Q1FY27 Result update
17th Aug 2026

AXISCADES Technologies Ltd

Direction (capex, divestment of non-core assets, and acquisitions) remains on track; speed may vary.

CMP: INR 1,485

Rating: BUY

Target Price: INR 2,211

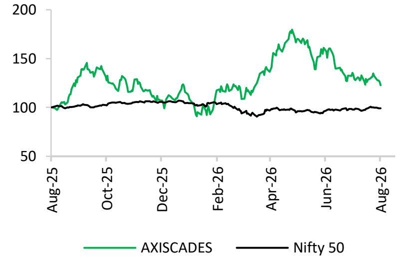
Stock Info	
BSE	532395
NSE	AXISCADES
Bloomberg	AXET IN
Reuters	AXIT.BO
Sector	Aerospace & Defence
Face Value (INR)	5
Equity Capital (INR mn)	213
Mkt Cap (INR mn)	63,154
52w H/L (INR)	2,211/1,061
Avg Yearly Volume (in 000')	140.4

Shareholding Pattern %
(As on Jun, 2026)

Promoters	58.03
DII	1.96
FII	1.45
Public & Others	38.56

Stock Performance (%)	3m	6m	12m
AXISCADES	-28.0	3.5	22.6
NIFTY	2.9	-5.1	-1.1

AXISCADES vs Nifty



Abhishek Jain
Head of Research & Director
abhishek.jain@arihantcapital.com
022-67114871

Balasubramanian A
Senior Research Analyst
bala@arihantcapital.com
022-67114870

AXISCADES Technologies Ltd reported numbers, Q1FY27 revenue grew by 94.2% YoY (+68.4% QoQ) to INR 1,834mn; below our estimates of INR 2,437mn. The growth supported by Defence (+112% YoY), XiDA (+63% YoY). Gross Profit stood at INR 867mn (+52.9% YoY/+39.3% QoQ); below our estimates of INR 2,058mn; Gross margins contracted by 1274bps YoY (-987bps QoQ) to 47.3% in Q1FY27. EBITDA stood at INR 87mn (+27.8% YoY/+1679.2% QoQ); below our estimates of INR 341mn. EBITDA margin contracted by 246bps YoY (+429bps QoQ) to 4.7% in Q1FY27. The margin impact due to one-time provisions and transaction costs. PAT stood at INR -71mn vs INR 14mn in Q1FY26; below our estimates of INR 209mn, and PAT margin stood at -3.8% vs 1.5% in Q1FY26.

Key Highlights

Value-accretive transformation from services to manufacturing: The company is moving from low-margin services to high-value manufacturing, products, and solutions, funded by a value-accretive divestment. The sale of engineering and aerospace services to Accords for $237mn (cash-free, debt-free) will generate an extraordinary gain of INR 12.55bn and bring in over INR 7bn in post-tax cash without equity dilution. The disciplined capital allocation will use proceeds to retire debt (reducing finance costs), fund INR 16bn of capacity expansion, and execute INR 6bn of strategic acquisitions, positioning the company for sustainable long-term growth.

Defence, XiDA and Aerospace manufacturing remain key growth engines: The retained businesses of Defence, XiDA (ESAI), and Aerospace manufacturing are offering clear revenue visibility. The defence forecast visibility of over INR 45bn across missile systems, directed energy weapons, radar, and unmanned platforms ensures business visibility for the next 3-4 years. XiDA (ESAI) has added two global tech giants as customers and is positioned to benefit from the global supply chain towards India. Aerospace manufacturing business is targeting an annualized revenue run-rate of INR 3.75bn and EBITDA of INR 840mn (~22% margin) by Q4FY27E, fully replacing the EBITDA loss from divestment.

Capacity expansion to support Power 930 vision: The capacity additions include the fully functional DAC complex (testing labs, SMT lines), the missile atmanirbhar complex in Hyderabad (under construction), and the new center for advanced manufacturing (2.4 lakh sq ft) serving all four business verticals. The acquisition strategy is equally aggressive, with a non-binding offer for an AS 9100 certified aerospace precision manufacturer (INR 1.8bn annual revenue, 22% EBITDA margin) expected to close in Q2FY27E. The non-core drag AD solutions is being exited by Q4FY27, removing a persistent loss-making unit. All these capacities and acquisitions are expected to support Power 930 vision of achieving INR 9.3bn PAT going forward.

Outlook & Valuation: **AXISCADES Technologies is executing a value-accretive transformation from a services provider to a high-value manufacturing, products, and solutions company, fully funded by the $237mn (~INR 22.56bn) divestment of its engineering and aerospace services businesses. The near-term focus is on closing the two-phased divestment, which will unlock over INR 7bn in post-tax cash and an INR 12.55bn extraordinary gain, enabling debt retirement, capacity expansion, and strategic acquisitions without equity dilution. The strategic acquisitions, including an aerospace precision manufacturer (INR 1.8bn annual revenue, 22% EBITDA margin) and a XiDA deal, are on track to close in Q2FY27E, fully replacing the divested EBITDA by Q4FY27E. The capacities being built across DAC, the missile complex, and the new center for advanced manufacturing are expected to support Power 930 vision. The transition is heavy and brings slight volatility in FY27E and gradually stabilizes from FY28E onwards. We estimate revenue/EBITDA/PAT CAGR of 29.3%/45.1%/50.8% over the period of FY26-29E, with EBITDA margin expanding to 21.6% (FY29E) as the higher-margin core business grows. Technology services and solutions are valued at 14x FY29E EV/EBITDA (peer mean: 14.4x), while the Defence business is valued at 20x FY29E EV/EBITDA (peer mean: 22.2x). At the CMP of INR 1,485 per share, we are upgrading to a "BUY" rating (earlier "HOLD") at a TP of INR 2,211 per share, valued based on SOTP, an upside of 48.9%.**

Arihant Capital Markets Limited | Research Analyst SEBI Registration No: INH000002764
1011, Solitaire Corporate Park, Bldg No.10, 1st Floor, Andheri Ghatkopar Link Rd, Chakala, Andheri (E), Mumbai 400093

Q1FY27 Results

Exhibit 1: Income Statement Summary

Particular (INR mn)	Q1FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Revenue	**944**	**1,089**	**1,834**	**94.2%**	**68.4%**
Net Raw Materials	378	467	967	**156.0%**	**107.2%**
Gross Profit	**567**	**622**	**867**	**52.9%**	**39.3%**
Gross Margin (%)	**60.0%**	**57.1%**	**47.3%**	**-1274 bps**	**-987 bps**
Employee Cost	371	375	483		
Other Expenses	128	242	297		
EBITDA	**68**	**5**	**87**	**27.8%**	**1679.2%**
EBITDA Margin (%)	**7.2%**	**0.4%**	**4.7%**	**-246 bps**	**+429 bps**
Depreciation	48	100	88		
Interest expense	65	92	89		
Other income	76	18	25		
Exceptional Items	-	(33)	-		
Share of profits associate & JV	(0)	(2)	(0)		
Profit before tax	**31**	**(204)**	**(64)**		
Taxes	17	3	6		
PAT	**14.3**	**(207.5)**	**(70.5)**		
PAT Margin	**1.5%**	**-19.1%**	**-3.8%**		
EPS (INR)	**3.0**	**(4.9)**	**(1.7)**		

Source: Company Reports, Arihant Capital Research

Exhibit 2: Continued Defence business. The company retained defence business and building high value manufacturing, products and solutions company.

Particular (INR mn)	Q1FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Revenue	**591**	**671**	**1,250**	**111.6%**	**86.1%**
Cost of materials consumed	313	400	847	170.3%	111.8%
Gross Profit	**277**	**271**	**403**	**45.3%**	**48.3%**
Gross Margins (%)	**46.9%**	**40.4%**	**32.2%**	**-1472 bps**	**-822 bps**
Employee expenses	114	84	168		
Employee expenses as a % of sales	19.3%	12.5%	13.5%		
Depreciation & Amortisation	1	11	14		
EBIT	**104**	**109**	**28**		
EBIT Margin (%)	**17.6%**	**16.3%**	**2.2%**		
EBITDA	**105**	**120**	**41**		
EBITDA Margin (%)	**17.8%**	**17.8%**	**3.3%**		

Source: Company Reports, Arihant Capital Research

Segments

Exhibit 3: Technology services and solutions - Continued business. The company is retained growing business.

Particular (INR mn)	Q1FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Revenue	**354**	**418**	**584**	**65.0%**	**39.7%**
Cost of materials consumed	64	67	120	86.3%	79.4%
Gross Profit	**289**	**351**	**464**	**60.3%**	**32.2%**
Gross Margins (%)	**81.9%**	**84.0%**	**79.5%**	**-234 bps**	**-454 bps**
Employee expenses	257	292	315		
Employee expenses as a % of sales	72.6%	69.8%	53.9%		
Depreciation & Amortisation	17	12	18		
EBIT	**(54)**	**(127)**	**28**		
EBIT Margin (%)	**-15.2%**	**-30.4%**	**4.8%**		
EBITDA	**(37)**	**(115)**	**46**		
EBITDA Margin (%)	**-10.5%**	**-27.5%**	**7.8%**		

Source: Company Reports, Arihant Capital Research

Exhibit 4: Technology services and solutions - Discontinued business. The company divested to Accords to fund the pivot manufacturing. The phase 1 is closing by Aug-26 and phase 2 is closing by Nov-26. The transaction valued at $237mn (INR 22.56bn) to generate extraordinary gain of INR 12.55bn. These funds will be utilized for capex (INR 16bn) and acquisitions (INR 6bn).

Particular (INR mn)	Q1FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Revenue	**1,493**	**1,641**	**1,633**	**9.4%**	**-0.5%**
Cost of materials consumed	1	2	0	-54.9%	-76.3%
Gross Profit	**1,492**	**1,640**	**1,632**	**9.4%**	**-0.5%**
Gross Margins (%)	**99.9%**	**99.9%**	**100.0%**	**+4 bps**	**+8 bps**
Employee expenses	921	999	1,047		
Employee expenses as a % of sales	61.7%	60.9%	64.1%		
Depreciation & Amortisation	46	38	33		
EBIT	**227**	**294**	**159**		
EBIT Margin (%)	**15.2%**	**17.9%**	**9.7%**		
EBITDA	**273**	**331**	**192**		
EBITDA Margin (%)	**18.3%**	**20.2%**	**11.8%**		

Source: Company Reports, Arihant Capital Research

Q1FY27 Concall Highlights

Revenue and Margins

- The management remains committed to revenue of INR 13.77bn, EBITDA of INR 3.7bn, and PAT of INR 1.35bn in FY27E for retained businesses (Defence, Aerospace manufacturing, and Zida), excluding the divested engineering and aerospace services. The proceeds from the divestment will be used to pay down debt, which will significantly reduce finance costs and improve the bottom line.

- The consolidated revenue stood at INR 3,460mn (+42% YoY) in Q1FY27. After deduction of divestments, continuing operations revenue stood at INR 1,830mn (+94% YoY). The mix tilted towards the retained businesses of Defence, Aerospace manufacturing, and the Electronics, Semiconductor, and AI (ESAI/XiDA).

- The PAT loss was driven by exceptional items, including an INR 218.1mn transaction cost for the divestment and INR 131mn in provisions (INR 96.2mn for aged defence receivables and INR 35mn for hedge unwinding).

- Defence business constitutes 2/3 of revenue.

- The company is also recovering deferred revenues of INR 1.4bn (of which INR 600mn were recovered in Q1FY27) to normalize working capital and cash flow.

Power 930 Plan

- The Power 930 plan aims to achieve PAT of INR 9.3bn by FY30E without equity dilution, driven by the organic growth of Defence and XiDA, supplemented by inorganic acquisitions to replace the EBITDA from the divested businesses.

Divestment

- The divestment of the engineering and aerospace services businesses to Accords is a cornerstone of the company's transformation. It is valued at $237mn (~INR 22.56bn); the transaction is being executed on a cash-free, debt-free basis and will result in an extraordinary gain of INR 12.55bn, to be recognized upon closing in Q2FY27E and Q3FY27E.

- This strategic move is aimed at exiting the services business to pivot towards manufacturing, products, and solutions without equity dilution.

Order book

- The Defence business has a robust assured forecast visibility of over INR 45bn, to be executed over the next 3-4 years.

Order wins

- The order wins include the technical selection for a 30kW directed energy weapon (laser), development and production orders for anti-tank and BrahMos missile electronics, and antenna beam control systems for the Uttam radar.

- The company is also deepening its involvement in Project Kusha and the LUH maritime order.

- The Zida business added two marquee global technology customers, a semiconductor equipment manufacturer and a world-leading AI company.

Q1FY27 Concall Highlights

Aerospace

- The company is targeting an annualized revenue run rate of INR 3.75bn with INR 840mn EBITDA in the aerospace manufacturing business by Q4FY27E

Capex

- The company is building significant infrastructure, including the DAC complex in Devanahalli, the Missile Atmanirbhar complex in Hyderabad for strategic electronics and missile subsystems, and a new Center for Advanced Manufacturing (CAM) for aerospace, Defence, space, and electronics.

- The divestment proceeds will be deployed into capacity expansion and acquisitions.

- The company plans to use short-term bridge financing of up to INR 2.5bn to time construction with the inflow of divestment proceeds.

- The overall Capex plan is estimated at INR 16bn for facilities and INR 6bn for acquisitions.

Acquisitions and strategic partnerships

- The company has a non-binding offer for an AS 9100 certified precision manufacturing company (expected to close in Q2), with an annualized revenue of INR 1.8bn and a 22% EBITDA margin, and is evaluating a second transaction.

- A XiDA acquisition is also expected to close in Q2FY27E.

- In the space sector, the company is setting up a satellite manufacturing and testing facility and is actively pursuing strategic partnerships with global players.

Non-core segments and divested business

- The divested business (engineering and aerospace services) is now classified as discontinued operations.

- The only clear non-core drag in the continuing business is AD Solutions, a loss-making European unit that recorded an INR 48mn EBITDA loss. The company has an action plan to exit this business by Q4FY27E, removing a significant overhang on profitability

- The continuing business also carries the finance cost and depreciation, which will be addressed by retiring debt with the divestment proceeds.

Supply chain

- The company is leveraging the global supply chain shift, with OEMs looking at India as a source for precision manufacturing and electronics.

- The supply chain and logistics capabilities have been moved to the new DAC complex, which is now fully functional.

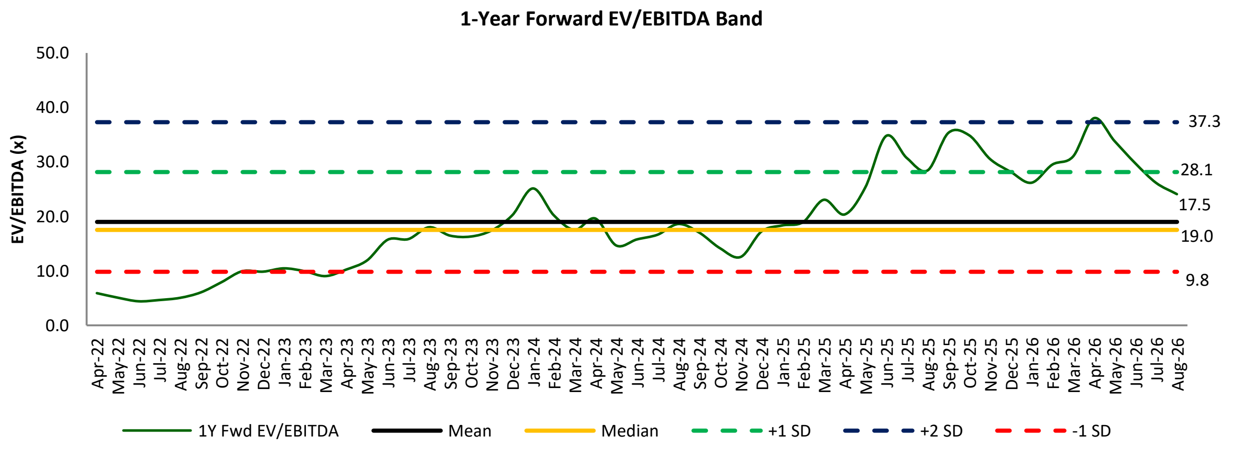
Outlook & Valuation: **AXISCADES Technologies is executing a value-accretive transformation from a services provider to a high-value manufacturing, products, and solutions company, fully funded by the $237mn (~INR 22.56bn) divestment of its engineering and aerospace services businesses. The near-term focus is on closing the two-phased divestment, which will unlock over INR 7bn in post-tax cash and an INR 12.55bn extraordinary gain, enabling debt retirement, capacity expansion, and strategic acquisitions without equity dilution. The strategic acquisitions, including an aerospace precision manufacturer (INR 1.8bn annual revenue, 22% EBITDA margin) and a XiDA deal, are on track to close in Q2FY27E, fully replacing the divested EBITDA by Q4FY27E. The capacities being built across DAC, the missile complex, and the new center for advanced manufacturing are expected to support Power 930 vision. The transition is heavy and brings slight volatility in FY27E and gradually stabilizes from FY28E onwards. We estimate revenue/EBITDA/PAT CAGR of 29.3%/45.1%/50.8% over the period of FY26-29E, with EBITDA margin expanding to 21.6% (FY29E) as the higher-margin core business grows. Technology services and solutions are valued at 14x FY29E EV/EBITDA (peer mean: 14.4x), while the Defence business is valued at 20x FY29E EV/EBITDA (peer mean: 22.2x). At the CMP of INR 1,485 per share, we are upgrading to a "BUY" rating (earlier "HOLD") at a TP of INR 2,211 per share, valued based on SOTP, an upside of 48.9%.**

Exhibit 5: AXISCADES Technologies FY29E based implied valuation

Particular	Technology services and solutions	Defence	Overall
FY29E EBITDA (INR mn)	1,956	3,487	
EV/EBITDA (x)	**14.0x**	**20.0x**	
FY29E EV/EBITDA (x) - Mean of peers	**14.4x**	**22.2x**	
EV (INR mn)	**27,389**	**69,743**	**97,132**
Net Debt/(cash) (INR mn) - FY29 end			3,066
Market Cap (INR mn)			94,066
Share outstanding (mn)			43
Target Price (INR)			**2,211**
CMP (INR)			**1,485**
Upside (%)			**48.9%**
Rating			**BUY**

Source: Company Reports, Arihant Capital Research

Exhibit 6: 1-Year Forward EV/EBITDA



Source: Arihant Capital Research

Sensitivity Analysis

Exhibit 7: Changes in Technology services and solutions & Defence multiple impact on TP

FY29E Target Price (INR)

Technology services and solutions EV/EBITDA (x)	Defence EV/EBITDA (x) → 2,211	14.0x	16.0x	18.0x	20.0x	22.0x	24.0x	26.0x	28.0x
	8.0x	1,443	1,607	1,771	1,935	2,099	2,263	2,427	2,591
	10.0x	1,535	1,699	1,863	2,027	2,191	2,355	2,519	2,683
	12.0x	1,627	1,791	1,955	2,119	2,283	2,447	2,611	2,775
	14.0x	1,719	1,883	2,047	2,211	2,375	2,539	2,703	2,866
	16.0x	1,811	1,975	2,139	2,303	2,467	2,631	2,795	2,958
	18.0x	1,903	2,067	2,231	2,395	2,559	2,723	2,886	3,050
	20.0x	1,995	2,159	2,323	2,487	2,651	2,815	2,978	3,142
	22.0x	2,087	2,251	2,415	2,579	2,743	2,906	3,070	3,234

FY29E Target Price (INR)

Technology services and solutions EV/EBITDA (x)	Defence EV/EBITDA (x) → 49%	14.0x	16.0x	18.0x	20.0x	22.0x	24.0x	26.0x	28.0x
	8.0x	-2.8%	8.2%	19.3%	30.3%	41.3%	52.4%	63.4%	74.5%
	10.0x	3.4%	14.4%	25.5%	36.5%	47.5%	58.6%	69.6%	80.6%
	12.0x	9.6%	20.6%	31.6%	42.7%	53.7%	64.8%	75.8%	86.8%
	14.0x	15.8%	26.8%	37.8%	48.9%	59.9%	71.0%	82.0%	93.0%
	16.0x	22.0%	33.0%	44.0%	55.1%	66.1%	77.1%	88.2%	99.2%
	18.0x	28.1%	39.2%	50.2%	61.3%	72.3%	83.3%	94.4%	105.4%
	20.0x	34.3%	45.4%	56.4%	67.5%	78.5%	89.5%	100.6%	111.6%
	22.0x	40.5%	51.6%	62.6%	73.6%	84.7%	95.7%	106.8%	117.8%

Source: Company Reports, Arihant Capital Research

Exhibit 8: Target Price range based on PE & EV/EBITDA.

FY29E Target Price (INR)

EPS (INR)	PE (x) → 2,323	30.0x	35.0x	40.0x	45.0x	50.0x	55.0x	60.0x
	54.0	1,620	1,890	2,160	2,430	2,700	2,970	3,240
	56.0	1,680	1,960	2,240	2,520	2,800	3,080	3,360
	58.0	1,740	2,030	2,320	2,610	2,900	3,190	3,480
	60.0	1,800	2,100	2,400	2,700	3,000	3,300	3,600
	62.0	1,860	2,170	2,480	2,790	3,100	3,410	3,720
	64.0	1,920	2,240	2,560	2,880	3,200	3,520	3,840
	66.0	1,980	2,310	2,640	2,970	3,300	3,630	3,960

FY29E Target Price (INR)

EBITDA (INR mn)	EV/EBITDA (x) → 1,485	10.0x	12.0x	14.0x	16.0x	18.0x	20.0x	22.0x
	5,200	1,294	1,539	1,783	2,028	2,272	2,516	2,761
	5,300	1,318	1,567	1,816	2,065	2,314	2,563	2,813
	5,400	1,341	1,595	1,849	2,103	2,357	2,610	2,864
	5,500	1,365	1,623	1,882	2,140	2,399	2,657	2,916
	5,600	1,388	1,651	1,915	2,178	2,441	2,704	2,968
	5,700	1,412	1,680	1,948	2,216	2,483	2,751	3,019
	5,800	1,435	1,708	1,980	2,253	2,526	2,798	3,071

Source: Company Reports, Arihant Capital Research

Exhibit 9: PAT and EPS range based on Revenue and EBITDA Margin.

FY29E PAT (INR mn)

Revenue (INR mn)	EBITDA Margin (%) → 2,471	20.5%	21.0%	21.5%	22.0%	22.5%	23.0%	23.5%
	23,000	1,944	2,030	2,116	2,202	2,287	2,373	2,459
	24,000	2,097	2,187	2,276	2,366	2,455	2,545	2,634
	25,000	2,250	2,343	2,436	2,530	2,623	2,716	2,809
	26,000	2,403	2,500	2,597	2,694	2,791	2,888	2,985
	27,000	2,556	2,656	2,757	2,858	2,958	3,059	3,160
	28,000	2,709	2,813	2,917	3,022	3,126	3,231	3,335
	29,000	2,861	2,970	3,078	3,186	3,294	3,402	3,510

FY29E EPS (INR)

Revenue (INR mn)	EBITDA Margin (%) → 58.1	20.5%	21.0%	21.5%	22.0%	22.5%	23.0%	23.5%
	23,000	45.7	47.7	49.7	51.7	53.8	55.8	57.8
	24,000	49.3	51.4	53.5	55.6	57.7	59.8	61.9
	25,000	52.9	55.1	57.3	59.5	61.6	63.8	66.0
	26,000	56.5	58.8	61.0	63.3	65.6	67.9	70.1
	27,000	60.1	62.4	64.8	67.2	69.5	71.9	74.3
	28,000	63.7	66.1	68.6	71.0	73.5	75.9	78.4
	29,000	67.3	69.8	72.3	74.9	77.4	80.0	82.5

Source: Company Reports, Arihant Capital Research

Financial Statements

Income Statement

Y/E March (INR Mn)	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenues	**9,551**	**10,307**	**11,590**	**13,403**	**18,341**	**25,066**
Change (%)	16.2%	7.9%	12.4%	15.7%	36.8%	36.7%
Raw materials	1,855	2,154	2,534	6,595	8,937	12,101
Employee costs	5,001	5,164	5,544	2,660	3,456	4,472
Other expenses	1,362	1,585	1,893	1,695	2,283	3,070
Total Expenses	**8,219**	**8,903**	**9,814**	**10,950**	**14,676**	**19,644**
EBITDA	**1,332**	**1,404**	**1,775**	**2,454**	**3,665**	**5,422**
EBITDA Margin	**14.0%**	**13.6%**	**15.3%**	**18.3%**	**20.0%**	**21.6%**
Depreciation	338	396	444	605	1,302	1,860
EBIT	**995**	**1,008**	**1,331**	**1,849**	**2,363**	**3,562**
EBIT margin %	**10.4%**	**9.8%**	**11.5%**	**13.8%**	**12.9%**	**14.2%**
Other Income	99	208	228	181	223	274
Interest	564	303	310	506	517	523
PBT	**530**	**914**	**1,249**	**1,524**	**2,069**	**3,314**
Extra-ordinary	-	(39)	(112)	12,550	-	-
PBT after ext-ord.	**530**	**875**	**1,136**	**14,074**	**2,069**	**3,314**
Tax	196	122	415	4,945	525	843
Rate (%)	*37.0%*	*14.0%*	*36.6%*	*35.1%*	*25.4%*	*25.4%*
Adjusted PAT	**334**	**753**	**721**	**9,128**	**1,544**	**2,471**
MI & Associates	-6	0	-2	0	0	0
PAT	**334**	**786**	**793**	**988**	**1,544**	**2,471**
PAT Margin (%)	**3.5%**	**7.6%**	**6.8%**	**7.4%**	**8.4%**	**9.9%**
EPS	8.0	18.5	18.6	23.2	36.3	58.1

Source: Company reports, Arihant Capital Research

Balance Sheet

Y/E March (INR Mn)	FY24	FY25	FY26	FY27E	FY28E	FY29E
Sources of Funds						
Share Capital	210	213	213	213	213	213
Reserves & Surplus	5,708	6,345	7,132	26,270	27,814	30,285
Net Worth	**5,918**	**6,558**	**7,344**	**26,483**	**28,026**	**30,498**
Debt	**2,385**	**1,895**	**2,764**	**5,626**	**5,745**	**5,808**
Deferred Tax & other liabilities	208	88	27	27	27	27
Total Liabilities	5,473	4,713	7,318	10,090	10,786	11,670
Capital Employed	**11,391**	**11,271**	**14,662**	**36,573**	**38,813**	**42,168**
Application of Funds						
Property, plant and equipment	686	816	915	9,098	12,828	17,336
CWIP	0	2	442	442	442	442
Other non current assets	1,695	1,557	1,914	3,550	3,707	3,894
Deferred tax assets	385	533	491	491	491	491
Net fixed assets	**2,613**	**2,677**	**3,346**	**11,278**	**14,979**	**19,457**
Investments	**366**	**596**	**170**	**170**	**170**	**170**
Debtors	2,341	3,018	4,113	4,223	5,527	7,211
Inventories	693	609	790	2,078	2,693	3,481
Cash & bank balance	1,529	893	455	11,007	7,025	2,741
Loans & advances & other CA	1,778	1,389	2,909	3,253	3,643	4,087
Total current assets	**6,629**	**6,432**	**8,310**	**20,603**	**18,932**	**17,564**
Current liabilities	3,447	2,903	5,426	5,639	6,290	7,065
Provisions	307	439	553	575	598	623
Net current assets	**3,182**	**3,529**	**2,884**	**14,964**	**12,642**	**10,498**
Total Assets	**11,391**	**11,271**	**14,662**	**36,573**	**38,813**	**42,168**

Source: Company reports, Arihant Capital Research

Financial Statements

Cash Flow Statement

Y/E March (INR Mn)	FY24	FY25	FY26	FY27E	FY28E	FY29E
PAT	334	753	721	9,128	1,544	2,471
Depreciation	338	396	444	605	1,302	1,860
Interest & others	94	82	325	294	248	-
Cash flow before WC changes	1,136	1,243	1,246	10,058	3,140	4,579
(Inc)/dec in working capital	**(850)**	**(973)**	**(336)**	**(1,547)**	**(1,679)**	**(2,160)**
Operating CF after WC changes	287	271	911	8,512	1,461	2,419
Less: Taxes	23	(129)	44	-	-	-
Operating cash flow	**335**	**121**	**944**	**8,512**	**1,461**	**2,419**
(Inc)/dec in F.A + CWIP	(1,410)	(328)	(1,470)	(10,174)	(5,160)	(6,525)
(Pur)/sale of investment	(32)	(230)	426	-	-	-
Cash flow from investing	**(1,345)**	**(353)**	**(1,291)**	**(10,041)**	**(4,990)**	**(6,309)**
Free cash flow (FCF)	(1,479)	(121)	(404)	400	(276)	(3,571)
Loan raised/(repaid)	(650)	35	(341)	2,462	(61)	(8)
Equity raised	19	3	0	-	-	-
Interest & others	2,800	(343)	500	10,107	106	116
Dividend	(1)	-	-	-	-	1
Cash flow from financing activities	**1,542**	**(405)**	**(91)**	**12,081**	**(452)**	**(394)**
Net inc /(dec) in cash	**532**	**(636)**	**(438)**	**10,552**	**(3,982)**	**(4,283)**
Opening balance of cash	996	1,529	893	455	11,007	7,025
Closing balance of cash	1,529	893	455	11,007	7,025	2,741

Source: Company reports, Arihant Capital Research

Key Ratios

Y/E March (INR Mn)	FY24	FY25	FY26	FY27E	FY28E	FY29E
Per share (Rs**)**						
EPS	8.0	18.5	18.6	23.2	36.3	58.1
CEPS	15.9	27.0	27.3	228.8	66.9	101.8
BVPS	141.0	154.2	172.6	622.4	658.7	716.8
DPS	-	-	-	-	-	-
Payout (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Valuation (x)						
P/E	186.6	80.3	79.7	63.9	40.9	25.6
P/CEPS	93.6	55.0	54.3	6.5	22.2	14.6
P/BV	10.5	9.6	8.6	2.4	2.3	2.1
EV/EBITDA	47.4	45.7	36.9	23.6	16.9	12.2
Dividend Yield (%)	-	-	-	-	-	-
Return Ratio (%)						
EBIDTA Margin	14.0%	13.6%	15.3%	18.3%	20.0%	21.6%
PAT Margin	3.5%	7.6%	6.8%	7.4%	8.4%	9.9%
ROE	5.5%	11.5%	9.8%	*34.5%	5.5%	8.1%
ROCE	12.5%	12.1%	14.4%	6.0%	7.3%	10.1%
Leverage Ratio (%)						
Total D/E	0.40	0.29	0.38	0.21	0.20	0.19
Net D/E	0.1	0.2	0.3	-0.2	0.0	0.1
Turnover Ratios						
Asset Turnover (x)	0.8	0.9	0.8	0.4	0.5	0.6
Inventory Days	136	103	121	115	110	105
Receivable Days	89	107	130	115	110	105
Payable days	24	21	45	30	28	28

Source: Company reports, Arihant Capital Research
** The impact due to one-time extra-ordinary*

Story in Charts

Exhibit 10: Revenue is expected to grow at a CAGR of 29.3% over the period of FY26-29E.

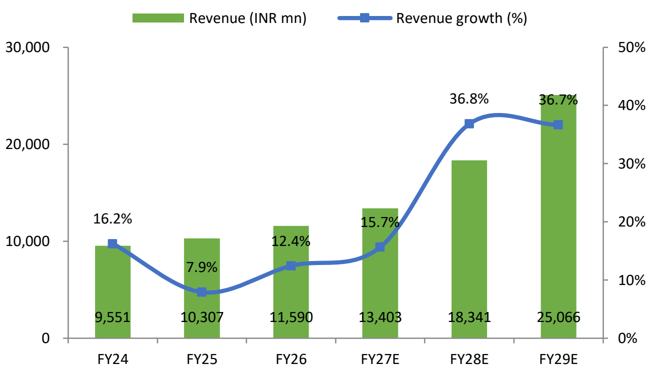


Exhibit 11: The company is transitioning from services to manufacturing. The margins would change accordingly.

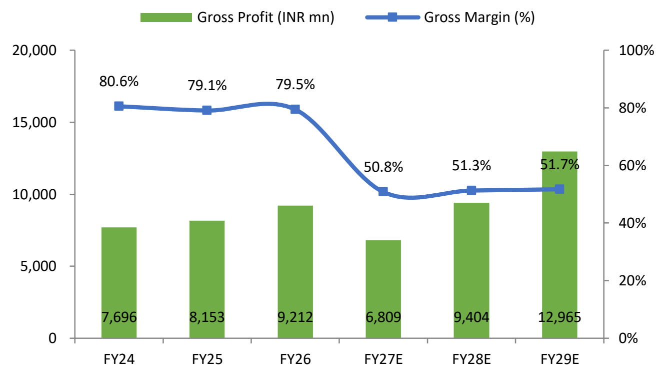


Exhibit 12: EBITDA and PAT margin is expected to improve going forward.

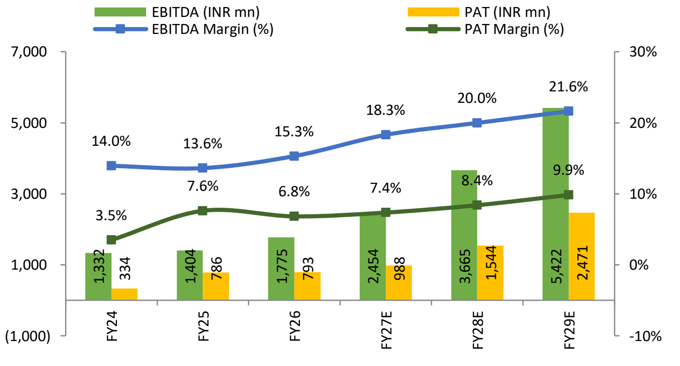


Exhibit 13: RoCE impact due to transition and higher capex & acquisitions. Gradual improvement expected going forward.

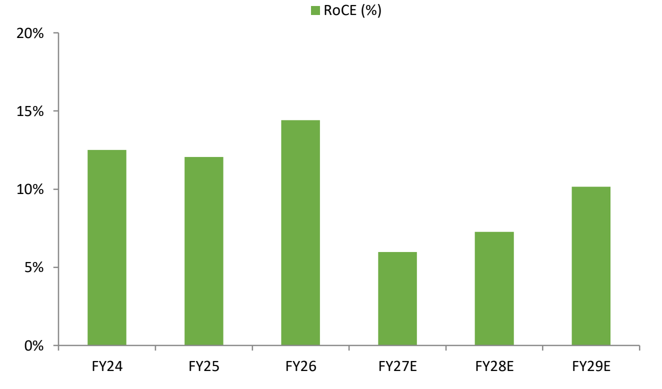


Exhibit 14: Working capital days is expected to be less than 200 days going forward.

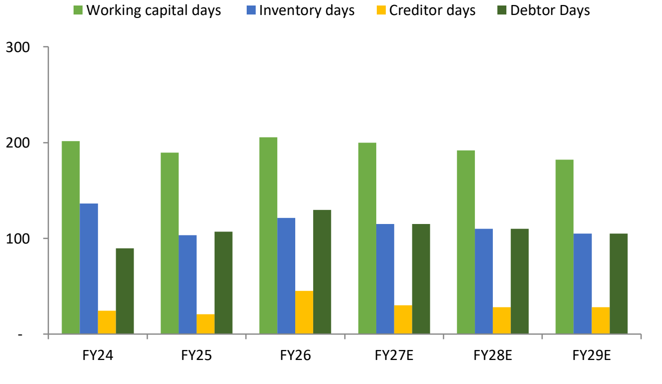
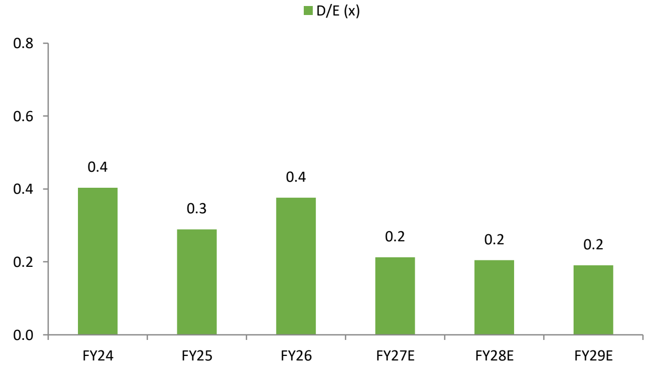


Exhibit 15: Portion of the debt is expected to repay through divestment proceeds. D/E is expected to reduce going forward.



Source: Company Reports, Arihant Capital Research

Arihant Research Desk

Email: instresearch@arihantcapital.com

Tel. : 022-42254800

Head Office	Registered Office
#1011, Solitaire Corporate Park	
Building No. 10, 1st Floor	6 Lad Colony,
Andheri Ghatkopar Link Road	Y.N. Road,
Chakala, Andheri (E)	Indore - 452003, (M.P.)
Mumbai – 400093	Tel: (91-731) 4217100/101
Tel: (91-22) 42254800	CIN: L66120MP1992PLC007182

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HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Research Analyst Registration No.	Contact	Website	Email Id
INH000002764	SMS: 'Arihant' to 56677	www.arihantcapital.com	instresearch@arihantcapital.com

Arihant Capital Markets Ltd.
1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800

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Arihant Capital Markets Ltd.
1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800

Abhishek Jain
Head of Research
Abhishek.jain@arihantcapital.com

Abhishek Chhajed Jain Digitally signed by Abhishek Chhajed Jain Date: 2026.08.17 08:55:44 +05'30'