Garuda Aerospace Ltd

Industrials - Drones & Unmanned Systems - DRHP Filed - ISIN INE00GA01022

Chennai drone maker: FY26 revenue up 67% to Rs 206 Cr and PAT Rs 25.9 Cr, but receivables of Rs 234 Cr exceed a year's sales and operating cash flow was negative Rs 42 Cr; board rate implies ~83x earnings.

INDICATIVE PRICE	MARKET CAP	P/E	P/B
Rs 425.25 (+0.22% today)	Rs 2,217 Cr	85.56	9.24

BOOK VALUE / SHARE	EPS	52-WEEK RANGE	LOT / SETTLEMENT
Rs 46.00	Rs 4.97	Rs 300 - Rs 460	100 shares - T+1 working day

About the company

Garuda Aerospace Limited designs, assembles and operates drones from Chennai. Its first Ind AS accounts (FY2025-26, standalone; the company had no subsidiary during the year) show revenue from operations of Rs 205.96 Cr, up 67% from Rs 123.46 Cr in FY25 and Rs 110.45 Cr in FY24. Revenue splits almost evenly between sale of drones and parts (Rs 99.36 Cr, 48%) and drone services including Drone-as-a-Service, surveys and pilot training (Rs 106.46 Cr, 52%); FY25 also carried a one-off Rs 5.78 Cr PLI incentive. The report does not break revenue down by agriculture, defence or government scheme, and gives no order book. All revenue is domestic; the top customer was 7.8% of sales (13.3% in FY25, when one customer took 38% of product sales).

Profit after tax rose 41% to Rs 25.92 Cr (12.6% margin, EPS Rs 4.99 on a Rs 2 share) from Rs 18.37 Cr. The report's own EBITA of Rs 35.1 Cr (19.0% margin, down from 24.5%) is after a Rs 11.13 Cr impairment charge on receivables; gross margin fell to 42% from 55% as outsourced contract cost and material purchases rose faster than sales. Net worth is Rs 239.84 Cr (Rs 46 book value per diluted share) against borrowings of Rs 22.27 Cr (ICICI/HDFC overdraft Rs 10.98 Cr, a Rs 9 Cr unsecured loan from whole-time director Rithika Mohan, UGRO Capital Rs 1.83 Cr) plus Rs 7.61 Cr of lease liabilities for a newly leased 70,000 sq ft Oragadam facility; cash and bank balances are only Rs 5.19 Cr.

The weak spot is cash conversion. Trade receivables stand at Rs 234.40 Cr, more than a full year of revenue (receivable turnover 1.19x, about 415 days); Rs 40.96 Cr is 1-2 years overdue and Rs 6.70 Cr 2-3 years, the loss allowance was raised from Rs 2.88 Cr to Rs 8.88 Cr and Rs 5.11 Cr was written off. Operating cash flow was negative Rs 41.55 Cr in FY26 after negative Rs 23.64 Cr in FY25, so two years of reported profit (Rs 44.3 Cr) have been funded by Rs 49.2 Cr of fresh equity and CCDs, Rs 10.8 Cr of new loans and a larger overdraft. Capex and capital advances consumed Rs 13.3 Cr, including Rs 14.59 Cr advanced during the year to promoter company Agni Estates and Foundations for a land purchase (Rs 12.93 Cr outstanding).

Financials (Rs Cr)

	FY25	FY26
Revenue	123.46	205.96
EBITDA	30.23	39.19
Profit after tax	18.37	25.92
EPS (Rs)	3.64	4.97
Net worth	165.59	239.85
Debt / equity	0.04	0.09
OPM %	24.5%	19.0%
ROE %	11.1%	10.8%

Revenue CAGR +66.8% - Profit CAGR +41.1% - figures from filed accounts where available; see the verification notes on the website.

Shareholding

Holder	Category	Shares (Cr)	%
Agnishwar, Bhavani Jayaprakash, Rithika Mohan and Jayaprakash Vishnu (promoter group)	Promoter	4.01	76.9%
Institutional investors (Venture Catalysts Angel Growth Fund / ZNL Growth Fund, Invstt Trust and others)	Institutional	0.12	2.3%
Private bodies corporate (Hathor Corporate Advisors LLP, Biz Secure Labs, Advanced Corporate Research, Rishabh Homes, R.G. Kasat Industries and other	Body Corporate	0.38	7.5%
Individual investors incl. M.S. Dhoni, Bharat Taparia, Padma Lochan Mohanty, Kailash Jhavar, Sunil Nayyar and others	Public	0.67	12.8%
NRIs, trusts and HUFs (Kirti Family Trust, C D Investments and others)	Public	0.03	0.5%

Board and management

Name	Designation	Since
Agnishwar	Whole-time Director (Promoter, Chairman's note signatory)	04 Aug 2022

Rithika Mohan	Whole-time Director	05 Nov 2025
Jayaprakash Vishnu	Non-Executive Director (Promoter)	05 Nov 2025
Natarajan Tirupattur Srinivasan	Independent Director	13 Feb 2026
Krishnasamy Rajagopalan Sathiyanarayanan	Independent Director	09 Mar 2026
Maya Swaminathan Sinha	Independent Director	20 Aug 2026
Sudharsan Ravichandran	Chief Financial Officer	16 Feb 2026
Ravichandran Harisha	Company Secretary & Compliance Officer	16 Feb 2026
B Krishna Kumar	Chief Technology Officer	01 Jul 2025

MCA registry snapshot

CIN
U35999TN2015PLC099951

STATUS
Active

AUTHORISED CAPITAL
Rs 15 Cr

PAID-UP CAPITAL
Rs 10.43 Cr

LAST AGM
18 Sept 2026

LAST BALANCE SHEET
31 Mar 2026

Date	Form	Description	Status
18 Sept 2026	AOC-4	FY2025-26 Ind AS financial statements adopted at the 11th AGM (filing	Pending
18 Sept 2026	MGT-7	Annual return for FY2025-26 (due within 60 days of the AGM)	Pending
18 Sept 2026	MGT-14	Special resolutions: Rs 57.2 Cr private placement at Rs 575.18, borrow	Pending
19 Mar 2026	SH-7	Sub-division of Rs 10 equity shares and CCPS into Rs 2 shares (5:1)	Approved
12 Mar 2026	PAS-3	Allotment of 95,37,085 bonus equity shares and 7,68,825 bonus CCPS (85	Approved
16 Feb 2026	PAS-3	Conversion of 1,996 CCDs into 1,996 equity shares (1:1)	Approved
16 Feb 2026	DIR-12	Appointment of CFO Sudharsan Ravichandran and CS Ravichandran Harisha;	Approved
05 Dec 2025	INC-27	Conversion from private to public limited company; revised certificate	Approved

Original filings (AOC-4 accounts, MGT-7 returns, charges) can be downloaded from the MCA21 portal under this CIN for a nominal fee; offer documents are on SEBI's site.

Reports and documents

Document	Type	Period	Where
Annual Report FY2025-26 (first Ind AS accounts, AGM notice,	Annual Report	FY26	Download on the website

Strengths

- Scale and growth: revenue has grown from Rs 110 Cr (FY24) to Rs 123 Cr (FY25) to Rs 206 Cr (FY26), with 3,000+ drones manufactured and sold in the year, 300+ training centres in 22 states and 2,000+ DGCA-licensed pilots trained, making it India's second-largest RPTO by the company's count.
- Profitable on paper for three years: PAT Rs 13.1 Cr (FY24), Rs 18.4 Cr (FY25) and Rs 25.9 Cr (FY26); return on equity 12.8%, no cash losses, current ratio 2.7x and debt/equity 0.09x.
- Balanced mix of hardware (48%) and services (52%) at 42% gross margin, with customer concentration falling (top customer 7.8% of revenue versus 13.3% a year earlier and no customer above 10% of product sales).
- Regulatory moat the report cites: dual DGCA approvals for manufacturing and remote-pilot training, DGCA train-the-trainer authorisation received in FY26, BIS-certified Li-Po batteries, and MoUs with three defence PSUs including BEL.
- Fresh capital keeps arriving at rising prices: CCD and equity placements at Rs 407.76-415.72 (adjusted) in FY25-26 and a Rs 57.2 Cr placement at Rs 575.18 approved in September 2026, with a DCF fair value from an IBBI-registered valuer backing the price.
- IPO-ready governance was built in FY26: conversion to a public company (Dec 2025), three independent directors, audit, NRC, risk and CSR committees, a CA as CFO and a company secretary (Feb 2026), SHA special rights waived, ESOP restated to SEBI norms and an insider-trading code.
- Low leverage and a new 70,000 sq ft leased facility at Oragadam plus Rs 12.9 Cr of land advances give room to expand localised manufacturing without heavy debt; shareholders have authorised borrowing up to Rs 500 Cr.

Risks

- Receivables of Rs 234.40 Cr are 114% of annual revenue (about 415 receivable days); Rs 47.7 Cr is more than a year overdue, impairment of Rs 11.13 Cr was charged in FY26 and Rs 5.11 Cr written off. If government and institutional buyers

pay slowly, reported profit may not turn into cash.

- Operating cash flow was negative in both years (-Rs 41.55 Cr FY26, -Rs 23.64 Cr FY25) while PAT totalled Rs 44.3 Cr; cash and bank balances are Rs 5.19 Cr against Rs 22.27 Cr of borrowings and a Rs 10.98 Cr overdraft, so the business depends on continued equity raises.
- Valuation is demanding: ~83x FY26 earnings, 9x book and 10.5x sales at Rs 413.70, while gross margin fell from 55% to 42% and net margin from 14.9% to 12.6%; EBITA margin slipped to 19.0% from 24.5%.
- Related-party dealings with the promoter's Agni group: Rs 14.59 Cr advanced to Agni Estates and Foundations for land (Rs 12.93 Cr outstanding), a Rs 9 Cr unsecured loan from the whole-time director, leases from Agni Estates and Sri Balaji Charitable Trust, and Rs 9.53 Cr of FY25 services sold to Vishnusurya Projects (7.7% of FY25 revenue).
- Concentrated, family-run control: Agnishwar holds 77% of equity, his wife is the other executive director (Rs 48 lakh salary) and his brother a non-executive director; one independent director resigned in Feb 2026 and another died in May 2026, leaving the audit committee to be rebuilt in August 2026.
- Auditor flagged unpaid advance tax of Rs 3.19 Cr (June and September 2025 instalments) outstanding beyond six months; the FY26 statements are the first under Ind AS (emphasis of matter) and the accounting software lacked an audit trail until Dec 2024; the Maternity Benefit Act compliance is still 'being reviewed'.
- Scheme dependence and policy risk: the report credits Namo Drone Didi and Kisan-drone programmes, PLI (Rs 5.78 Cr in FY25, nil in FY26) and the GST cut on drones; Rs 23.3 Cr of components were imported, and the company gives no order book, agri/defence split or export revenue (nil).
- Dilution and liquidity: 38.9 lakh CCPS convert 1:1, a 9.94 lakh share placement at Rs 575.18 adds 1.9%, the ESOS 2023 pool is being restated, and pre-IPO holders face a six-month lock-in after listing; the face-value change may have altered the ISIN, so confirm with the RTA (KFin) before transfer.

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