats Mr. Vikash Mishra, Mr. Vivek Mishra and Mr. Nitin Katiyar. Raphe designs and manufactures end-to-end Unmanned Aeriel Vehicle (UAV) solutions.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26(UA)
Total operating income	85.19	263.84	12.67
PBILDT*	19.86	35.40	-158.29
Profit after tax (PAT)	8.95	6.50	-183.60
Overall gearing (x)	0.30	0.43	0.48
Interest coverage (x)	6.91	3.16	NM*

A: Audited UA: Unaudited; NM*: Not meaningful; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	123.00	CARE BB+; Stable
Fund-based - LT-Term Loan		-	-	31-03-2035	420.00	CARE BB+; Stable
Non-fund-based - LT/ ST-BG/LC		-	-	-	100.00	CARE BB+; Stable / CARE A4+

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	Fund-based - LT-Cash Credit	LT	123.00	CARE BB+; Stable	1)CARE BBB-; Stable (04-Apr-25)	1)CARE BB+; Stable (22-Apr-24)	-	-
2	Fund-based - LT-Term Loan	LT	420.00	CARE BB+; Stable	1)CARE BBB-; Stable (04-Apr-25)	1)CARE BB+; Stable (22-Apr-24)	-	-
3	Non-fund-based - LT/ ST-BG/LC	LT/ST	100.00	CARE BB+; Stable / CARE A4+	1)CARE BBB-; Stable / CARE A3 (04-Apr-25)	1)CARE BB+; Stable / CARE A4+ (22-Apr-24)	-	-

LT: Long term; LT/ST: Long term/Short term

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	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - LT/ ST-BG/LC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

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.

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