

Armour Display Systems Limited

February 12, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	12.17	CARE BBB; Stable	Assigned
Long-term / Short-term bank facilities	17.83	CARE BBB; Stable / CARE A3+	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Armour Display Systems Limited (ADSL) derive strength from the company's comfortable capital structure and debt coverage indicators. Ratings also take comfort from experienced promoters and long track record of operations of the company and association with reputed principals with healthy contract renewal track record. However, ratings are constrained by modest scale of operations despite healthy profitability and working capital intensive operations. Ratings also take cognisance of susceptibility of business risk due to tender-related business and competitive industry. CARE Ratings Limited (CareEdge Ratings) believes ADSL's ability to bid strategically for new contracts while safeguarding profitability will be a key factor to monitor going forward.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in total operating income (TOI) above ₹150 crore while maintaining profit before interest, lease rentals, depreciation, and taxation (PBILDT) margins at current levels on a sustained basis.
- Improvement in collection period to below 100 days leading to improved liquidity position on a sustained basis.

Negative factors

- Decrease in TOI below ₹70 crore with a PBILDT margin below 25% on a sustained basis.
- Deterioration in debt coverage indicators as marked by total debt to gross cash accruals (TD/GCA) above 1.50x on a sustained basis.
- Any cash flow movement towards Sapphire Media Limited (SML: parent entity), thus impacting the liquidity position of ADSL.

Analytical approach: Standalone, while factoring in management support from SML.

Outlook: Stable

"Stable" outlook reflects CareEdge Ratings' opinion that ADSL will continue to derive benefit from its promoters' long-standing industry experience.

Detailed description of key rating drivers:

Key strengths

Experienced promoters and long track record of operations of the company

ADSL was originally founded as Armour Security Solutions by Pankaj Kumar Srivastava in 2001, which was reconstituted as a private limited company in 2010. Since 2024, it is managed by Sahil Mangla (Chairman and Managing Director), with an M.A. from the Indian Institute of Planning and Management having ~15 years of experience looking after finance and operations. He is also supported by Aditya Vashistha (Whole Time Director), having 22 years of experience in media marketing, looking after sales. The top management is ably supported by a team of other qualified and experienced professionals.

Comfortable capital structure and debt coverage indicators

ADSL's capital structure stood comfortable, as marked by an overall gearing of 0.26x as on March 31, 2025, due to lower reliance on external debt. Going forward, the capital structure is expected to remain in the similar level due to increased reliance on working capital borrowings to support the growing scale of operations. Entity's comfortable capital structure provides sufficient

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

gearing headroom in case of exigencies. ADSL's debt coverage indicators stood comfortable as marked by interest coverage and TD/GCA of 24.70x and 0.77x, respectively, as on March 31, 2025. CareEdge Ratings believes ADSL's ability to sustain its capital structure while continuing to grow its operations will remain a key credit monitorable.

Association with reputed principals with healthy contract renewal track record

The company has established strong associations with reputed client and its core revenue is derived from tender-based contracts with Indian Railways, primarily for services such as advertising, displaying public transport information via LED screens, and broadcasting public announcements through audio systems at railway stations. While the revenue stream shows moderate customer concentration with the top 10 customers contributing ~19% of TOI in FY25 (FY refers to April 01 to March 31). As on date, the company maintains a modest order book position of ₹14.73 crore providing short-term revenue visibility, however, further orders are expected in the remaining part of the year.

Key weaknesses

Modest scale of operations despite healthy profitability

TOI grew at a compounded annual growth rate (CAGR) of ~69% in the last five years ended FY25 and stood modest at ₹75.87 crore in FY25. This improvement was driven by increased customer demand and better execution of orders. Profitability margins of ADSL, as marked by PBILDT margin, remained healthy in the range of 28-35% in the past four years ended FY25 and stood at 35.38% in FY25. In 9MFY26 (9M refers to April 01 to December 31), TOI was ₹70.30 crore with PBILDT margin of 33.41% and expects to achieve TOI of ~₹125 crore driven by majority revenue booking in Q4FY26 with margins expected to be in a similar range. Intense competition in the industry is expected to continue restricting future growth prospects. However, the company's ability to secure more orders and improve operational performance while maintaining profitability margins will remain a key credit monitorable.

Working capital intensive nature of operations

The company's operations are capital intensive in nature since it provides services to Indian Railways under a five-year contract awarded through a competitive bidding process. Also, most of the clients are government companies, the collection period for the company also remains on the higher side. In the advertising industry, average payment terms typically range from 120-180 days. Bills are raised on a Release Order (RO) basis, depending on the duration of advertising campaign. For short-term contracts ranging from five days to four months, invoices are raised after the completion of the campaign however, for long-term contracts, billing is carried out monthly. The company's operating cycle stood at 77 days in FY25 primarily due to higher collection period of 170 days. The company's ability to manage its working capital requirements while maintaining its comfortable capital structure will remain a key credit monitorable.

Susceptibility of business risk due to tender related business and competitive industry

The company's business model is significantly exposed to risks associated with tender-based contracts. In this highly competitive environment, companies often need to submit aggressive bids to secure contracts, which might impact overall profitability. Despite having an established market presence, the company's ability to consistently win tenders and renew existing contracts remains critical to sustaining its operational scale. The company operates in the digital advertising industry which is characterised by low entry barriers. Hence, the company might be faced by intense competition putting pricing constraint to contract renewals. However, ADSL operates in a niche segment of interactive display advertising having presence in major railway stations across Maharashtra, Delhi, Chennai, Karnataka, and Gujarat among others. The company's ability to bid strategically for new contracts while safeguarding profitability will be a key factor to monitor going forward.

Liquidity: Adequate

The company has adequate liquidity marked by GCA of ₹20.83 crore in FY25, which is expected to improve to ~₹30-35 crore against debt servicing obligations of ~₹11 crore in FY26. The company has current and quick ratios of 2.67x as on March 31, 2025. Fund-based limits of ₹7.50 crore were utilised ~54% in the last 12 months ended December 2025. Despite high gross current asset days of 260 days as on March 31, 2025, working capital intensity is moderate, with net working capital at 44% of capital employed. Though cash flow from operations was negative ₹1 crore, the entity has cash balance of ₹21.92 crore.

Assumptions/Covenants: Not applicable

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

Applicable criteria

- [Definition of Default](#)
- [Factoring Linkages with Parent](#)
- [Liquidity Analysis of Non-financial sector entities](#)
- [Rating Outlook and Rating Watch](#)
- [Financial Ratios – Non financial Sector](#)
- [Service Sector Companies](#)
- [Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Media, entertainment & publication	Media	Electronic media

Founded in 2010, based in Chennai, Tamil Nadu, ADSL was initially established in 2001 as a proprietorship firm by Pankaj Kumar Srivastava as Armour Security Solutions and was reconstituted as a Private Limited company in 2010. Since 2024, it is managed by Sahil Mangla (Chairman and Managing Director) and Aditya Vashistha (Whole Time Director). The company operates on a public-private partnership (PPP) model with Indian Railways, providing real-time train information and messages through digital displays. ADSL has developed a digital out-of-home (DOOH) media format that integrates audio-visual digital displays to deliver passenger information and advertisements at railway stations.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	47.36	75.87	70.30
PBILDT*	14.38	26.84	23.49
Profit after tax (PAT)	6.65	16.32	16.77
Overall gearing (x)	0.06	0.26	NA
Interest coverage (x)	23.75	24.70	13.58

A: Audited UA: Unaudited; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation, and tax

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	-	-	-	July 2029	12.17	CARE BBB; Stable
Fund-based/Non-fund-based-LT/ST	-	-	-	-	17.83	CARE BBB; Stable / CARE A3+

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/Non-fund-based-LT/ST	LT/ST	17.83	CARE BBB; Stable / CARE A3+	-	-	-	-
2	Fund-based - LT-Term Loan	LT	12.17	CARE BBB; Stable	-	-	-	-

LT: Long 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/Non-fund-based-LT/ST	Simple

Annexure-5: Lender details

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

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

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Ankur Sachdeva Senior Director CARE Ratings Limited Phone: +91-22-6754 3444 E-mail: Ankur.sachdeva@careedge.in</p>	<p>Analytical Contacts</p> <p>Puneet Kansal Director CARE Ratings Limited Phone: 91-120-4452000 E-mail: puneet.kansal@careedge.in</p> <p>Rajan Sukhija Associate Director CARE Ratings Limited Phone: 91-120-4452000 E-mail: Rajan.Sukhija@careedge.in</p> <p>Srishti Jain Analyst CARE Ratings Limited E-mail: Srishti.jain@careedge.in</p>
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