RAYMOND LTD

STRATEGIC RESTRUCTURING FOR UNLOCKING VALUE

JK Maini Global Aerospace & JK Maini Precision Technology

JK Maini Global Aerospace – Forging the Heart of Flight: India's Precision in Every Engine.

JK Maini Precision Technology – The Geometry of Growth: Precision Engineering India's Future.

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ArihantCapital
Generating Wealth

Initiating Coverage
9th Feb 2026

Raymond Ltd

From Fabric to Flight: Engineering India's Industrial Ascent

CMP: INR 404

Rating: BUY

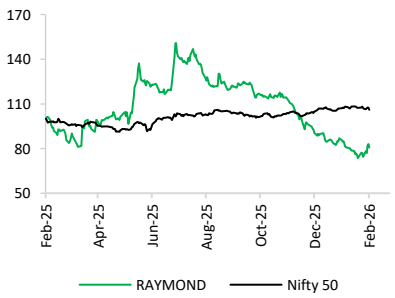
Target Price: INR 788

Stock Info	
BSE	500330
NSE	RAYMOND
Bloomberg	RW:IN
Reuters	AYMD.NS
Sector	Auto & Aerospace
Face Value (INR)	10
Equity Capital (INR mn)	666
Mkt Cap (INR mn)	26,886
52w H/L (INR)	784/361
Avg Yearly Volume (in 000')	640.7

Shareholding Pattern % *(As on Dec, 2025)*	
Promoters	48.87
DII	3.43
FII	11.01
Public & Others	36.67

Stock Performance (%)	3m	6m	12m
Raymond	-28.1	-35.7	-19.3
NIFTY	2.3	3.2	6.0

RAYMOND vs NIFTY



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Raymond Engineering formed through a strategic restructuring that created two focused subsidiaries. 1) JK Maini Global Aerospace Ltd is a premier manufacturer of high-precision, mission-critical components for aircraft engines. It is supplying directly to top global engine makers and benefiting from long-term contracts and a massive industry backlog. 2) JK Maini Precision Technology Ltd is dominant in India's file manufacturing and a key supplier of auto components like ring gears and flex plates, with growing capabilities in hybrid and EV parts. Both the business verticals position the company as a growing player in advanced manufacturing, leveraging decades of expertise and strong global customer relationships.

Investment rationale

Corporate structure and strategic direction to unlock the potential: Raymond Ltd has undergone value-accretive restructuring of its engineering business and created two subsidiaries effective 1st Aug, 2025. The strategic move, approved by NCLT, demerges the business into JK Maini Global Aerospace for Aerospace & Defence and JK Maini Precision Technology for Precision Technology & Auto components, including Tools & Hardware. The structure would unlock shareholder value by creating independent, net-debt-free entities with focused management and clear growth trajectories. The company is focused on leveraging possible synergies, but maintaining distinct operational mindsets suited for respective industries like long-cycle high precision versus faster-moving automotive and industrial sectors.

A premier Indian aero engine components specialist – JK Maini Global Aerospace Ltd: It is a leading exporter of highly critical aero-engine components. Around 75% of revenue comes from engine components. The company is a preferred supplier to the world's top 3 engine OEMs (Safran, GE, Pratt & Whitney), which collectively command 88% market share and serve over 25 global clients. The company has developed more than 1,200 precision aero-engine parts, including 350+ parts for the latest LEAP engines. The commercial aircraft backlog of more than 16,000 units in the industry provides 12-15 years of production visibility. The company typically contracts for 5-10 years, aligning with OEM ramp-ups through 2035. The company is focused on ramping up market share on existing parts (from 35% to 65% share target), continuous new product development (one new product per day), and moving up the value chain from components to assemblies to modules. The company is focused on doubling the aerospace business over the next 3-4 years.

A diversified engineering powerhouse – JK Maini Precision Technology Ltd: JK Maini Precision Technology has multiple industrial segments like auto components and tools and hardware. In auto, the company is focused on powertrain, EV and hybrid auto components. The company supplies high-precision components to 15+ top global OEMs. The company is supplying hybrid vehicle components for the European market, constituting 15% of auto business. The company is the market leader in ring gears (~55% market share in PVs) and the sole domestic manufacturer of flex plates (~25% market share). In tools and hardware, the company has 65% market share in steel files in India and holds 25% share of the global installed capacity for files. The business is expanding into higher-value segments like jewellery files and aerospace-grade tools. The company is focused on low-to-mid-teen growth for the precision tech and auto business going forward.

Outlook & Valuation: Raymond has restructured into two focused entities to unlock value. JK Maini Global Aerospace Ltd is a premier Tier-1 supplier of critical aero-engine components. The aerospace business is backed by long-term contracts (5-10 years) and a massive global order backlog (>16,000 aircraft). The aerospace business aims to double revenue in 3-4 years by capturing more program share, moving into higher-value assemblies, and benefiting from supply chain shifts and defense indigenization. JK Maini Precision Technology Ltd emerges as a diversified engineering leader with dominant market shares in files, ring gears, and flex plates. It is a key supplier to global auto OEMs and is positioned to grow at a ~12.5% CAGR over the period of FY25-28E, driven by integration synergies and the "China+1" trend. We anticipate revenue CAGR of 16.6% over the period of FY25-28E, with EBITDA margin expanding to 11% (FY28E) as the higher-margin aerospace business grows. Precision Technology is valued at 10x FY28E EV/EBITDA (peer median: 12.2x), while the higher-growth aerospace business is valued at 15x FY28E EV/EBITDA (peer median: 19.1x). At the CMP of INR 404 per share, we initiate a "BUY" rating at a TP of INR 788 per share, valued based on SOTP, an upside of 95%.

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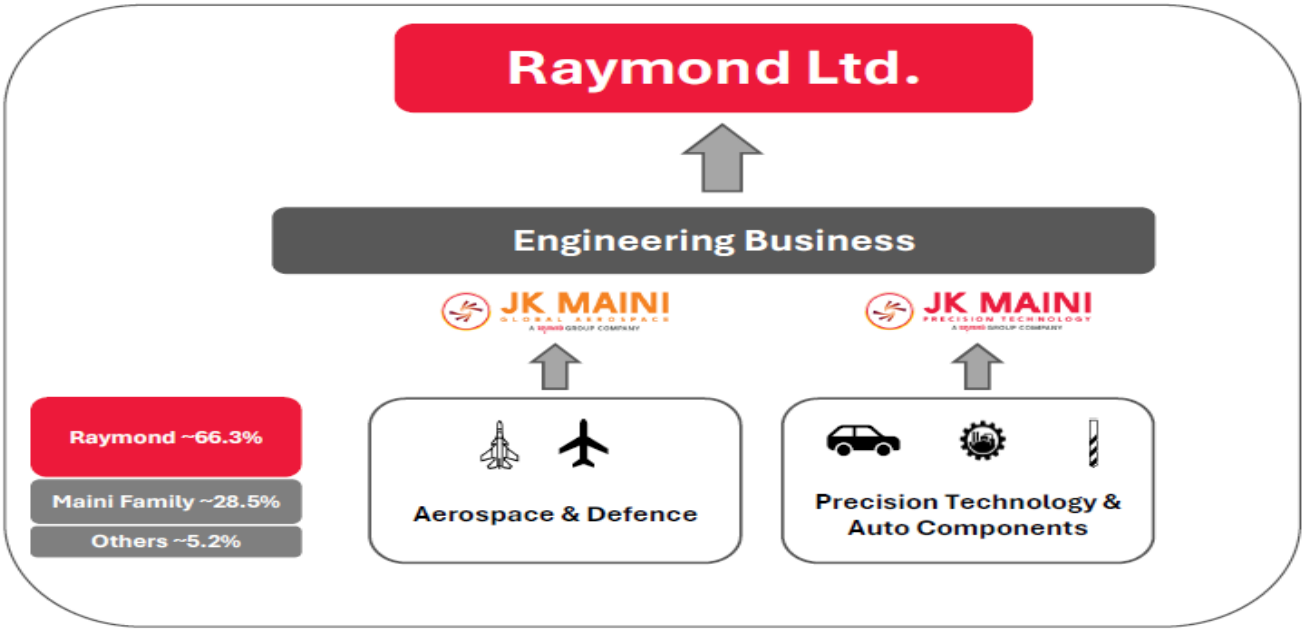
Investment Rationale

Corporate structure and Strategic direction to unlock the potential: Raymond Ltd has transformed from an operating company into a strategic holding and investment vehicle. Its primary operational role now is capital allocation and governance. Raymond Ltd has undergone value-accretive restructuring of its engineering business and created two subsidiaries effective 1st Aug, 2025. Raymond holds a 66.3% controlling stake in the two subsidiaries, with the Maini family retaining a 28.5% stake, and 5.2% is held by others.

The strategic scheme of arrangement was approved by NCLT on 4th Jul 2025 and effective from 1st Aug 2025, marking the two new, independent corporate entities: 1) JK Maini Global Aerospace Ltd for Aerospace & Defence business, inheriting the legacy aero division of Maini Precision Products, 2) JK Maini Precision Technology Ltd for Precision Technology & Auto components, including Tools & Hardware. JK Maini Precision has three major streams: i) the tools and files business of JK Files & Engineering Ltd, ii) the automotive-focused Ring Plus Aqua Ltd, and iii) the auto components business of Maini Precision Products. This legal structure would unlock shareholder value by creating independent, net-debt-free entities with focused management and clear growth trajectories. The company is focused on leveraging possible synergies, but maintaining distinct operational mindsets suited for respective industries like long-cycle high precision versus faster-moving automotive and industrial sectors.

Exhibit 1: Raymond Restructuring



Source: Company reports, Arihant Capital Research

Strategic Direction

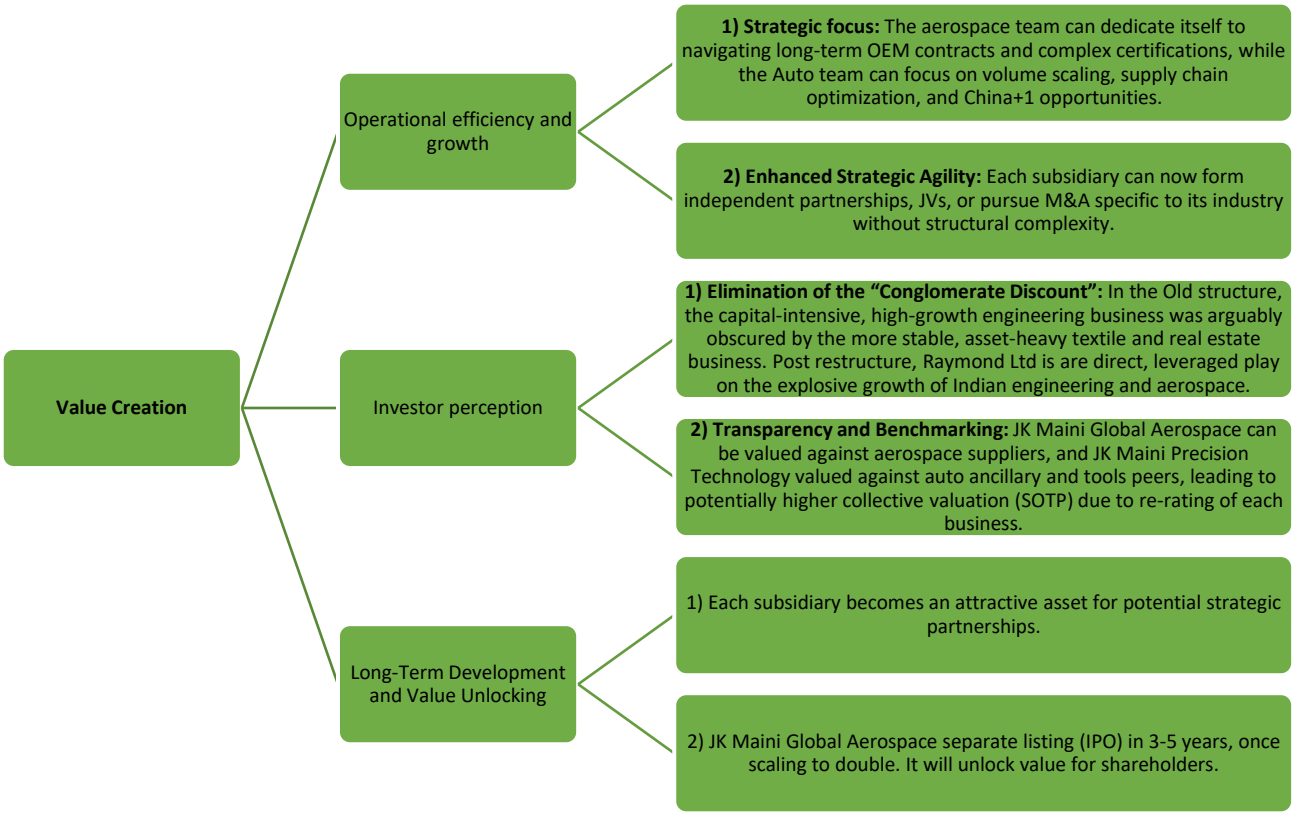
Operational focus and autonomy: Each subsidiary (JK Maini Global Aerospace Ltd and JK Maini Precision Technology Ltd) has its own dedicated management team, board, and P&L responsibility. JK Maini Global Aerospace can foster a long-cycle, technology-intensive culture suited to aerospace, while JK Maini Precision Technology can operate with the agility and volume focus required in auto and industrial markets.

Market-specific growth capital allocation: The independent subsidiaries, with their own balance sheets, can each pursue growth finance (debt or equity) based on their own asset profile and cash flow, without cross-subsidization or internal competition for capital from the parent's other businesses.

Path to independent value recognition and unlocking: With the subsidiaries operating as separate, professionally managed companies with transparent financials, each entity is positioned to be valued by sectoral metrics and growth potential. We anticipate potential future value-unlocking events, such as strategic minority stake sales to global partners or separate listings (IPO), once subsidiaries achieve a larger scale.

Investment Rationale

Exhibit 2: Value creation are expected supported by restructuring,



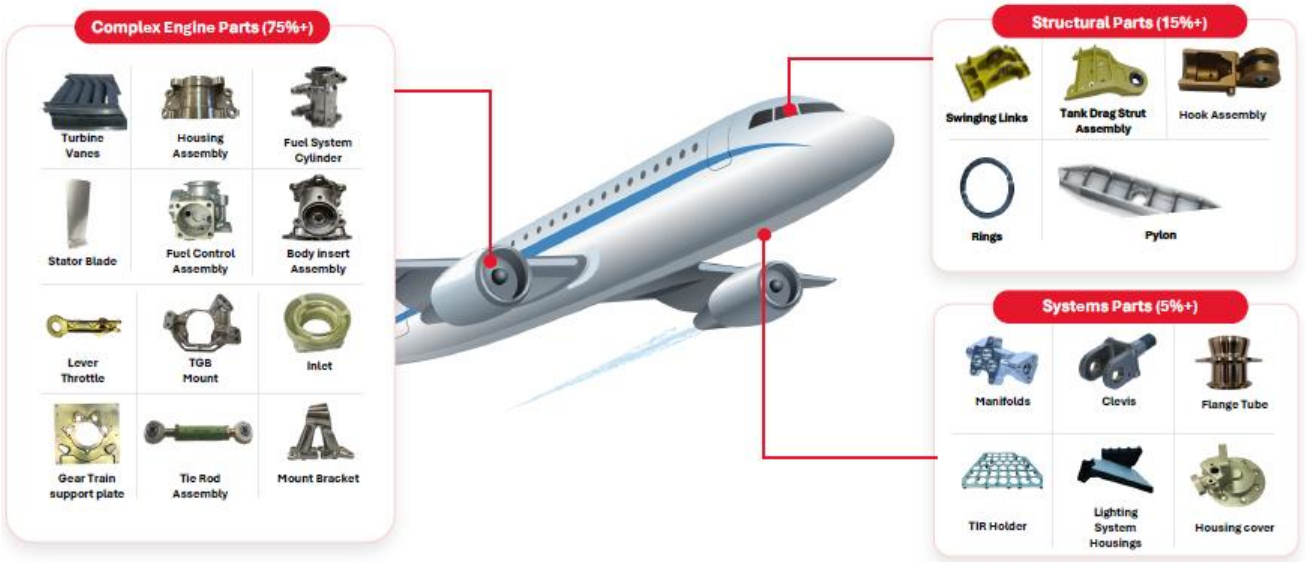
Source: Company reports, Arihant Capital Research

A premier Indian aero engine components specialist – JK Maini Global Aerospace Ltd: JK Maini Global Aerospace Ltd is specialized in mission-critical, high-precision components in aerospace. It has positioned itself as a trusted Tier-1 and Tier-2 supplier to aerospace OEMs, operating in extreme technical barriers, rigorous certifications, and long gestation periods. The company is majorly focused on aero-engine components, which constitute more than 75% of revenue.

The portfolio includes turbine vanes, nozzle guide vanes, fuel system assemblies, stator blades, housings, and various structural brackets and mounts. These parts are machined from exotic, high-strength alloys and are integral to engine performance, fuel efficiency, and safety. The company has achieved direct supplier status to the global engine OEMs like Safran (France), GE Aerospace (US), and Pratt & Whitney (US), which collectively command ~88% market share of the large commercial aircraft engine market. The company has signed an MoU with Safran Aircraft Engines to manufacture machined assemblies, expanding beyond components into higher-value sub-assemblies. The company also has long-term supply agreements with Pratt & Whitney for precision-machined parts. Overall, the company supplies to over 25 aerospace and defence companies.

Investment Rationale

Exhibit 3: JK Maini Global aerospace Ltd acts as a one-stop solutions for Aircraft components. Around 75% of revenue comes from complex engine parts.



Source: Company reports, Arihant Capital Research

The company annually machines over 500 MT of raw materials across 110 different varieties. Its heavy emphasis on nickel-based super alloys like Inconel (44% of consumption) and aerospace-grade titanium (19% of consumption) is difficult to machine due to their high strength and heat resistance. The company has developed more than 1,200 precision aero-engine parts, including 350+ parts for the latest LEAP engines.

Exhibit 4: JK Maini Global Aerospace Ltd machines over 500MT of raw materials across 110 varieties. The raw materials are difficult to machine due to high strength and heat resistance.

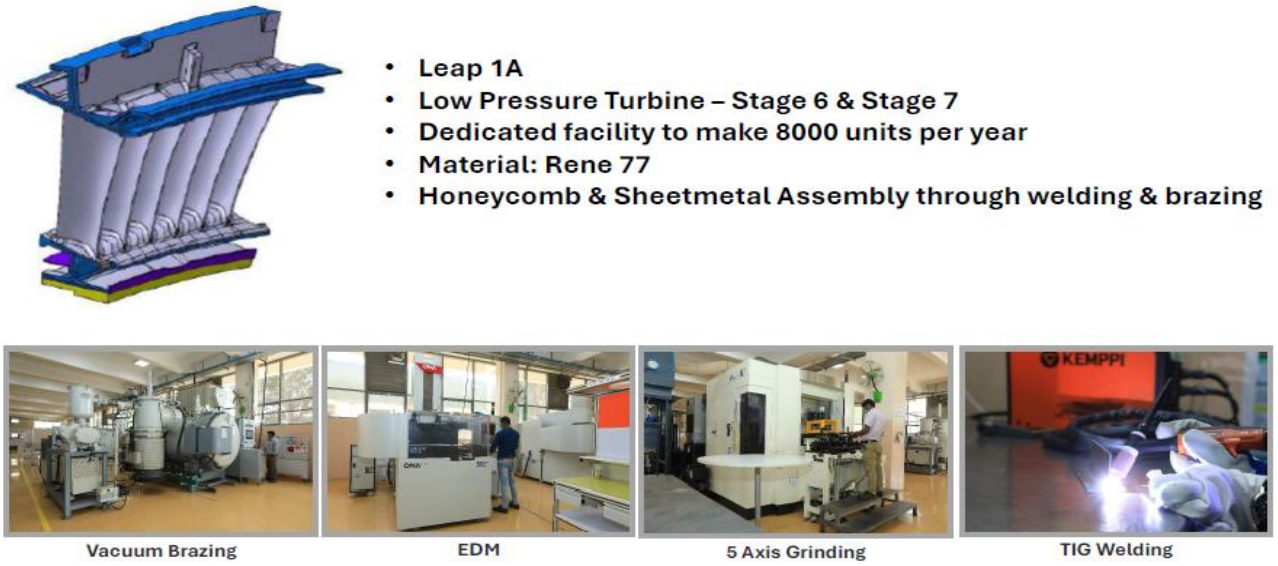
RM	Consumption	Major Mills	Location
Inconel	44%	Daido VDM Bohler Carpenter ATI	
Titanium	19%	VSMPO Timet Industries ATI Baoji	
Aluminum	20%	Aleris Alro Amag Kaizer	
Steel Alloys	17%	UGITECH Cogne Gloria	

Source: Company reports, Arihant Capital Research

Investment Rationale

The advanced manufacturing process includes 5-axis CNC machining, Electro Discharge Machining (EDM), vacuum brazing, and TIG welding. The company has developed dedicated facilities for complex parts like nozzle guide vanes for the LEAP engine, involving honeycomb and sheet metal assemblies.

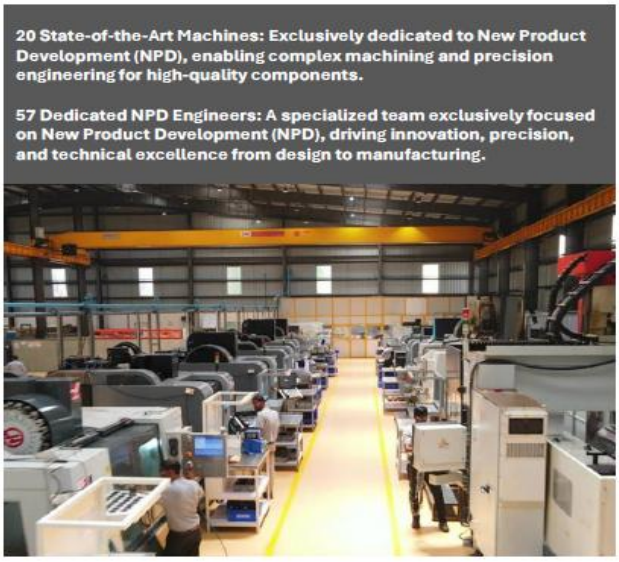
Exhibit 5: JK Maini Global Aerospace Ltd has advanced manufacturing process for complex aerospace components.



Source: Company reports, Arihant Capital Research

The company has been granted self-certification status by 5 major customers. The parts manufactured and inspected by JK Maini Global Aerospace Ltd are shipped directly to the customer's production line and installed on aircraft without additional incoming inspection. This gives confidence in its quality management systems, metrology, and process control. This capability drastically reduces lead time and supply chain friction. The company operates a dedicated New Product Development cell (20 state-of-the-art machines and 57 engineers), enabling it to develop almost one new part every day, which is critical for sustainable growth.

Exhibit 6: JK Maini Global Aerospace Ltd has dedicated team for New Product Development and focused on one new part/day.

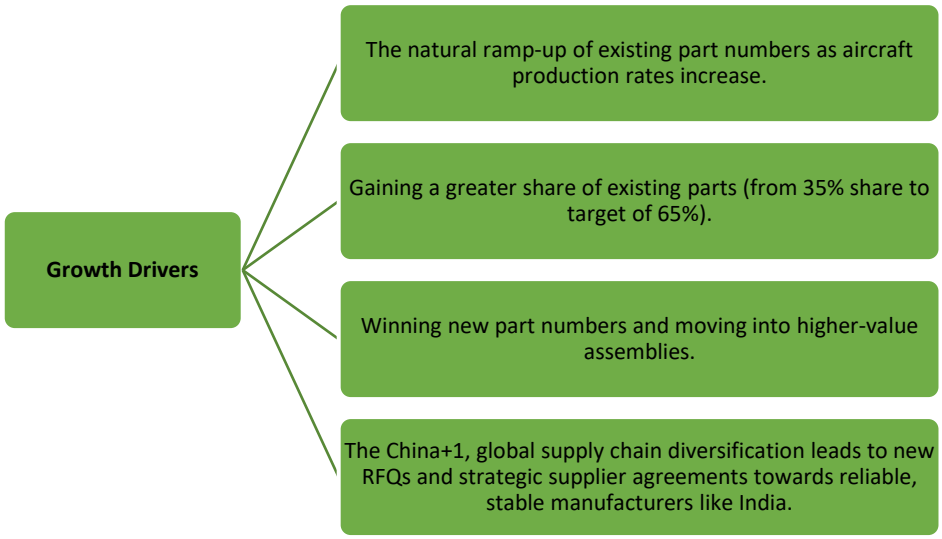


Source: Company reports, Arihant Capital Research

Investment Rationale

The commercial aircraft order backlog of more than 16,000 units across Airbus and Boeing provides 12-15 years of production visibility. The company's contracts are aligned with this horizon, typically spanning 5 to 10 years and structured to ramp up in sync with OEM production rate increases through 2035 and beyond.

Exhibit 7: JK Maini Global Aerospace long term contracts (5-10 years) aligned with commercial aircraft productions. Below growth drivers would lead the doubling the business over the next 4 years.



Source: Company reports, Arihant Capital Research

The order book is around 3x annual revenue due to the long-term nature of contracts. The opportunity pipeline in First Article Inspection (FAI) includes 150 new parts under active development, where drawings have been awarded and parts are being qualified. The RFQ pipeline of around 2,000 part numbers currently being quoted or negotiated shows future potential business.

Currently, the company is focused on commercial aerospace exports and strategically targeting India's defense indigenization programs under the "Make in India" initiatives. The company has already contributed to global OEM programs, and its proven competence in machining mission-critical components provides a technological edge in defence and aerospace applications. This includes programs for engines, avionics, and landing systems for platforms like the Advanced Medium Combat Aircraft (AMCA). The company is actively leveraging its existing relationships with global defence companies and is focused on transitioning from components to assemblies and large subsystems for the Indian armed forces.

A diversified engineering powerhouse – JK Maini Precision Technology Ltd: JK Maini Precision Technology Ltd was formed through a strategic merger of three entities: 1) JK Files & Engineering Ltd (tools), 2) Ring Plus Aqua Ltd (automotive), and 3) Maini Precision Products Ltd (auto division). The company's strategic direction is to leverage automotive powertrains to hand tools to create synergies. The integration of all three segments provides a single-vendor entity to global OEMs, cross-selling opportunities across separate customer bases, and significant economies of scale in procurement, R&D, and supply chain management.

The automotive components division has established itself as a Tier-1 supplier to the world's leading vehicle manufacturers. The company's expertise is deeply rooted in precision machining for internal combustion engine (ICE) powertrains, particularly in fuel injection systems. The company manufactures highly complex components such as gasoline direct injection (GDI) pump bodies capable of withstanding 350-600 bar pressures, mechanical dump valves, precision plungers, and injectors. The parts are machined from demanding materials and are essential for meeting stringent global emission norms like Euro VI and BS VI.

Investment Rationale

The company has identified hybrid opportunities in Europe, which offer immediate and sustainable growth due to charging infrastructure challenges. The company supplies critical components for hybrid transmissions and drivetrains to a major European OEM. This includes parts like oil sleeves, support brackets, input shafts, and park pawls. Currently, hybrid-related business contributes 15% of auto revenue, and the company is able to tap other global OEMs. The company is a key player in the 3-wheeler EV space, supplying fully assembled transmissions for electric three-wheelers and continuously increasing penetration in EV.

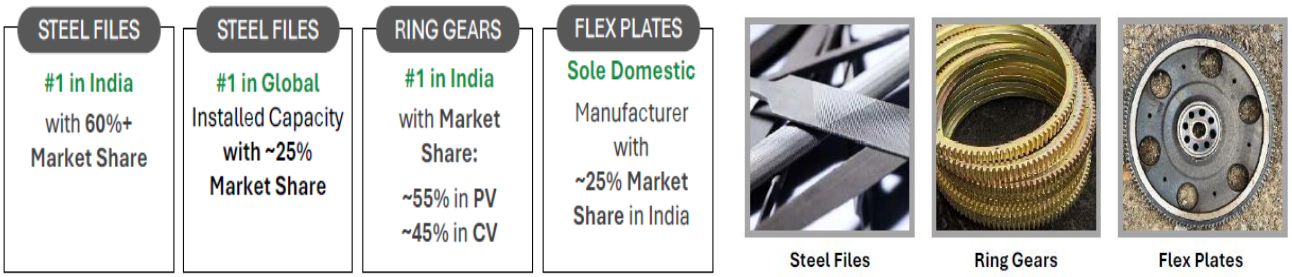
In automotive, JK Maini Precision Technology Ltd has market-leading positions in high-volume components like ring gears and flex plates.

1. Ring gears are essential for engine starting systems; the company holds a market share of 55% in the PV segment and 45% market share in the CV segment. The company has expanded capacity from 11.5 mn units (pre-Covid) to 30 mn units.

2. Flex plates are used to connect the engine to the torque converter in automatic transmissions. The company is the sole manufacturer in India and holds 25% market share.

The critical powertrain components provide pricing power and deep customer engagement. However, there is direct co-relation to the Indian auto industry.

Exhibit 8: JK Maini Global Precision Technology Ltd has strong market share in files, ring gears and flex plates.



Source: Company reports, Arihant Capital Research

Tools and hardware businesses are consumer-facing. JK Maini Precision Technology is the market leader in India's steel files market with a market share of more than 60% in India and holds 25% of the world's installed file manufacturing capacity. The division manages an extensive distribution network of 1,50,000 points of sale across 600 Indian towns and cities and exports to over 65 countries. The flagship brand "Three Files" shows its leadership, and strategic focus remains on value addition and margin expansion. The company is actively developing high-margin, specialized files for niches like jewellery making and aerospace tooling. The company is leveraging group synergies by testing and introducing high-value industrial and aerospace-grade tools into its portfolio. The division is moving beyond traditional hand tools into more technologically advanced consumables. Thus, the shift from a volume-driven to a value-driven approach in the tools segment is improving overall business profitability.

Exhibit 9: JK Maini Global Precision Technology Ltd is shifting from volume-driven to value-driven approach for tools business.

Source: Company reports, Arihant Capital Research

Investment Rationale

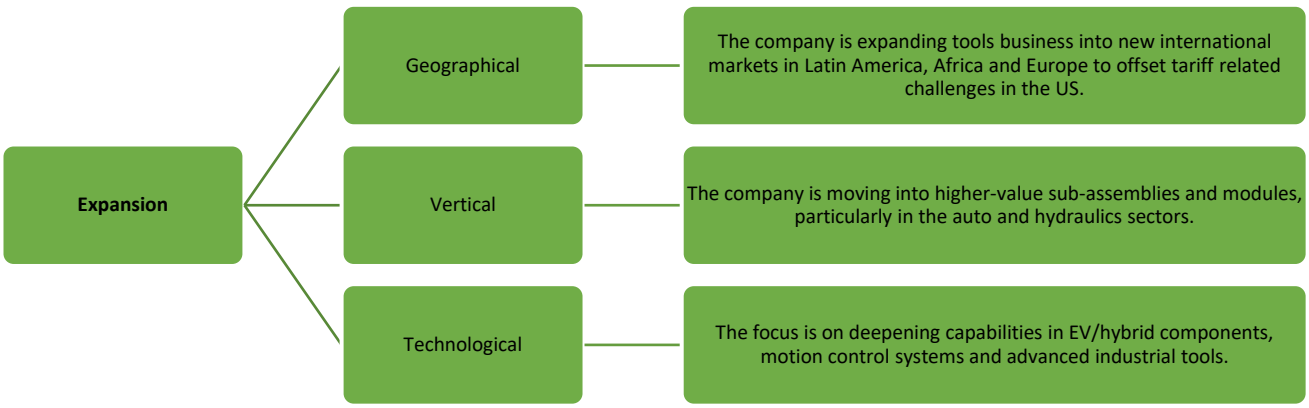
Beyond automotive, JK Maini Precision Technology Ltd deploys machining capabilities across heavy engineering sectors. The hydraulics division manufactures precision components for critical assemblies in construction equipment, agriculture machinery, and industrial systems. The components include bearing housings, pressure plates, and valve bodies. The hydraulics segment manufactures durable, high-strength parts like wheel forks, brake plates, and gear assemblies. It caters to locomotive, marine, and general engineering applications. The diversification into engineering acts as a strategic hedge against automotive cyclicality. The engineering business-related demand is coming from government-related infra spending on roads, highways, and construction. The new reform of GST 2.0 has also positively impacted the real estate and industrial industries.

Exhibit 10: JK Maini Global Precision Technology's Engineering product portfolio.

Source: Company reports, Arihant Capital Research

JK Maini Precision Technology Ltd has 1,500+ machines across 17 manufacturing locations in India, producing over 4,000 SKUs annually. Its product portfolio spans from millimeter-scale precision injector parts to large ring gears and millions of hand files. The company has horizontal capability processes for diverse materials and complex geometries, rather than being tied to a single product line. The company is actively expanding geographically, vertically, and technologically.

Exhibit 11: JK Maini Global Precision Technology is expanding its portfolio, technologies and geographies.



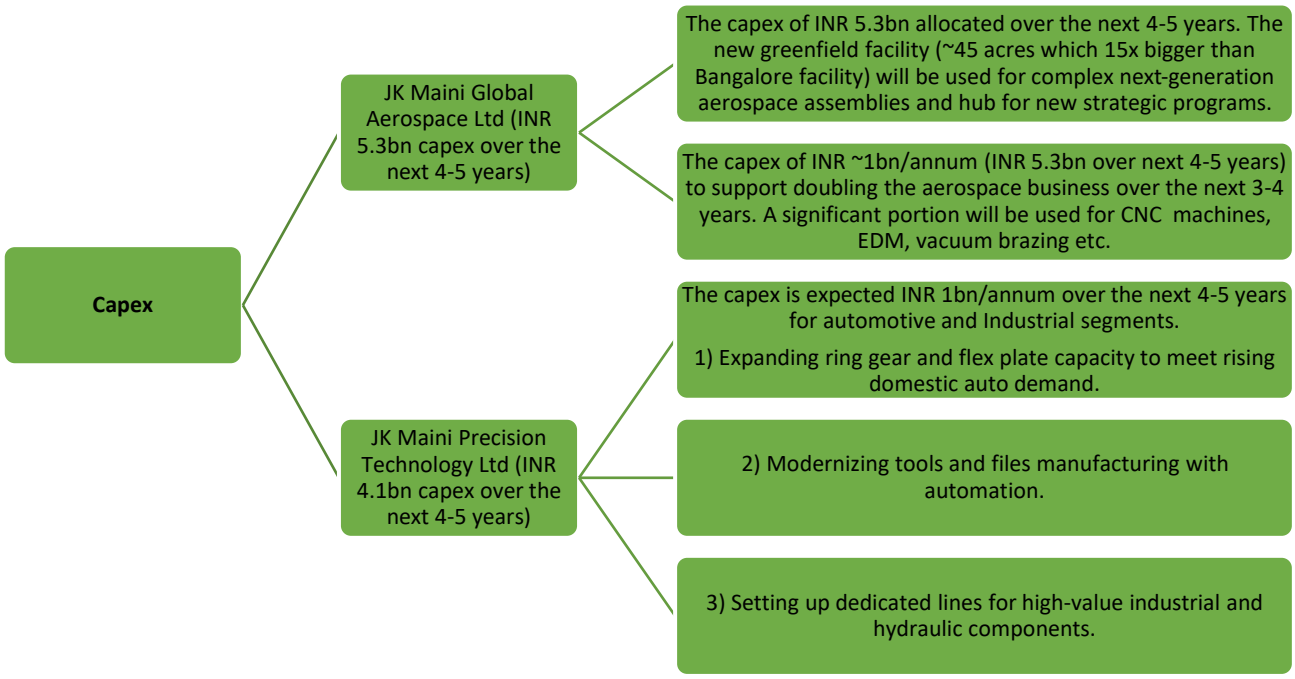
Source: Company reports, Arihant Capital Research

Investment Rationale

Continuous capex to support future growth: JK Maini Global Aerospace Ltd capex is linked to moving up the value chain and aligning with the multi-decade ramp-up plans of global OEMs. The capex is mainly for enhancing capacity for existing parts, investing in new machinery for newer, more complex components, and building the greenfield facility in Andhra Pradesh. The Andhra Pradesh facility is expected with a capex of INR 5.3 bn for complex next-generation aerospace assemblies and will serve as a dedicated hub for new strategic programs. The capex is expected at INR 1 bn per annum (~INR 5.3 bn capex over the next 4-5 years) to support doubling the aerospace business over the next 3-4 years. A significant portion of capex is for multi-axis CNC machines, vacuum brazing and EDM, and enhanced metrology and quality assurance systems. The capex is essential to handle the increasing complexity of parts and fulfil the requirements of new long-term agreements with customers like Safran and Pratt & Whitney.

JK Maini Precision Technology Ltd capex is focused on debottlenecking and expanding capacity in high-growth segments, integrating operations post-merger to capture synergies, and developing capabilities for new product lines, particularly in EV/hybrid components.

Exhibit 12: Value creation are expected supported by restructuring,



Source: Company reports, Arihant Capital Research

Focused on an export-oriented business model and geographic diversification: JK Maini Global Aerospace's business model is globally integrated and export-oriented, with 90% of revenue coming from exports. JK Maini Precision Technology's industrial and automotive components division export share is around 62%, primarily to European, North American, and Asian OEMs and Tier-1 suppliers. The Tools & Hardware division exports around 43% of sales. The company is leveraging its global brand and distribution network to sell files and hand tools across 65+ countries, including Africa, the Middle East, Latin America, and Europe.

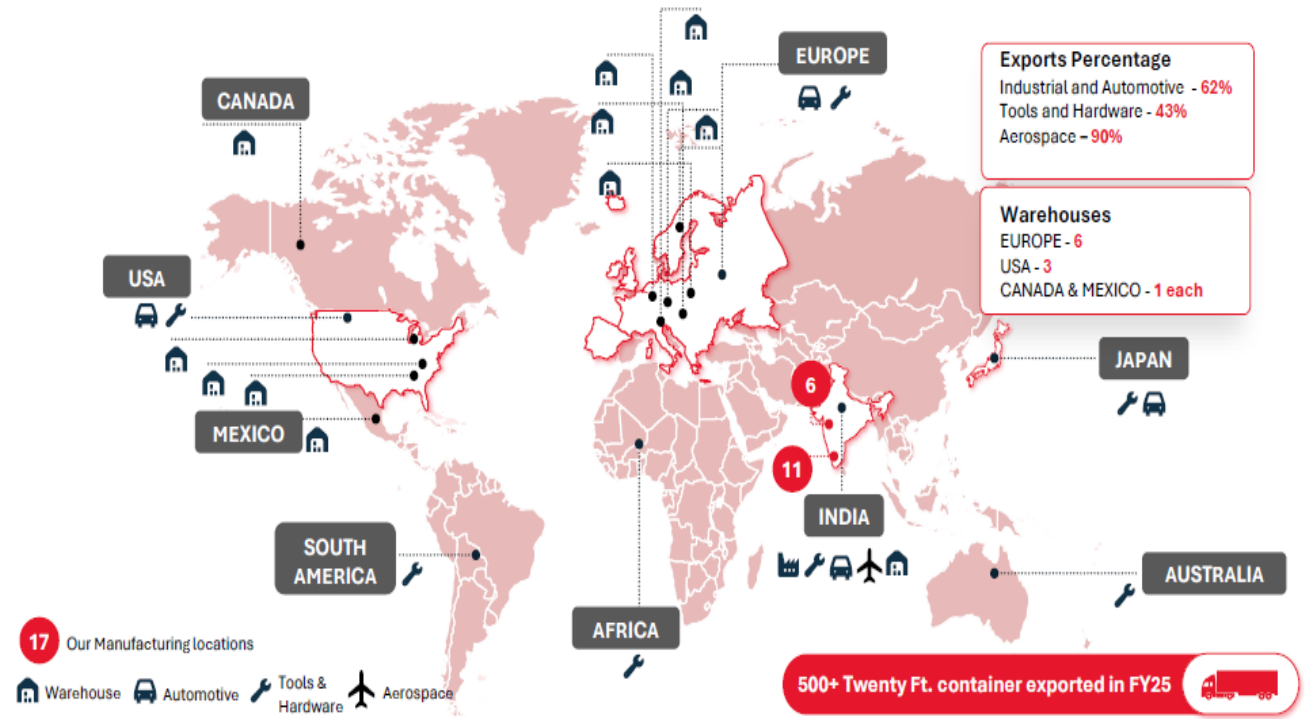
Aerospace exports are mainly to Europe (France and the UK) and the US. Major exports are conducted on Delivered at Place (DAP) terms. The company handles logistics and the cost of delivering the goods to a named location in the customer's country. This model gives the company greater control over its supply chain; however, it exposes it to logistics cost volatility.

Investment Rationale

In auto components and industrial parts, multinational corporations are actively diversifying their supply chains away from an over-reliance on China, seeking reliable, quality-focused manufacturing partners in alternative locations like India. The geopolitical shift has resulted in a surge in Requests for Quotation (RFQ) for JK Maini Precision Technology Ltd. The company is winning new programs and increasing market share as global OEMs look to de-risk their procurement. The company is exporting hybrid vehicle transmission components for the European market. The company is directly supplying to global OEM plants and consigning to vendor-managed inventory hubs located closer to customer assembly lines.

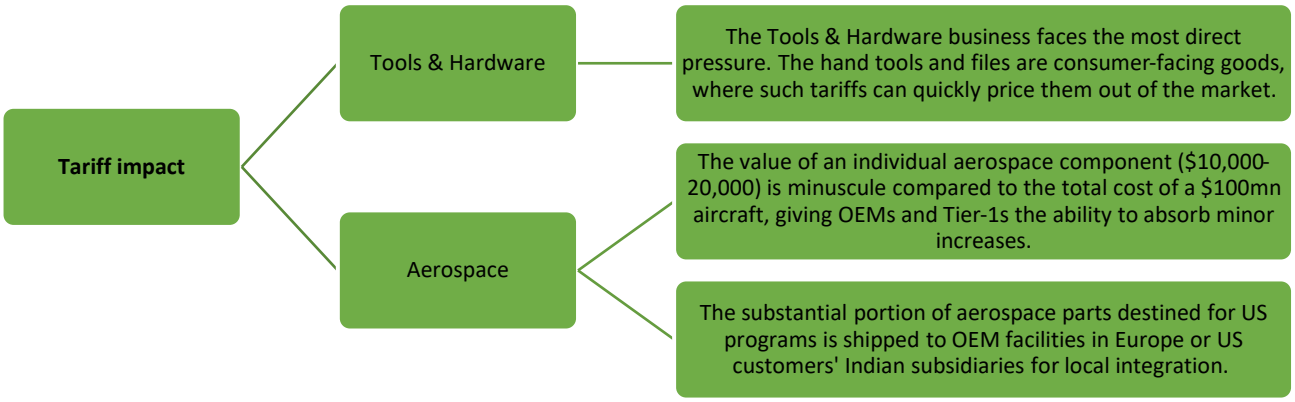
In Tools & Hardware, the company has positioned itself as a quality, competitive alternative to Chinese manufacturers in many developing markets like Africa, where it sells its own branded products directly. The company is also expanding into new geographies like Latin America to mitigate risks.

Exhibit 13: Raymond's global presence.



Source: Company reports, Arihant Capital Research

Exhibit 14: US tariff rates are 50% and the company has low exposure (10-20% of sales) to the US market.



Source: Company reports, Arihant Capital Research

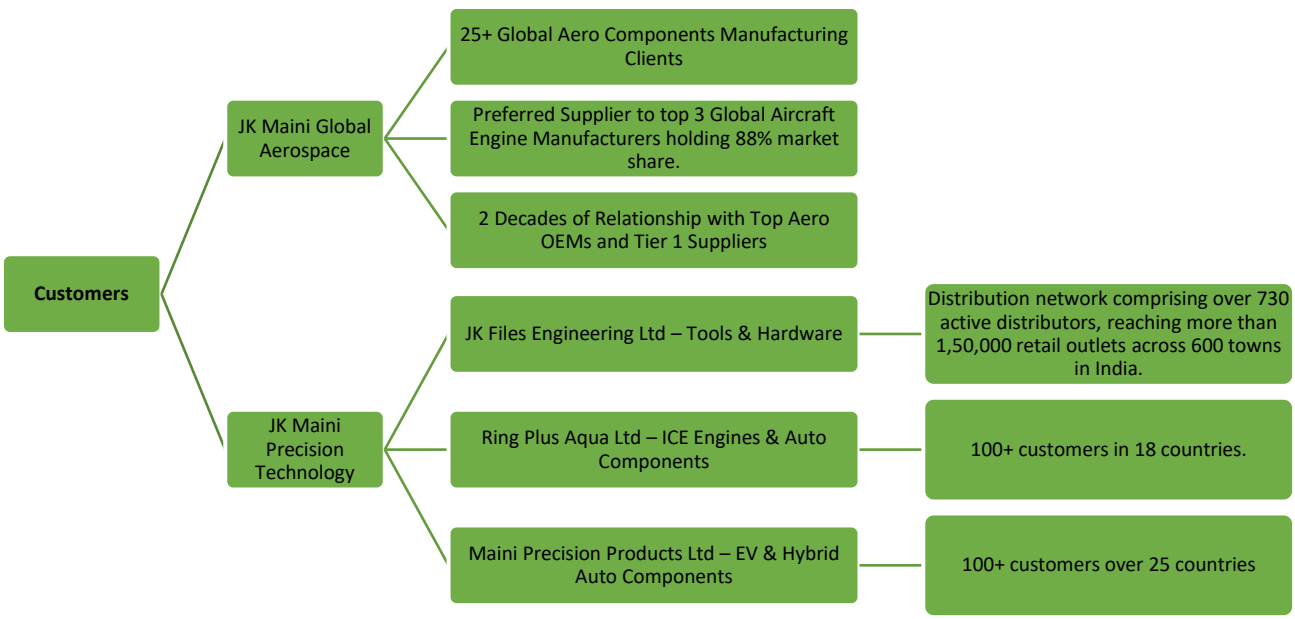
Investment Rationale

Partnership with global OEMs leading to better client and customer ecosystem: JK Maini Global Aerospace is a certified and strategic partner to the world's dominant aircraft engine manufacturers. The company has a good relationship with the big three engine OEMs, Safran (France), GE Aerospace (US), and Pratt & Whitney (US), which collectively have ~88% of the market share for larger commercial aircraft engines. The multi-year partnership is built on a 21-year foundation of consistent delivery. Recently, the company has signed an MoA with Safran Aircraft Engines to expand into manufacturing machined assemblies, showing the relationship's evolution from component supplier to partner for higher-value subsystems.

Beyond the engine OEMs, the client base extends to include major global Tier-1 system integrators and airframe manufacturers, totaling over 25 aerospace and defence companies. This includes companies involved in landing gear systems, fuel systems, hydraulics, and aircraft structures. The company has self-certification status granted by 5 key customers. This privilege, where parts are shipped directly to the production line without additional client inspection, shows capability and trust by customers in the aerospace industry.

JK Maini Precision Technology is positioned as a Tier-1 supplier within global automotive value chains. The company has integrated itself into the supply frameworks of all the top 15 global automotive OEMs. The OEMs are from Europe, North America, Japan, and Korea, spanning the PV, CV, and off-highway segments. The company is covering internal combustion engine powertrain components and next-generation hybrid and electric vehicle parts. The partnership with a leading European automotive OEM for hybrid transmission components has made it a designated supplier for critical parts across several hybrid models sold in Europe. In domestic markets, the company is a key supplier to major Indian OEMs for components like ring gears, flex plates, and fully assembled transmissions for electric three-wheelers. The company is involved in co-development and design collaboration for new EV and hybrid programs.

Exhibit 15: The restructuring will lead to create synergies, including cross selling of products to customers.

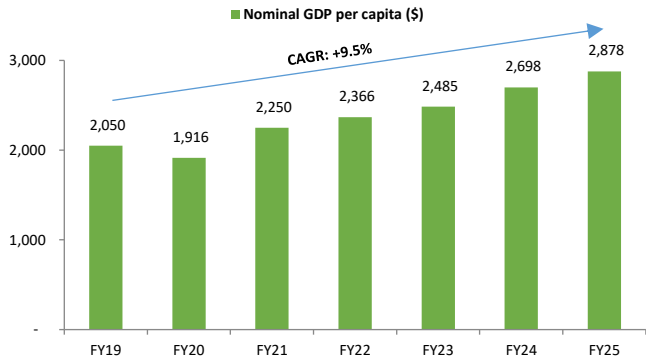


Source: Company reports, Arihant Capital Research

Industry

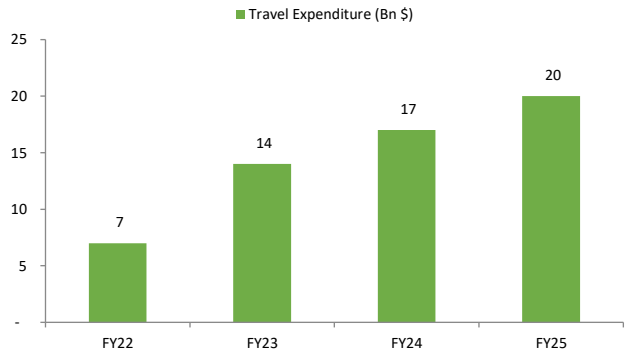
Indian Aviation Industry: The global aerospace industry is experiencing growth, driven by a sustained increase in air travel demand post-pandemic, technological advancements, and complex manufacturing value chains. The growth is mainly driven by increasing disposable income, recovery in passenger traffic growth, rising travel expenditure, etc. The nominal GDP per capita has increased from 1,916 dollars (FY20) to 2,878 dollars in FY25, enhancing propensity for air travel. India's air passenger traffic rebounded strongly from 0.1 bn in FY21 to 0.43 bn by FY25. Travel expenditure also accelerated at a CAGR of 56% from 7 bn dollars (FY22) to 20 bn dollars (FY25), fuelling aviation sector expansion. Overall, the Indian aviation industry is expected to grow from $334 bn (FY23) to $386 bn by FY28E.

Exhibit 16: Nominal GDP per capital grow at a CAGR 5.8% over the period of FY19-25…



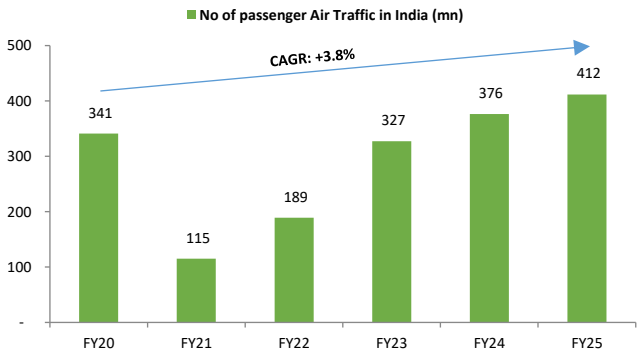
Source: Company reports, Arihant Capital Research

Exhibit 17: …led to increase in travel expenditure in India.



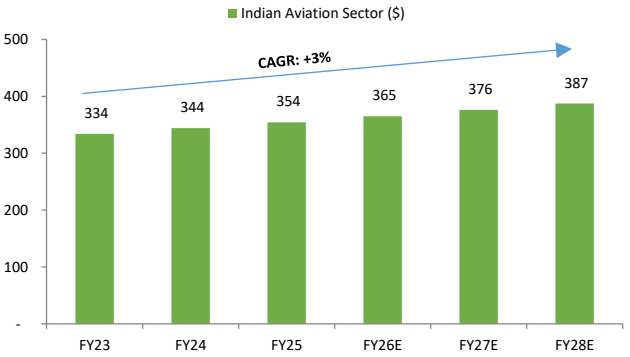
Source: Company reports, Arihant Capital Research

Exhibit 18: Post pandemic, Air traffic sharply recovered. The Air traffic grew at a CAGR of 3.8% over the period of FY20-25.



Source: Company reports, Arihant Capital Research

Exhibit 19: Indian Aviation Sector is expected to grow at a CAGR of 3% over the period of FY23-28E.

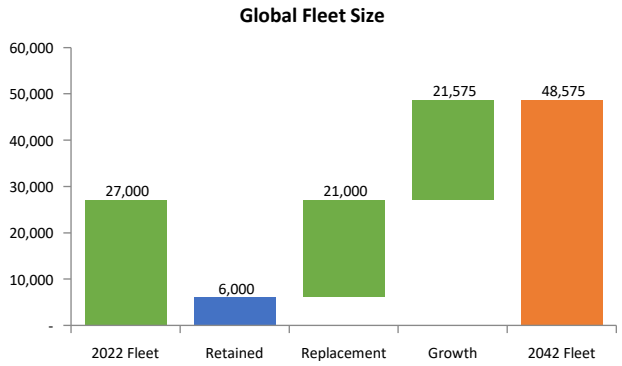


Source: Company reports, Arihant Capital Research

The surge in demand for air travel is translating into aircraft orders and fleet expansion globally. The global commercial aircraft fleet is expected to double from 21,575 aircraft (2022) to 48,575 by 2042. The expansion includes replacement of retiring older fleets and additional aircraft for net growth. The demand is led by single-aisle aircraft (Airbus A320neo and Boeing 737 MAX families), which are expected to constitute the majority of deliveries due to their efficiency for domestic and regional routes.

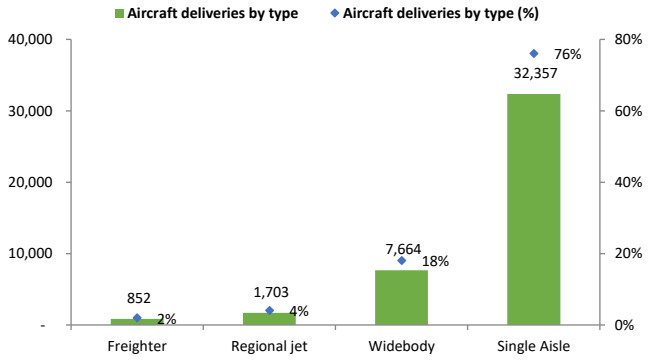
Industry

Exhibit 20: Global fleet is scheduled to be double by 2042.



Source: Company reports, Arihant Capital Research

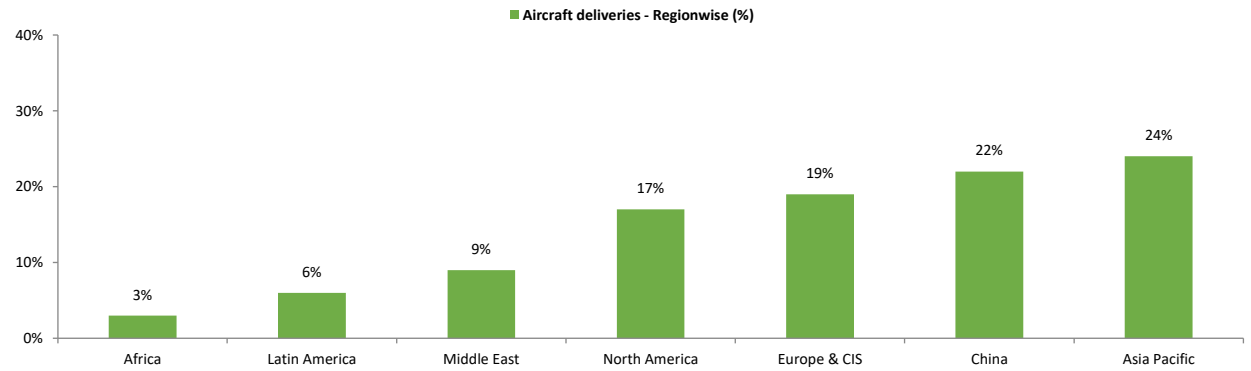
Exhibit 21: Major delivery are based on Single Aisle type aircrafts.



Source: Company reports, Arihant Capital Research

Asia Pacific is the dominant region, expected to account for the largest share (24%) of global aircraft deliveries by 2042. China follows closely as a single-country market with a 22% share. This shows the strategic importance of the Asia-Pacific region, including India, for aerospace manufacturers, suppliers, and MRO providers.

Exhibit 22: Asia Pacific (24%) and China (22%) has more aircraft deliveries.



Source: Company reports, Arihant Capital Research

The OEM manufacturers design, assemble, and market the final aircraft. This segment is a duopoly dominated by Airbus and Boeing.

- Airbus: The A320 family (narrow body/single-aisle) is highlighted as the most popular commercial single-aisle aircraft family globally, with over 15,600 orders from 300+ customers. Other key variants include the A318, A319, A320, and A321 (including Neo models).

- Boeing: The 737 family (including the 737 MAX series) and its 787 Dreamliner (wide body) are central to its commercial portfolio.

Boeing and Airbus design the aircraft, manage final assembly, and source a vast array of semi-finished assemblies (fuselage, wings, empennage), systems, and components from a global network of Tier 1, Tier 2, and Tier 3 suppliers.

Industry

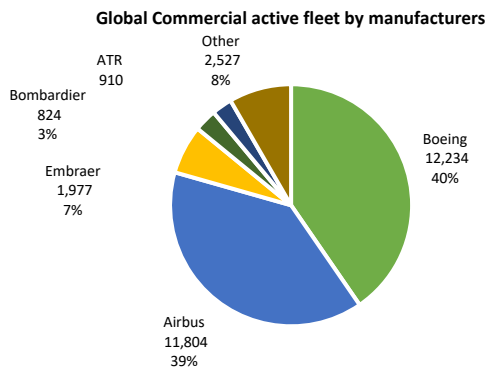
Exhibit 23: Air bus and Boeing important model variants.

AIRBUS		BOEING	
Narrow Body model	**Important Variants**	**Narrow Body model**	**Important Variants**
A220	100, 300	707	000, 000B, 020, 120, 220, 320, 320B, 321B, 320C, 420, 700, E3A, E6A
A318	111, 112, 121, 122	717	200
A319	100, 111, 132, CJ (Corporate Jet, MPA (Maritime Patrol), LR, Neo	727	30C, 100, 100C, 100QC, 100QF, 200, 200 Advanced, 200C, 200F, 200F Advanced, Super 27
A320	100, 200, Neo	737	100, 200, Classic (300, 400, 500), Next Generation (600, 700, 800, 900), Max (Max7, 8, 9 and 10)
A321	100, 200, LR, XLR, Neo	757	200, 200PF, 200M, 200SF, 300
Wide Body model	**Important Variants**	**Wide Body model**	**Important Variants**
A300	B1, B2, B4, 600, 600ST (Beluga)	747	100, 100SR, 100BSR, 100B, 100SP, 200, 300, 400, 8
A310	200, 200C, 200F, 300, 300F, 300C, MRT/MRTT, ZeroG	767	200, 200ER, 300. 300ER, 300F, 400ER
A330	100, 200, 200F, 300, 300HGW, 800Neo, 900Neo, 743L	777	200, 200ER, 200LR (Worldliner), 300, 300ER, 8, 9, X
A340	200, 300, 500, 600	787	8, 9, 10
A350	900, 900ULR, 1000	747	100, 100SR, 100BSR, 100B, 100SP, 200, 300, 400, 8
A380	800, 800F	767	200, 200ER, 300. 300ER, 300F, 400ER

Source: Company reports, Arihant Capital Research

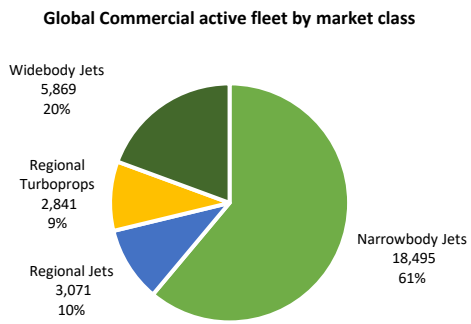
Commercial global aircraft fleet: The global commercial aircraft fleet consists of 35,550 aircraft. Of these, 30,276 are active, while 5,271 are held in storage. The fleet includes 152 master series produced by 26 manufacturers worldwide. Despite the variety of manufacturers, the market is highly consolidated, and Airbus and Boeing together account for about 80% of the active fleet, while the top 5 manufacturers represent around 95% of all aircraft in service. The active fleet is divided into four main market segments. Narrowbody jets are the largest segment (61.1%), followed by widebody (19.4%), regional jets (10.1%), and regional turboprops (9.4%). This shows the operational focus on short and medium-haul routes, where narrowbody aircraft offer versatility and lower unit costs.

Exhibit 24: Boeing and Airbus has ~80% share of active commercial aircrafts.



Source: IATA, Company reports, Arihant Capital Research

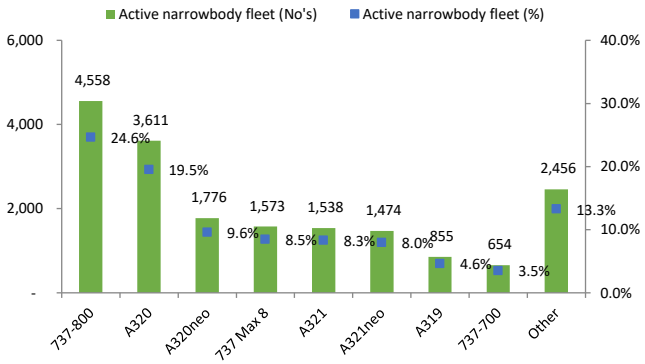
Exhibit 25: Major delivery are based on Single Aisle type aircrafts.



Source: IATA, Company reports, Arihant Capital Research

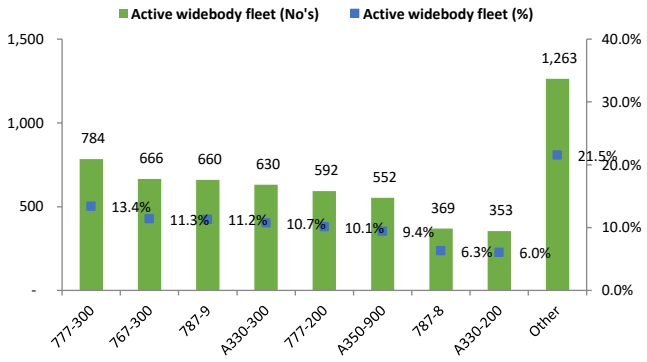
Industry

Exhibit 26: Boeing 737 family and Airbus A320 family accounts ~87% narrowbody active fleets.



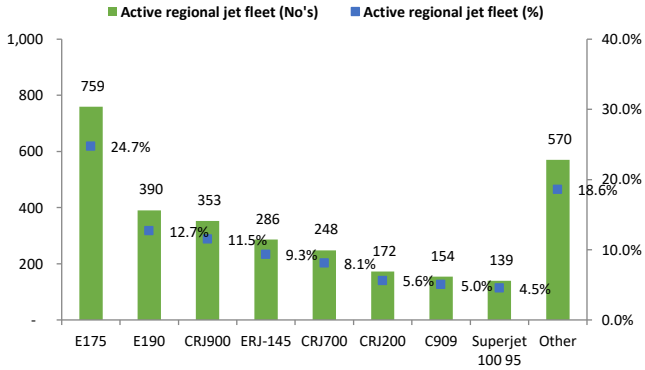
Source: IATA, Company reports, Arihant Capital Research

Exhibit 27: Boeing (~60%) and Airbus (~40%) are dominating widebody active fleets.



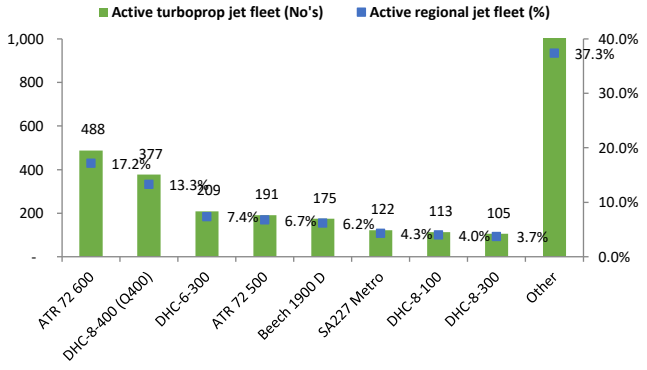
Source: IATA, Company reports, Arihant Capital Research

Exhibit 28: Embraer (>30%) has highest regional jet active fleets, followed by Bombardier and Airbus.



Source: IATA, Company reports, Arihant Capital Research

Exhibit 29: Turboprop jet fleet are dominated by ATR and DHC.



Source: IATA, Company reports, Arihant Capital Research

Widebody jets average 274 seats per flight and fly an average distance of 4,800 km, contributing 40% of global Available Seat Kilometers (ASK). Narrowbody jets average 171 seats and an average distance of 1,390 km, generating 56% of ASK. Regional jets average 80 seats and 760 km, accounting for 2.4% of ASK.

In the narrowbody segment, the Airbus A320 family and Boeing 737 family contribute around 87% of narrowbody jets. The key models include the A320neo, A321neo, B737-800, and B737 MAX 8. The widebody fleet is split between Boeing (60%) and Airbus (40%), led by the B777, B787, A350, and A330 families. The regional jet segment is more diverse, with Embraer (>30%), followed by models from Bombardier (CRJ series) and Airbus (A220). The turboprop fleet is led by the ATR 72-600 and the DHC 8-Q400.

Exhibit 30: Key characteristic of each aircraft class.

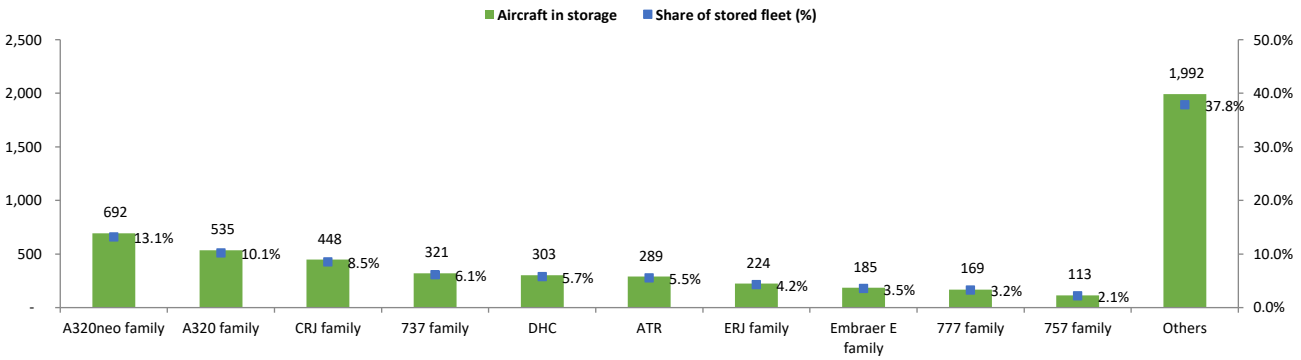
Aircraft Class	Model	Average seats per flight	Average distance per flight	Range
Narrowbody Jets	B777, B767, A350, A330, B787	274	4,800 km	8,000-13,000 km
Regional Jets	A320, B737	171	1,390 km	Up to 6,500 km
Regional Turboprops	Embraer E-jet, A220, Bombardier CRJ	80	760 km	3,000-5,000 km
Widebody Jets	ATR 72, Dash 8, Beech 1900	46	340 km	1,500-2,000 km

Source: IATA, Arihant Capital Research

Industry

Stored aircraft stand at 5,271 (17.4% of the global fleet), which is significantly above the 2010-2018 average of 11.8%. Regional aircraft have the highest storage ratios, particularly the CRJ and ATR families. This trend is driven by structural shifts in regional networks, pilot shortages, and airline preferences for larger aircraft. An additional 2% of the global fleet is grounded due to engine-related issues, such as problems with the PW1000G series. The portion of stored regional aircraft are older models that may never return to service, suggesting the storage fleets may be inflated by permanently retired units. The major aircraft parked over 5 years and prolonged storage indicate deeper economic shifts such as diminished resale viability, deferred retirement decisions, or strategic holdings for potential future uses like cargo conversion. The average age of the global fleet has risen to 15 years (13 years before Covid), showing lower retirement rates. The scarcity of new aircraft deliveries has forced airlines to retain older, less efficient aircraft longer than planned.

Exhibit 31: Stored aircraft stands at 5,271 fleet. Airbus has higher (>20%) stored fleets. The stored fleets are older and may not return for services.

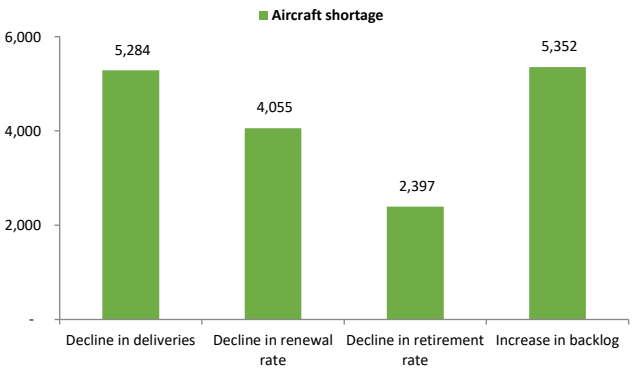


Source: IATA, Company reports, Arihant Capital Research

The aircraft shortage began building in FY19 and has evolved into one of the industry's most pressing challenges. It is a structural supply-demand imbalance rooted in the pandemic's severe disruption of the aerospace manufacturing ecosystem. Suppliers downsized or exited, and the recovery of production capacity has been hampered by labor shortages, inflationary pressures on input costs, and limited availability of key components like engines, avionics, and specialty metals. Recurring quality-control and technical issues at major aircraft manufacturers have triggered regulatory oversight, leading to reduced production rates and delivery pauses.

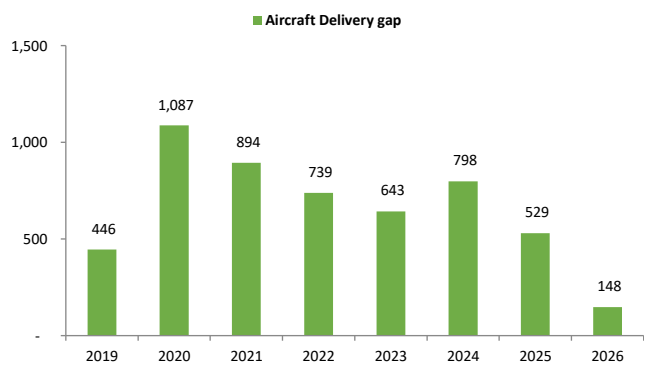
The aircraft delivered were 10,720 units over the period 2019-2026, lower than the delivery schedule of 16,004 aircraft, leading to a shortfall of 5,284 aircraft. The delivery gap reflects initial COVID-19 production halts and slower recovery of manufacturing in the subsequent years.

Exhibit 32: Covid pandemic led to aircraft shortages and recovery were slower during 2019-2026. Decline in deliveries and increased backlog accounted for major increase.



Source: IATA, Company reports, Arihant Capital Research

Exhibit 33: Aircraft delivery gap trend is declining due to improved execution.

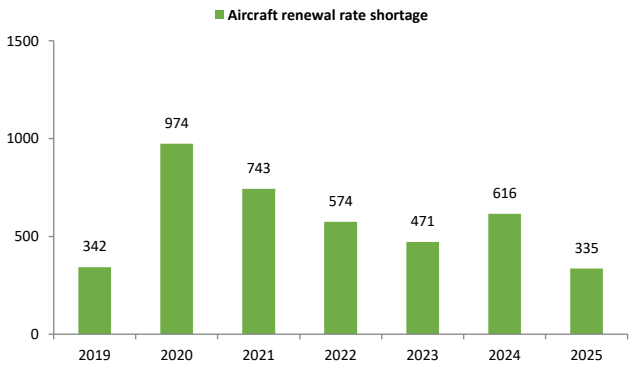


Source: IATA, Company reports, Arihant Capital Research

Industry

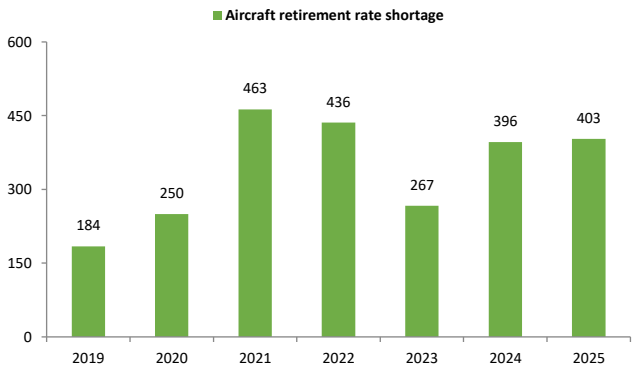
The aircraft delivered were 10,720 units over the period 2019-2026, lower than the delivery schedule of 16,004 aircraft, leading to a shortfall of 5,284 aircraft. The delivery gap shows initial COVID-19 production halts and slower recovery of manufacturing in the subsequent years. The new-deliveries shortage stood at 4,055 aircraft over the period 2019-2026. The depressed renewal rate shows that new aircraft are entering the fleet at a pace insufficient to maintain its natural cycle, forcing the extension of existing aircraft service lives. With few new aircraft available for replacements, airlines are compelled to retain aging equipment longer than planned. If the historical average retirement rate had held, the market would have seen 2,397 more aircraft retirements between 2019-25. The low retirement rate led to the rising average fleet age to 15 years (pre-Covid: 13 years). The retention of older technology decreases fuel efficiency and complicates decarbonization efforts. Historically, the global backlog is around 40% of the active fleet; however, it has surged to 58% (17,560 aircraft) of the in-service fleet, showing a mismatch between order intake and deliveries. This has led to a structural shortage of 5,352 aircraft. The backlog order book shows strong demand for both growth and replacement; however, deliveries are slower. Overall, deliveries are normalizing and have returned to pre-Covid levels.

Exhibit 34: Aircraft renewal rate shortage trend declined and came back to pre-covid levels.



Source: IATA, Company reports, Arihant Capital Research

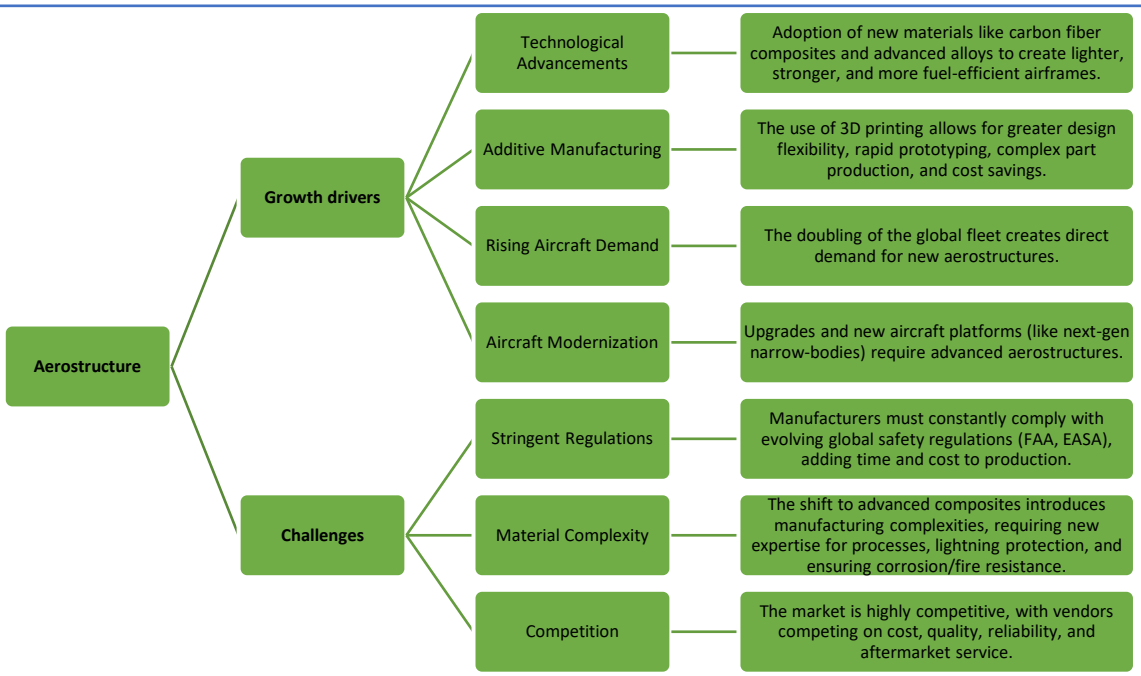
Exhibit 35: Aircraft retirement rate remain lower due to shortage of availability of aircrafts.



Source: IATA, Company reports, Arihant Capital Research

Aerostructure market – Backbone of the Aircraft: The aero structure segment dominates the aerospace parts manufacturing market. The aero structure market is estimated at 432.5 bn dollars and is expected to grow at a CAGR of 3.6% to 432.5 bn dollars by FY28. This segment accounts for around 40% of total aircraft costs.

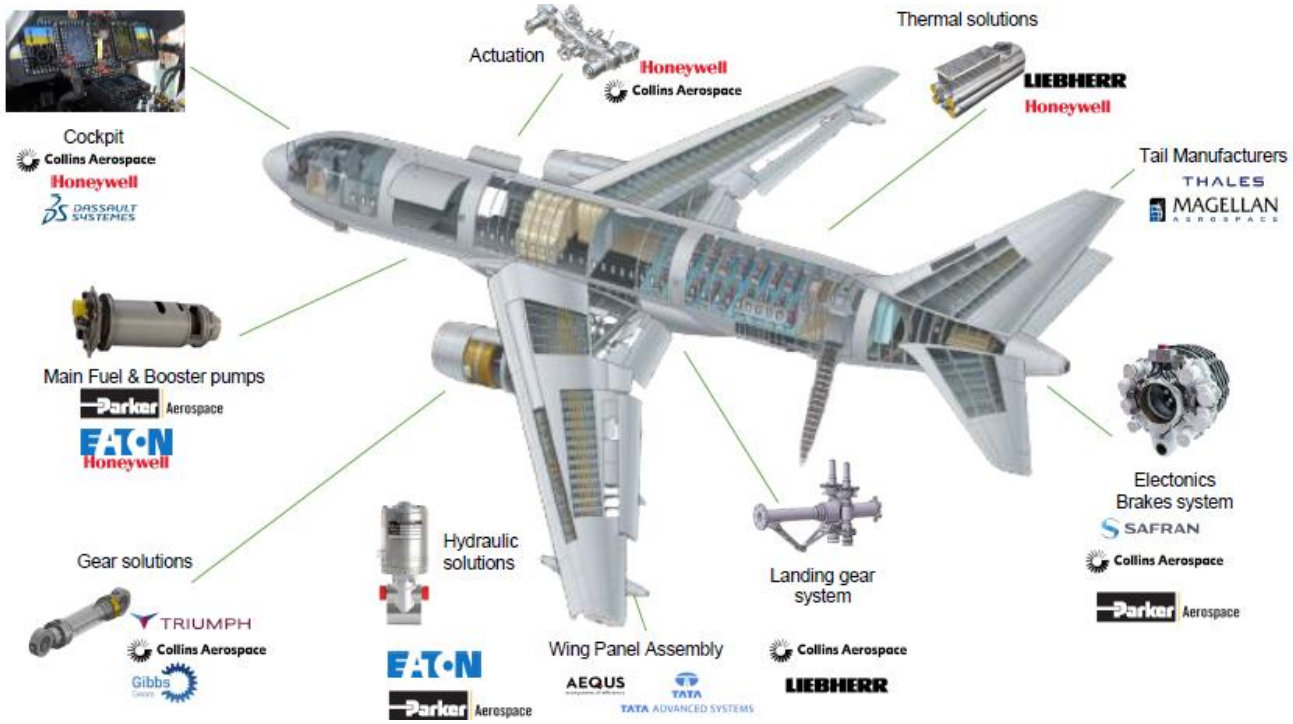
Exhibit 36: Aerostructure growth drivers and challenges



Source: Company reports, Arihant Capital Research

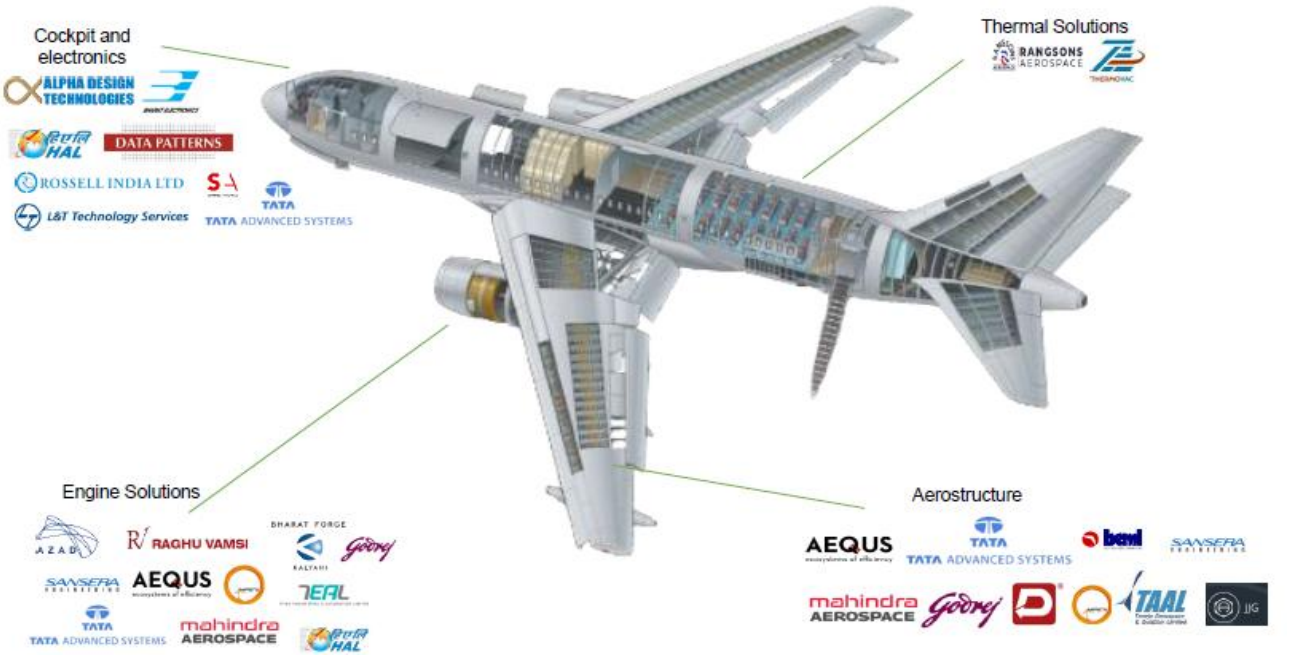
Industry

Exhibit 37: Various assemblies in aerostructure and manufacturers.



Source: Company reports, Arihant Capital Research

Exhibit 38: Indian component suppliers to aircraft integrators.

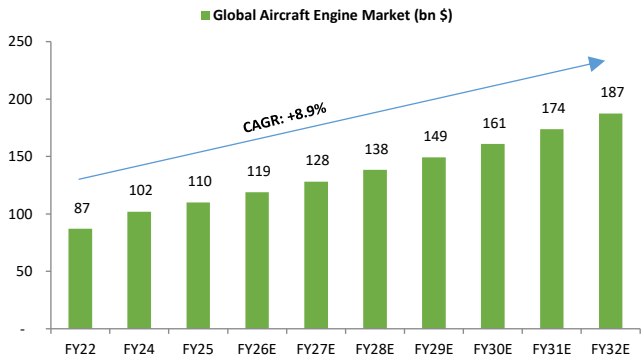


Source: Company reports, Arihant Capital Research

Industry

Aircraft Engines – The propulsive heart of aerospace: The global aircraft engine market is estimated at 87 bn dollars and is expected to grow at a CAGR of 7.9% to 187 bn dollars. The growth is driven by doubling the aircraft fleet by 2042 and heavy investments in R&D by major engine manufacturers. Asia and the Middle East are driving demand for new aircraft, while established North American markets continue to lead in engine innovation.

Exhibit 39: Global Aircraft Engine market is expected to grow at a CAGR of 8.9% over the period of FY22-32E.

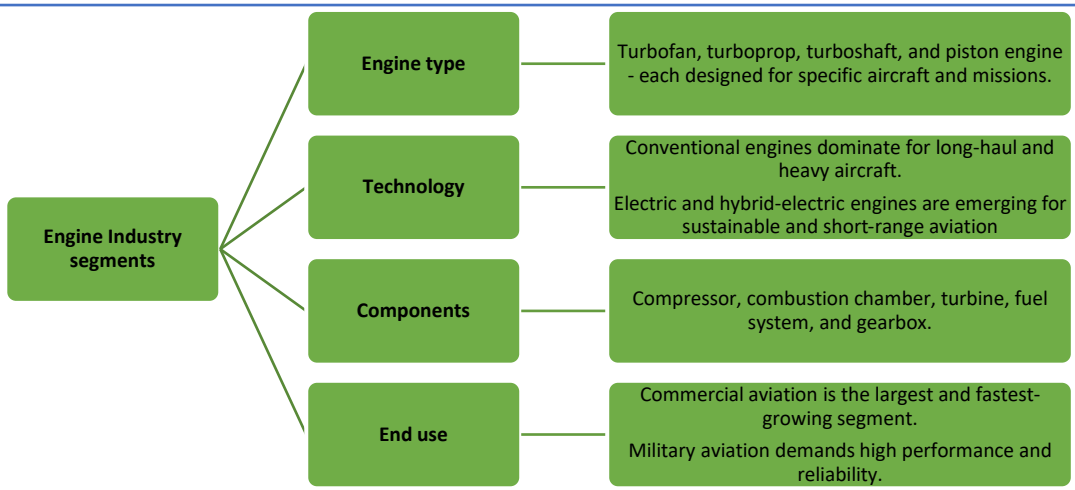


Source: Company reports, Arihant Capital Research

Exhibit 40: Engines account for 20% of total aircraft costs.

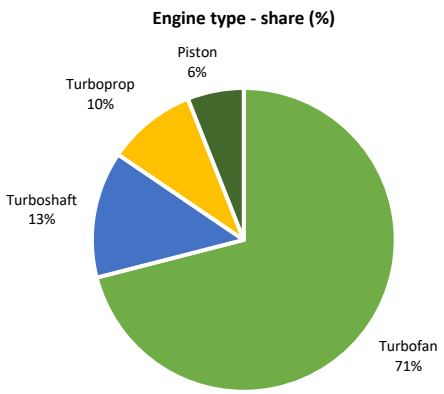
Source: Company reports, Arihant Capital Research

Exhibit 41: Engine Industry segments



Source: Company reports, Arihant Capital Research

Exhibit 42: Turbofan engine has highest share (71%) and has largest performance range with thrusts ranging from 160 to 400kN

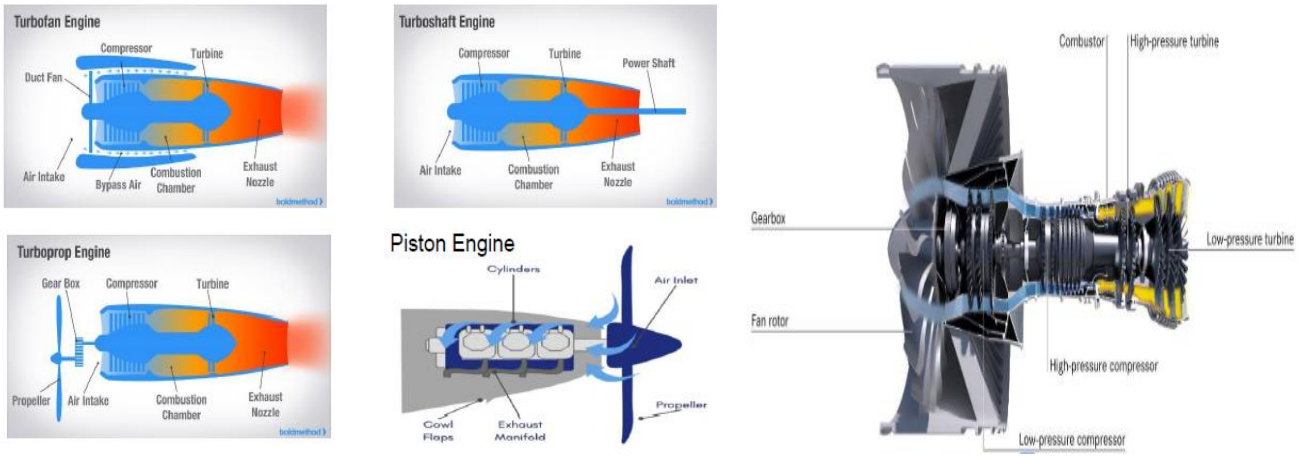


Engine	Fuel Efficiency	Speed Range	Altitude Range	Noise Level	Applications
Turbofan	Very high	Subsonic to transonic	High	Low, Moderate	Commercial airliners
Turboshaft	High	Subsonic	Low to moderate	Moderate	Helicopters, some fixed-wing aircraft
Turboprop	High	Subsonic to transonic	Low to moderate	Moderate	Regional airliners, cargo planes
Piston	Moderate	Subsonic	Low to moderate	Moderate	General aviation, training aircraft

Source: Company reports, Arihant Capital Research

Industry

Exhibit 43: Engine types



Source: Company reports, Arihant Capital Research

Exhibit 44: Key players in the Aircraft engines components and sub-systems

Player	Products	Customers
JK Maini Global Aerospace Ltd	Aerospace engine parts Aerospace systems Clean powertrain	General Electric, Safran
Aequs	Turbine blades Engine blocks Cylinder heads Pistons Crankshafts	Safran, Honeywell, General Electric, GKN Aerospace.
Sansera Engineering	Engine blocks Cylinder heads Turbine blades Compressor components	Collins Aerospace, SAAB, Airbus, Boeing.
L&T Technology Services	Engine subassemblies Turbine engine parts Parts for engine nacelle	Safran, GE Aerospace, Rolls Royce, Honeywell, Pratt & Whitney.
Mecachrome SAS	Aerostructures. Subassemblies for helicopters, fighter planes, jets & aircraft. Assemblies for aircraft engines Engine drive shaft mechanism for helicopters.	Honeywell, Safran, Rolls Royce.
Wuxi Turbine Blade Co Ltd. (WTB)	Compressor blades Disks and shafts Structural parts	General Electric, Rolls Royce, Honeywell
Aero Engine Corporation of China (AECC)	Aerospace engine parts Turbofan engines Turboprop engines Turboshaft engines	COMAC, AVIC
Azad Engineering Ltd	Airfoils/Blades Nozzle Fan blisk Turbine Wheel Impeller	General Electric, Honeywell, Rolls Royce.

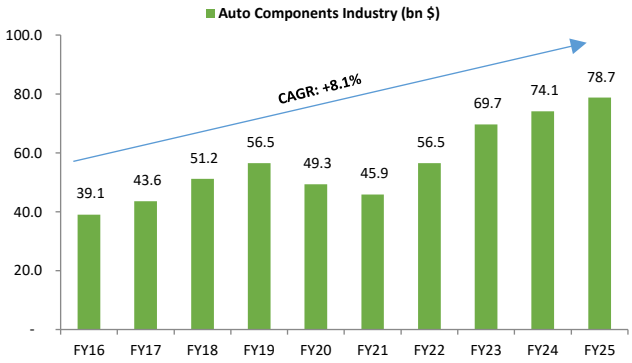
Source: Company reports, Arihant Capital Research

Industry

Auto Components Industry: The Indian auto components industry is a critical and dynamic sector within the country's manufacturing landscape. The auto components market grew at a CAGR of 8.1% over the period FY19-25. The industry is diversified with several segments, including engine parts, electrical parts, driving transmission and steering parts, suspension and braking parts, equipment, and others.

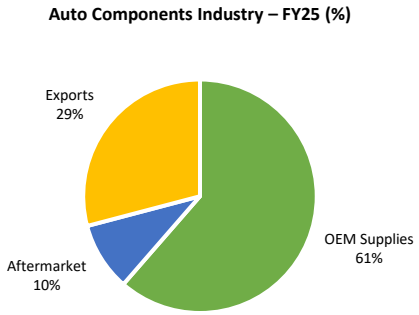
Domestic production is closely tied to OEM demand and constituted around 61% in FY25. The production landscape is dominated by 2-W, which accounted for 77% of domestic vehicle sales, followed by PV, CV, and 3-W.

Exhibit 45: Auto Components Industry grew 8.1% CAGR over the period of FY16-25.



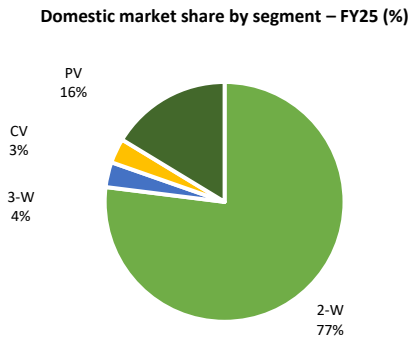
Source: Ibef, Company reports, Arihant Capital Research

Exhibit 46: OEM demand is >60% for auto components.



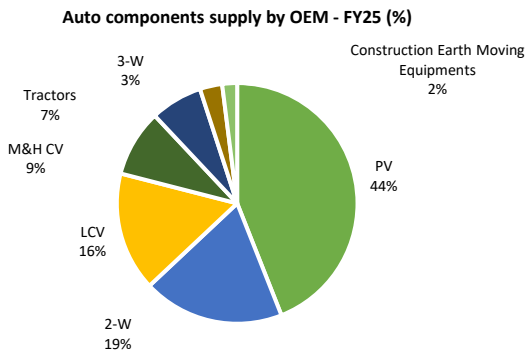
Source: Ibef, Company reports, Arihant Capital Research

Exhibit 47: Two wheeler segment accounted for 77% of auto components market.



Source: Ibef, Company reports, Arihant Capital Research

Exhibit 48: PV, 2-W and LCV has higher share by Auto Components supply by OEM.



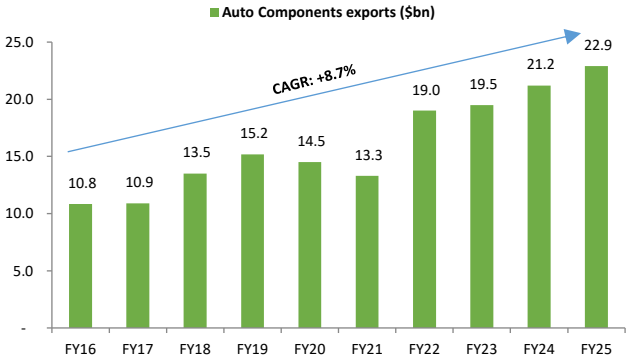
Source: Ibef, Company reports, Arihant Capital Research

Auto components exports grew at a CAGR of 8.7% to 22.9 bn dollars over FY16-25, accounting for about 29% of the total industry. The key export markets are North America (32%) and Europe (29.5%), with drive transmission systems, engine components, and suspension parts being the major export categories. The government has set an ambitious target to increase auto component exports to 30 bn dollars by FY26E, supported by trade agreements like the India-UK Comprehensive Economic and Trade Agreement. However, tariffs continue to bring uncertainties about exports.

The domestic aftermarket, encompassing replacement parts and consumables, grew at a CAGR of 6.2% over FY16-25. The aftermarket industry is expected to grow at 6% CAGR, supported by ageing vehicle parts, with the vehicle parc expected to expand from 333 mn units to 430-435 mn units by 2030. This segment includes a wide array of products such as engine parts, braking components, filters, tyres, batteries, and lubricants, catering to maintenance needs across vehicle categories.

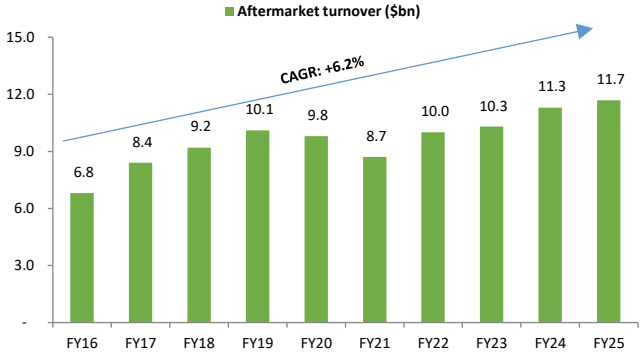
Industry

Exhibit 49: Auto Components exports market grew 8.1% CAGR over the period of FY16-25.



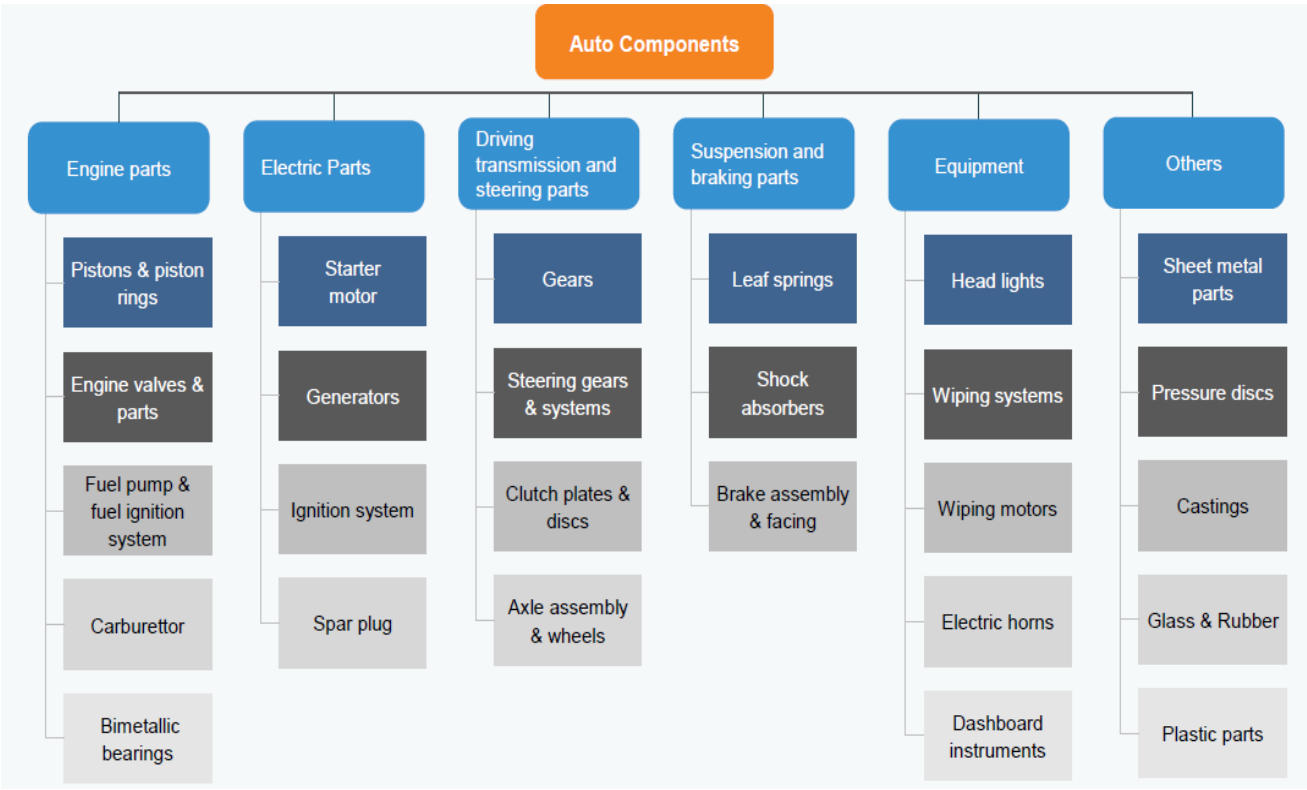
Source: Ibef, Company reports, Arihant Capital Research

Exhibit 50: Auto Components after market grew 6.2% CAGR over the period of FY16-25.



Source: Ibef, Company reports, Arihant Capital Research

Exhibit 51: Products segments



Source: Ibef, Company reports, Arihant Capital Research

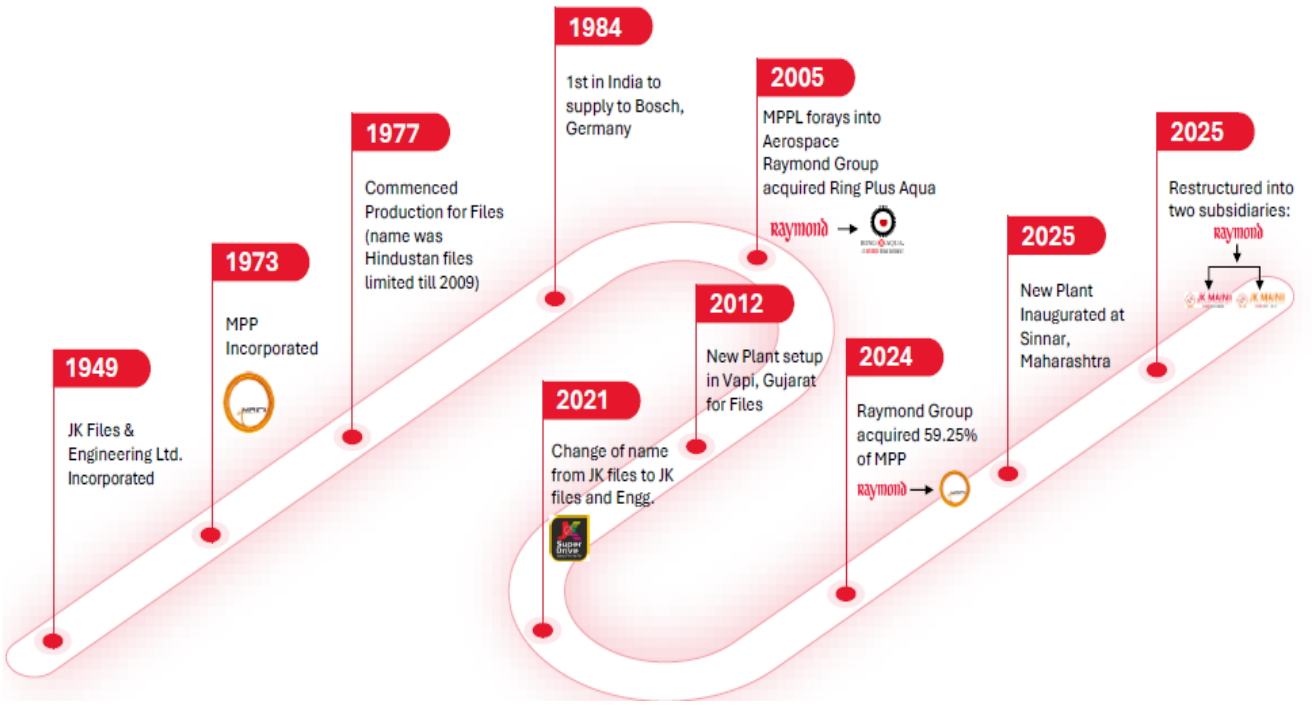
Business Overview

Raymond Engineering was formed through a strategic restructuring that created two focused subsidiaries. 1) JK Maini Global Aerospace is a premier manufacturer of high-precision, mission-critical components for aircraft engines. It is supplying directly to top global engine makers and benefiting from long-term contracts and a massive industry backlog. 2) JK Maini Precision Technology is dominant in India's file manufacturing and a key supplier of auto components like ring gears and flex plates, with growing capabilities in hybrid and EV parts.

JK Maini Global Aerospace Ltd is a Tier-1 supplier of high-precision, mission-critical components for aircraft engines, directly serving the global OEMs like Safran, GE Aerospace, and Pratt & Whitney. Around 90% of revenue comes from exports, and competitive advantage is built on a 21-year legacy. The company has mastery over machining exotic materials like Inconel and titanium, and the coveted "self-certification" status from key clients. It operates with 5-10 year contracts, aligned to a massive global aircraft order backlog exceeding 16,000 units, ensuring 12-15 years of production visibility. The company is focused on doubling revenue in 3-4 years by moving into higher-value assemblies and leveraging the "China+1" supply chain shift and India's defence indigenisation programmes.

JK Maini Precision Technology Ltd is a diversified engineering entity formed by merging legacy businesses in tools, files, and auto components. It holds dominant market positions as India's No.1 file manufacturer (~60% share) and the leading domestic producer of ring gears and flex plates for the automotive industry. It is a critical supplier to the world's top 15 automotive OEMs, with a growing portfolio of components for hybrid and electric vehicles. The business is diversified across eight industrial sectors, including hydraulics, locomotives, and industrial machinery. The growth is driven by integration synergies, "China+1" sourcing, and value addition in its tools business.

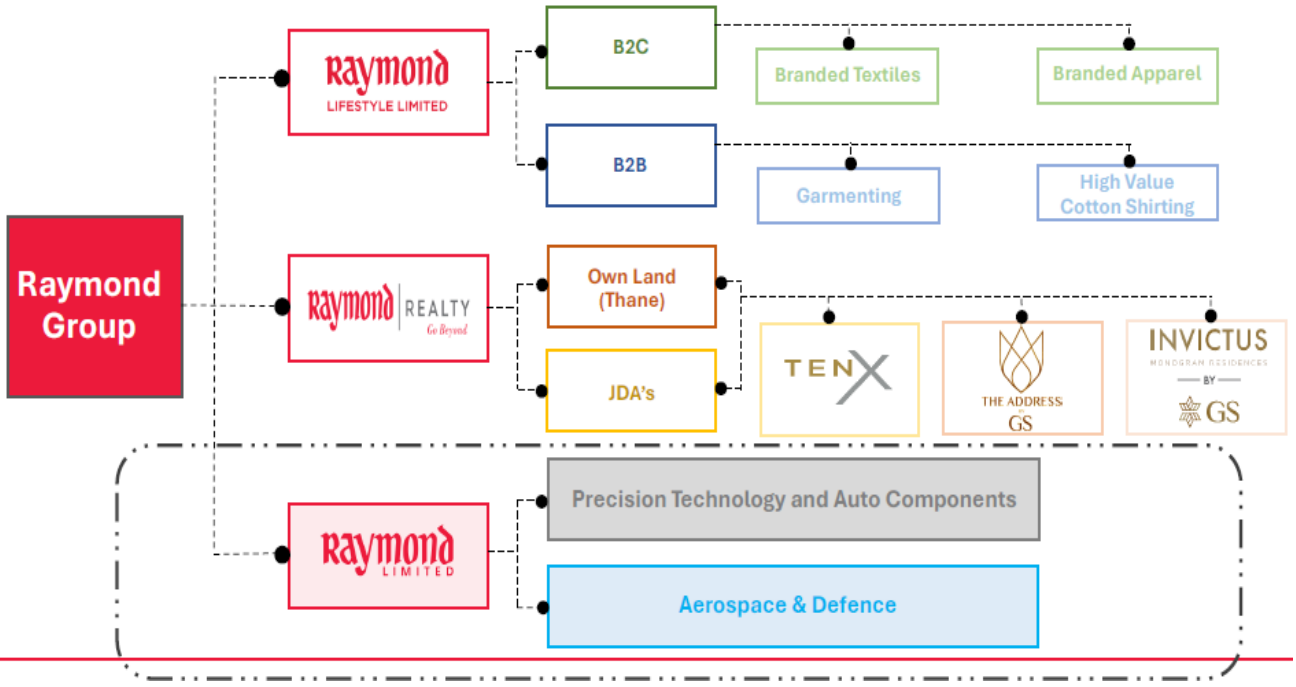
Exhibit 52: Raymond Journey



Source: Company reports, Arihant Capital Research

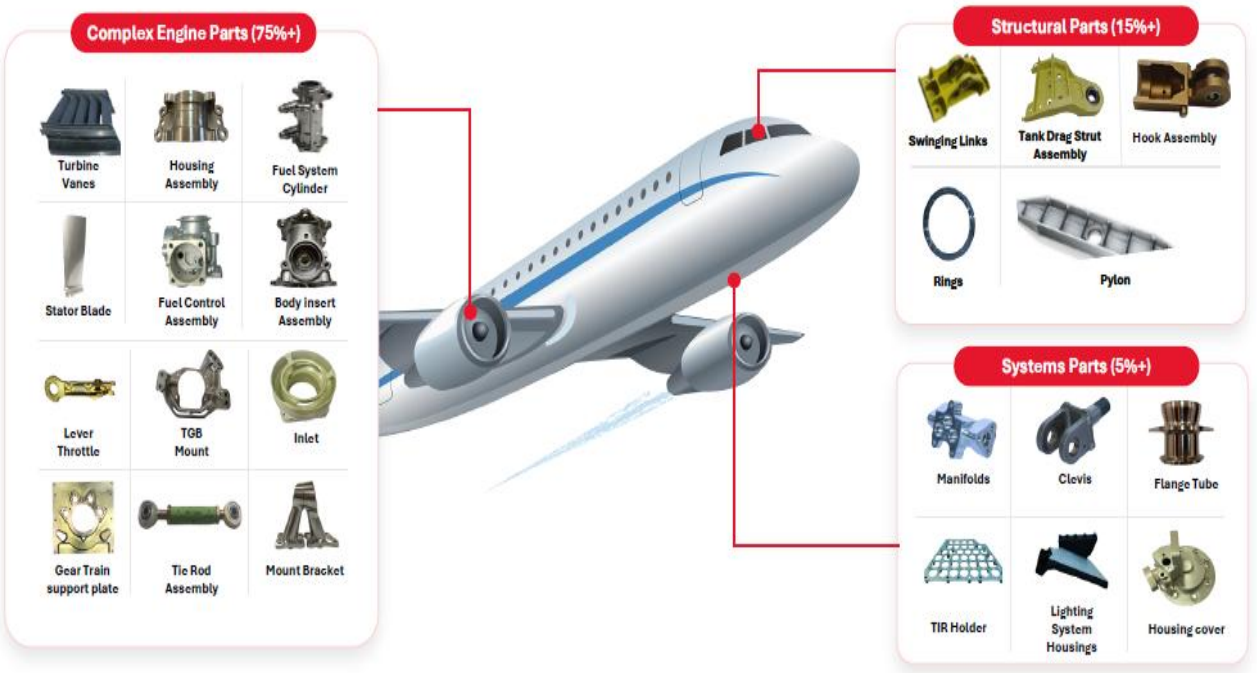
Raymond Group

Exhibit 53: Raymond Group Structure



Source: Company reports, Arihant Capital Research

Exhibit 54: Aerospace portfolio



Source: Company reports, Arihant Capital Research

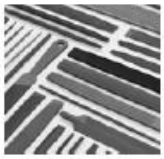
Raymond Group

Exhibit 55: JK files & Engineering Ltd (merged and restructured to JK Maini Precision Technology Ltd) manufacturing facilities and Products

Chiplun

Chiplun (JK-Talabot)

Vapi



Files

Cutting Tools

Hand Tools

Power Tools

Power Tool Accessories

Source: Company reports, Arihant Capital Research

Exhibit 56: JK files & Engineering brands

JK FILES & TOOLS | SUNFLOWER | THREE FILES | TWO TUSK

JK UNO | MJK | JK CLEVELAND | ROCK

TWO FILES | PREMIUM SCISSORS STEEL FILES | hfl HINDUSTAN FILES | JK Super Drive Speedy Effortless Tool

Source: Company reports, Arihant Capital Research

Raymond Group

Exhibit 57: Ringplus Aqua (merged and restructured to JK Maini Precision Technology) manufacturing facilities and Products

Source: Company reports, Arihant Capital Research

Exhibit 58: Maini Precision Products Ltd (Auto division merged and restructured to JK Maini Precision Technology) manufacturing facilities

Starter Gear Division

Bearing Division

Flex Plate Division

Source: Company reports, Arihant Capital Research

Key Management

Personnel	Designation	Description
Mr. Gautam Hari Singhania	Chairman & Managing Director, Raymond Ltd	The visionary leader steering the group's strategic transformation. He represents the promoter family and sets the long-term direction for the group.
Mr. Rakesh Tiwari	Group Chief Financial Officer	He oversees all financial strategy, treasury, M&A, investor relations, and capital allocation across the group. He brings experience from Adani Group, JSW Steel, Reliance Industries, and Indian Oil Corporation.
Mr. S.L. Pokharna	President - Corporate Commercial	He leads corporate commercial functions, including strategic partnerships, large contracts, and key customer relationships.
Mr. Jatin Khanna	Head - Corporate Development	He drives strategic initiatives, M&A, and new business development. He was formerly with Max Financial Services.
Mr. Rakesh Darji	Company Secretary & Compliance Officer	He ensures regulatory compliance, corporate governance, and secretarial functions for Raymond Ltd.
Mr. Gautam Maini	Managing Director - Engineering Business	The operational leader of the entire engineering division. He provides strategic direction for both JK Maini Global Aerospace and JK Maini Precision Technology, with deep industry expertise.
Mr. Navin Sharma	Chief Financial Officer - Engineering Business	He manages finance, accounting, planning, and MIS for the engineering subsidiaries. He is the key in integration and synergy capture post-restructuring
Mr. K.A. Narayan	President - HR	He leads human resources, talent management, and organizational development for the engineering units. He was formerly with Wipro.
Mr. Sunny Desa	Head - Investor Relations	He is the Primary interface with investors, analysts, and the financial community for the engineering business.

Source: Company, Arihant Capital Research

Board of Directors

Personnel	Designation	Description
Mr. Gautam Hari Singhania	Chairman & Managing Director	Promoter and strategic leader of the group.
Mr. Harmohan H Sahni	Non-Executive Director	He brings independent oversight and governance experience.
Mr. Dinesh Kumar Lal	Independent Director	He provides independent judgment on strategy, performance, and risk management.
Mr. Narasimha Murthy Kummanuri	Independent Director	He offers independent perspective and expertise in corporate governance.
Mr. Ashish Kiran Kapadia	Independent Director	He is the Independent director contributing to audit, governance, and strategic committees.
Mrs. Rashmi Brijmohal Hundada	Additional Independent Director	She was recently appointed as an independent director, enhancing board diversity and governance.

Source: Company, Arihant Capital Research

Financial Analysis

Revenue is expected to grow at a CAGR of 16.6% over the period of FY25-28E: JK Maini Global Aerospace Ltd revenue nature is high-value, low volume and project based. The revenue follows customer delivery schedules tied to aircraft production rates. Overall, 75% of revenue comes from aero-engine components, the most complex and valuable segment. The contracts are typically long-term (5-10 years), providing multi-year visibility. Around 90% of the business is export-oriented, primarily to manufacturing hubs in Europe and the United States.

JK Maini Precision Technology business is diversified, multi-segment revenue with a mix of high-volume automotive parts and steady tool sales. The business comprises Auto components, Tools & Hardware and Industrial & Hydraulic components.

- Auto components consists of Ring Gears, Flex Plates, CV/Hybrid parts. It's the largest contributor, driven by both domestic OEM demand and exports.
- Tools & Hardware consists of Files and Hand tools, etc. The business is steady, brand-driven revenue with strong domestic cash flows and international distribution.
- Industrial & Hydraulic components revenue is linked to infrastructure and capital goods cycles. The business is more balanced, with 62% of Industrial/auto revenue from exports and ~43% of tools revenue from exports.

- **High visibility and predictability in Aerospace:** The 16,000+ aircraft order backlog translates into 12-15 years of production visibility for OEMs, which flows down to tiered suppliers like JK Maini Global Aerospace. It reduces revenue volatility and provides predictable base for planning capacity and investments.

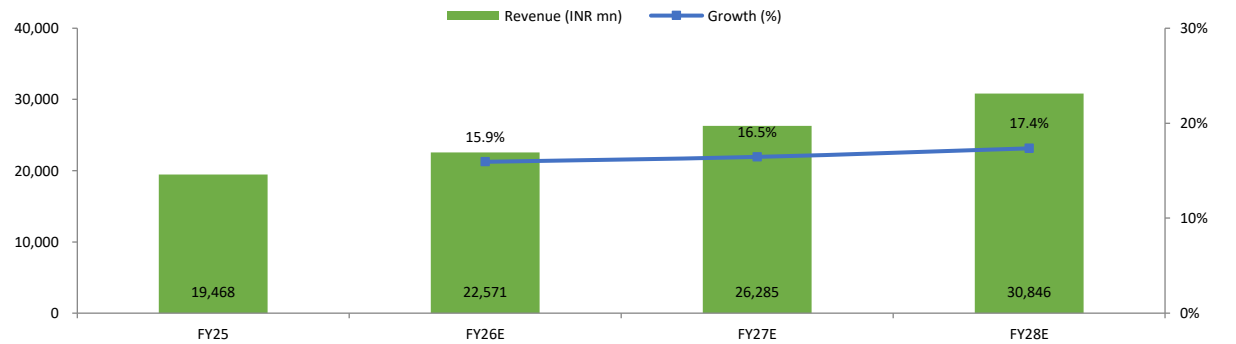
- **Diversification as a Risk mitigant:** The revenue streams are diversified across End-markets, Geographies and Customers.
  - **End markets** – Aerospace, Automotive, Tools and General Industries.
  - **Geographies** – Europe, USA, India, Africa, Latin America and ASEAN.
  - **Customers** – The company serves over 25 global aerospace clients and top 15 global auto OEMs, avoiding over-dependence on any single customer.

- **Product mix evolution driving value**: The aerospace revenue growth is driven by a shift towards more complex parts and assemblies. The Auto growth is driven by high value hybrid/EV components. In Tools, the focus is on premium files and industrial-grade products. Overall, the mix supports revenue growth and margin expansion.

- **Cyclicality and Seasonality in the business:** The auto components business has cyclicality tied to global and domestic auto production cycles. The tools business in India sees seasonality linked to the monsoon (slowing construction) and festive demand pick-up. The aerospace revenue is lower in H1, often with a stronger Q4 as global OEMs rebuild inventory post-holiday season.

We anticipate growth in Aerospace business (33.4% CAGR), Auto business (12.5% CAGR) and Others (16.5% CAGR) over the period FY25-28E. Overall, we anticipate revenue growth of 16.6% CAGR over the period of FY25-28E. The business is transitioning towards higher visibility, greater value-addition, and reduced volatility, underpinned by contracts. It provides unparalleled multi-year visibility, particularly in the high-margin aerospace segment.

Exhibit 59: Revenue is expected to grow at a CAGR of 16.6% over the period of FY25-28E.



Source: Company reports, Arihant Capital Research

Financial Analysis

Exhibit 60: Raymond Revenue and Margins

Segmental Revenue (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Precision technology and auto components	4,311	15,125	16,925	19,041	21,516
growth (%)			*11.9%*	*12.5%*	*13.0%*
Aerospace and defence	4,294	3,114	4,175	5,553	7,385
growth (%)			*34.1%*	*33.0%*	*33.0%*
Others	1,122	1,230	1,471	1,692	1,945
growth (%)		*9.7%*	*19.6%*	*15.0%*	*15.0%*
Intersegment revenue	(1)	(1)			
Total Revenue	**9,726**	**19,468**	**22,571**	**26,285**	**30,846**
growth (%)			***15.9%***	***16.5%***	***17.4%***

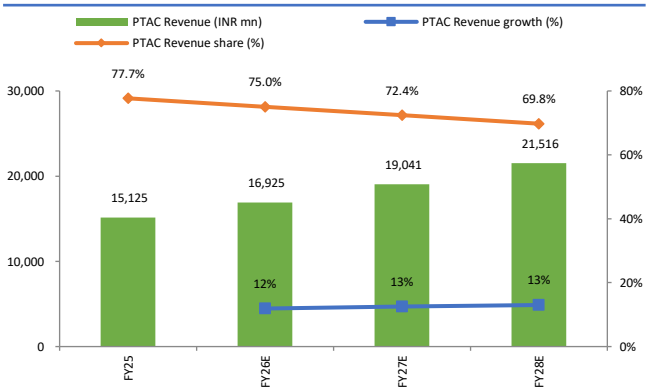
Segmental Revenue (%)	FY24	FY25	FY26E	FY27E	FY28E
Precision technology and auto components	44.3%	77.7%	75.0%	72.4%	69.8%
Aerospace and defence	44.2%	16.0%	18.5%	21.1%	23.9%
others	11.5%	6.3%	6.5%	6.4%	6.3%
Intersegment revenue	0.0%	0.0%	0.0%	0.0%	0.0%
Total Revenue	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

EBIT (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Precision technology and auto components	850	913	1,395	1,618	1,936
Aerospace and defence	161	322	517	722	1,071
Others	(68)	(78)	(39)	(47)	(54)
Intersegment	(804)	(853)	(1,158)	(1,267)	(1,449)
Total EBIT	**139**	**303**	**715**	**1,026**	**1,504**

EBIT Margin (%)	FY24	FY25	FY26E	FY27E	FY28E
Precision technology and auto component	19.7%	6.0%	8.2%	8.5%	9.0%
Aerospace and defence	3.7%	10.3%	12.4%	13.0%	14.5%
Others	-6.0%	-6.4%	-2.7%	-2.8%	-2.8%
Total EBIT Margin	**1.4%**	**1.6%**	**3.2%**	**3.9%**	**4.9%**

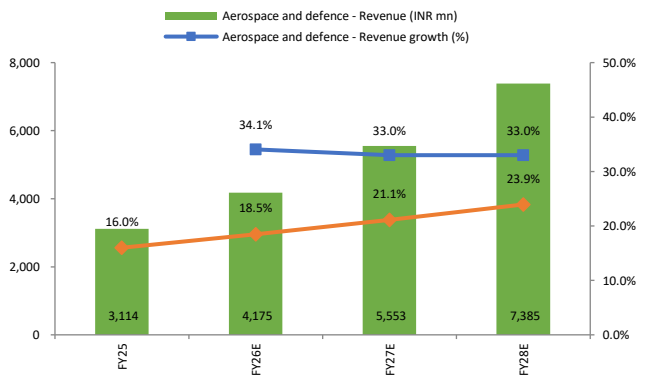
Source: Company reports, Arihant Capital Research

Exhibit 61: Precision Technology and auto components business is expected to grow at a CAGR of 12.5% over the period of FY25-28E, supported by high value hybrid/EV components, premium files and industrial-grade products.



Source: Company reports, Arihant Capital Research, PTAC - Precision technology and auto components

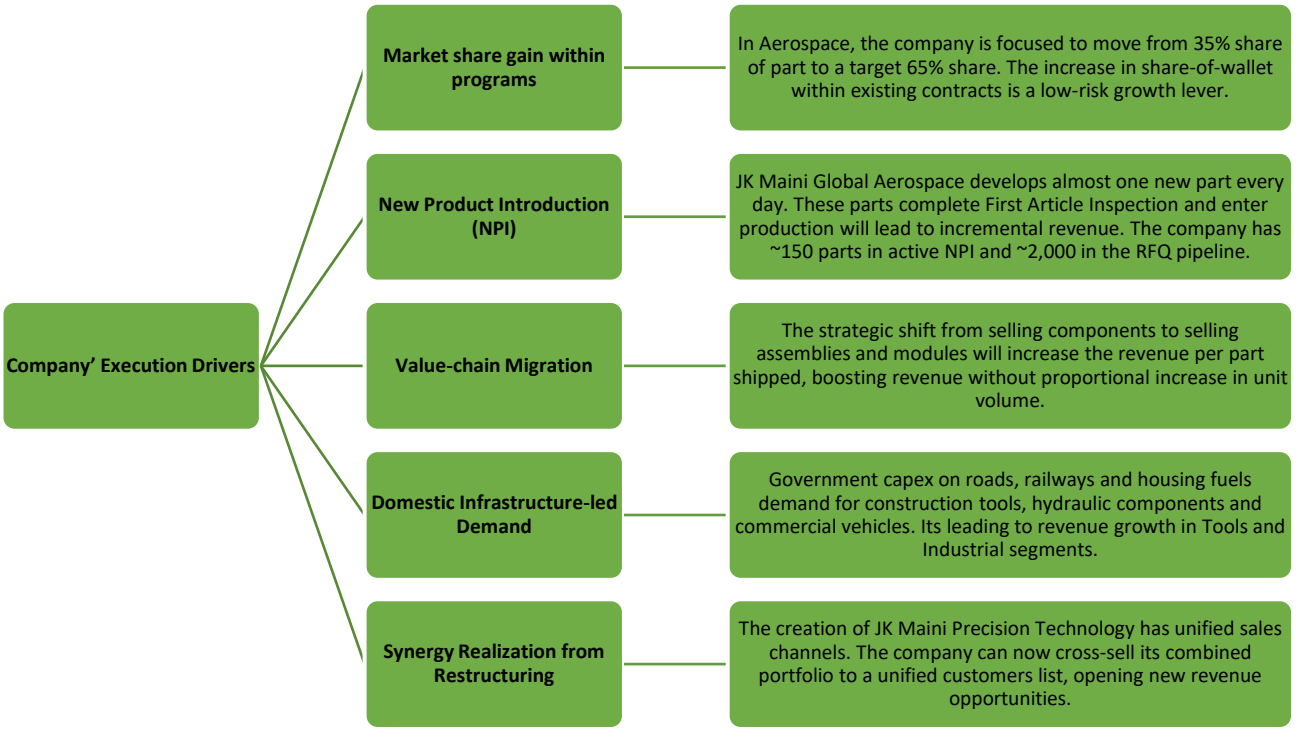
Exhibit 62: Aerospace business is expected to grow at a CAGR of 33.4% over the period of FY25-28E. Aerospace margins are 10.3% (FY25) and expected to improve to 14.5% by FY28E, supported by transition from components to assemblies, increase in share of existing parts (35% to 65%) and synergies from restructuring.



Source: Company reports, Arihant Capital Research

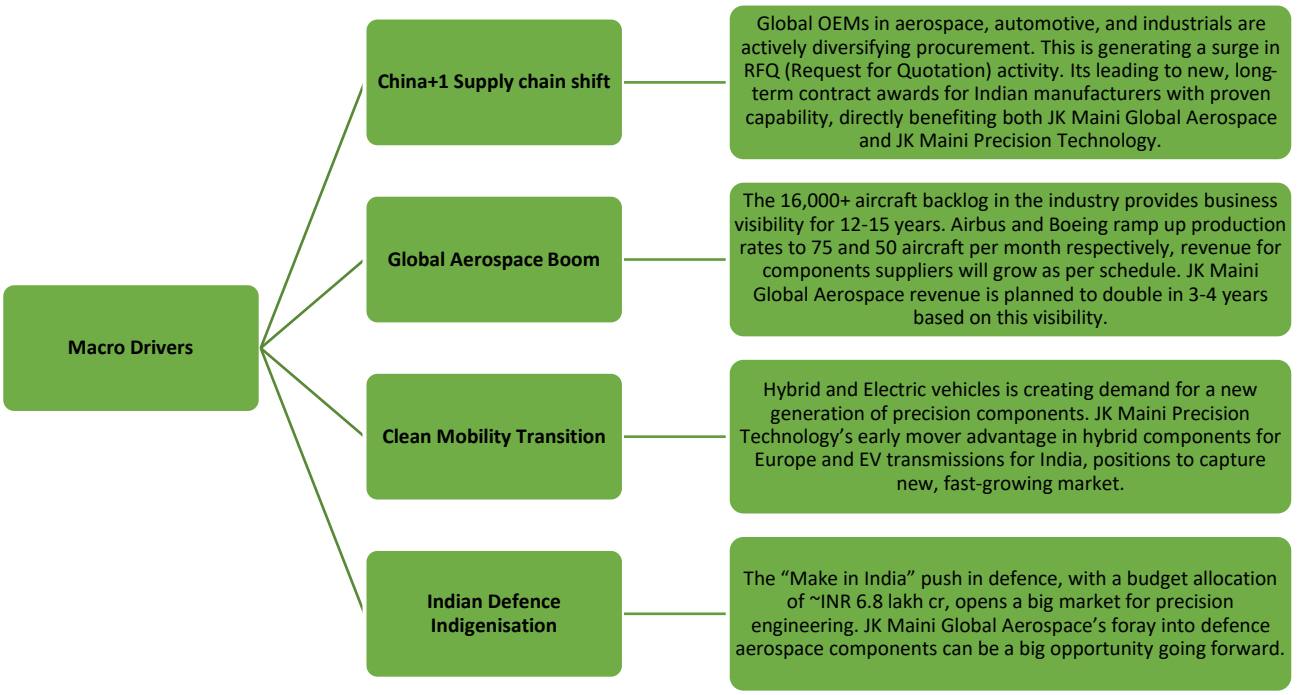
Financial Analysis

Exhibit 63: Company's Execution revenue growth drivers



Source: Company reports, Arihant Capital Research

Exhibit 64: Macro revenue growth drivers



Source: Company reports, Arihant Capital Research

Financial Analysis

Total expenditure in terms of sales is expected to reduce going forward. JK Maini Global Aerospace model is high-value and low volume and dependent on exotic raw materials, while JK Maini Precision Technology is diversified, volume driven across auto and tools. The company aims to achieve operational excellence through stringent control over variables (especially raw materials) and fixed cost. The company is also doing cost engineering, especially redesigning processes and products to reduce long-term manufacturing expense.

In Aerospace, raw material costs share exceeds 35%-45%, due to specialized, imported super alloys. In Auto, the raw materials are majorly procured from domestic markets. The company consumes ~500 tons/annum across 110 material varieties. Prices are subject to global commodity volatility and currency fluctuations leading to risk at margins.

Exhibit 65: The major raw materials are Inconel, Titanium and Aluminum alloys, which are imported for Aerospace.

Source: Company reports, Arihant Capital Research

The employee cost is higher due to skill-intensive nature of business. The wages are higher for skilled machinists, quality engineers, metallurgists, NPD (New Product Development) specialists, and shop-floor technicians. The company is focused on productivity improvements and automation to improve cost per unit of output. The operational cost is driven by running 1,500+ machines across 17 plants. The costs include electricity for CNC machines, furnaces, plant utilities, and fuel for logistics and power. The company has started using solar power (Maini Plant used 11.5mn units in FY25) and conducting energy audits to optimize power costs. The company is maintaining 12 Third-Party logistics warehouses in Europe and America to handle exports. The export costs include freight, forwarding, logistics for air and sea shipments.

Aerospace contracts have long tenure and fixed and variable costs are spread over larger revenue base. The operating leverage is a driver for margin expansion as the business doubles in size, reducing the % cost contribution from these fixed costs. The tactical procurement and operational leverage with strategic initiatives like localization and cost engineering will be beneficial for long term. The ongoing integration and realization of synergies from restructuring provide near term cost savings, while indigenization in aerospace provides long-term savings.

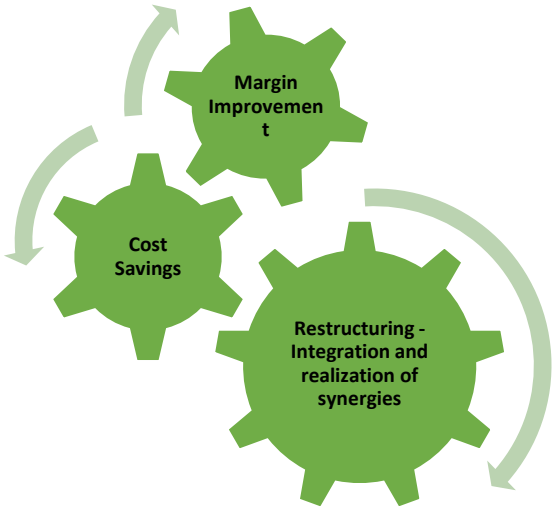
Financial Analysis

Exhibit 66: Raw material costs are reduced from 92.5% (FY24) to 90.9% in FY25. We anticipate, Integration and realization of synergies through restructuring would lead to cost savings and margin improvement going forward.

Particular (INR mn)	FY24	FY25
Raw Material Cost	3,379	6,956
Employee Cost	1,937	3,820
Consumption of Stores and spares	687	1,632
Power and Fuel	423	663
Job work charges	706	1,606
Repairs to buildings	16	71
Repairs to machinery	79	102
Other manufacturing and operating expenses	586	836
Legal and Professional expenses	104	298
Travelling expenses	106	232
Freight, octroi, etc	274	540
Insurance	40	72
Security charges	64	70
Commision to selling agents	92	90
Auditor Remuneration	20	10
CSR	45	102
rates and taxes	40	49
electricity expenses	18	33
Miscellaneous expenses	86	258
Other Expenses	293	267
Total Expenditure	**8,995**	**17,705**

Expenses as a % of Total Expenditure	FY24	FY25
Raw Material Cost	37.6%	29.4%
Employee Cost	21.5%	21.6%
Consumption of Stores and spares	7.6%	9.2%
Power and Fuel	4.7%	3.7%
Job work charges	7.8%	9.1%
Repairs to buildings	0.2%	0.4%
Repairs to machinery	0.9%	0.6%
Other manufacturing and operating expenses	6.5%	4.7%
Legal and Professional expenses	1.2%	1.7%
Travelling expenses	1.2%	1.3%
Freight, octroi, etc	3.0%	3.1%
Insurance	0.4%	0.4%
Security charges	0.7%	0.4%
Commision to selling agents	1.0%	0.5%
Auditor Remuneration	0.2%	0.1%
CSR	0.5%	0.6%
rates and taxes	0.4%	0.3%
electricity expenses	0.2%	0.2%
Miscellaneous expenses	1.0%	1.5%
Other Expenses	3.3%	1.5%
Total Expenditure	**100.0%**	**100.0%**
Total Expenditure as % of sales	**92.5%**	**90.9%**

Source: Company Reports, Arihant Capital Research



Employee Costs

Employee costs are expected to maintain at current levels due to skill-intensive nature of business

Consumption of stores and spares

Cost of cutting tools, inserts, grinding wheels, and coolants used in machining. This is a recurring, high-volume expense.

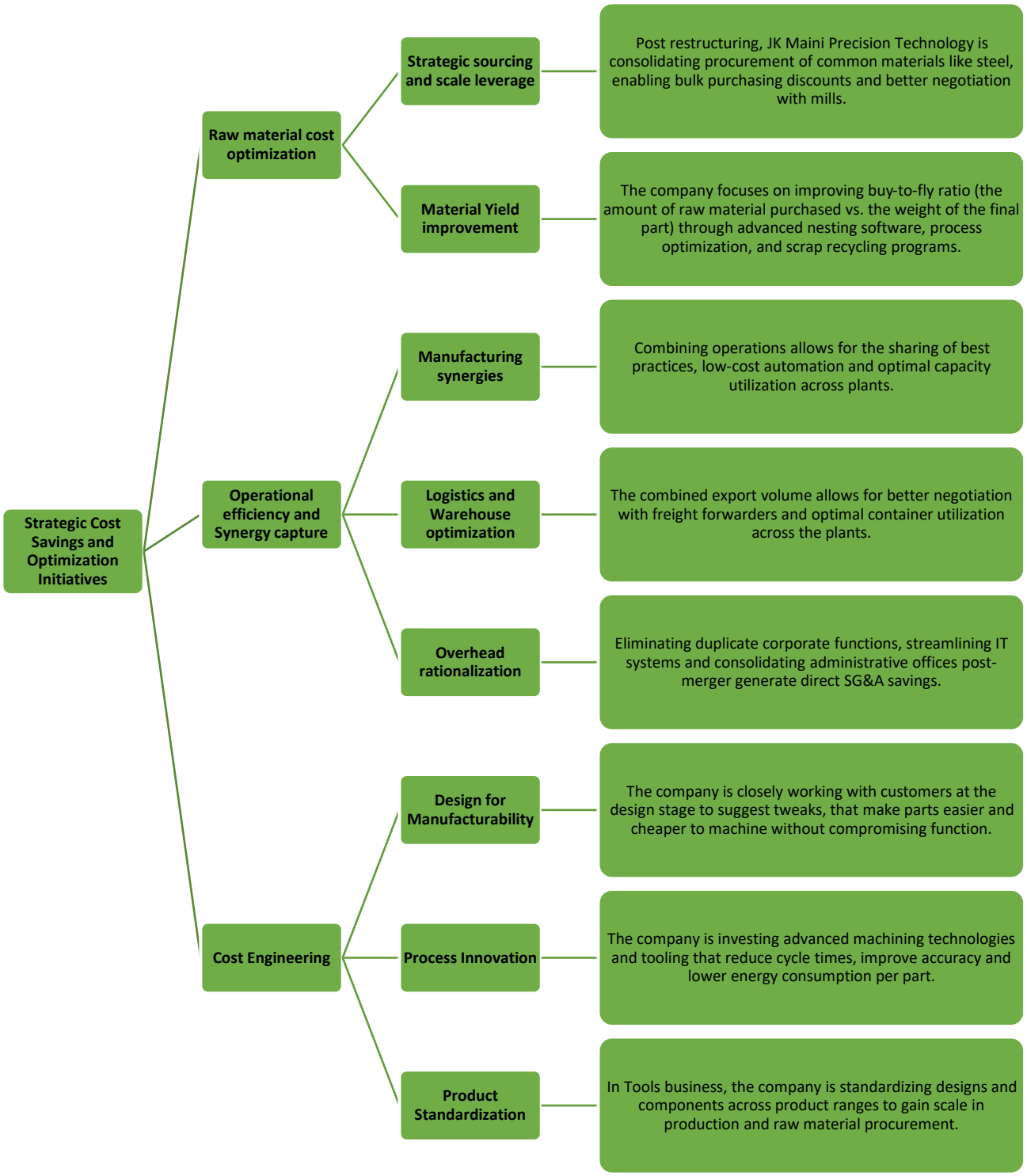
Job work charges

The Job work charges are increased due to outsourcing and restructuring is expected to moderate going forward.

All the expenses are reduced in-terms of sales in FY25, Apart from Employee costs, Consumption of stores and spares and Job work charges

Financial Analysis

Exhibit 67: Strategic Cost Savings and Optimization Initiatives are expected to reduce cost and improve margins going forward.



Source: Company reports, Arihant Capital Research

Financial Analysis

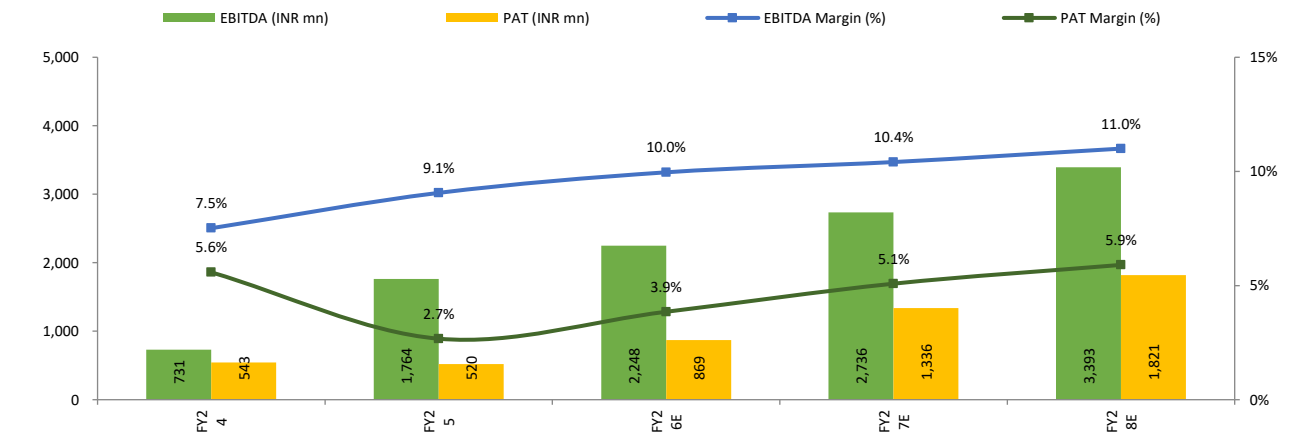
Improvement expected in margin levels: JK Maini Global Aerospace Ltd gross margins are around 55%-65%. The company purchases high-cost exotic raw materials and, through advanced machining, transforms them into components. The "value add" is in the proprietary process technology, certifications and intellectual property applied on the metal. The margins are based on machining complexity, extreme tolerances and the ability to handle materials. The product mix changes leading to quarterly margin fluctuations, like more titanium parts have slightly lower cost and Inconel parts have higher cost.

JK Maini Global Aerospace Ltd EBITDA margins are in the range of 20%-25%. The higher gross margins allow it to absorb significant operating expenses, which include a large NPD team, high-skilled labor and stringent control systems. EBITDA margins are expected to sustain, supported by operating leverage from scaling revenue, which offsets initial costs from developing more complex products.

JK Maini Precision Technology Ltd gross margins are around 25%-40%. The auto components business, especially legacy high-volume parts like ring gears, has tighter gross margins due to competitive OEM pricing. The newer hybrid/EV components and complex fuel injection parts have higher margins due to technical sophistication. Tools & Hardware has stable gross margins and potential improvement expected, supported by mix shift towards high-value niche files and industry tools. The industrial/hydraulics gross margins are linked to raw material costs and project competitiveness.

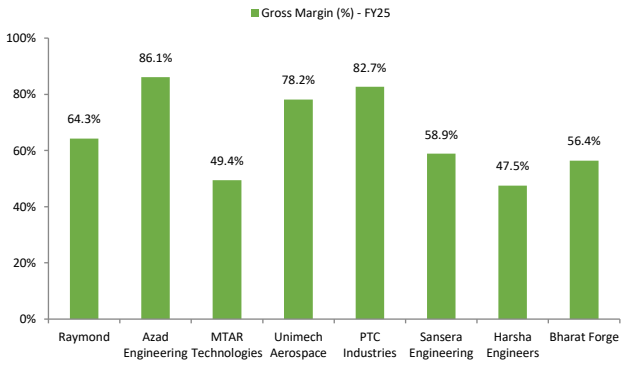
JK Maini Precision Technology Ltd EBITDA margins are in the range of 10%-11%. The auto components business has legacy contracts with lower margins, but new program wins are at healthier levels. We anticipate EBITDA margins are expected to reach 13%-15% over the medium term, once legacy contracts are completed.

Exhibit 68: EBITDA and PAT margins are expected to improve on a continuous basis.



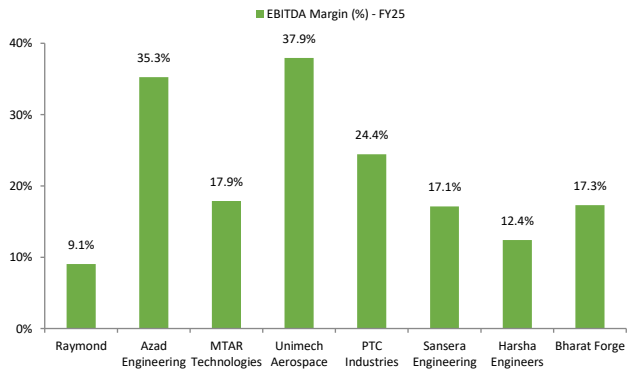
Source: Company reports, Arihant Capital Research

Exhibit 69: Raymond Gross margins are above 60% due to high complex materials in Aerospace (55%-65%), however auto margins are lower (25%-40%).



Source: Company reports, Arihant Capital Research

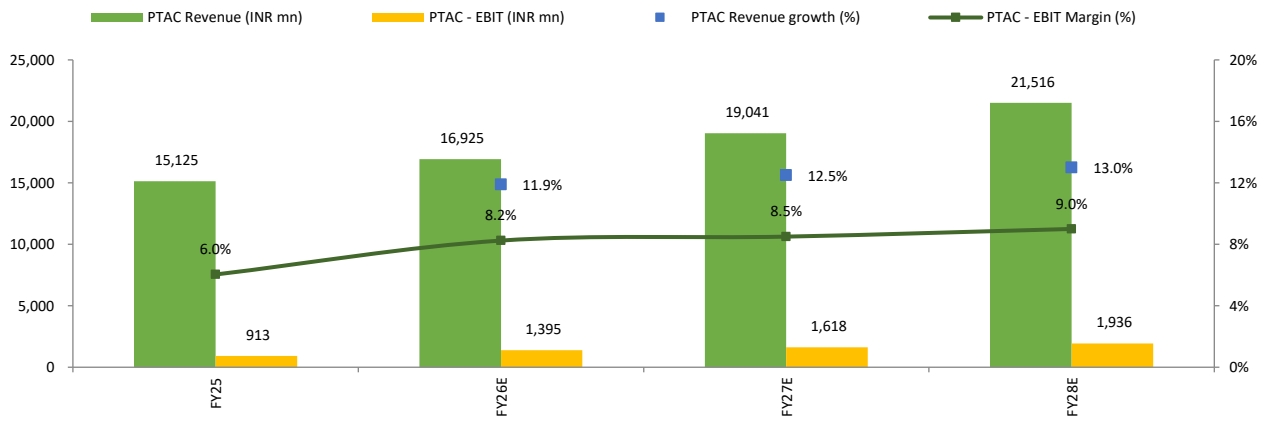
Exhibit 70: EBITDA margin stood at 9.1% in FY25. Aerospace EBITDA margins in the range of 20%-25%, while Auto business margins in the range of 10%-11%. Currently, Auto share (77.7% in FY25) is higher and change in mix will improve the margins.



Source: Company reports, Arihant Capital Research

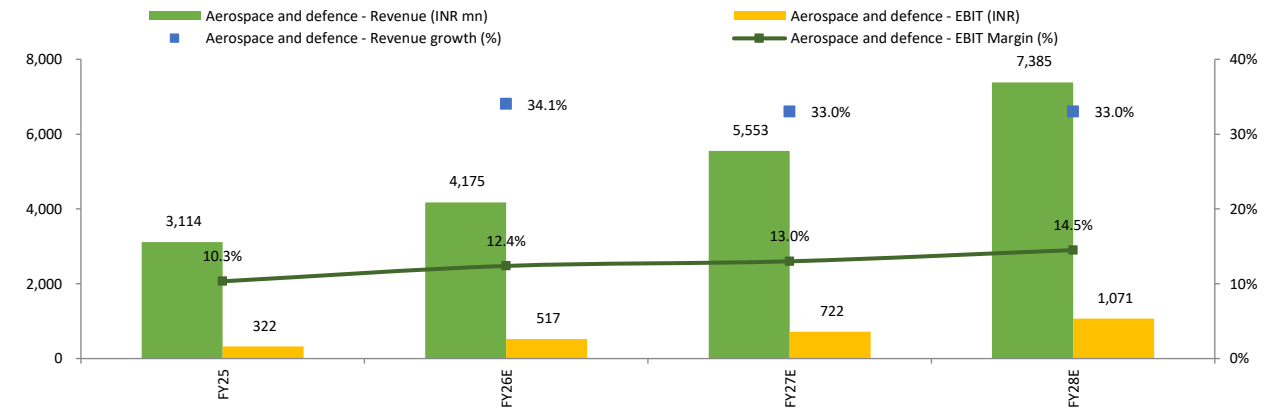
Financial Analysis

Exhibit 71: Auto business is expected to grow at a CAGR of 12.5% over the period of FY25-28E. Auto margins are 6% (FY25) and expected to improve to 9% by FY28E, supported by new high margin products and synergies from restructuring.



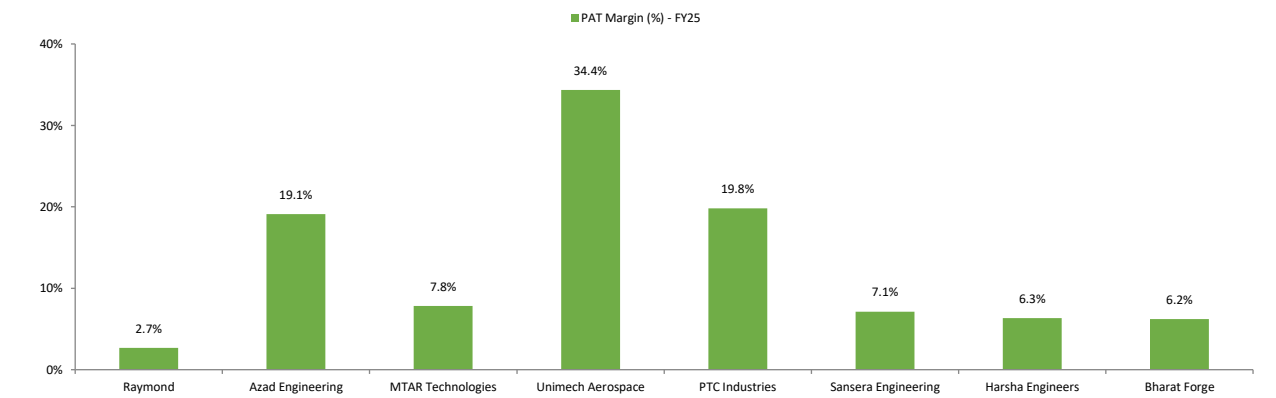
Source: Company reports, Arihant Capital Research, PTAC - Precision technology and auto components

Exhibit 72: Aerospace business is expected to grow at a CAGR of 33.4% over the period of FY25-28E. Aerospace margins are 10.3% (FY25) and expected to improve to 14.5% by FY28E, supported by transition from components to assemblies, increase in share of existing parts (35% to 65%) and synergies from restructuring.



Source: Company reports, Arihant Capital Research

Exhibit 73: PAT margins stood at 2.7% in FY25, due to higher share of auto components business (~77.7% of sales), where EBITDA margins are 10%-11%. The company is focused to double the aerospace business in the next 3-4 years, where EBITDA margins are 20%-25%. We anticipate, increase in aerospace revenue share (16% in FY25 to 23.9% in FY28E), lead to overall all bottom-line improvement.



Source: Company reports, Arihant Capital Research

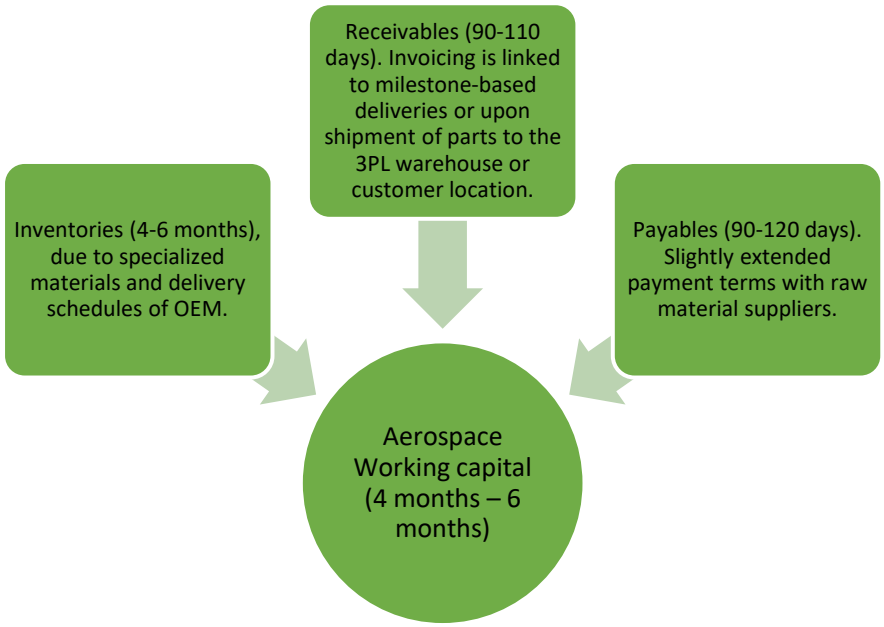
Financial Analysis

Working Capital Cycle to Improve: JK Maini Global Aerospace Ltd working capital is a tool for entrenchment and program security. Aerospace inventory consists of high-value raw materials, significant work-in-progress and moderate finished goods. The lead times for specialized alloys like Inconel and Titanium can be 4-6 months. The company must place orders and carry this inventory in advance based on rolling forecasts from OEMs. To optimize machine utilization and ensure on-time delivery, parts are machined in batches ahead of the exact delivery date. The finished goods inventory is lower because parts are air-freighted directly to customers or to nearby 3PL warehouses upon completion, leading to quick turnaround.

Aerospace payment terms are 90-110 days from invoice date. Invoicing is linked to milestone-based deliveries or upon shipment of parts to the 3PL warehouse or customer location. The customers are creditworthy aircraft OEMs and risk of bad debt is almost nil; however the collection cycle is fixed and non-negotiable due to the systemic payment processes of these large OEMs.

Aerospace payables to global mills (VSMPO, Carpenter, etc.) are for raw materials and MRO/service providers for equipment and specialized processing. The company has extended payment terms (90-120 days) with its raw material suppliers, which helps partially offset the long inventory holding period.

Exhibit 74: Aerospace working capital cycle is longer due to higher lead time for inventories. The company is net-debt free and able to manage the working capital. The higher working capital acts a barrier for new entrants.



Source: Company reports, Arihant Capital Research

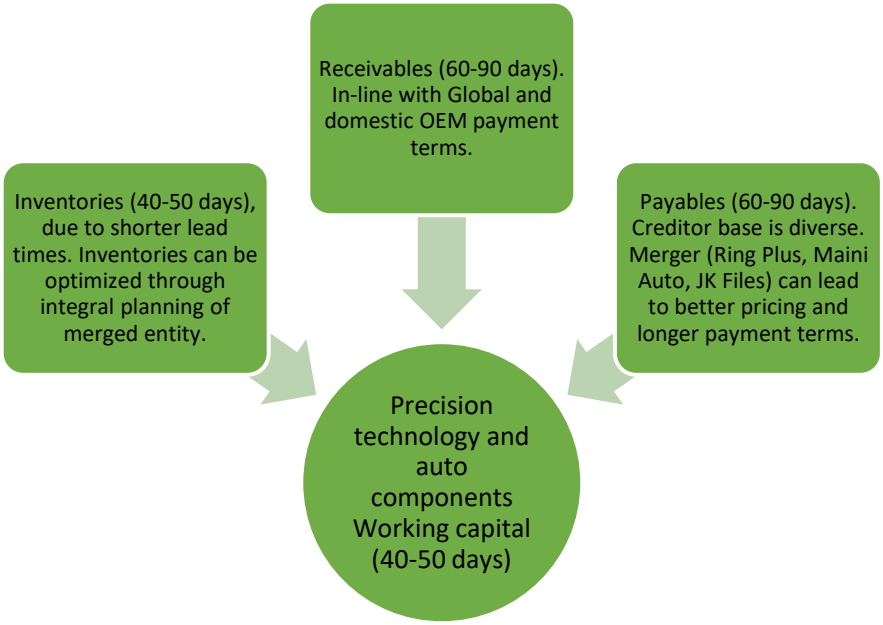
JK Maini Precision Technology has a traditional cycle of inventory, production and collection managed for efficiency across diverse segments. Auto components raw materials are steel, forgings and castings. The sourcing is more flexible with shorter lead times than aerospace. The company is doing bulk purchasing for cost efficiency. The work-in-progress aligns with production schedule for auto OEMs and tool distributors. For auto components, the company owns inventory until consumed by OEM production line. For Tools & Hardware, significant finished inventories are required to service distribution network of 1.5 lakh retail points. The company is focused on better demand forecasting, lean manufacturing to reduce WIP, and efficient logistics to reduce finished goods dwell time.

Global automotive OEM payment terms are 60-90 days, while domestic OEM payment terms are 45-75 days. Tools distribution network operates on shorter credit cycles or even advance payments from smaller distributors.

Auto business has diverse creditor base, including steel mills, forging units, component suppliers and global vendors. Post-merger, JK Maini Precision Technology bargaining power increased and the company can negotiate better prices and longer payment terms with its suppliers. It can effectively use supplier credit to finance a larger portion of its working capital cycle.

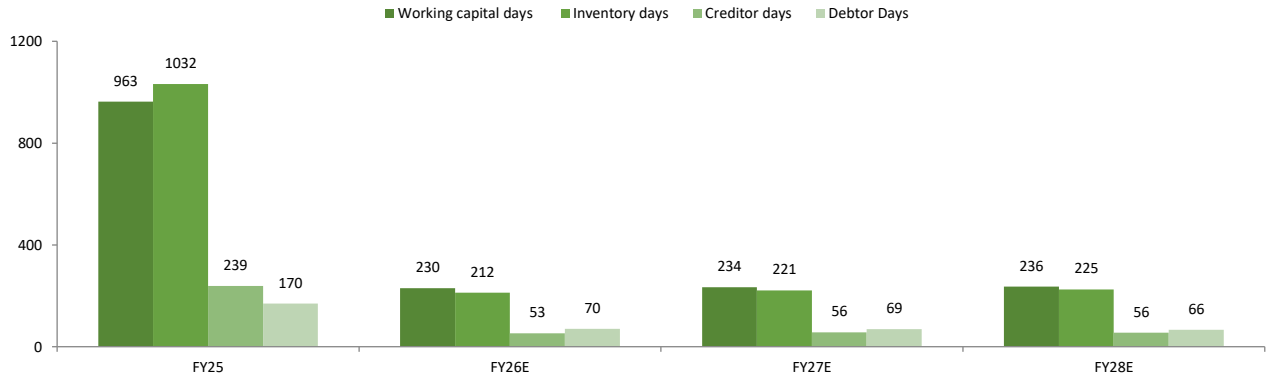
Financial Analysis

Exhibit 75: Precision technology and auto components working Capital cycle are shorter and more efficient.



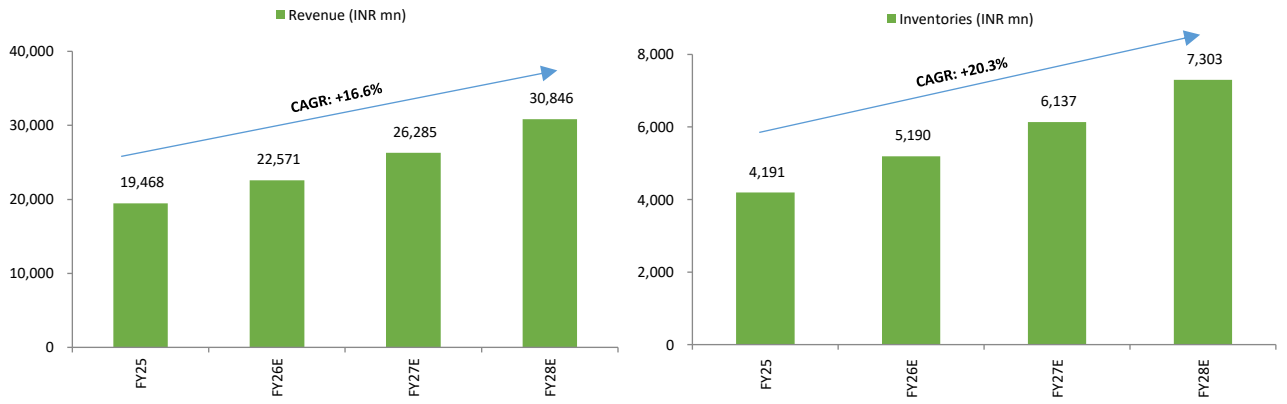
Source: Company reports, Arihant Capital Research

Exhibit 76: Post restructuring, working capital is expected to improve going forward.



Source: Company reports, Arihant Capital Research, Post restructuring, working capital structure normalized in H1FY26.

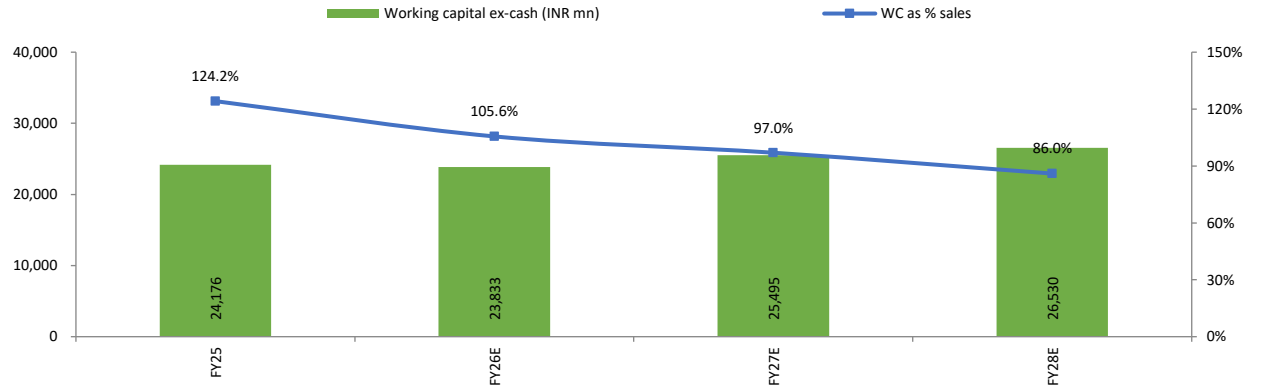
Exhibit 77: We anticipate, inventory growth are expected to be slightly higher than revenue growth. The company has higher inventory cycle for aerospace (4-6 months). The aerospace exposure is lower (<20%), and increasing mix towards aerospace leading to slight increase on working capital days over medium term and expected to moderate over long term through synergies from restructuring.



Source: Company reports, Arihant Capital Research

Financial Analysis

Exhibit 78: Working capital in-terms of sales are expected to be less than 100% going forward.



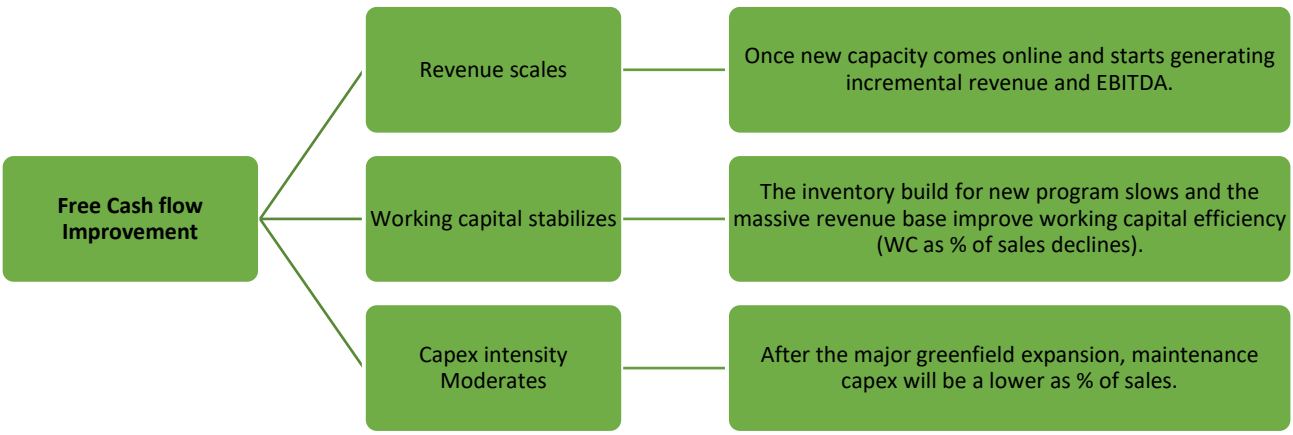
Source: Company reports, Arihant Capital Research

Improvement of Cash flow generation: The company is in a growth and inventory build-up phase. It purchases more raw materials (for aerospace future contracts) and builds inventory faster than it collects receivables. The inventory drawdown or accelerated collection happens in some quarters, where large shipments are billed and collected. We anticipate CFO is expected to be volatile and lower than EBITDA due to persistent working capital needs of growth over the next 2-3 years. However, once revenue scales and business reaches a more stable run-rate, working capital would stabilize and CFO would converge more closely with EBITDA.

The capex is expected to be ~INR 1bn/annum to support its plan to double the aerospace business and ~INR 1bn/annum for auto & industrial business. The capex is towards advanced machineries including 5-axis CNC machines, EDM, vacuum brazing furnaces for aerospace, new lines for ring gears, flex plates and EV components. The company might be eligible for subsidy of 70% of investments over the period of next 10 years. The CFI will remain negative over the next 3-5 years, as the company executes capacity expansion to meet the growth.

The gross debt increased from INR 8,132mn (FY25) to INR 9,720mn in H1FY26, due to refinancing internal loans from the parent company post-restructuring, working capital funding and capex requirements of the growth plan. The company might take working capital debt for a new greenfield facility in Andhra Pradesh going forward.

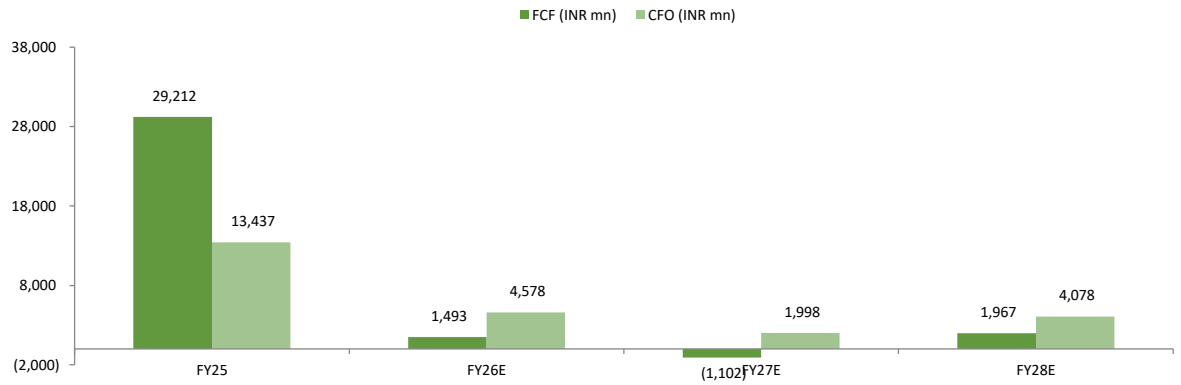
Exhibit 79: FCF improvement will be supported by Incremental revenue & EBITDA, slowdown in inventory build-up and completion of greenfield capex.



Source: Company reports, Arihant Capital Research

Financial Analysis

Exhibit 80: FCF is expected to moderate due to inventory build-up for aerospace and capex for greenfield facility in Andhra Pradesh. FCF is expected to improve, post capex completion, slowdown in inventory build-up and scale in the business.



Source: Company reports, Arihant Capital Research

Return ratios to improve: Raymond Ltd return ratios are in a transitional and depressed phase, a direct consequence of the company's aggressive growth strategy, recent acquisitions and associated accounting treatments. The purchase of Maini Precision required assets to be recorded at "fair market value", which was higher than the old book value. It created an intangible asset (INR 6,222mn), goodwill (INR 2,650mn) and higher fixed asset base in the balance sheet. It leads to higher capital employed which affected RoCE. The intangible assets and goodwill will be depreciated over the next 4-5 years. The company is investing heavily in new machinery and the greenfield Andhra Pradesh facility. The capex hits the balance sheet (increasing capital employed) years before the revenue and EBIT from these new assets fully ramp up. The structural long cash conversion cycle, especially in aerospace due to large capital tied up in inventory and receivables, further bloating capital employed. RoCE stood at 2.7% in FY25, due to high invested capital base (acquisition accounting and growth capex) and the yet-to-be realized profits from these investments. We anticipate, post restructuring, the company will optimize capital employed and RoCE will improve gradually going forward. We estimate RoCE to expand from 2.7% in FY25 to 6.8% in FY28E. PAT margins lower at 2.7% in FY25, due to higher asset base from the fair value adjustment, which leads to significantly higher depreciation and amortization charges. Higher gross debt levels (post-refinancing) lead to higher finance cost (INR 85mn in FY24 to INR 653mn in FY25), which further reduced PAT and impacted RoE levels. Post exclusion of intangible assets and goodwill, RoCE levels are expected at 22%-25% (aerospace) and 15%-18% (precision technology and auto) going forward.

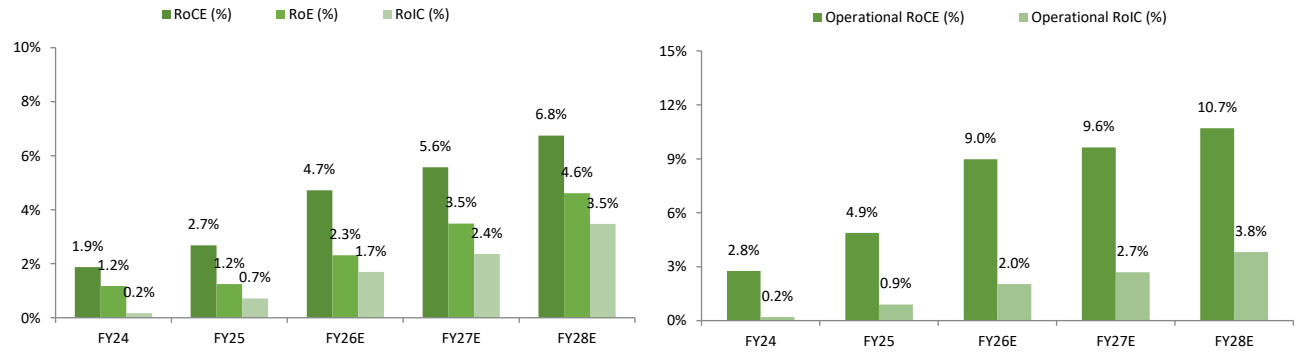
In aerospace, the company is making upfront investments (capex) to win long-term contracts. The doubling of revenue will lead to exponential growth in EBIT. The capital employed will grow at a slower rate after the initial surge of the Andhra project and fair value amortization period passes. The high EBITDA margins of 20%-25% would improve EBIT margins to 13%-15%. The exponential growth in EBIT and slower growth in capital employed would improve RoCE and RoIC going forward.

In precision technology and auto components, the merger of Ring Plus Aqua, Maini Auto and JK Files will improve capital efficiency. Better utilization of the combined 1,500+ machines across 17 plants improves asset turnover. The elimination of duplicate corporate functions reduces SG&A and improves margins. The company is shifting from low-margin legacy auto contracts to higher-margin new programs, especially in hybrid/EV components and complex fuel injection systems, which improves margins going forward. The company is also moving from standard files to high-margin files (jewellery, aerospace tooling), which improves margins without proportional increase in capital employed. Post merger, the consolidated buying allows longer payment terms with suppliers and reduces net working capital. The integrated supply chain planning can reduce safety stock levels and improve inventory turnover. We anticipate, the growth in revenue and EBIT margins with stable/slow growth in capital employed would improve RoCE and RoIC going forward.

We anticipate current lower return ratios, due to the capital deployment phase of a J-curve investment cycle. The management has execution capabilities and improvement will be non-linear and linked to revenue milestones in aerospace and synergy capture in auto components.

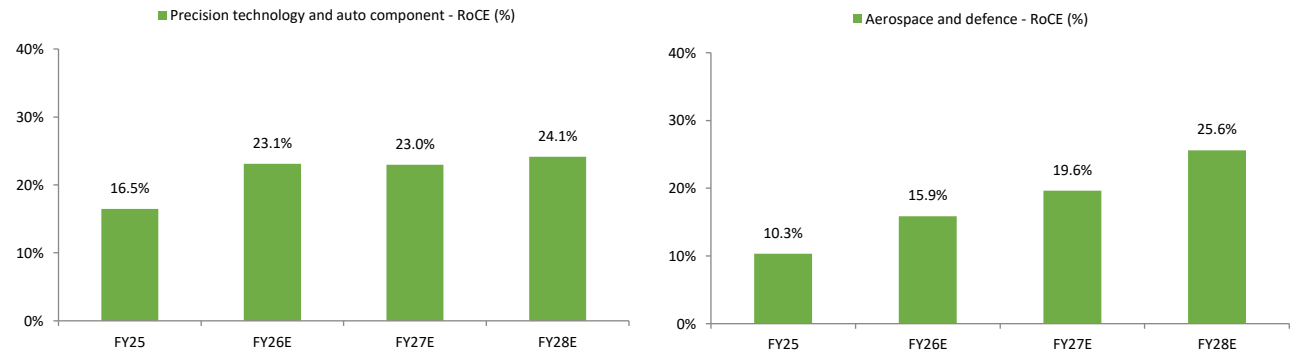
Financial Analysis

Exhibit 81: Working capital improvement, execution efficiency and recovery in margins would improve the return ratios going forward.



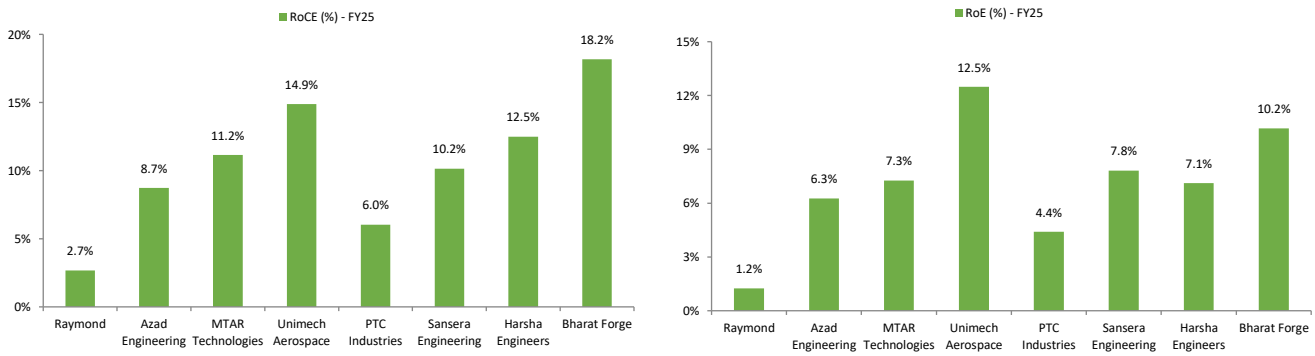
Source: Company reports, Arihant Capital Research

Exhibit 82: Precision technology and auto component, Aerospace and defence RoCE remains healthy; however, overall RoCE is lower due to restructuring and higher unallocated assets. The strategic merger of JK Files & Engineering Ltd (tools), Ring Plus Aqua Ltd (automotive), and Maini Precision Products Ltd (auto division) is expected to create synergies, leading to better RoCE going forward. Aerospace & Defence business is expected to double in the next 3-4 years, which is expected improve RoCE significantly going forward.



Source: Company reports, Arihant Capital Research; Intangibles, Goodwill and Investments accounted for using equity method are excluded.

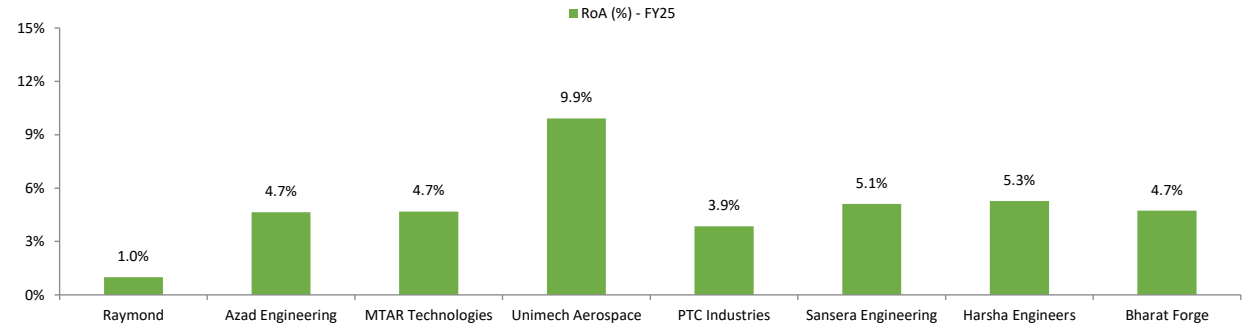
Exhibit 83: RoCE stood at 2.7% in FY25, due to high invested capital base due to acquisition accounting and growth capex) and the yet-to-be realized profits from these investments. RoE stood at 1.2% in FY25, due to fair value adjustment leads to significant higher D&A and higher gross debt levels (post-refinancing) lead higher finance cost .



Source: Company reports, Arihant Capital Research

Financial Analysis

Exhibit 84: Raymond's RoA stood at 1% in FY25 due to higher asset base (acquisition) and capex phase.

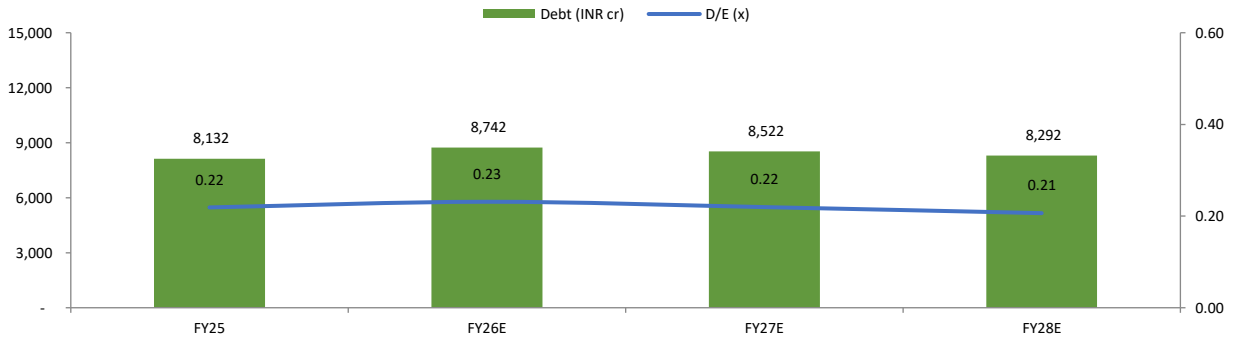


Source: Company reports, Arihant Capital Research

Maintaining debt levels through cash flows: The company is strategically leveraging a strong balance sheet to fund high-conviction growth projects with long-term visibility. The company is focused on re-investing the cash flows instead of debt reduction. Some of the debt is used to fund acquisition of Maini Precision business and its subsequent integration. Post-restructuring, inter-company loans from Raymond were replaced with external long-term debt, simplifying the capital structure. The debt matches the 5-10 year contract cycles in the aerospace business. The company is able to take up to 10-year tenure debt, supported by revenue visibility from OEM contracts.

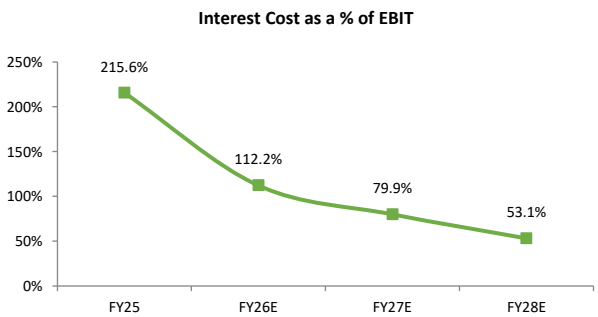
Short-term debt is majorly active in the Precision Technology & Auto Components. The auto and tools segments have shorter operating cycles. Inventory needs to be financed for a few months before it is sold and converted into receivables. In aerospace, short-term financing helps to manage the liquidity within the long cycle, smoothing out timing mismatches between large raw material payments and milestone-based customer collections. Overall, the moderate debt-to-equity ratio, strong interest coverage and the perfect maturity matching between debt and asset lifecycles show a prudently managed capital structure.

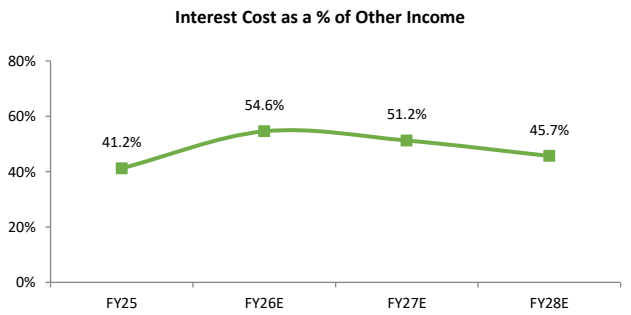
Exhibit 85: Debt stood at INR 9,720mn as of Q2FY26. Debt-to-Equity levels remain healthy.



Source: Company reports, Arihant Capital Research

Exhibit 86: Interest cost as a % of EBIT is higher and expected to reduce going forward. Interest cost is almost half of the other income gives comfort on the same.





Source: Company reports, Arihant Capital Research

Key Risks

Risks	Potential Impact	Mitigation Strategy
Global Economic Slowdown	Reduced demand for new aircraft (impacting JKMGAL) and automobiles (impacting JKMPTL), leading to order cancellations, push-outs, and pricing pressure. Lower capex in industrials hits tools/hydraulics demand.	Long-term aerospace contracts (5-10 yrs) provide a buffer. Diversification across sectors (Aerospace, Auto, Tools, Industrials) and geographies provides a natural hedge.
Trade Policies & Tariffs	Increased cost for exported goods (especially Tools & Auto components), making products less competitive.	The company is actively expanding into non-US markets (Europe, Latin America, Africa, ASEAN). The company is working with customers to share the burden or re-route supply chains. Aerospace components are less impacted due to low relative value and criticality.
Currency Volatility (INR Appreciation)	The company has major exports in the business, leading to high forex exposure. INR appreciation reduces INR value of export revenues, compressing margins as most costs are in INR.	Significant raw material imports (especially for aerospace) are also in foreign currency, creating a partial natural hedge. The company is using forward contracts and other derivatives to lock in rates for known exposures.
Raw Material Price & Supply Volatility	Spike in prices of key inputs (Inconel, Titanium, Steel) compresses gross margins. Supply disruptions from mills can halt production lines.	The company is securing supply with key global mills. Post-merger bulk buying power improves negotiation. The company is actively looking to develop domestic sources for aerospace alloys. The company is strategically holding critical raw materials for aerospace.
Execution Risk in Growth Capex & Greenfield Project	Cost overruns, delays in commissioning the Andhra Pradesh facility, or failure to achieve planned capacity/utilization. This would delay revenue, depress ROCE, and strain cash flows.	The project executed in phases linked to contract wins. The company is leveraging decades of precision engineering experience. The company is closely work with strategic partners (example, Safran) on technical requirements.
Inability to Pass Through Cost Increases	In competitive auto component segments, OEMs may resist price increases, forcing margin absorption.	The company is shifting product mix to complex, engineered parts where pricing power is higher (e.g., hybrid/EV components, assemblies). The proactive design and process optimization to lower inherent cost. The company is reducing reliance on most competitive auto segments via industrial/tools business.
Failure to Move Up the Value Chain	Remaining a low-margin component supplier while peers advance to assemblies/modules. It limits margin expansion and creates competitive vulnerability.	The company has signed MoU with Safran for assemblies. The company has dedicated NPD team and capex for complex machining. The company also has deep collaboration with OEMs on new programs from the design stage.
Competition	New entrants in India's aerospace/defence sector or established global players setting up local units could increase pricing pressure and competition for talent/contracts.	The company has deep OEM certifications, and self-certification status are difficult to replicate. The company has Integrated portfolio across aerospace and auto is unique. The long-term contracts and proven reliability create sticky relationships.
Technological Disruption	Shift to new propulsion technologies (e.g. hydrogen) in aerospace could render current engine component expertise less relevant over the very long term.	Core competency is precision machining of difficult materials, which is transferable. The company is staying abreast of next-gen technology through close work with engine developers.
Prolonged Working Capital Intensity	Sustained high working capital needs for growth, coupled with heavy capex, leads to prolonged negative Free Cash Flow, requiring continuous external funding.	As revenue doubles in aerospace, operating leverage will improve Working capital/Sales ratio. The company is actively targeting Working capital efficiency in JKMPTL via integrated systems.
Integration & Synergy Realization Risk	Failure to capture projected procurement, operational, and commercial synergies from the Maini/JK Files/Ring Plus merger, leaving costs higher and performance below potential.	The company has structured program to capture identified synergies. The company is Implementing unified IT and procurement platforms. The single customer-facing entity (JKMPTL) to drive cross-selling.
Talent Acquisition & Retention	Inability to attract and retain highly skilled engineers, machinists, and program managers in a competitive market, hampering growth execution and innovation.	The company is leveraging brand as a premier engineering employer working on cutting-edge global programs. The company is in collaborations with technical institutes.

Source: Company reports, Arihant Capital Research, JKMGAL – JK Maini Global Aerospace Ltd, JKMPTL – JK Maini Precision Technology Ltd.

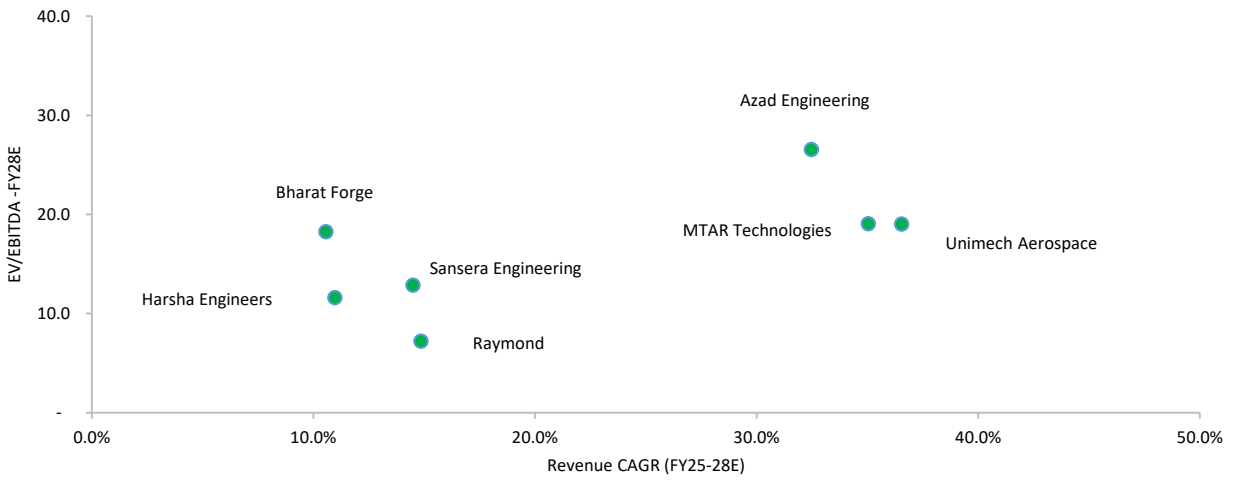
Peer Comparison

Exhibit 87: Peer comparison based on products & services, exports and plants.

Company	Key Products & Services	Segments	Exports Revenue (%)	Manufacturing Plants
Raymond Ltd (Engineering)	Steel files, ring gears, flexplates, aero-engine & structure parts.	Tools & Hardware, Auto, Aerospace & Defense.	~60%	17 (India)
Bharat Forge	Forged & machined components, artillery systems, aero engine parts.	Auto, Defense, Industrial, Aerospace, Railways.	~60%	18 (India, Germany, US, Sweden, France)
Sansera Engineering	Connecting rods, crankshafts, rocker arms, aero components.	Auto (ICE & EV), Aerospace, Defense, Agri.	~31%	17 (India & Sweden)
Azad Engineering	Turbine blades, airfoils, complex engine assemblies.	Energy, Aerospace, Defense, Oil & Gas.	~92%	4 (Hyderabad, India)
MTAR Technologies	Nuclear power assemblies, rocket engines, fuel cells.	Nuclear, Space, Defense, Clean Energy.	~80%	7 (Hyderabad, India)
Harsha Engineers	Bearing cages (brass, steel, polyamide), stamped components.	Engineering (Bearings), Solar EPC.	70%	4 (India, China, Romania)
Unimech Aerospace	Aero engine tooling, complex mechanical assemblies.	Aerospace, Energy, Semiconductors.	~90%	1 (Bangalore, India)

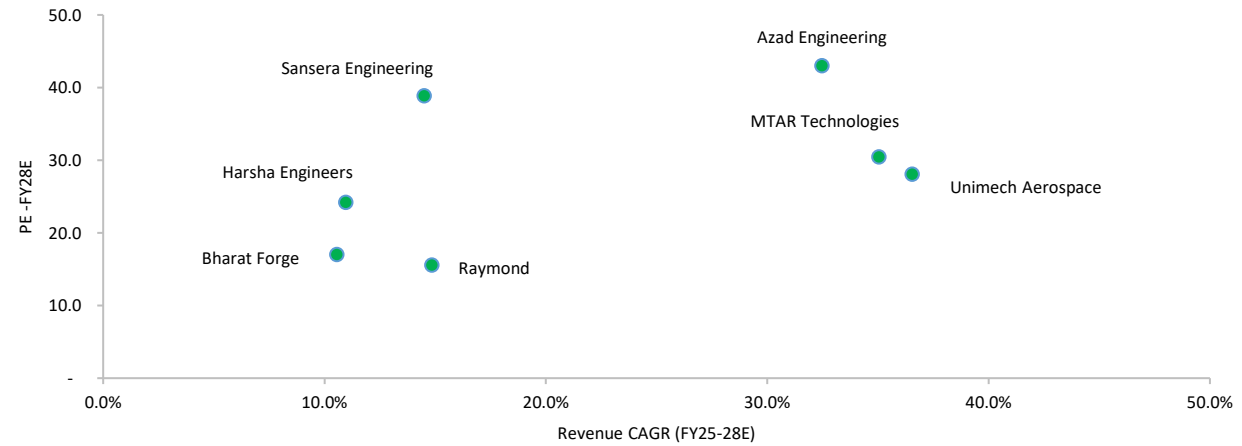
Source: Company Reports, Arihant Capital Research

Exhibit 88: Raymond Ltd is expected to grow mid-teen levels (~75-80% sales from auto & precision, ~20-25% from aerospace), which is higher than auto peers and slightly lower than aerospace & defence companies. However, the valuation is attractive compared to auto (median EV/EBITDA – FY28E: 12.2x) & defence (median EV/EBITDA - FY28E: 19.1x) peers.



Source: Bloomberg, Arihant Capital Research

Exhibit 89: Raymond Ltd valuation is attractive compared to auto & defence peers.



Source: Bloomberg, Arihant Capital Research

Outlook & Valuation: **Raymond Ltd strategically restructured and split into two independent subsidiaries: 1) JK Maini Global Aerospace Ltd for Aerospace & Defence, and 2) JK Maini Precision Technology Ltd for precision technology & auto components, including Tools & Hardware. The restructuring will enhance operational focus and unlock significant stakeholder value through improved transparency and targeted capital allocation. JK Maini Global Aerospace is a premier Indian manufacturer of mission-critical aero-engine components, serving as a Tier-1 supplier to the world's top 3 engine OEMs (Safran, GE Aerospace, and Pratt & Whitney). Over 75% of its revenue comes from complex engine parts, and the business benefits from multi-year contracts (5-10 years) aligned with the global commercial aircraft order backlog of >16,000 units, which provides 12-15 years of production visibility. The company is focused on doubling aerospace revenue over the next 3-4 years, supported by annual capex (INR 1bn/annum) and a major greenfield facility in Andhra Pradesh. The growth drivers include gaining a larger share of existing programs, moving up the value chain into assemblies and modules, capitalizing on the China+1 supply chain shift, and tapping into India's defence indigenization programs.**

JK Maini Precision Technology Ltd emerges as a diversified engineering powerhouse with market-leading positions in several segments. It holds over 60% market share in India's steel files market, commands about 55% share of PV ring gears, and is the sole domestic manufacturer of flex plates. The business is a critical supplier to the top 15 global automotive OEMs, with a growing portfolio in hybrid and EV components. The business is expected to grow at a 12.5% CAGR over the period of FY25-28E, supported by organic growth capex (~INR 1bn/annum), integration synergies from the merger of three legacy businesses, value-addition in the tools segment, and leveraging the "China+1" trend in auto components.

We are estimating a revenue CAGR of 16.6% for FY25-FY28E. EBITDA margin is expected to improve from 9.1% (FY25) to 11% in FY28E, driven by a favorable business mix shift towards the higher-margin aerospace segment (EBITDA margin: 20%-25%), operational leverage from scaling revenue, and cost synergies from restructuring. Return ratios, currently depressed due to acquisition-related fair value adjustments and a high-growth investment phase, are anticipated to recover meaningfully. RoE is expected to improve from 1.2% (FY25) to 4.6% in FY28E, while RoCE is projected to rise from 2.7% to 6.8% over the same period. The operational RoCE is projected to raise from 4.9% (FY25) to 10.7% in FY28E. Precision technology and auto component (RoCE – FY25: 16.5%, FY28E: 24.1%), Aerospace and defence (RoCE – FY25: 10.3%, FY28E: 25.6%) RoCE remains healthy; however, overall RoCE is lower due to restructuring and higher unallocated assets. JK Maini Precision Technology Ltd is valued at an EV/EBITDA multiple of 10x on its FY28E EBITDA (peer median: 12.2x), while the higher-growth JK Maini Global Aerospace Ltd is valued at 15x on its FY28E EBITDA (peer median: 19.1x). At the CMP of INR 404 per share, we initiate a "BUY" rating at a TP of INR 788 per share, valued based on SOTP; an upside of 95%.

Raymond FY28E based implied valuation

	Precision technology and auto component	Aerospace and defence	Overall
FY28E EBITDA (INR mn)	3,254	1,523	
EV/EBITDA (x)	**10.0x**	**15.0x**	
FY28E EV/EBITDA (x) - Median of peers	**12.2x**	**19.1x**	
EV (INR mn)	32,542	22,847	55,389
Net Debt/(cash) (INR mn) - FY28 end			2,956
Market Cap (INR mn)			52,432
Share outstanding (mn)			67
Target Price (INR)			**788**
CMP (INR)			**404**
Upside (%)			**95.0%**
Rating			**BUY**

Source: Company Reports, Arihant Capital Research

Financial Statements

Income statement summary

Y/e 31 Mar (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	9,726	19,468	22,571	26,285	30,846
Net Raw Materials	3,379	6,956	8,060	9,334	10,880
Employee Cost	1,937	3,820	4,207	4,887	5,719
Other Expenses	3,679	6,929	8,055	9,328	10,854
EBITDA	**731**	**1,764**	**2,248**	**2,736**	**3,393**
EBITDA Margin (%)	**7.5%**	**9.1%**	**10.0%**	**10.4%**	**11.0%**
Depreciation	(592)	(1,461)	(1,534)	(1,711)	(1,889)
Interest expense	(85)	(653)	(802)	(820)	(799)
Other income	1,646	1,584	1,469	1,601	1,749
Share of profits associate & JV	(572)	(451)	(23)	(13)	(9)
Profit before tax	**788**	**783**	**(454)**	**1,793**	**2,445**
Taxes	(245)	(263)	1,323	(457)	(623)
PAT	**543**	**520**	**869**	**1,336**	**1,821**
PAT Margin (%)	**5.6%**	**2.7%**	**3.9%**	**5.1%**	**5.9%**
Loss from Discontinued operations	**17,870**	**76,634**	**-**	**-**	**-**
Net PAT	**18,413**	**77,155**	**869**	**1,336**	**1,821**
Other Comprehensive income	405	372	-	-	-
Net profit	**18,817**	**77,527**	**869**	**1,336**	**1,821**
EPS (INR)	8.2	7.8	13.1	20.1	27.4

Source: Company Reports, Arihant Capital Research

Balance sheet summary

Y/e 31 Mar (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Equity capital	666	666	666	666	666
Reserves	45,508	36,496	37,148	38,150	39,516
Net worth	**46,173**	**37,161**	**37,813**	**38,815**	**40,181**
Minority Interest	4,379	4,414	4,414	4,414	4,414
Provisions	1,301	606	216	252	296
Debt	47,612	8,132	8,742	8,522	8,292
Other non-current liabilities	5,667	1,976	2,257	2,629	3,085
Total Liabilities	**105,133**	**52,289**	**53,443**	**54,632**	**56,268**
Fixed assets	25,489	8,904	10,419	11,794	12,005
Capital Work In Progress	700	49	85	101	111
Other Intangible assets	6,901	6,222	4,978	3,982	3,186
Goodwill	2,650	2,650	1,987	1,325	662
Investments	18,957	6,884	6,997	7,623	8,329
Other non current assets	3,131	419	903	657	771
Net working capital	**30,707**	**19,251**	**17,739**	**19,450**	**19,744**
Inventories	35,142	4,191	5,190	6,137	7,303
Sundry debtors	14,072	4,056	4,638	5,257	5,916
Loans & Advances	265	281	316	368	432
Other current assets	7,826	35,597	17,933	19,444	19,860
Sundry creditors	(20,640)	(2,539)	(3,341)	(3,871)	(4,513)
Other current liabilities & Prov	(5,957)	(22,335)	(6,997)	(7,886)	(9,254)
Cash	5,256	2,985	4,241	3,656	4,673
Other Financial Assets	11,343	4,925	6,094	6,046	6,786
Total Assets	**105,133**	**52,289**	**53,443**	**54,632**	**56,268**

Source: Company Reports, Arihant Capital Research

Financial Statements

Cashflow summary

Y/e 31 Mar (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Profit before tax	788	783	(454)	1,793	2,445
Depreciation	592	1,461	1,534	1,711	1,889
Tax paid	(245)	(263)	1,323	(457)	(623)
Working capital Δ	(30,707)	11,456	1,513	(1,711)	(294)
Change in Goodwill	(2,649.8)	-	662	662	662
Operating cashflow	**(32,222)**	**13,437**	**4,578**	**1,998**	**4,078**
Capital expenditure	(26,780)	15,775	(3,085)	(3,101)	(2,111)
Free cash flow	**(59,003)**	**29,212**	**1,493**	**(1,102)**	**1,967**
Equity raised	50,211	(8,839)	(0)	-	0
Investments	(18,957)	12,073	(113)	(626)	(706)
Others	(21,375)	9,808	(408)	1,290	(58)
Debt financing/disposal	47,612	(39,480)	610	(220)	(230)
Dividends paid	(201)	(659)	(217)	(334)	(455)
Other items	6,968	(4,387)	(108)	407	500
Net Δ in cash	**5,256**	**(2,271)**	**1,256**	**(585)**	**1,018**
Opening Cash Flow	**-**	**5,256**	**2,985**	**4,241**	**3,656**
Closing Cash Flow	**5,256**	**2,985**	**4,241**	**3,656**	**4,673**

Source: Company Reports, Arihant Capital Research

Ratio analysis

Y/e 31 Mar	FY24	FY25	FY26E	FY27E	FY28E
Growth matrix (%)					
Revenue growth		100.2%	15.9%	16.5%	17.4%
Op profit growth		141.4%	27.5%	21.7%	24.0%
Profitability ratios (%)					
OPM	7.5%	9.1%	10.0%	10.4%	11.0%
Net profit margin	5.6%	2.7%	3.9%	5.1%	5.9%
RoCE	1.9%	2.7%	4.7%	5.6%	6.8%
Operational RoCE	2.8%	4.9%	9.0%	9.6%	10.7%
RoNW	1.2%	1.2%	2.3%	3.5%	4.6%
RoA	0.5%	1.0%	1.6%	2.4%	3.2%
Per share ratios (INR)					
EPS	8.2	7.8	13.1	20.1	27.4
Dividend per share	3.0	9.9	3.3	5.0	6.8
Cash EPS	17.1	29.8	36.1	45.8	55.8
Book value per share	693.8	558.4	568.2	583.3	603.8
Valuation ratios (x)					
P/E	49.5	51.7	30.9	20.1	14.8
P/CEPS	23.7	13.6	11.2	8.8	7.2
P/B	0.6	0.7	0.7	0.7	0.7
EV/EBITDA	68.8	14.3	10.8	8.8	6.5
Payout (%)					
Dividend payout	37.0%	126.7%	25.0%	25.0%	25.0%
Tax payout	31.1%	33.6%	291.4%	25.5%	25.5%
Liquidity ratios					
Debtor days	528	170	70	69	66
Inventory days	3,796	1,032	212	221	225
Creditor days	838	239	53	56	56
WC Days	3,486	963	230	234	236
Leverage ratios (x)					
Interest coverage	1.6	0.5	0.9	1.3	1.9
Net debt / equity	0.9	0.1	0.1	0.1	0.1
Net debt / op. profit	58.0	2.9	2.0	1.8	1.1

Source: Company Reports, Arihant Capital Research

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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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