Rishabh Industries

August 18, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long Term / Short Term Bank Facilities	RBI	23.00	CARE B; Stable / CARE A4; ISSUER NOT COOPERATING*	LT rating downgraded from CARE B+; Stable and ST rating reaffirmed 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 Rishabh Industries (RI) to monitor the rating vide e-mail communications dated May 13, 2026, June 01, 2026, June 08, 2026, June 15, 2026 among others and numerous phone calls. However, despite our repeated requests, the firm 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. Further, RI has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The ratings on RI'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 RI are revised on account of non-availability of requisite information. Further, the ratings continue to be constrained by its small scale of operations, low profitability margins leading to weak debt coverage and working capital-intensive nature of operations. The ratings are further constrained owing to the susceptibility of margins to foreign exchange fluctuation risk, presence in a competitive and fragmented lighting industry and constitution as a proprietorship firm limiting financial flexibility. The ratings, however; continue to derive strength from established track record of the promoter along with an experienced management team and moderate capital structure.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers

At the time of last rating on June 30, 2025 the following were the rating strengths and weaknesses(updated from information available from RI).

Key weaknesses

Small scale of operations

In FY26 (Prov.), RI's total operating income (TOI) although grew by 29.9% to ₹47.79 crore from ₹36.80 crore in FY25, continues to remain small. Further, RI's networth base also stood small at ₹13.04 crore as on March 31, 2026. The small scale of operations coupled with a relatively low tangible networth base, limits the firm's ability to fully benefit from economies of scale. Additionally, this situation affects bargaining power and provides a lower financial cushion.

Further, the firm has achieved revenue of ₹10.24 crore in Q1FY27 to withstand adverse economic scenarios.

Low profitability margin leading to weak debt coverage indicators

Despite revenue growth, PBILDT margin remained low at 3.35% in FY26 and in line with the previous year. Further, owing to stable finance and depreciation costs, PAT margin also remained low at 1.73% during FY26 (Prov.) compared to 1.08% during FY25. Further, to stay competitive and cater to high bargaining-power customers, RI faces limitations on its product selling prices. The low profitability continued to have an impact on the firm debt coverage indicators, which remained weak despite a marginal improvement. Thus, interest coverage stood at 1.47x during FY26 (Prov.) vis-à-vis 0.95x during FY25 whereas, TD/GCA remained high at 12.71 years as on March 31, 2026 (Prov.) compared to 15.59 years as on March 31, 2025.

[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

RI's operations remain working capital intensive, as reflected by an operating cycle of 130 days in FY26 compared with 118 days in FY25. Inventory holding period improved to 164 days in FY26 from 208 days in FY25, while the average collection period improved to 25 days from 33 days. However, the average creditor period shorterned to 59 days in FY26 from 123 days in FY25, which led to an elongation of the operating cycle despite improvements in inventory and receivables management. The elongated operating cycle continues to necessitate significant working capital funding support for operations.

Presence in a competitive and fragmented lighting industry segment

RI operates within the electrical equipment industry, which is characterized by high fragmentation and the presence of numerous unorganized players. Additionally, the firm contends with competition from inexpensive imports from China. These factors contribute to intense competition for RI, coupled with limited bargaining power vis-à-vis its suppliers and customers. Consequently, the operating margin may be adversely affected.

Susceptibility of margins to foreign exchange fluctuation risk

The entity imports its critical raw materials which contributed 24.49% of total purchase in FY26 (PY: 25%). Further, in absence of export the entity does not benefits from natural hedge. Also, the entity does not follow any formal hedging mechanism, therefore, the profit margins remain susceptible to any adverse movement in foreign exchange rates.

Constitution as a proprietorship firm limiting financial flexibility

As a proprietorship firm, RI faces limitations in financial flexibility. The nature of proprietorship exposes the entity to risks such as capital withdrawal by the proprietor for personal reasons, potential dissolution of the firm due to the proprietor's retirement or death, and restricted financial flexibility arising from the inability to explore more cost-effective sources of finance. These factors contribute to limited growth potential and a lack of succession planning, ultimately affecting the firm's ability to address financial exigencies. The proprietor infused capital worth Rs. 0.15 crore during FY26 compared to a withdrawal of Rs. 0.66 crore during FY25.

Key strengths

Established track record along of promoter with an experienced management team

Established in the year 2002, RI has an established track record of over two decades in the industry. Initially promoted by Mr. Mahendra Kumar Jain, the firm underwent reconstitution with Mr. Mayur Jain has taken over the management of the entity. With nearly a decade of industry experience, Mr. Mayur Jain now oversees overall operations. Additionally, the firm's various divisions are led by experienced employees who have been associated with the entity for more than a decade.

Moderate capital structure

An increase in overall debt as on March 31, 2026 (Prov.) and low networth base, led to marginal deterioration in capital structure, as overall gearing stood at 1.40x as against 1.25x as on March 31, 2025.

Assumptions/Covenants: Not applicable

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

Applicable criteria

Information Adequacy Risk and Issuer Non-Cooperation
Definition of Default
Rating Outlook and Rating Watch
Short Term Instruments
Manufacturing Companies
Financial Ratios – Non financial Sector

About the firm and industry

Industry classification

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

Rishabh Industries (RI), founded in 2002 by Mr. Mahendra Kumar Jain, initially focused on manufacturing CFL (compact fluorescent lights) products and PCB (printed circuit boards). Later, Mr. Mayur Jain taken over the proprietorship and took charge of operations. However, in January 2016, RI expanded its facilities to include the production LED and LED fixtures. The

ISO 9001:2000 certified plant, located at Mapusa Industrial Estate in Goa, has an installed capacity to manufacture 800,000 LED panels and tube lights, 50,000 LED bulbs, and 500,000 LED drivers per annum.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (Prov.)	Q1FY27 (Prov.)
Total operating income	36.80	47.79	10.24
PBILDT*	1.23	1.60	-
Profit after tax (PAT)	0.40	0.83	-
Overall gearing (x)	1.25	1.40	-
Interest coverage (x)	0.95	1.47	-

A: Audited; Prov.: Provisional; 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 rating assigned to the bank facilities of RI into Issuer Not Cooperating category vide press release dated February 27, 2026 on account of its inability to carry out a review in the absence of requisite information.

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Covenants of rated instrument / facility: 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/ ST-CC/PC/Bill Discounting	RBI	Simple	-		-	-	23.00	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/ ST-CC/PC/Bill Discounting	LT/ST	23.00	CARE B; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable / CARE A4 (30-Jun-25)	1)CARE B+; Stable / CARE A4 (07-Jun-24)	1)CARE B+; Stable / CARE A4 (13-Jun-23)

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

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

Annexure-4: 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.

Contact us

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Shachee Vyas Assistant Director **CARE Ratings Limited** Phone: +91-079-40265665 E-mail: shachee.tripathi@careedge.in
Relationship Contact Ankur Sachdeva Senior Director **CARE Ratings Limited** Phone: +91 22 6754 3444 E-mail: Ankur.sachdeva@careedge.in	Aniket Shringarpure Lead Analyst **CARE Ratings Limited** Phone: +91-079-40265659 E-mail: aniket.shringarpure@careedge.in Devanshi Mewada Associate Analyst **CARE Ratings Limited** E-mail: devanshi.mewada@careedge.in

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

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.