

Phased capex is expected to support future growth.

CMP: INR 1,238

Rating: BUY

Target Price: INR 2,131

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)	52,650
52w H/L (INR)	1,779/662
Avg Yearly Volume (in 000')	100.8

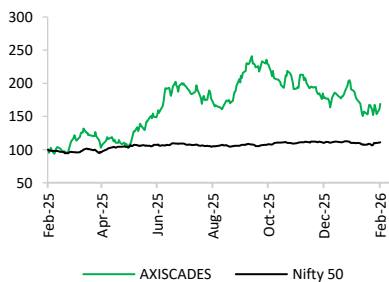
Shareholding Pattern %

(As on Dec, 2025)

Promoters	58.08
DII	0.94
FII	1.45
Public & Others	39.56

Stock Performance (%)	3m	6m	12m
AXISCADES	-12.0	0.0	69.1
NIFTY	1.4	5.5	10.9

AXISCADES vs Nifty



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AXISCADES Technologies Ltd reported numbers, Q3FY26 revenue grew by 25% YoY (+14.8% QoQ) to INR 3,432mn; slightly below our estimates of INR 3,564mn, supported by Defence and Aerospace. Gross Profit stood at INR 2,612mn (+23.6% YoY/+14.6% QoQ); slightly below our estimates of INR 2,778mn; Gross margins contracted by 84bps YoY (-11bps QoQ) to 76.1% in Q3FY26, due to raw material fluctuations. EBITDA stood at INR 628mn (+55.3% YoY/+33.3% QoQ); above our estimates of INR 564mn. EBITDA margin improved by 357bps YoY (up by 254bps QoQ) to 18.3% in Q3FY26, supported by lower employee and other expenses in terms of sales. PAT stood at INR 277mn (+87.4% YoY/+19.6% QoQ); above our estimates of INR 254mn, and PAT margin improved by 268bps YoY (up by 33bps QoQ) to 8.1% in Q3FY26.

Key Highlights

Unparalleled visibility through strategic Positioning in defense and aerospace:

The company is focused on deep integration into India's defence indigenization and aerospace modernization programs. The company has embedded itself in critical national programs, including the development of RF seekers for Brahmos/Khusha missiles, mission computers for the Tejas LCA, and the establishment of India's largest private-sector radar integration facility. The company has an executable order book of INR 33bn, which shows medium-term visibility, and a qualified pipeline of INR 140bn shows long term visibility. The company de-risks its growth through strategic MoUs with global defence leaders like Spain's Indra, creating access to advanced technologies and establishing itself as the preferred partner for major international defence contractors.

Capacity expansion to support future growth: The capex is focused on high-barrier infrastructure, which positions as a system integrator rather than a simple component supplier. The Atmanirbhar Complex in Bangalore for radar integration and aerospace manufacturing, and a dedicated Missile Electronics facility in Hyderabad for seeker and electronics integration. The capacity expansion is expected to support 30%-40% YoY growth going forward. The expansion into ESAI for global hyperscalers leverages the same advanced capabilities, creating diversified growth with better margins going forward.

Non-core business divestment resolution is expected by Mar-26: The planned divestment of non-core Heavy Engineering and Automotive segments shows exit from low-margin businesses facing macroeconomic headwinds. The release of capital is expected to be reinvested into high-return defence and aerospace opportunities.

Outlook & Valuation: AXISCADES Technologies is transitioning from a services-led model to a high-value product and solutions integrator. Revenue growth (+40% YoY from core businesses, including defence, aerospace, and ESAI) supported by a strong executable order book of INR 33bn and an extensive qualified pipeline of INR 140bn. The capex for specialized facilities such as the radar integration complex in Bangalore and the missile electronics unit in Hyderabad will focus on India's defense indigenization and aerospace modernization. The strategic MoU with Indra (Spain) and deepening partnerships with global OEMs will further enhance technological access and order inflows. The divestment of non-core business (Heavy engineering and Automotive segment) is expected to release capital, which is expected to be reinvested in high-growth verticals of Defence and Aerospace. We estimate revenue/EBITDA/PAT CAGR of 30.1%/48.6%/37.6% over the period of FY25-28E, with EBITDA margin expanding to 20.3% (FY28E) as the higher-margin core business grows. Technology services and solutions are valued at 13x FY28E EV/EBITDA (peer median: 14.8x), while the Defence business is valued at 18x FY28E EV/EBITDA (peer median: 19.1x). At the CMP of INR 1,238 per share, we maintain our "BUY" rating at a TP of INR 2,131 per share, valued based on SOTP, an upside of 72.1%.

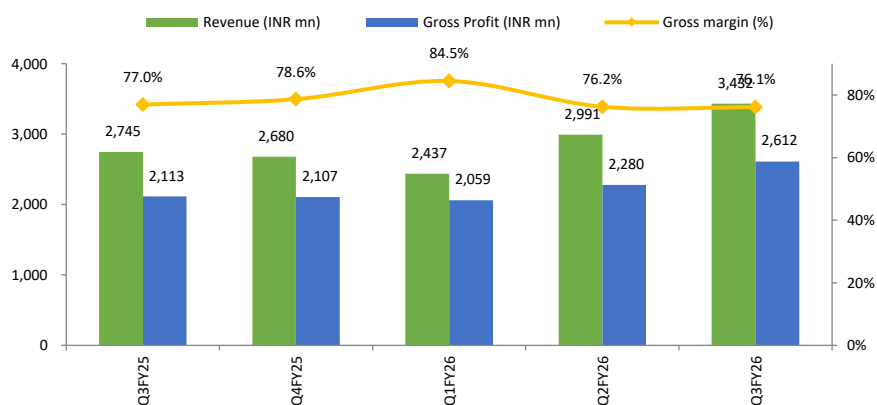
Q3FY26 Results

Income Statement Summary

Particular (INR mn)	Q3FY25	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Revenue	2,745	2,991	3,432	25.0%	14.8%
Net Raw Materials	633	711	820	29.6%	15.3%
Gross Profit	2,113	2,280	2,612	23.6%	14.6%
Gross Margin (%)	77.0%	76.2%	76.1%	-84 bps	-11 bps
Employee Cost	1,319	1,381	1,497		
Other Expenses	389	428	488		
EBITDA	404	471	628	55.3%	33.3%
EBITDA Margin (%)	14.7%	15.7%	18.3%	+357 bps	+254 bps
Depreciation	108	102	110		
Interest expense	73	66	70		
Other income	24	59	19		
Exceptional Items	(15)	-	(78)		
Share of profits associate & JV	(0)	(0)	(0)		
Profit before tax	231	363	388	67.9%	7.1%
Taxes	84	131	112		
PAT	148	231	277	87.4%	19.6%
PAT Margin	5.4%	7.7%	8.1%	+268 bps	+33 bps
EPS (INR)	3.5	5.4	6.5		

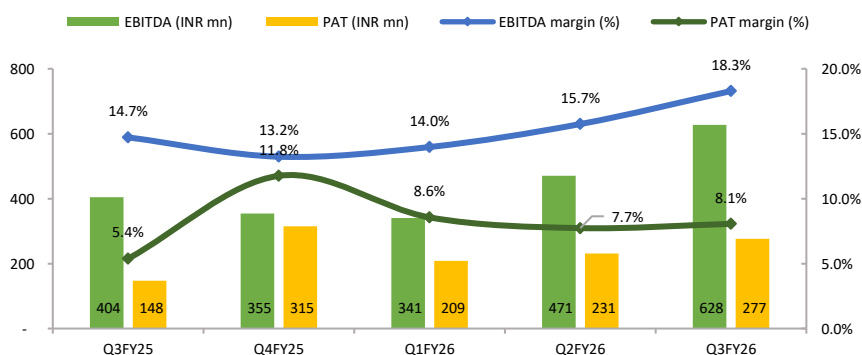
Source: Company Reports, Arianth Capital Research

Exhibit 1: Gross margins contracted by 84 bps YoY (down by 11 bps QoQ) to 76.1% in Q3FY26 due to Raw material price fluctuations.



Source: Company Reports, Arianth Capital Research

Exhibit 2: EBITDA margin improved 357 bps YoY (up by 254 bps QoQ) to 18.3% in Q3FY26 due to lower employee cost and other expenses in-terms of sales.



Source: Company Reports, Arianth Capital Research

Quarterly Results and Segments

Exhibit 3: Defence (+49.4% YoY), Aerospace (+29% YoY) and Energy (+25% YoY) were major growth drivers in Q3FY26. HE & Auto (non-core segments) is under performing and divestment resolution is expected by Mar-26.

Domain Revenue (INR mn)	Q3FY25	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Technology services and solutions					
- Aerospace	851	891	1,098	29.0%	23.2%
- ESAI	299	329	343	14.7%	4.3%
- HE & Auto	563	529	475	-15.7%	-10.3%
- Energy	110	105	137	25.0%	31.1%
Technology services and solutions	1,823	1,854	2,053	12.6%	10.7%
Defence	922	1,136	1,378	49.4%	21.3%
Total Revenue	2,745	2,991	3,432	25.0%	14.8%

Domain Revenue (%)	Q3FY25	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Technology services and solutions					
- Aerospace	31.0%	29.8%	32.0%		
- ESAI	10.9%	11.0%	10.0%		
- HE & Auto	20.5%	17.7%	13.8%		
- Energy	4.0%	3.5%	4.0%		
Technology services and solutions	66.4%	62.0%	59.8%		
Defence	33.6%	38.0%	40.2%		
Total Revenue	100.0%	100.0%	100.0%		

Source: Company Reports, Arianth Capital Research

Exhibit 4: USA (+50.6% YoY) and Europe (+32.2% YoY) witnessed strong growth in Q3FY26. The company is targeting revenue mix of India(1/3), the US (1/3), and Europe (1/3) going forward.

Geography Revenue (INR mn)	Q3FY25	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
APAC	1,098	1,226	1,452	32.2%	18.4%
Canada	110	120	106	-3.1%	-11.1%
Europe	961	927	1,006	4.6%	8.5%
USA	577	718	868	50.6%	21.0%
Total Revenue	2,745	2,991	3,432	25.0%	14.8%

Geography Revenue (%)	Q3FY25	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
APAC	40.0%	41.0%	42.3%		
Canada	4.0%	4.0%	3.1%		
Europe	35.0%	31.0%	29.3%		
USA	21.0%	24.0%	25.3%		
Total Revenue	100.0%	100.0%	100.0%		

Source: Company Reports, Arianth Capital Research

Quarterly Results and Segments

Exhibit 5: Technology services and solutions EBIT Margins are expected to be around 9%-10% going forward.

Technology services and solutions (INR mn)	Q3FY25	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Revenue	1,823	1,854	2,053	12.6%	10.7%
Cost of materials consumed	69	62	40	-41.3%	-35.6%
Gross Profit	1,754	1,792	2,013	14.7%	12.4%
Gross Margins (%)	96.2%	96.6%	98.0%	+180 bps	+141 bps
Employee expenses	1,173	1,233	1,331		
Employee expenses as a % of sales	64.4%	66.5%	64.8%		
Depreciation & Amortisation	74	78	69		
EBIT	172	127	197	14.4%	54.5%
EBIT Margin (%)	9.4%	6.9%	9.6%	+15 bps	+271 bps
EBITDA	246	205	266	8.0%	29.4%
EBITDA Margin (%)	13.5%	11.1%	12.9%	-55 bps	+187 bps

Source: Company Reports, Arianth Capital Research

Exhibit 6: Defence is expected to be key growth drivers. The major involvement into Missiles & Seekers, Radars, Mission computers, Drones & Unmanned systems, etc. The company is also involved in programs like QRSAM, LLTR/Ashwini radar, TACAN development with Indra, and counter-drone systems. Margins are expected to be around 30% (+/- 5%) as program matures.

Defence INR mn)	Q3FY25	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Revenue	922	1,136	1,378	49.5%	21.3%
Cost of materials consumed	564	648	779	38.2%	20.2%
Gross Profit	358	488	599	67.3%	22.8%
Gross Margins (%)	38.8%	42.9%	43.5%	+463 bps	+52 bps
Employee expenses	146	147	166		
Employee expenses as a % of sales	15.8%	13.0%	12.0%		
Depreciation & Amortisation	2	2	10		
EBIT	156	263	352	125.8%	33.9%
EBIT Margin (%)	16.9%	23.2%	25.6%	+864 bps	+240 bps
EBITDA	158	266	362	128.6%	36.3%
EBITDA Margin (%)	17.2%	23.4%	26.2%	+909 bps	+288 bps

Source: Company Reports, Arianth Capital Research

Exhibit 7: Segment/Product area wise highlights

Segment / Product Area	Key Highlights & Commentary
Defense (Core Growth Engine)	<ol style="list-style-type: none"> 1) Defence revenue stood at 40.2% in Q3FY26. 2) EBITDA are ~25%-26%, expected to mature toward ~30% as programs scale. 3) RF Seeker successful trials completed (Feb-26) for Brahmos & Khusha missiles; targeting full qualification by Q2FY27E. its positions company for future large RFPs. 4) Mission Computer is developed for Tejas LCA Mark 1; platform-agnostic design applicable to Su-30 and other aircraft. The company also provides AI algorithms. 5) The company follows Three-pronged approach: 1) DRDO/PSU programs (stable, long-term), 2) MOD bids, 3) Foreign OEM/offset work (key future growth driver). 6) The focus area are Missile electronics, radar systems, unmanned combat systems (AI-driven), counter-drone technologies.
Aerospace	<ol style="list-style-type: none"> 1) Transitioning from services to manufacturing; focusing on tooling, parts, and final assembly in new facilities. 2) Bangalore unit dedicated to aerospace manufacturing and supply chain management. 3) Key player in indigenous aircraft programs and supplier to global OEMs.
ESAI	<ol style="list-style-type: none"> 1) 100% of ESAI revenue currently from the US market, working with hyperscalers & global tech firms. 2) The company designing/building test kits, acoustic labs, sensor fusion labs for home automation, healthcare, and consumer electronics. 3) Margins are highly attractive, currently at 26%-26.5% EBITDA margin, potentially exceeding defense margins. 4) Pilot projects underway; expecting significant scale-up in orders from FY28E as facilities get certified.
Products vs Services	<ol style="list-style-type: none"> 1) Product EBITDA margins are 25%+; Service margins are ~18.5% and under pressure.
Heavy Engineering, Automotive, Energy (Non-Core)	<ol style="list-style-type: none"> 1) Non-core business is facing macroeconomic and customer-specific headwinds. 2) In process of being recalibrated and divested. 3) Divestment progress is on track for completion by Mar-26. Attrition not being filled, optimizing manpower.
Strategic Facilities (Capex Focus)	<ol style="list-style-type: none"> 1) Devanahalli Aero Land: Operational; advanced manufacturing & system integration. 2) Devanahalli Atmanirbhar Complex (Bangalore): Radar integration & maintenance (one of India's largest private hangars), aerospace manufacturing, simulator development with partners like Indra. 3) Hyderabad Missile Complex: Under development; focused on missile electronics & "cold assembly" for indigenous and foreign OEM missiles. 4) Dallas Facility: For EASI; houses advanced labs (acoustic, laser, IR, sensor fusion).
Key Strategic Partnerships & MoUs	<ol style="list-style-type: none"> 1) Indra (Spain): MoU for TACAN system development/manufacturing; preferred partner for future India programs. 2) Global Defense OEMs: Multiple partnerships for offset manufacturing and technology transfer, key for FY27E growth. 3) Global Hyperscalers: Engaged with top US firms for ESI projects; customer visits and pilot expansions underway.
Order Book & Pipeline	<ol style="list-style-type: none"> 1) Executable Order Book / Visibility: ~INR 33-34bn 2) Qualified Pipeline: ~INR 140bn over next 4 years. 3) Conversion: High for OEM partnerships; ~50% for DRDO/PSU programs. 4) Near-term Inflow: Expecting ~INR 4bn in new orders in coming month, including for QRSAM and other defense programs.

Source: Company Reports, Arihant Capital Research

Q3FY26 Concall Highlights

Revenue

- Core business (Defence, Aerospace, ESAI) is expected to grow 40% YoY in FY26E and FY27E.
- The “Power 930” vision focused on \$1bn revenue by 2030. The growth is expected to be driven by Aerospace, Defence, and ESAI.

Margins

- EBITDA margins are expected 17% by FY26E, and 20% by FY27E, and 25%+ over the medium term.
- PAT is expected to grow 40%-45% by FY26E.
- Products and solutions margins are around 25%, while services margins are around 18.5%.
- Defence segment EBITDA margins are around 25%-26% and expected to align with industry benchmarks of 30% +/- 5% as the program matures.

Order book

- The company’s core business executable order book is around INR 33-34bn. The pipeline remains robust at INR 140bn over the next 4 years. The conversion rate is very high for foreign OEMs, and the DRDO/PSU programs' conversion rate is around 50%.
- Major order inflows of INR 4bn are expected from QRSAM and other defense programs in a month.

Capex

- Devanahalli Aero Land facility is fully operational. It's focusing on advanced manufacturing and system integration.
- Devanahalli Atmanirbhar Complex (Bangalore) is the major project, including the largest radar integration and maintenance hangars (capable of handling 65ft radars), aerospace manufacturing (tooling, parts), and simulators. This facility will cater to radar integration, maintenance, retrofitting, and Performance-Based Logistics (PBL) for foreign OEMs.
- Hyderabad Missile Complex is an 8-acre facility dedicated to missile electronics and integration, including seekers, onboard electronics, and data links. It will focus on both indigenous programs and foreign OEMs, aiming for "cold assembly" of missiles.
- Dallas Facility (ESAI) is functionally ready, focusing on electronics system integration (ESI), housing labs for acoustics, lasers, IR, mmWave radar, and sensor fusion.

Q3FY26 Concall Highlights

Defence and Aerospace

- The company is developing an RF seeker for missiles, including Brahmos and Khusha. The successful trials were completed in early Feb-26. The seeker is expected to be qualified by Q2FY27E and expected to be a supplier for RFPs. The Hyderabad facility is strategically aligned with the government's push for indigenous missile manufacturing.
- The Bangalore radar facility will be one of the largest in the Indian private sector. It's focusing on large radar integration (airborne & ground), maintenance/retrofitting of legacy radars, and support for foreign OEM radars.
- Mission Computer is developed for the LCA (Tejas) Mark 1. The mission computer is platform-agnostic and can be adapted for other platforms like the Su-30. The company provides the AI algorithms, while the base software comes from defense labs.
- The company is actively working on AI-driven intelligent combat systems for unmanned platforms. It has a strategic partnership with a leading global OEM (US) to bid for large MOD contracts involving autopilots and mission/combat systems for drones. The company is also involved in programs like QRSAM, LLTR/Ashwini radar, TACAN development with Indra, and counter-drone systems.

Strategic partnerships and MoUs

- The company signed an MoU with Indra(Spain) and involves the development and manufacturing of a TACAN system. This partnership is expected to yield a significant pipeline of future opportunities.
- The company is engaged with major US hyperscalers and global phone manufacturers for ESAI projects. It includes test kits, acoustic labs, and sensor fusion solutions for home automation and healthcare.

Divestments

- The company is on track to divest non-core business, and resolution is expected by Mar-26.

ESAI

- ESAI revenue is coming from the US market. It's gaining traction from hyperscalers and large tech companies.
- The company is involved in designing and building test kits, box builds, and specialized labs (acoustic, laser, IR). ESAI margins are around 26%-26.5% (higher than defence).

Other highlights

- The company is undergoing a strategic transformation from a services-led to a product-and-solutions-led business model. Defence is product based business model and involves a mix of fixed-price and time & materials contracts.
- ESOP cost is expected to be INR 50mn in FY26E.
- The revenue mix is expected to be India(1/3), the US (1/3), and Europe (1/3) going forward.

Outlook & Valuation: AXISCADES Technologies is transitioning from a services-led model to a high-value product and solutions integrator. Revenue growth (+40% YoY from core businesses, including defence, aerospace, and ESAI) supported by a strong executable order book of INR 33bn and an extensive qualified pipeline of INR 140bn. The capex for specialized facilities such as the radar integration complex in Bangalore and the missile electronics unit in Hyderabad will focus on India's defense indigenization and aerospace modernization. The strategic MoU with Indra (Spain) and deepening partnerships with global OEMs will further enhance technological access and order inflows. The divestment of non-core business (Heavy engineering and Automotive segment) is expected to release capital, which is expected to be reinvested in high-growth verticals of Defence and Aerospace. We estimate revenue/EBITDA/PAT CAGR of 30.1%/48.6%/37.6% over the period of FY25-28E, with EBITDA margin expanding to 20.3% (FY28E) as the higher-margin core business grows. Technology services and solutions are valued at 13x FY28E EV/EBITDA (peer median: 14.8x), while the Defence business is valued at 18x FY28E EV/EBITDA (peer median: 19.1x). At the CMP of INR 1,238 per share, we maintain our "BUY" rating at a TP of INR 2,131 per share, valued based on SOTP, an upside of 72.1%.

AXISCADES Technologies FY28E based implied valuation

	Technology services and solutions	Defence	Overall
FY28E EBITDA (INR mn)	3,424	2,812	
EV/EBITDA (x)	13.0x	18.0x	
FY28E EV/EBITDA (x) - Median of peers	14.8x	19.1x	
EV (INR mn)	44,508	50,611	95,119
Net Debt/(cash) (INR mn) - FY28 end			4,484
Market Cap (INR mn)			90,635
Share outstanding (mn)			43
Target Price (INR)			2,131
CMP (INR)			1,238
Upside (%)			72.1%
Rating			BUY

Source: Company Reports, Arianth Capital Research

Financial Statements

Income Statement

Y/E March (INR Mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue	8,216	9,551	10,307	13,069	17,107	22,698
<i>Change (%)</i>	34.6%	16.2%	7.9%	26.8%	30.9%	32.7%
Raw materials	1,792	1,855	2,154	2,766	3,473	4,402
Employee costs	3,609	5,001	5,164	6,075	7,900	10,369
Other expenses	1,360	1,362	1,585	2,039	2,583	3,314
Total Expenses	6,761	8,219	8,903	10,880	13,957	18,085
EBITDA	1,456	1,332	1,404	2,190	3,151	4,613
EBITDA Margin	17.7%	14.0%	13.6%	16.8%	18.4%	20.3%
Depreciation	133	338	396	435	776	1,280
EBIT	1323	995	1,008	1,755	2,375	3,333
EBIT margin %	16.1%	10.4%	9.8%	13.4%	13.9%	14.7%
Other Income	60	99	208	246	294	351
Interest	359	564	303	374	698	1,003
PBT	891	530	914	1,627	1,971	2,681
Extra-ordinary	(680)	-	(39)	(78.21)	-	-
PBT after ext-ord.	210	530	875	1,548	1,971	2,681
Tax	258	196	122	479	526	718
<i>Rate (%)</i>	<i>122.8%</i>	<i>37.0%</i>	<i>14.0%</i>	<i>30.9%</i>	<i>26.7%</i>	<i>26.8%</i>
PAT	-48	334	753	1,070	1,445	1,964
MI & Associates	-0.4	-6	0	0	0	0
Adjusted PAT	-53	334	786	1,124	1,445	1,964
EPS (INR)	-1.3	8.0	17.7	25.2	34.0	46.2

Source: Company reports, Aриhant Capital Research

Balance Sheet

Y/E March (INR Mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Sources of Funds						
Share Capital	191	210	213	213	213	213
Reserves & Surplus	3,247	5,708	6,345	7,415	8,860	10,824
Net Worth	3,439	5,918	6,558	7,627	9,073	11,036
Loan Funds	3,140	2,385	1,895	2,200	3,490	5,016
Deferred Tax & other liabilities	0	208	88	99	111	126
Total Liabilities	5,605	5,473	4,713	5,349	7,149	9,360
Capital Employed	9,044	11,391	11,271	12,976	16,221	20,396
Application of Funds						
Property, plant and equipment	568	686	816	1,994	3,906	6,558
CWIP	0	0	2	2	2	2
Other non current assets	1,299	1,695	1,557	1,731	1,762	1,812
Deferred tax assets	395	385	533	533	533	533
Net fixed assets	1,965	2,613	2,677	3,783	5,634	8,222
Investments	335	366	596	596	596	596
Debtors	1,790	2,341	3,018	3,581	4,499	5,597
Inventories	659	693	609	782	990	1,266
Cash & bank balance	996	1,529	893	449	536	532
Loans & advances & other CA	1,645	1,778	1,389	1,521	1,669	1,835
Total current assets	5,380	6,629	6,432	6,856	8,218	9,753
Current liabilities	3,573	3,447	2,903	3,130	4,032	5,579
Provisions	267	307	439	457	476	495
Net current assets	1,808	3,182	3,529	3,725	4,185	4,175
Total Assets	9,044	11,391	11,271	12,976	16,221	20,396

Source: Company reports, Aриhant Capital Research

Financial Statements

Cash Flow Statement

Y/E March (INR Mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
PAT	(48)	334	753	1,070	1,445	1,964
Depreciation	265	338	396	435	776	1,280
Interest & others	464	94	128	404	652	-
Cash flow before WC changes	517	1,136	1,243	1,632	2,624	3,896
(Inc)/dec in working capital	(1,772)	(850)	(973)	(656)	(389)	(11)
Operating CF after WC changes	(1,255)	287	271	977	2,235	3,885
Less: Taxes	129	23	(129)	0	-	-
Operating cash flow	(1,223)	335	121	977	2,235	3,885
(Inc)/dec in F.A + CWIP	(534)	(1,410)	(328)	(1,715)	(2,658)	(3,918)
(Pur)/sale of investment	(143)	(32)	(230)	-	-	-
Cash flow from investing	(418)	(1,345)	(353)	(1,470)	(2,364)	(3,568)
Free cash flow (FCF)	385	(1,479)	(121)	(404)	(637)	(453)
Loan raised/(repaid)	1,705	(650)	35	345	828	587
Equity raised	1	19	3	-	-	-
Interest & others	199	2,800	(343)	63	70	78
Dividend	(2)	(1)	-	-	-	-
Cash flow from financing activities	1,584	1,542	(405)	50	216	(321)
Net inc /(dec) in cash	(57)	532	(636)	(443)	87	(4)
Opening balance of cash	1,054	996	1,529	893	449	536
Closing balance of cash	996	1,529	893	449	536	532

Source: Company reports, Arianth Capital Research

Key Ratios

Y/E March (INR Mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Per share (INR)						
EPS	-1.3	8.0	17.7	25.2	34.0	46.2
CEPS	5.6	15.9	27.0	35.4	52.2	76.3
BVPS	89.9	141.0	154.2	179.3	213.3	259.5
DPS	-	-	-	-	-	-
Payout (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Valuation (x)						
P/E	-	155.6	69.9	49.2	36.4	26.8
P/CEPS	-	78.0	45.8	35.0	23.7	16.2
P/BV	13.8	8.8	8.0	6.9	5.8	4.8
EV/EBITDA	34.0	39.6	38.2	24.8	17.6	12.4
Dividend Yield (%)	-	-	-	-	-	-
Return Ratio (%)						
EBIDTA Margin	17.7%	14.0%	13.6%	16.8%	18.4%	20.3%
PAT Margin	-0.6%	3.4%	7.3%	8.2%	8.4%	8.7%
ROE	-1.5%	5.5%	11.5%	14.0%	15.9%	17.8%
ROCE	21.8%	12.5%	12.1%	17.8%	19.5%	22.5%
Leverage Ratio (%)						
Total D/E	0.91	0.40	0.29	0.29	0.38	0.45
Net D/E	0.6	0.1	0.2	0.2	0.3	0.4
Turnover Ratios						
Asset Turnover (x)	0.9	0.8	0.9	1.0	1.1	1.1
Inventory Days	134	136	103	103	104	105
Receivable Days	80	89	107	100	96	90
Payable days	33	24	21	22	24	26

Source: Company reports, Arianth Capital Research

Story in Charts

Exhibit 8: Revenue is expected to grow at a CAGR of 30.1% over the period of FY25-28E.

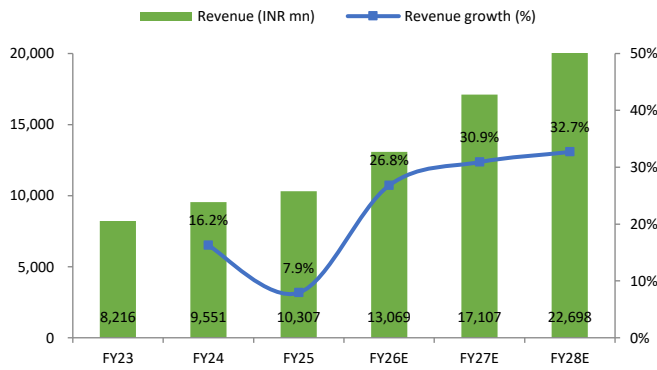


Exhibit 9: Operating leverage and high margin orders will improve gross margins. The cost structure would change due to Aerospace and Defence.

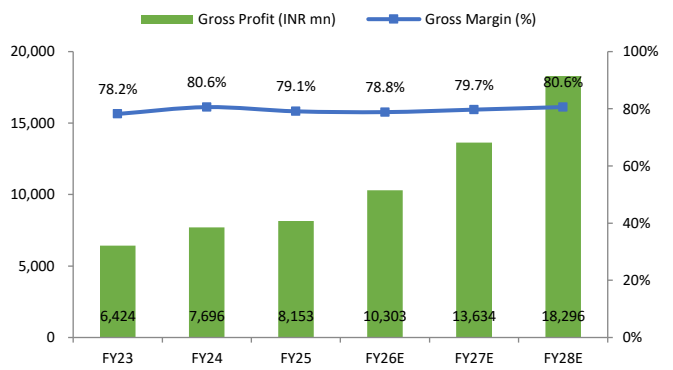


Exhibit 10: EBITDA and PAT margin is expected to improve going forward.

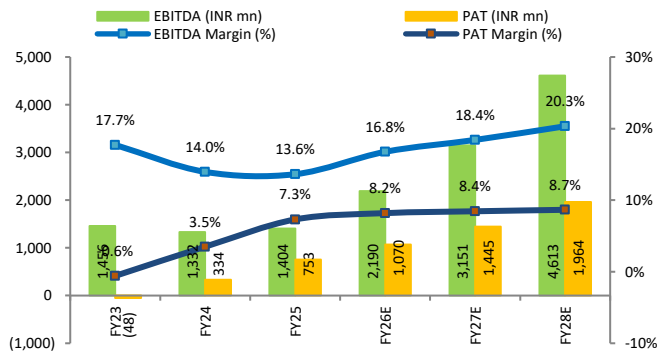


Exhibit 11: Return ratios is expected to improve from FY26E onwards.

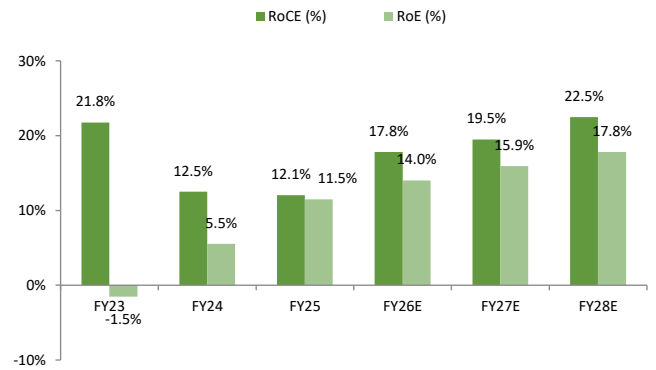


Exhibit 12: Working capital days is expected to be less than 180 days going forward.

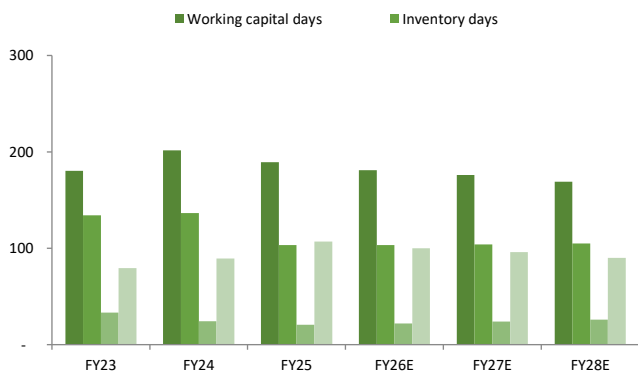
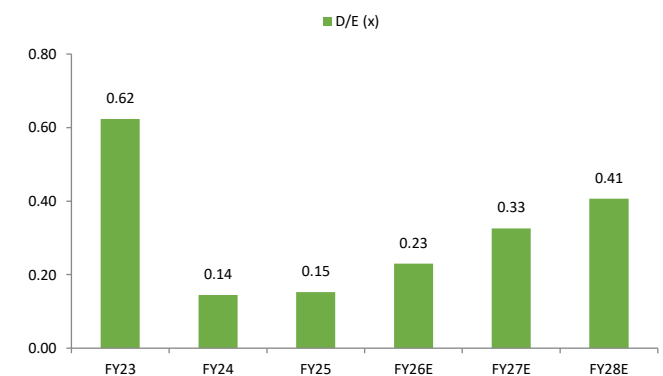


Exhibit 13: Working capital is expected to increase debt levels going forward.



Source: Company Reports, Arianth Capital Research

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Stock Rating Scale

Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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