

Axiscades Technologies Limited

October 06, 2025

Facilities	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	21.00	CARE A-; Stable	Reaffirmed
Long-term / Short-term bank facilities	80.00	CARE A-; Stable / CARE A2+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings to bank facilities of Axiscades Technologies Limited (ACTL) considers consistently improving operational performance, supported by a growing order book. The fair diversification across sectors and geographies and established customer base further strengthen ratings. CARE Ratings Limited (CareEdge Ratings) takes note of the business restructuring taken by ACTL with steps being taken for recalibration of non-core verticals and changes in top leadership positions. Going forward, the company is planning to achieve non-linear product led growth in the segments of defense, aerospace and electronic, semiconductor, artificial intelligence (ESAI) for which the company has aggressive capex plans. The transformational impact of the restructuring remains to be seen.

Ratings are constrained by customer concentrations risks and moderate scale of operations in a highly fragmented and competitive industry, with dependence on the end-user industry's operational performance and investment climate, and profit margins susceptible to foreign fluctuation risks.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improving revenues beyond ₹1,500 crore, net worth of over ₹800 crore, while maintaining total debt/profit before interest, lease rentals, depreciation, and taxation (PBILDT) of less than 1x.

Negative factors

- Declining revenues below ₹1,000 crore or total debt/profit before depreciation, interest, and taxes (PBDIT) of over 1.5x.
- Overall gearing exceeding 1x.

Analytical approach: Consolidated

ACTL has established subsidiaries across geographies and acts as onshore centres. The business model entails a high amount of integration of ACTL with its subsidiaries, and therefore, CareEdge Ratings has taken a consolidated approach to analyse its credit profile. ACTL's consolidated financials comprise full-consolidation of subsidiaries mentioned in Annexure-6.

Outlook: Stable

Stable outlook is considering CareEdge Ratings' expectation of stable credit profile with improved revenues and sustainable PBIDT margins due to restructuring efforts and optimisation of low-margin non-core vertical.

Detailed description of key rating drivers:

Key strengths

Consistent improvement in operational performance with restructuring efforts

The company's total operating income (TOI) increased from ₹955 crore in FY24 (refer to the period April 1 to March 31) to ₹1,031 crore in FY25, due to addition of new clients in different verticals and an improving and strong order book. The company has an order book worth ₹3,807 crore as on June 30, 2025, which will help cover its revenues for the next two years (FY26 and FY27). In FY25, pursuant to leadership change, the company reorganised its business into two main verticals: core and non-core. The core verticals were identified as aerospace, defense, and ESAI, while non-core division comprises automotive, heavy engineering, and energy verticals. Non-core division has not been contributing meaningfully to the profitability and therefore the management is planning to re-calibrate these verticals. At the same time, focus has been shifted to core verticals, and the company is looking

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

for non-linear product led growth over next five years. To support this initiative, the company plans to make significant capital expenditures over the next three years. Management has indicated that the primary source of funding will be a proposed equity raise at the subsidiary level, with minimal dependence on debt financing. Timely raise of funds and completion and stabilisation of upcoming capex would be key to ACTL's prospects and would be closely monitored.

Established operational track record supported by marquee customers

ACTL commenced operation from 1990 and has over two decades of satisfactory track record of operations. Satisfactory execution of awarded projects enabled the company to establish its credentials in acquiring marquee customers and repeat orders over the years, which has been its core strength. CareEdge Ratings notes that the company has acquired these customers, who are expected to continue carrying out the business considering their established relationship with the company. The company continues to acquire new clientele in the last one year, which augurs well for its revenues and profitability prospects.

Fair diversification across sectors and geographies

ACTL has divided its sectors in two verticals- core and non-core. The core vertical comprising defence, aerospace and ESAI, contributed of 73% of revenues, while non-core sector comprising healthcare, energy, and automotives contributed to 27% of revenues in FY25. In terms of geography, revenues are well-diversified across Europe, USA, Canada, and Asia Pacific.

Key weaknesses**Intense competition in the industry**

The company is a reasonably large player and has established customer base across diverse industry segments. Operating environment of the end-user industry has a significant impact on the company's performance. Hence, the company constantly works on reducing over-dependence on few customers, which otherwise can cause considerable disruption to its revenues. However, such expansion into new business segments/industry involves significant investments. The company also faces intense competition from global capability centres (GCCs), large players with strong financial resources, and niche players, operating in a specific segment.

Customer concentration risk

On a standalone basis, 73% of ACTL's revenues are from its top two customers only. Considering the customer concentration, the company's performance largely depends on their as well as the customers' industry performance.

Liquidity: Adequate

The company continues to maintain adequate liquidity supported by strong operating cashflows. The internal accruals generated are likely to cover ongoing Phase1A expansion of the company without relying on debt and would cover upcoming debt repayments sufficiently. On consolidated basis, ACTL had cash and bank balances without lien of ₹97.40 crore as on March 31, 2025 and investment in mutual funds, among others, of ₹29.00 crore. However, in case of large capex plans, the company would be required to raise equity which otherwise would impact its liquidity.

Environment, social, and governance (ESG) risks

Environment: ACTL has adopted a comprehensive environmental stewardship model. It tracks and optimises energy consumption across verticals. Company continues to treat and recycle wastewater for non-potable uses, eliminating single use plastics and adhering to waste segregation.

Social: ACTL prioritises employee well-being, inclusivity and skill-development. Employee health and safety systems, exceeding legal requirements are put in place.

Governance: ACTL has defined governance models in place that ensures accountability.

Applicable criteria

[Definition of Default](#)

[Consolidation](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Service Sector Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Information technology	Information technology	It - services	It-enabled services

Incorporated in August 1990 as IT&T Enterprises Private Limited, ACTL initially commenced with BPO activities. Subsequently, with mergers and acquisitions over the years, its present business profile comprises providing engineering design services and has been serving verticals, including aerospace, defence, heavy engineering, automobile, and industrial products. With acquisition of several companies, ACTL also entered system integration activities focused on the defence sector involving hardware and product design, development and deployment. ACTL has delivery centres in Hyderabad, Chennai, and Bengaluru. The company also has presence in America and Europe through its overseas subsidiaries.

Brief Financials – Consolidated (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	June 30, 2025 (UA)
Total operating income	955.12	1031.16	243.71
PBILDT	129.01	144.73	34.07
PAT	33.41	75.28	20.86
Overall gearing (times)	0.54	0.39	NA
Interest coverage (times)	2.24	4.33	6.10

A: Audited UA: Unaudited; NA: Not available, Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable.

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	-	-	-	March 31, 2028	20.00	CARE A-; Stable
Fund-based - LT/ST-CC/Packing Credit	-	-	-	-	80.00	CARE A-; Stable / CARE A2+
Non-fund-based - LT-Bank Guarantee	-	-	-	-	1.00	CARE A-; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT/ST-CC/Packing Credit	LT/ST	80.00	CARE A-; Stable / CARE A2+	-	1)CARE A-; Stable / CARE A2+ (04-Oct-24) 2)CARE A-; Stable / CARE A2+ (17-Apr-24)	1)CARE BBB+; Stable / CARE A2 (10-Aug-23)	1)CARE BBB; Stable / CARE A3 (25-Jan-23) 2)CARE BBB / CARE A3 (RWD) (27-Dec-22) 3)CARE BBB / CARE A3 (CW with Developing Implications) (22-Aug-22)
2	Non-fund-based - LT-Bank Guarantee	LT	1.00	CARE A-; Stable	-	1)CARE A-; Stable (04-Oct-24) 2)CARE A-; Stable (17-Apr-24)	1)CARE BBB+; Stable (10-Aug-23)	1)CARE BBB; Stable (25-Jan-23) 2)CARE BBB (RWD) (27-Dec-22) 3)CARE BBB (CW with Developing Implications) (22-Aug-22)
3	Fund-based - LT-Term Loan	LT	20.00	CARE A-; Stable	-	1)CARE A-; Stable (04-Oct-24) 2)CARE A-; Stable (17-Apr-24)	1)CARE BBB+; Stable (10-Aug-23)	1)CARE BBB; Stable (25-Jan-23) 2)CARE BBB (RWD) (27-Dec-22) 3)CARE BBB (CW with Developing Implications) (22-Aug-22)
4	Non-fund-based - ST-Loan Equivalent Risk	ST	-	-	-	-	-	1)Withdrawn (22-Aug-22)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

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

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - LT/ ST-CC/Packing Credit	Simple
3	Non-fund-based - LT-Bank Guarantee	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	AXISCADES, Inc.	Full	Subsidiary
2	AXISCADES UK Limited	Full	Subsidiary
3	AXISCADES Technology Canada Inc.	Full	Subsidiary
4	Axis Mechanical Engineering Design (Wuxi) Co., Ltd.	Full	Subsidiary
5	AXISCADES GmbH	Full	Subsidiary
6	Cades Studec Technologies (India) Private Limited	Full	Subsidiary
7	AXISCADES Aerospace & Technologies Private Limited (ACAT)	Full	Subsidiary
8	AXISCADES Aerospace Infrastructure Private Limited, subsidiary of ACAT	Full	Subsidiary
9	Enertec Controls Limited, subsidiary of ACAT	Full	Subsidiary
10	Mistral Solutions Private Limited (MSPL)	Full	Subsidiary
11	Mistral Solutions Inc. (subsidiary of MSPL)	Full	Subsidiary
12	Aero Electronics Private Limited	Proportionate	Associate
13	Mistral Technologies Private Limited (subsidiary of MSPL)	Full	Subsidiary
14	Explosoft Tech Solutions Private Limited	Full	Subsidiary
15	Add Solution GmbH	Full	Subsidiary
16	Epcogen Private Limited	Full	Subsidiary

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Saikat Roy Senior Director CARE Ratings Limited Phone: +91-22-67543404 E-mail: saiikat.roy@careedge.in	Analytical Contacts Karthik Raj K Director CARE Ratings Limited Phone: +91-80-46625555 E-mail: karthik.raj@careedge.in Himanshu Jain Associate Director CARE Ratings Limited Phone: +91-80-46625528 E-mail: himanshu.jain@careedge.in Gautami Shanker Lead Analyst CARE Ratings Limited E-mail: Gautami.Shanker@careedge.in
--	--

About us:

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

Disclaimer:

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

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

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

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

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**