

## Axiscades Technologies Limited

June 23, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	21.00	CARE A- (RWD)	Placed on Rating Watch with Developing Implications
Long-term / Short-term bank facilities	80.00	CARE A- / CARE A2+ (RWD)	Placed on Rating Watch with Developing Implications

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-7.

### Rationale and key rating drivers

Axiscades Technologies Limited (ACTL) has announced the Board approval on June 12, 2026, for transferring Engineering Services in the Aerospace industry to Akkodis group for aggregate consideration of US\$ 206.3 million, which also includes an earnout of US\$ 52.6 million contingent upon the transferred business achieving specified earnings before interest, taxation, depreciation, and amortisation (EBITDA) threshold. Earlier, on May 26, 2026, the company had announced the transfer of its Engineering Services business serving heavy engineering, automotive, and energy industries to Akkodis for an aggregate consideration of US\$ 30.63 million, including an earnout of US\$ 7.4 million, likewise linked to specified EBITDA milestones. Accordingly, the aggregate consideration across transactions stands at US\$ 236.9 million, comprising minimum guaranteed proceeds of US\$ 176.9 million and contingent consideration of US\$ 60.0 million. Transactions are expected to be completed in a phased manner, with full completion likely by FY29. Proceeds are proposed to be deployed towards strengthening ACTL's manufacturing capabilities across aerospace, defence, space, and ESAI (electronics, semiconductors, and artificial intelligence) through greenfield investments, and inorganic initiatives, including acquisitions and joint ventures (JVs). This could help shorten the otherwise long gestation period involved in building capabilities in these segments.

CARE Ratings Limited (CareEdge Ratings) has taken cognisance of these developments. While proposed transactions are expected to provide funding visibility for the company's planned capital expenditure programme and inorganic growth initiatives, certain clarities remain pending on identified acquisition targets and their business profiles, the company's detailed order book position and underlying assumptions supporting the management's stated projections of achieving revenue of ₹9,000 crore and profit after taxation (PAT) of ₹960 crore by FY30. In view of the evolving nature of the company's business profile and the pending clarity on these aspects, CareEdge Ratings has placed ratings on Rating Watch with Developing Implications (RWD). These aspects assume greater significance, given the relatively long gestation period and higher working capital intensity generally associated with defence, aerospace, and space manufacturing sectors. CareEdge Ratings will continue to engage with the management to obtain further clarity on these matters, with a more comprehensive understanding expected to emerge in the near-to-medium term.

Ratings of bank facilities of ACTL continues to factor in consistently improving operational performance, supported by a growing order book. The fair diversification across sectors and geographies, and established customer base further strengthen ratings. Going forward, the company is planning to achieve non-linear product led growth in segments of defence, aerospace, space and ESAI, for which the company has aggressive capex plans. The transformational impact of the restructuring remains to be seen. These ratings strengths are partially offset by execution and stabilisation related risk associated with ongoing/ upcoming capex, modest 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 (TD/PBILDT) of less than 1x.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

**Negative factors**

- Declining revenues below ₹1,000 crore or TD/profit before depreciation, interest, and taxes (TD/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 under Annexure-6.

**Outlook:** Not applicable

**Detailed description of key rating drivers:****Key strengths****Funding arranged for ongoing and upcoming investment plans**

Post management change in Q3FY25 when Dr. Sampath Ravinarayan returned as Chairman and Managing Director (CMD) of the company, he launched Power 930 programme for the company, targeting revenue base of ₹9000 crore and PAT of ₹960 crore by FY30. This was planned to be achieved by restructuring of existing business and change of portfolio mix by moving organisation from predominantly service led company into a focused manufacturing and product-driven enterprise operating in high-growth segments, such as aerospace, defence, space, and ESAI. This strategic shift is driven by management's view that engineering services industry is highly competitive and offers limited long-term growth opportunities, whereas ACTL already possesses foundational capabilities and domain expertise in manufacturing across aerospace, defence, and ESAI.

This required substantially large investments of over ₹2200 crore towards greenfield infrastructure and for acquiring companies/forming JVs. In the last one month, company has announced sale of its engineering services business in aerospace, heavy engineering, space, and energy verticals for an aggregate consideration of US\$ 237 million (~₹2256 crore) – including minimum guaranteed amount of US\$ 177 million (₹1685 crore) and contingent amount of US\$ 60 million (~₹571 crore) – which covers the funding requirement for this programme.

**Consistent improvement in operational performance**

The company's total operating income (TOI) increased to ₹1,159 crore in FY26 from ₹1,031 crore in FY25, supported by addition of new clients across multiple verticals, and an improvement in the order book position. Engineering service businesses proposed to be divested accounted for ~55% of the company's total revenue in FY26. Despite the proposed divestment of these businesses, the company is expected to register revenue growth of ~10% in FY27, driven by a higher executable order book in defence and ESAI segments, and the expected contribution from proposed acquisitions.

The company's PBDIT margin is expected to improve, following the divestment of the heavy engineering, automotive, and energy engineering services businesses, which were relatively margin dilutive in nature.

**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 plans to leverage its long-standing relationships with leading original equipment manufacturer (OEM)s, developed in the last 15–20 years, to strengthen business development and ramp up its manufacturing operations.

**Key weaknesses****Execution and stabilisation risks associated with ongoing and upcoming investments**

The company is currently in the transformation phase and has aggressive capex and acquisition plans. In the next 3-4 years, company cumulatively plans to spend over ₹2200 crore towards these investments. Greenfield expansions are inherently exposed to execution and stabilisation risks while smooth transition of businesses proposed to be acquired in ACTL's ecosystem also remains to be seen. ACTL has strengthened its leadership team by appointing experienced business heads with deep expertise across these focus verticals to drive the execution of its transformation strategy.

**Liquidity:** Adequate

The company continues to maintain adequate liquidity supported by strong operating cashflows. Proceeds from announced divestments and internal accruals generated are likely to cover upcoming investment plans without relying on debt and would cover upcoming debt repayments sufficiently. On a consolidated basis, ACTL had total cash and cash equivalent of ₹45.46 crore as on March 31, 2026.

**Environment, social, and governance (ESG) risks**

**Environment:** ACTL has adopted a comprehensive environmental stewardship model. It tracks and optimises energy consumption across verticals. The 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 are put in place exceeding legal requirements.

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

**Applicable criteria**

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Consolidation](#)

**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 business process outsourcing (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.

In latest developments, the company is re-positioning itself from service-led organisation to a product driven company in identified sectors of aerospace, defence, space, and ESAI.

Brief Financials (₹ crore)- Consolidated	March 31, 2025 (A)	March 31, 2026 (A)
Total operating income	1031.16	1158.95
PBILDT*	144.73	177.51
Profit after tax (PAT)	75.28	72.07
Overall gearing (x)	0.39	0.71
Interest coverage (x)	4.33	5.73

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	-	-	-	March 31, 2028	20.00	CARE A- (RWD)
Fund-based - LT/ST-CC/Packing Credit	-	-	-	-	80.00	CARE A- / CARE A2+ (RWD)
Non-fund-based - LT-Bank Guarantee	-	-	-	-	1.00	CARE A- (RWD)

### 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 2026-2027	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
1	Fund-based - LT/ST-CC/Packing Credit	LT/ST	80.00	CARE A- / CARE A2+ (RWD)	-	1)CARE A- ; Stable / CARE A2+ (06-Oct-25)	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)
2	Non-fund-based - LT-Bank Guarantee	LT	1.00	CARE A- (RWD)	-	1)CARE A- ; Stable (06-Oct-25)	1)CARE A- ; Stable (04-Oct-24) 2)CARE A- ; Stable (17-Apr-24)	1)CARE BBB+; Stable (10-Aug-23)
3	Fund-based - LT-Term Loan	LT	20.00	CARE A- (RWD)	-	1)CARE A- ; Stable	1)CARE A- ; Stable	1)CARE BBB+; Stable

						(06-Oct-25)	(04-Oct-24)	(10-Aug-23)
							2)CARE A-; Stable (17-Apr-24)	

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 - 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 Stude 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.

**Annexure-7: List of facilities/instruments and FSR**

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments <sup>2</sup>
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutual Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

\* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details and names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

# There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

<sup>2</sup>SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

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