Qmax Test Equipments Private Limited

August 04, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long Term / Short Term Bank Facilities	RBI	13.50	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*	LT rating downgraded from CARE BB; Stable and ST rating reaffirmed and moved to ISSUER NOT COOPERATING category
Long Term Bank Facilities	RBI	18.00	CARE B+; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB; Stable and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.
*Issuer did not cooperate; based on best available information.

Rationale & Key Rating Drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Qmax Test Equipments Private Limited (QTEPL) to monitor the rating vide e-mail communications dated May 15, 2026, May 26, 2026, June 16, 2026, June 29, 2026, July 7, 2026, July 17, 2026 and July 21, 2026 among others and numerous phone calls. However, despite our repeated requests, the Company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating on the basis of the best available information which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating. The ratings on QTEPL's bank facilities will now be denoted as **'CARE B+; Stable; ISSUER NOT COOPERATING /CARE A4; ISSUER NOT COOPERATING.**

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings assigned to the bank facilities of QTEPL are revised on account of non-availability of requisite information. Further, the ratings remained constrained on account of modest scale of operations with high client concentration risk, working capital intensive nature of operations, leveraged capital structure and technology risk.
The rating, however, continues to derive strength from extensive experience of the promoters and established track record of operations and healthy margins.

Analytical approach: Consolidated

CARE Ratings has taken consolidated approach for analysis of QTEPL, owing to the common management, operational synergies with group companies, and continuing support from QTEPL to its subsidiaries in the form of investment, loans and advances and corporate guarantees for the debt availed by the subsidiaries

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on May 15, 2025 the following were the rating strengths and weaknesses (updated from the information available from client)

Key weaknesses

Modest scale of operations with high client concentration risk

QTEPL specializes in manufacturing testing equipment for high-end applications in sectors like defence, aerospace and power. The company's scale of operations remains modest, with consolidated revenue of ₹41.33 crore in FY26 (Prov.) compared to ₹41.75 crore in FY25. The company faces client concentration risk. Due to the high value and niche nature of its products, the customer base is inherently limited. This heavy reliance on a small number of clients makes QTEPL vulnerable to revenue volatility stemming from fluctuations in demand, delays, or shifts in purchasing patterns by any key customer.

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[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority
[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Working capital intensive nature of operations

QTEPL's operations are working capital intensive due to high inventory levels, averaging around 250-350 days. As a manufacturer of high-end capital goods, the company needs to maintain substantial inventory across various product categories, including a wide range of components, parts, and specifications. With a component level inventory of over 5,400 items, the extended inventory cycle is a structural requirement of the business model. Additionally, the group provides Annual Maintenance Contracts (AMCs) for its products, which necessitates stocking spare parts for older models. However, the risk of inventory obsolescence is minimal with most components are interchangeable across different products. The average collection period stood high at 139 days in FY26 (PY: 139 days), mainly due to higher order fulfilment towards the end of the year, a trend observed over the past three years.

Leveraged capital structure

Despite a moderation owing to lower working capital borrowings, QTEPL's capital structure continues to remain leveraged. Thus, overall gearing stood at 2.06x as on March 31, 2025 compared to 3.09x as on March 31, 2024. Further, debt coverage indicators although improved on back of improved profitability in absolute basis, but was modest with interest coverage ratio of 1.05x in FY25 and high total debt to gross cash accruals of 6.65 years as on March 31, 2025.

Technology risk

PCB technology is constantly evolving, and as a result, PCB test equipment must be regularly updated to meet the changing demands of end-users. The company focuses on ongoing research and development, ensuring continuous product upgrades to align with emerging technologies. The company holds patented technology which are recognised in multiple countries.

Key strengths

Extensive experience of the promoters and established track record of operations

The Qmax Group was founded by Mr. S.R. Sabapathi in 1992. Mr. Sabapathi is an electronics engineer with over 45 years of experience in test engineering and diagnostics of complex electronic systems. He began his career as a professional specializing in chip-level troubleshooting of complex PCBs and is credited with developing several innovative testing technologies. He patented the Bus Cycle Signature System, a breakthrough technology for testing microprocessor-based PCBs, which is patented in multiple countries including the UK, US, Singapore, and Australia. With over 33 years in the industry, the Group has become a pioneer in automated testing and diagnostic equipment for high-end electronic systems. It has established a strong global presence, with its products being used in over 50 countries worldwide.

Healthy margins

QTEPL's profitability margins continued to remain healthy with PBILDT margin rose to 37.25% as per FY26 (Prov.) compared to 29.63% during FY25. Consequently with lower interest and depreciation costs, the PAT margin also improved and was 25.72% during FY26 (Prov.) compared to 11.63% in FY25.

Assumptions/Covenants: Not Applicable

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

Applicable Criteria:

Criteria on Information Adequacy Risk and Issuer Non-Cooperation
CARE Ratings' Policy on Default
Criteria on Assigning 'Outlook' or 'Rating Watch' to Credit Ratings
Financial Ratios – Non-Financial Sector
Rating Methodology - Manufacturing Companies
Criteria on Consolidation & Combined Approach
Criteria on Rating of Short-Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Electrical Equipment	Other Electrical Equipment

Qmax Test Equipment Pvt Ltd (QTEPL), established in 1993, specializes in the design and manufacturing of advanced testing equipment for electronic systems, with a primary focus on Printed Circuit Boards (PCBs) and semiconductors. The company is promoted by Mr. S.R. Sabapathi, an electronics engineer with over 45 years of experience in the industry. QTEPL is an Export Oriented Unit (EOU), with its products being sold to over 50 countries worldwide.

Consolidated financials:

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	March 31, 2026 (Prov.)
Total operating income	38.61	41.75	41.33
PBILDT	7.90	12.37	15.39
PAT	3.09	4.85	10.63
Overall gearing (times)	3.09	2.06	NA
Interest coverage (times)	1.76	1.95	6.28

A: Audited; Prov.: Provisional; NA: Not Available; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

Standalone financials:

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	March 31, 2026 (Prov.)
Total operating income	30.45	27.98	41.33
PBILDT	6.78	7.90	15.00
PAT	3.27	5.57	10.24
Overall gearing (times)	2.11	1.03	NA
Interest coverage (times)	1.85	1.79	6.12

A: Audited; Prov.: Provisional; NA: Not Available; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: CRISIL has continued the ratings assigned to the bank facilities of QTEPL to the 'issuer not-cooperating' category vide press release dated April 28, 2026 on account of its inability to carryout review in the absence of requisite information from the company

Any other information: Not Applicable

Rating History for last three years: Annexure-2

Covenants of rated instruments/facilities: Annexure-3

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	Simple	-		-	-	18.00	CARE B+; Stable; ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-Bank Guarantee	RBI	Simple	-		-	-	13.50	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

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 2026-2027	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
1	Fund-based - LT-Cash Credit	LT	18.00	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable (15-May-25)	-	-
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	13.50	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable / CARE A4 (15-May-25)	-	-

*Issuer did not cooperate; based on best available information.
LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: Lender details

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

Annexure-5: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Qmax Test Technologies Pvt Ltd (QTTPL)	Full	Subsidiary
2	Qmax Defense Systems Pvt Ltd (QDSPL)	Full	Subsidiary
3	Qmax Ion Pvt Ltd – (QIPL)	Full	Subsidiary
4	Qmax Far East Pte Ltd Singapore (QFE)	Full	Subsidiary
5	Qmax Technologies Sdn Bhd, Kulalampur, Malaysia (QTM)	Moderate	Associate

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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About us:
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com