

Date: 24th October 2026.

BSE Limited, Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	National Stock Exchange of India Ltd., Listing Department Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
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Scrip Code: 540879

Symbol: APOLLO

ISIN: INE713T01028

Dear Sirs,

Sub: Investor Presentation for the Quarter and Half year ended 30th September 2026.
Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are herewith enclosing a copy of investor presentation for the quarter and half year ended 30th September 2026. The copy of the disclosure is available on the website of the Company i.e. <https://apollo-micro.com/financial-reporting.html?tab=financial-presentations#tabssection>.

We request you to kindly take the same on record.

Yours sincerely,
For Apollo Micro Systems Limited

Gollur
Seshadri Vasam Gollur
Company Secretary & Compliance Officer
M.No.F11842

Digitally signed by
Gollur Seshadri Vasam
Date: 2026.10.24
16:50:35 +05'30'

APOLLO MICRO SYSTEMS LTD

We Commit, We Deliver

**A LANDMARK QUARTER AND RECORD BREAKING
HALF-YEAR PERFORMANCE**

EARNINGS PRESENTATION – Q2 & H1 FY27

LAND

WATER

AIR

SPACE

INDEX

EARNINGS PRESENTATION · Q2 & H1 FY27

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Q2 & H1 FY27

FINANCIAL PERFORMANCE



HALF YEARLY RESULT • CONSOLIDATED

RECORD-BREAKING HALF YEARLY RESULT

H1FY27

EXTENDING OUR STREAK OF STRONG HALF YEARLY
PERFORMANCE



(All figures in millions) | * Excluding Other Income

REVENUE FROM OPERATIONS

₹ **6,394.4**

▲ **+ 78.2 % YoY**

EBITDA*

₹ **1,649.1**

▲ **+ 64.7 % YoY**

PAT

₹ **713.7**

▲ **+ 49.6 % YoY**

WORKING CAPITAL DAYS

353 DAYS

▼ vs 359 DAYS in FY26

EXHIBIT 1: YEAR-ON-YEAR GROWTH

Revenue **78.2%**

EBITDA* **64.7%**

PAT **49.6%**

MARGIN PROFILE

EBITDA Margin **25.8%**

PAT Margin **11.2%**

CASH FLOW FROM OPERATIONS

▲ ₹ **224.4**



Highest Ever Half Year
Revenue Registered



Highest Ever Half Year
EBITDA Achieved



Highest Ever Half Year
PBT Registered



Highest Ever Half
Year PAT clocked

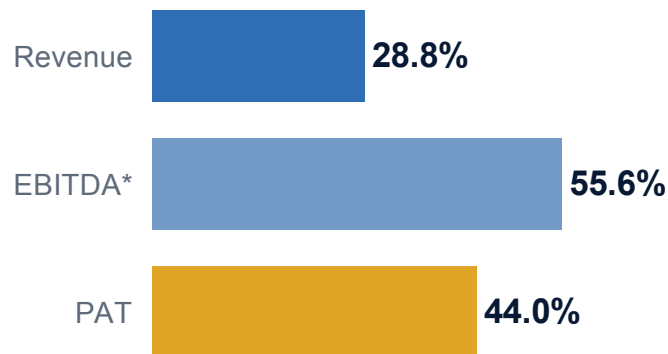
RECORD-BREAKING HALF YEARLY RESULT

EXTENDING OUR STREAK OF
STRONG HALF YEAR
PERFORMANCE

H1FY27

(All figures in millions) | * Excluding Other Income

YEAR-ON-YEAR GROWTH



▲ REVENUE FROM OPERATIONS ₹ 4,621.8 + 28.8 % YoY

▲ EBITDA* ₹ 1,559.3 + 55.6 % YoY

▲ PAT ₹ 755.6 + 44.0 % YoY

MARGIN PROFILE



CASH FLOW FROM OPERATIONS

▲ ₹ 124.3

HIGHLIGHTS



Highest Ever Half Year Revenue Registered



Highest Ever Half Year EBITDA (ex OI) Achieved



Highest Ever Half Year PBT and PAT Registered



Highest Ever Half Year EBITDA and PAT Margins clocked



EXTENDING OUR STREAK OF STRONG QUARTERLY PERFORMANCE

REVENUE FROM OPERATIONS

₹3,881.5 Mn

+72.3% YoY

EBITDA*

₹1,111.8 Mn

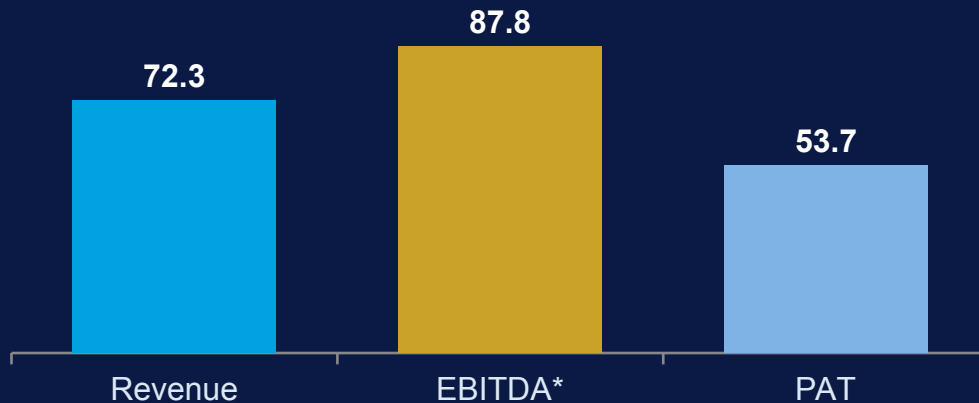
+87.8% YoY

PAT

₹461.5 Mn

+53.7% YoY

YEAR-ON-YEAR GROWTH (%)



MARGIN PROFILE • ORDER BOOK (as on 30th September 2026)

28.6%

EBITDA MARGIN

11.9%

PAT MARGIN

₹17650

ORDER BOOK

as on 30th Sep 2026



Revenue Reached All- Time High Across All Quarters



EBITDA* Reached All- Time High Across All Quarters



PAT Reached All- Time High Across All Quarters

RECORD-BREAKING QUARTER 2

EXTENDING OUR STREAK OF STRONG QUARTERLY PERFORMANCE



Q2FY27

REVENUE FROM
OPERATIONS

₹ 3,062.9

▲ + 36.0 % YoY

EBITDA*

₹ 1,075.6

▲ + 81.6 % YoY

PAT

₹ 477.3

▲ + 44.4 % YoY

YEAR-ON-YEAR GROWTH

Revenue



36.0%

EBITDA*



81.6%

PAT



44.4%

MARGIN PROFILE

EBITDA Margin

35.1%

PAT Margin

15.6%

01

Highest Ever Revenue
across all Quarters
registered.

02

Highest Ever EBITDA*
Achieved

03

Highest Ever PAT
recorded across all
Quarters.

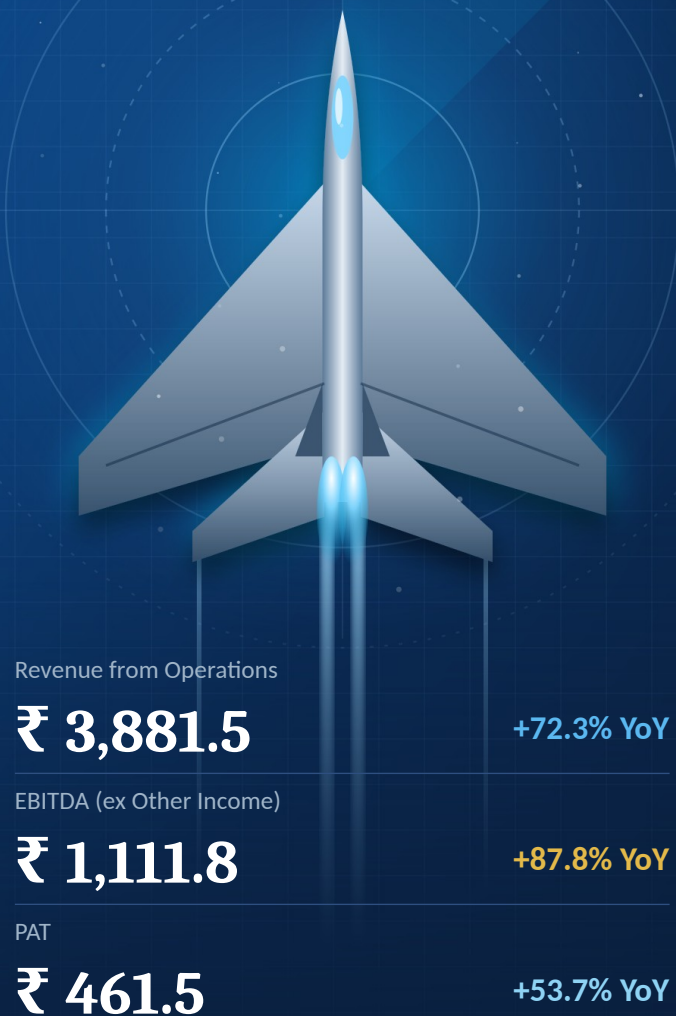
04

Highest Ever EBITDA
Margin clocked across
all Quarters.

FINANCIAL RESULTS

CONSOLIDATED INCOME STATEMENT

Q2FY27 & H1FY27 · CONSOLIDATED



EBITDA excludes other income

RECORD-BREAKING PERFORMANCE

Particulars (Rs in Mn)	Q2FY27	Q1FY27	QoQ	Q2FY26	YoY	H1FY27	H1FY26	YoY
Revenue from Operations	3881.5	2512.9	54.5%	2252.6	72.3%	6394.4	3588.5	78.2%
Other Income	35.4	22.5		13.0		57.9	21.7	
Total Revenue	3916.9	2535.4	54.5%	2265.7	72.9%	6452.3	3610.2	78.7%
Total Expenses except Depreciation, Amortization and Finance Cost	2769.7	1975.6		1660.8		4745.4	2587.2	
EBITDA (ex Other Income)	1111.8	537.3	106.9%	591.9	87.8%	1649.1	1001.3	64.7%
<i>EBITDA Margin</i>	<i>28.6%</i>	<i>21.4%</i>		<i>26.3%</i>		<i>25.8%</i>	<i>27.9%</i>	
Finance Cost	146.3	107.2		126.0		253.5	246.2	
Depreciation	76.0	75.9		47.5		152.0	92.4	
PBT	924.8	376.7	145.5%	431.5	114.3%	1301.4	684.4	90.2%
Tax	463.2	124.5		131.2		587.7	207.3	
PAT	461.5	252.2	83%	300.3	53.7%	713.7	477.1	49.6%
<i>PAT Margin</i>	<i>11.9%</i>	<i>10.0%</i>		<i>13.3%</i>		<i>11.2%</i>	<i>13.3%</i>	
Diluted EPS	1.3	0.7		0.9		2.1	1.5	

FINANCIAL RESULTS

STANDALONE INCOME STATEMENT



Revenue from Operations

₹ 3,062.9

+36.0% YoY

PAT

₹ 477.3

+44.4% YoY

EBITDA Margin

35.1%

Q2FY26: 26.3%

PAT Margin

15.6%

Q2FY26: 14.7%

EBITDA excludes other income

RECORD-BREAKING PERFORMANCE

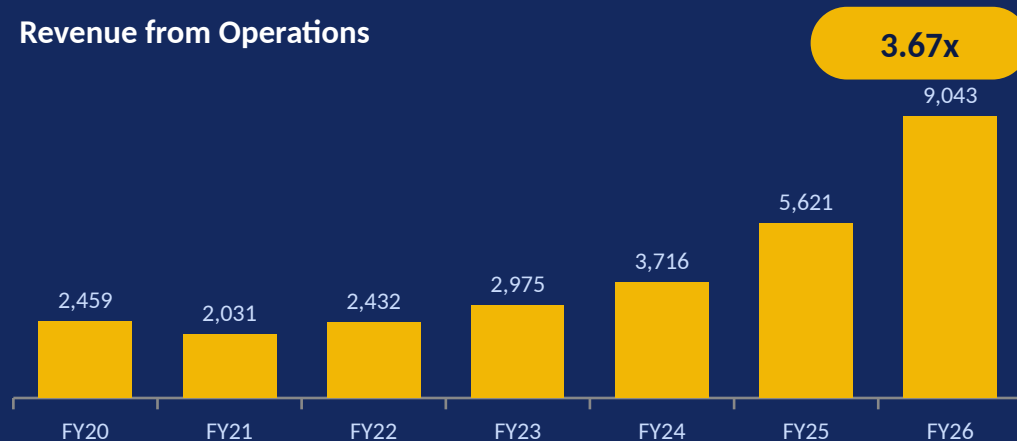
Particulars (Rs in Mn)	Q2FY27	Q1FY27	QoQ	Q2FY26	YoY	H1FY27	H1FY26	YoY
Revenue from Operations	3062.9	1558.9	96.5%	2252.6	36.0%	4621.8	3588.5	28.8%
Other Income	87.6	73.6		31.7		161.1	45.1	
Total Revenue	3150.4	1632.5	93.0%	2284.3	37.9%	4783.0	3633.6	31.6%
Total Expenses except Depreciation, Amortization and Finance Cost	1987.3	1075.3		1660.4		3062.5	2586.4	
EBITDA (ex Other Income)	1075.6	483.7	122.4%	592.2	81.6%	1559.3	1002.1	55.6%
<i>EBITDA Margin</i>	<i>35.1%</i>	<i>31.0%</i>		<i>26.3%</i>		<i>33.74%</i>	<i>27.9%</i>	
Finance Cost	130.1	93.2		101.2		223.3	201.5	
Depreciation	57.5	57.0		47.4		114.5	92.3	
PBT	975.6	407.0	139.7%	475.2	105.3%	1382.7	753.4	83.5%
Tax	498.3	128.7		144.7		627.0	228.7	
PAT	477.3	278.3	71.5%	330.5	44.4%	755.6	524.7	44.0%
<i>PAT Margin</i>	<i>15.6%</i>	<i>17.9%</i>		<i>14.7%</i>		<i>16.3%</i>	<i>14.6%</i>	
Diluted EPS	1.3	0.8		1.0		2.1	1.5	

FINANCIAL HIGHLIGHTS- HISTORICAL (CONSOLIDATED FIGURES)

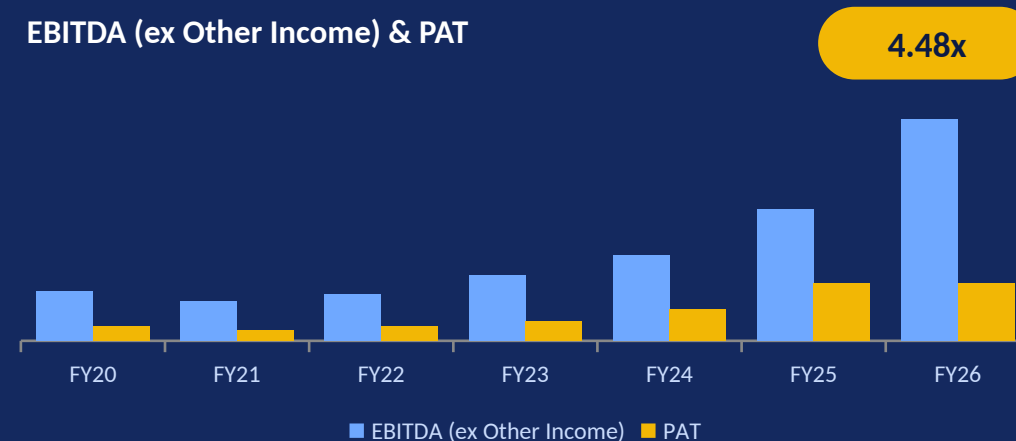


(All Figures in Millions)

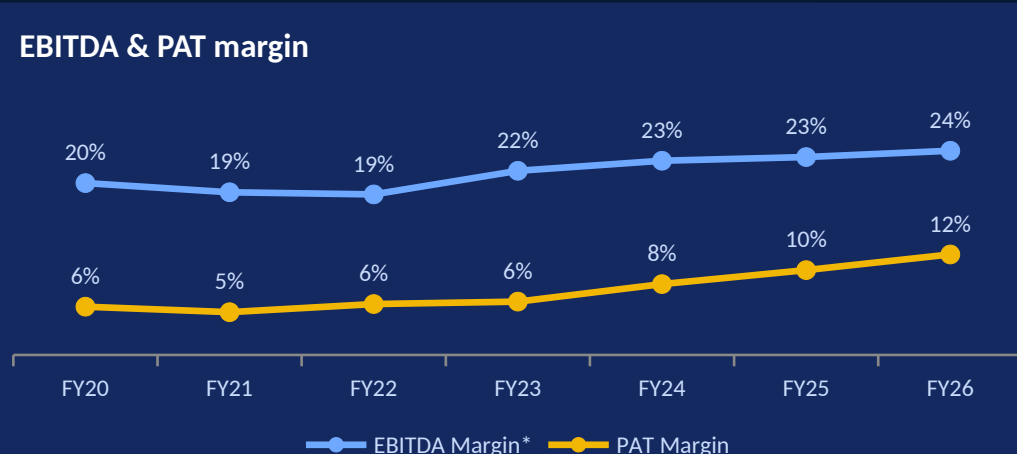
Revenue from Operations



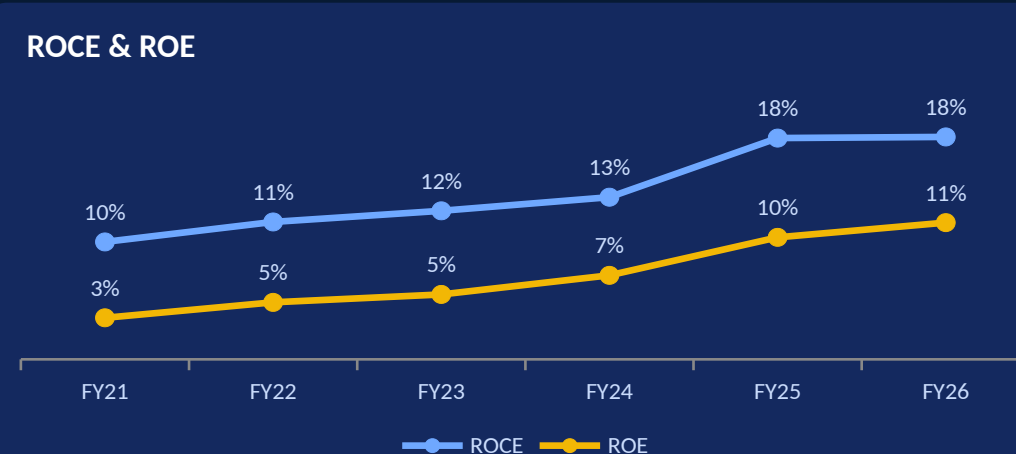
EBITDA (ex Other Income) & PAT



EBITDA & PAT margin



ROCE & ROE

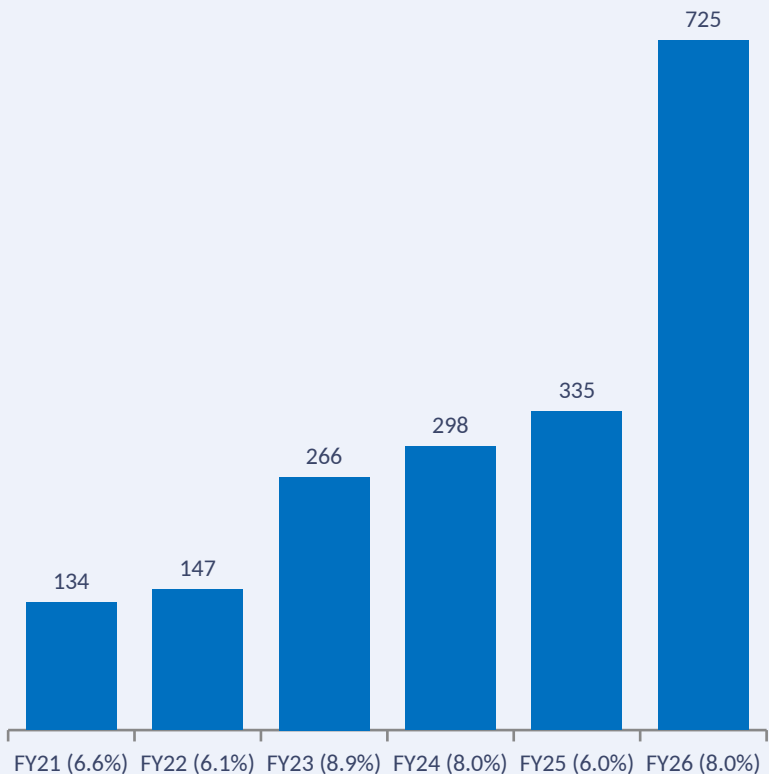


FINANCIAL HIGHLIGHTS- HISTORICAL

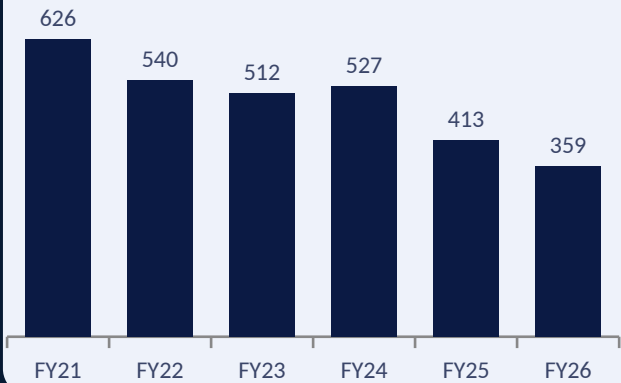


(All Figures in Millions, otherwise stated)

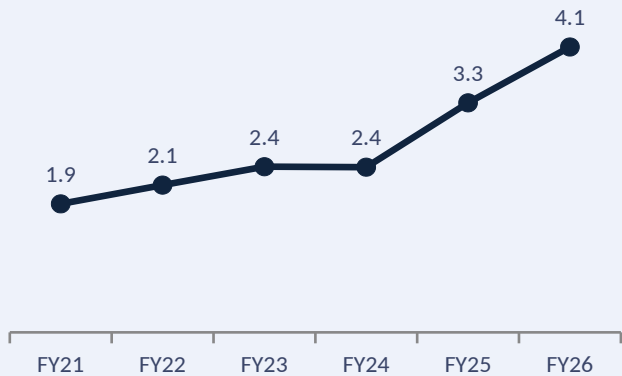
R&D (% of revenue in labels)



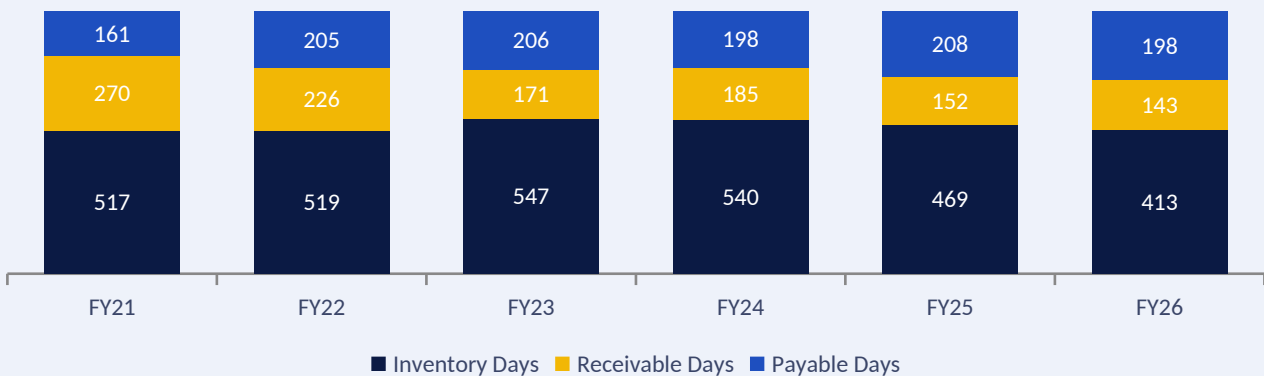
Working Capital Days



Interest Coverage Ratio



Inventory, Receivable & Payable Days



CONSOLIDATED INCOME STATEMENT – HISTORICAL

Particulars (Rs in Mn)	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Revenue from Operations	2459.0	2030.7	2431.9	2975.3	3716.3	5620.7	9043.2
Other Income	16.0	6.4	7.6	8.2	18.3	28.9	62.7
Total Revenue	2475.0	2037.1	2439.5	2983.5	3734.6	5649.5	9106.0
Total Expenses except Depreciation, Amortization and Finance Cost	1972.4	1645.5	1976.7	2334.3	2877.7	4328.6	6861.6
EBITDA (ex Other Income)	486.7	385.3	455.2	640.9	838.7	1292.1	2181.6
EBITDA Margin	19.8%	19.0%	18.7%	21.5%	22.6%	23.0%	24.1%
Finance Cost	151.0	160.2	170.5	223.7	303.0	342.2	473.2
Depreciation	99.0	86.9	89.8	103.7	113.0	153.3	223.2
PBT	252.6	144.6	202.5	289.6	440.9	825.5	1548.0
Tax	112.5	42.1	56.4	102.2	129.9	261.9	474.2
PAT	140.1	102.5	146.2	187.4	311.1	563.6	1073.8
PAT Margin	5.7%	5.0%	6.0%	6.3%	8.4%	10.0%	11.9%
Diluted EPS	0.7	0.5	0.7	0.6	1.2	1.9	3.2

CONSOLIDATED BALANCE STATEMENT – HISTORICAL

FY26 TOTAL ASSETS

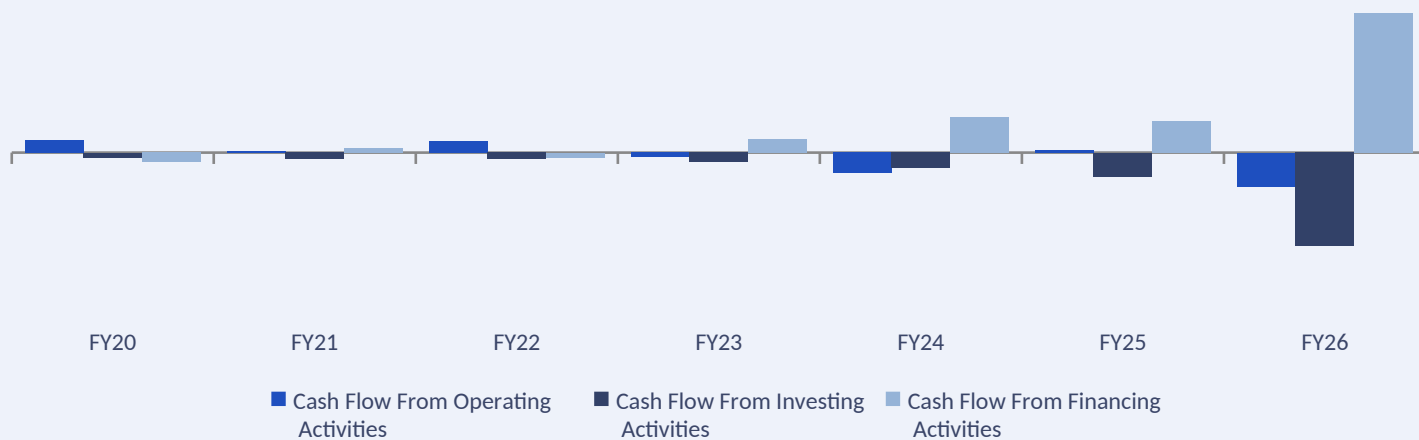
₹ 23,685.1

Key Balance Sheet Items(Rs in Mn)	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Equity Share Capital	207.6	207.6	207.6	207.6	282.4	306.5	357.3
Reserves	2751.6	2851.7	2992.7	3634.4	4909.8	5769.2	12724.9
Borrowings	132.0	162.2	1157.8	1436.5	2080.4	3353.5	5432.6
Other Liabilities	990.7	1313.2	353.4	524.9	632.4	793.9	1350.1
Trade Payables	569.4	783.0	1280.6	1122.9	1657.4	2771.9	3820.1
Total Liabilities	4651.2	5317.7	5992.1	6926.3	9562.4	12994.9	23685.1
Net Block	502.6	490.8	858.8	1048.1	1407.0	1722.7	3152.6
Capital Work In Progress	365.2	522.1	296.2	316.4	348.4	722.8	1962.9
Other Assets	224.3	218.9	349.0	539.8	911.3	1534.9	4242.3
Trade Receivables	1354.8	1695.0	1364.1	1466.0	2352.7	2383.3	4813.2
Inventory	2079.5	2256.9	2961.6	3415.3	4335.6	6006.4	7952.9
Cash and Cash Equivalents	124.8	134.0	162.3	140.8	207.4	624.8	1561.1
Total Assets	4651.2	5317.7	5992.1	6926.3	9562.4	12994.9	23685.1

CONSOLIDATED CASHFLOW STATEMENT – HISTORICAL

Particulars (Rs in Mn)	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Cash Flow From Operating Activities	469.1	73.8	431.8	-162.9	-784.9	102.4	-1297.6
Cash Flow From Investing Activities	-186.9	-238.6	-243.0	-347.6	-587.9	-912.9	-3569.0
Cash Flow From Financing Activities	-360.3	165.1	-186.7	509.5	1372.3	1211.3	5358.9
Net Change in Cash and Cash Equivalents	-78.1	0.4	2.2	-0.9	-0.5	400.7	492.3

Cash Flow Statement (Rs in Mn) - Graphical Representation



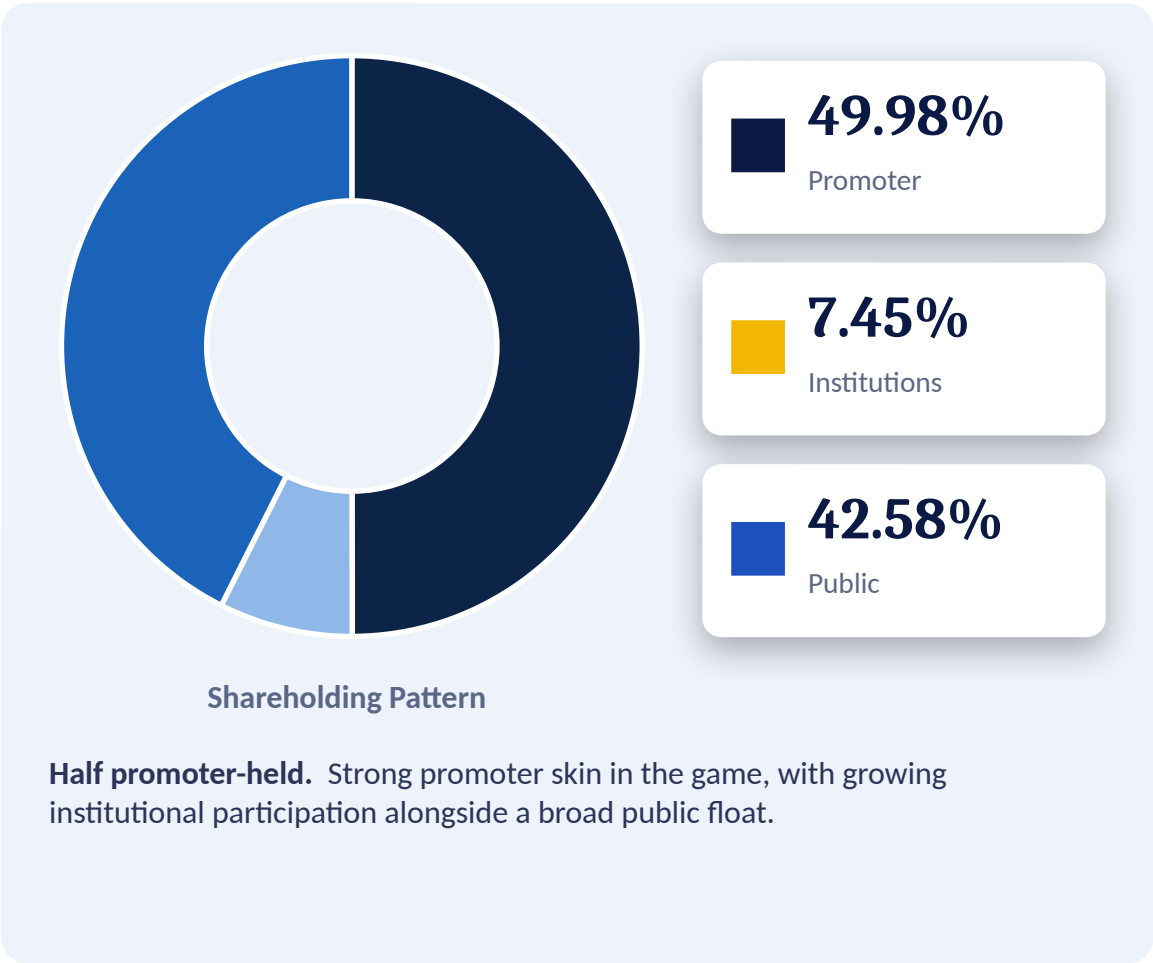


OWNERSHIP & LEADERSHIP

Q2 & H1 FY27

SHAREHOLDING STRUCTURE AND INSTITUTIONAL INVESTORS

OWNERSHIP



Institutional Investors

01	Vanguard Total International Stock Index Fund
02	State Street SPDR Portfolio Emerging Market ETF
03	Motilal Oswal Nifty India Defence Index Fund
04	Millingtonia Capital India Opportunity Fund
05	Morgan Stanley Asia
06	Axis Mutual Fund Nifty India Defence Index Fund
07	SPDR Portfolio Emerging Market ETF
08	Aditya Birla Sun Life Trustee Pvt Ltd
09	Red Bay
10	Chimera S&P India Shariah ETF
11	Vaneck India Growth Leaders ETF
and many more	

LEADERSHIP WITH LONG TERM COMMITMENT



Mr. Baddam Karunakar Reddy

(Managing Director)

He founded Apollo Micro Systems in 1985 and has been instrumental in driving innovation in defence electronics. Renowned for his expertise in engineering and miniaturization techniques, he has significantly enhanced the performance of various weapon systems. Under his visionary leadership, the company has emerged as a key supplier of weapon system electronics in India. His long-term vision is to establish Apollo as a world-class defence systems provider.



Mr. Addepalli Krishna Sai Kumar

(Whole Time Director- Operations)

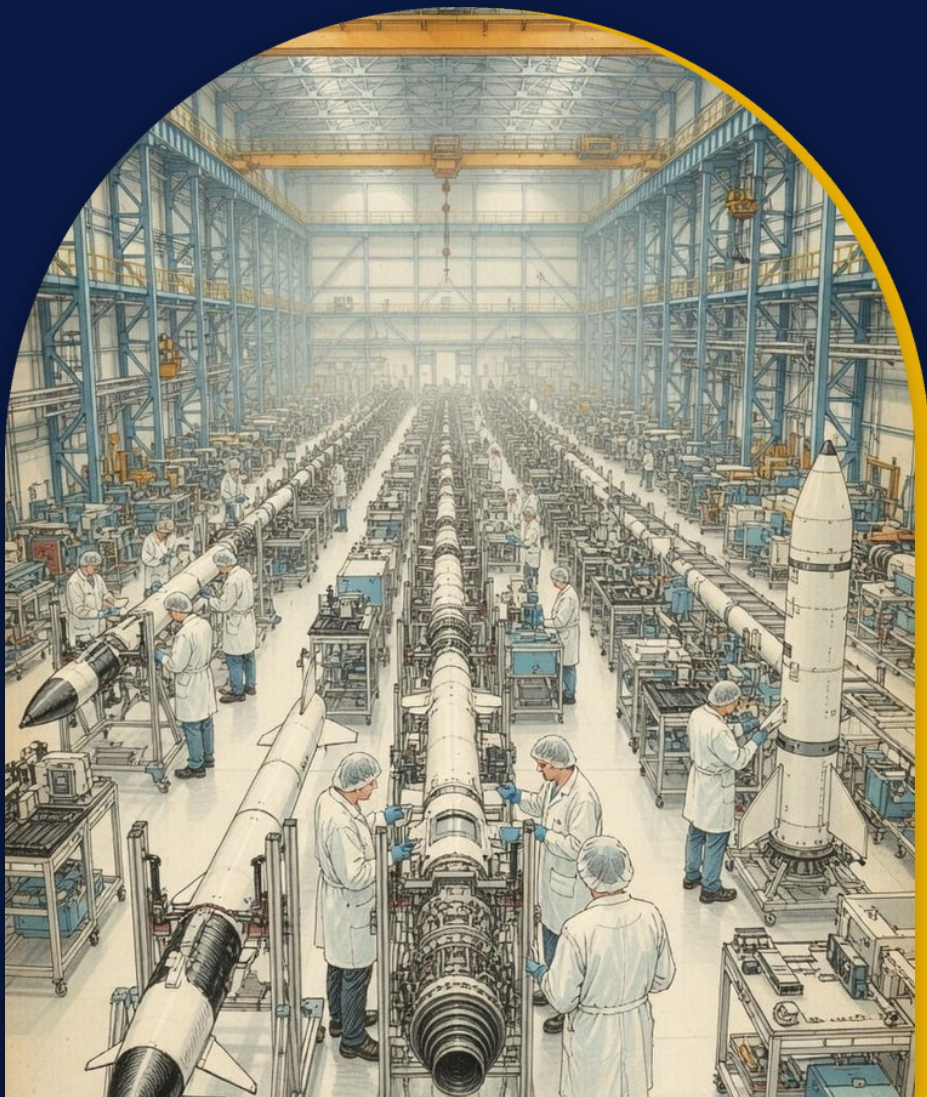
He is an Engineer with 25 years of experience in Sales & Marketing, Administration & Finance, serving Apollo Micro Systems Ltd for past 23 years. He has strong expertise in financial engineering and cash flow optimization, contributing to the company's financial robustness and strategic initiatives. As Director (Operations), he manages day-to-day operations, business acquisition, new vertical development, and investor relations, driving the company's growth and market leadership.



Mr. Chandrapati Venkata Siva Prasad

(Whole Time Director- Technical)

He is a Post Graduate in Electronics. He handles Design & Development with 28 years of experience working on variety of technologies. He is serving AMS for past 24 years. His Design expertise, and product development capabilities are the best available in the industry. He is a core design architect for complex weapon system electronics of major Indigenous Defence programmes.

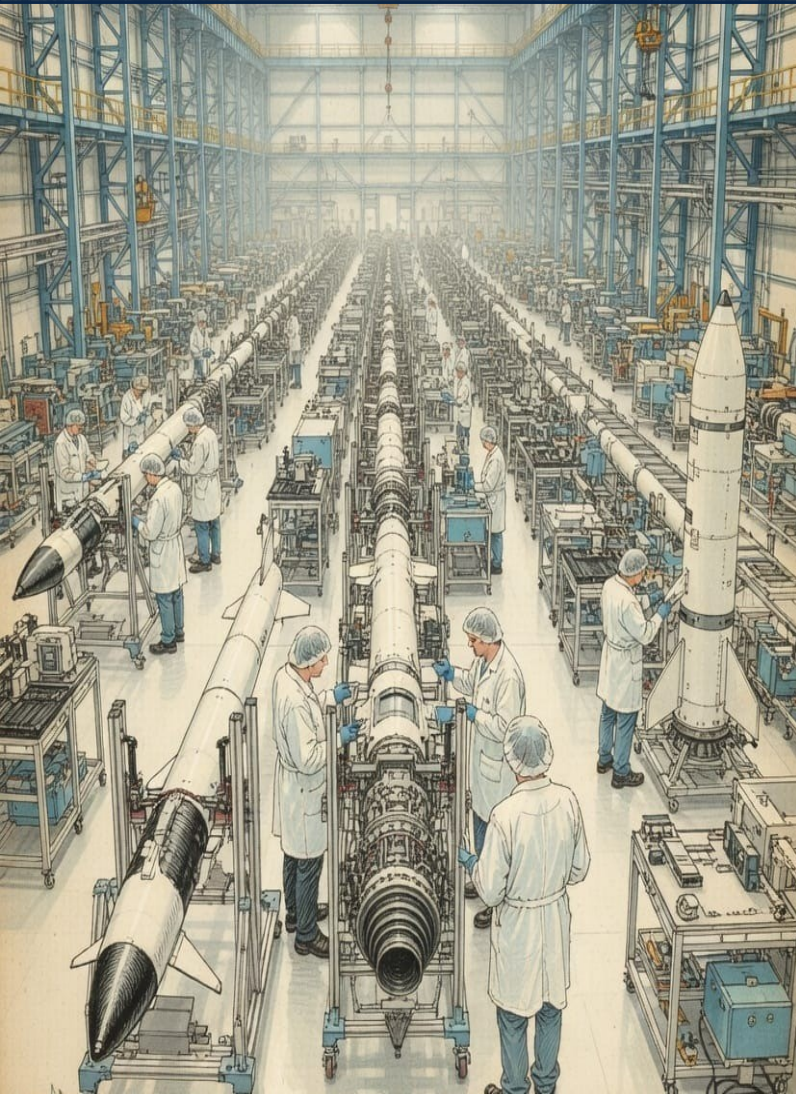


COMPANY OVERVIEW

Q2 & H1 FY27

VISION 2036

A GLOBAL OEM, MADE IN INDIA



OUR VISION

To grow as a Global Original Equipment Manufacturer over the next ten years with recognizable revenue streams across the Land, Air and Sea domains; increasing our presence in Indian markets and continuing to grow in global markets; delivering valued products built with conviction; and strengthening our Research & Development with the latest and most futuristic technologies.

1

A Global OEM, Made in India

Move from being a Tier-1 supplier of critical electronics to a recognized Global Original Equipment Manufacturer of defence platforms. Apollo's brand will be visible on the platform itself, not just within its systems.

2

Revenue across Land, Air & Sea

Recognizable, diversified revenue streams across all three operational domains so that no single platform, no single programme, and no single customer defines the Apollo story.

3

Indian Deepening and Global Pie

Continue to deepen our presence in Indian defence procurement while growing meaningfully in global markets, converting this year's first export order into a sustained international revenue stream.

4

Conviction and Futuristic R&D

Valued products built with conviction, backed by a research base continually strengthened with the latest and most futuristic technologies in RF, AI, Autonomy and Inertial Navigation.

FULLY INTEGRATED DEFENCE COMPANY



PURE PLAY DEFENCE

The only company with Highest Participation in Indigenous Missile Programmes of DRDO.

The only private public listed company in Indian defense sector having largest infrastructure including R&D capabilities.

The only company in India with a proven track record of supplying from an individual systems to complete platforms, including explosives.

The only company in India working for weapon system platforms of DRDO for a period spanning over 41 years enriched with rich legacy of technical know how of development and manufacturing curve of Weapon System Platform.

End-to-End Capabilities

- 1 Explosives
- 2 Critical Sub-systems / Systems
- 3 Platforms
- 4 Weapons
- 5 Weapon Integration

Diversified Portfolio

Missiles	Drones	Rockets
Underwater Weapons	VMCDS	Aerial Bombs
Direct Energy Weapons	Explosives	Ammunitions

Awarded License by GOI to manufacture, assemble, integrate, proof-test high strategic value weapons systems and ammunitions namely Missiles, ATGMs, Torpedoes, Underwater Mines, SAM, Chaffs, Flares, Decoys, Aerial Bombs, Rockets, Loitering Munitions.

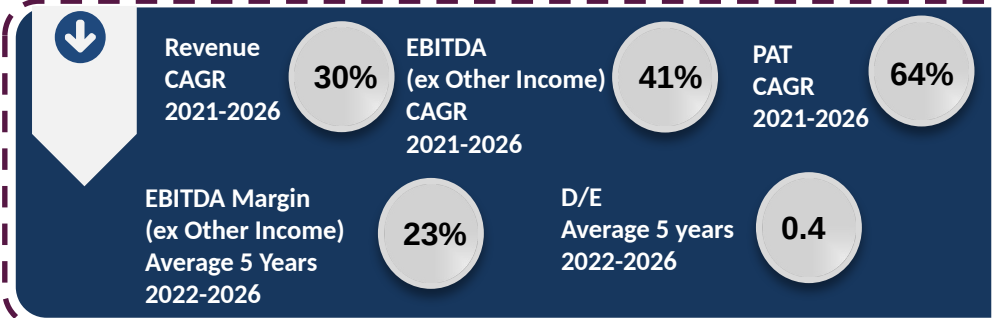
Participation in Multiple Programmes

KUSHA	AGNI	RUSTOM	PRALAY
QRSAM	RUDRAM	MAREECH	BRAHMOS NG

Please refer to slides 41 onward for more information.

- Participation in 60+ programmes of DcPP as a sub-system partner
- Participation in 150+ Indigenous programmes
- 700+ Onboard Technologies

Standalone Performance over the years



- Expansion in margins Operating Margin- from 19% (FY20) to 28% (FY26) PAT Margin- from 6% (FY20) to 16% (FY26).
- Working Capital Cycle days reduced from 626 days in FY21 to 359 days in FY26.
- demonstrated growth in both topline and bottom line, with bottom line growth (64%) outpacing that of the topline (30%).
- ROCE substantially Increased to 18.23% in FY26 from 10% in FY21.

ACROSS THE ENTIRE MISSILE VALUE CHAIN

01 Design Engineering Services

02 Build-to-Specification (BTS)

03 Weapon Manufacturing

04 Weapon System Integration

05 Global OEM

HEADING TOWARDS THE VISION 2036

We began our journey with design Engineering Services, progressed to Build-to-Specification (BTS) capabilities, expanded into weapon manufacturing, and are now advancing into weapon system integration as we evolve toward becoming a globally recognized Original Equipment Manufacturer (OEM).

A Rare Combination

A rare combination of proprietary weapon development capabilities and active participation in national weapon development programmes led by DRDO.

A Different Starting Point

Unlike many peers that began by serving the Indian Air Force, we started in partnership with DRDO and the Indian Navy expanding since into multiple defence platforms and a broad weapon systems portfolio.



ENTIRE MISSILE VALUE CHAIN

I Warheads

II Missile Electronics

III Propulsion

IV Explosives



GUIDED WEAPON

With entire span of value chain we have every block of the Guided Weapon.

DEEPLY ENTRENCHED IN in UNDERWATER WARFARE

OUR PRESENCE ACROSS



01

Decoys



02

Torpedoes



03

Rockets



04

Mines



05

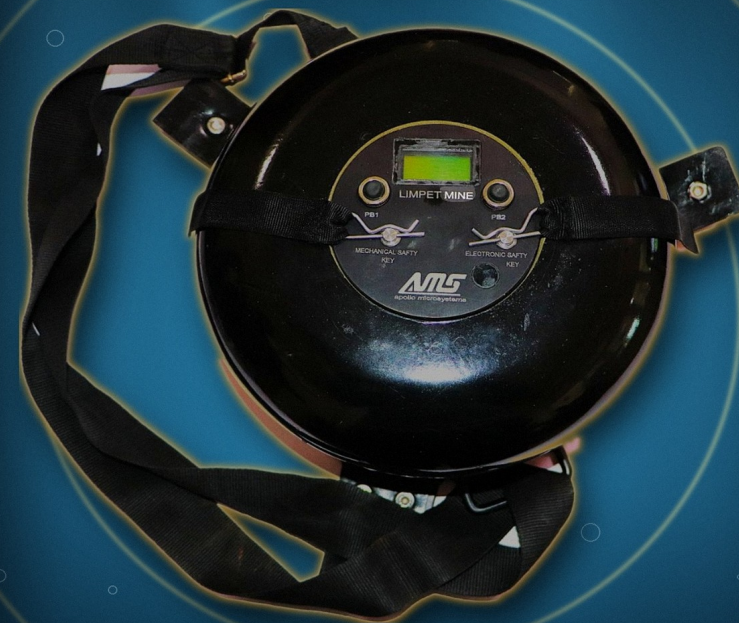
Kamikaze Boat



06

ASW Surveillance

COMPLETE UNDER WATER MINE OFFERINGS



ONLY COMPANY IN INDIA

MIGM

Moored

Limpet

RESILIENCE IS THE NEW FIREPOWER

To fight an intensive war, India needs a resilient domestic supply chain, greater capacity and deeper inventories.

Supply chain

Capacity

Inventories

THE RESPONSE · DRDO missile tech transfer opens new opportunities for Apollo

IN PLACE

Critical electronic elements
Precision Machining
Testing facility
Reliable network of suppliers

IN PROGRESS

Seeker
Development work started

Infrastructure (greenfield)
Expansion underway

VIA ACQUISITION

Propulsion
Via Premier Explosives Ltd

Specialized explosive handling
Via IDL Explosives and Premier Explosives

WHY IT MATTERS

The most critical and most sensitive parts of a missile.

01 PROPULSION

02 ADVANCED ELECTRONICS

03 SEEKER

READY TO SERVE THE COUNTRY

We anticipate a sharp increase in our internal demand for explosives and propellants as several of our matured munition platforms will be entering large-scale production, including:



Underwater Mines



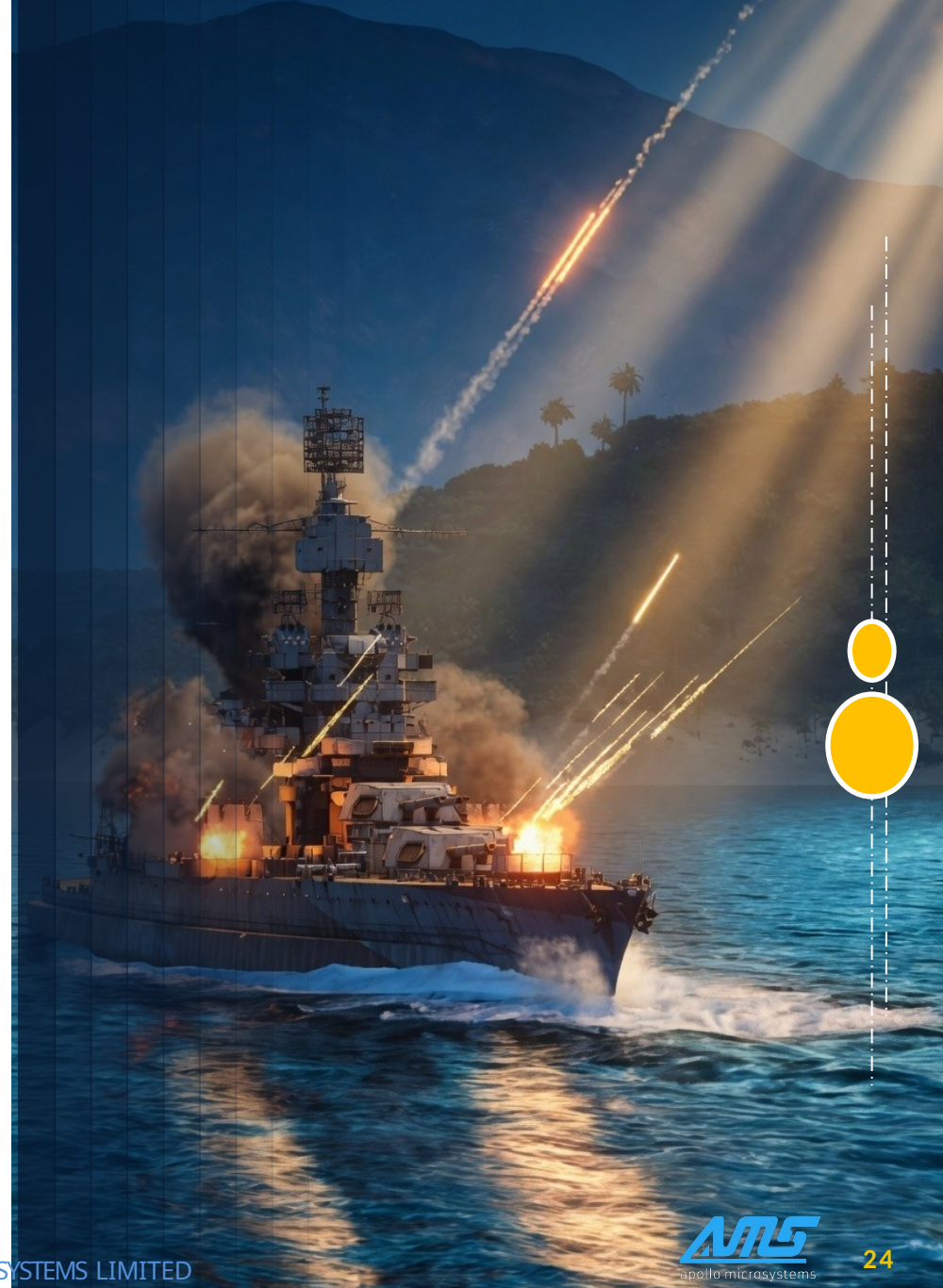
**Short and Medium Range
Rockets**



**Other Critical Munition
and Armament Systems**



**Anti Submarine
Warfare Rockets**



WE ARE MAKING A SUSTAINABLE BUSINESS

1 Diversified mix

A well-diversified business mix across domains (Water, Air and Land), clients (DPSUs and Private Players), geographies (Domestic and Overseas), and solution offerings (Weapons, Systems/ subsystems and explosives) underpins sustainable revenue growth.

2 Proprietary moat

Exclusively developed proprietary systems create a competitive moat, eliminating direct competition through unmatched integration and control.

3 Niche segments

Strong presence in niche defense segments with high technological barriers and limited competitive intensity. Participation across all indigenized missile programme provides a protected and resilient revenue stream, supported by long term procurement orders.

4 Tier-1 partner

Tier-1 suppliers often become strategic partners to OEMs, increasing the likelihood of repeat business and follow-on orders. Once qualified for a platform or programme, suppliers typically continue supplying components throughout the product's lifecycle, which can span several years or even decades in defence and aerospace.

5 Inorganic growth

Driving inorganic growth through targeted acquisitions for backward and forward integration, enhancing value chain capabilities, expanding market reach, and supporting long-term revenue sustainability.

6 Value + Volume

By balancing high-value solutions with high-volume products, we are building a more resilient business with stronger growth potential and improved cost efficiency.

7 Autonomous platforms

Our strategic entry into autonomous weapons and platforms, enabled by sustained investment in R&D, positions us to capitalize on long-term industry tailwinds.

WATER • AIR • LAND • SPACE

WE ARE IN AN INDUSTRY WITH SIGNIFICANT ENTRY BARRIERS

01 High switching costs

High switching costs, reinforced by long-term partners early in a programme by OEM. Since Switching supplier later is costly OEM rarely change them making it hard for new suppliers to enter, scale up or reduce unit cost. Moreover long development cycle increases switching cost making it more cost effective to continue with existing contractors for modifications than scouting for new vendor.

02 Regulatory approvals

Extensive approvals, security clearances, and compliance obligations significantly extend the time required to establish operations and obtain licences. The resulting delays in commercialization and higher compliance costs create a high entry barrier for new players.

03 Technology via ToT

New companies may lack the technical expertise and resources to independently develop advanced defence technologies. Without access to established technologies through ToT, they face longer development cycles, higher R&D costs, and greater uncertainty in competing with established defence players.

04 Capital intensity

Defence manufacturing requires significant investment in facilities, specialized equipment, testing infrastructure, and continuous product development. The resulting high initial cash burn deter new entrants.

05 Hyderabad ecosystem

Hyderabad's established defence ecosystem, proximity to key defence research institutions, skilled talent pool, and presence of major defence organizations create a strong operational advantage. New entrants may face challenges in replicating these established networks, supply chains, and institutional linkages.

06 Steep learning curve

The industry's demanding learning curve functions as a structural entry barrier, requiring significant time and expertise in complex sub-systems/ systems/ platforms/ weapons before achieving operational competence.

ACQUISITION

BACKWARD AND FORWARD INTEGRATION





DEFENCE EXPLOSIVES

POWERING INDIA'S STRATEGIC MISSILES

CAPABILITIES

1

The only domestic manufacturer of counter-measures (chaffs & flares) for Indian defence, and an exporter of fully-assembled rocket motors.

2

The first private Indian maker of missile solid propellants and the world's first commercial NHN-detonator producer.

3

1st in India to manufacture Explosives and Detonating fuse with indigenous technology.

4

Undertake operation and maintenance (O&M) services of solid propellant plants at the Sriharikota Centre of ISRO and Solid Fuel Complex at Jagdalpur under the umbrella of DRDO.

5

Developed Solid Propellants for various missiles including combustion-stable Propellants for LRSAM, MRSAM, ASTRA etc.

PREMIER EXPLOSIVES LTD

Premier Explosives Limited, headquartered in Hyderabad and listed on the NSE and BSE (est. 1980), manufactures high-energy materials, including solid propellants, explosives and pyrotechnic devices, for defence, space and mining applications, and contributes to several of India's strategic missile and space programmes.

IDL EXPLOSIVES LTD NEAR TERM STRATEGY

1

Unlocking incremental growth through renewed CIL eligibility.

2

Adding Defence explosives as another revenue stream.

3

Backward integration into key chemicals and energetics for Defence explosives.

Strategic Outcomes

01

Expanding the commercial explosives business while building a defence explosive portfolio to create a sustainable revenue stream.

02

Backward integration of critical chemicals reduces input cost volatility.

03

Changing the Product Mix will improve the margins.

WE ARE MORE THAN MISSILES

OEM WEAPONS SUPPLIER



MULTI INFLUENCE GROUND MINES

FIRST INDIGENIZED MINE

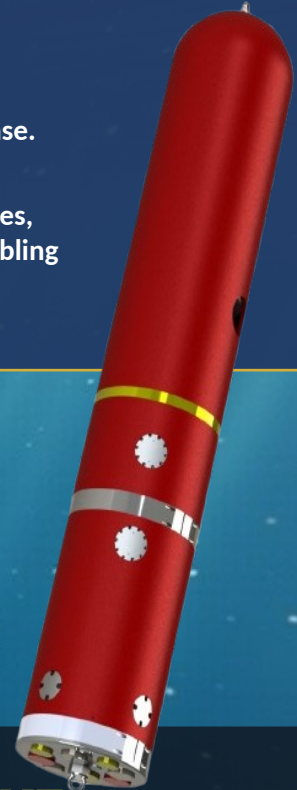
ABOUT MIGM

- ◆ We are the approved production agency for Multi-Influence Ground Mine (MIGM) – Vighana, under DcPP by DRDO.
- ◆ Earlier only United States, Russia, China, and Italy were present — now with this achievement, India joins the league of technologically advanced nations in undersea warfare capabilities.
- ◆ Naval mines are an invisible enemy which allows any maritime nation to defend itself, regardless of its naval capability. They deter and push underwater and surface navies to move away from the shoreline towards the open sea.
- ◆ MIGM is designed to enhance the Indian Navy's capabilities against modern stealth ships and submarines.



**DAC APPROVAL HAS BEEN ACCORDED FOR MIGM ON
3rd JULY 2026**

- ✓ We are the DcPP Partner of MIGM.
- ✓ Programme is entering production phase.
- ✓ From fibers to electronics and explosives, every aspect is executed in-house, enabling complete supply chain independence.



FIRST INDIGENIZED MINE

"A mine is a terrible thing that waits. It waits and waits till it destroys/damages a naval vessel or is destroyed by the naval mine hunters."

MOORED MINES

FIRST INDIGENIZED MINE

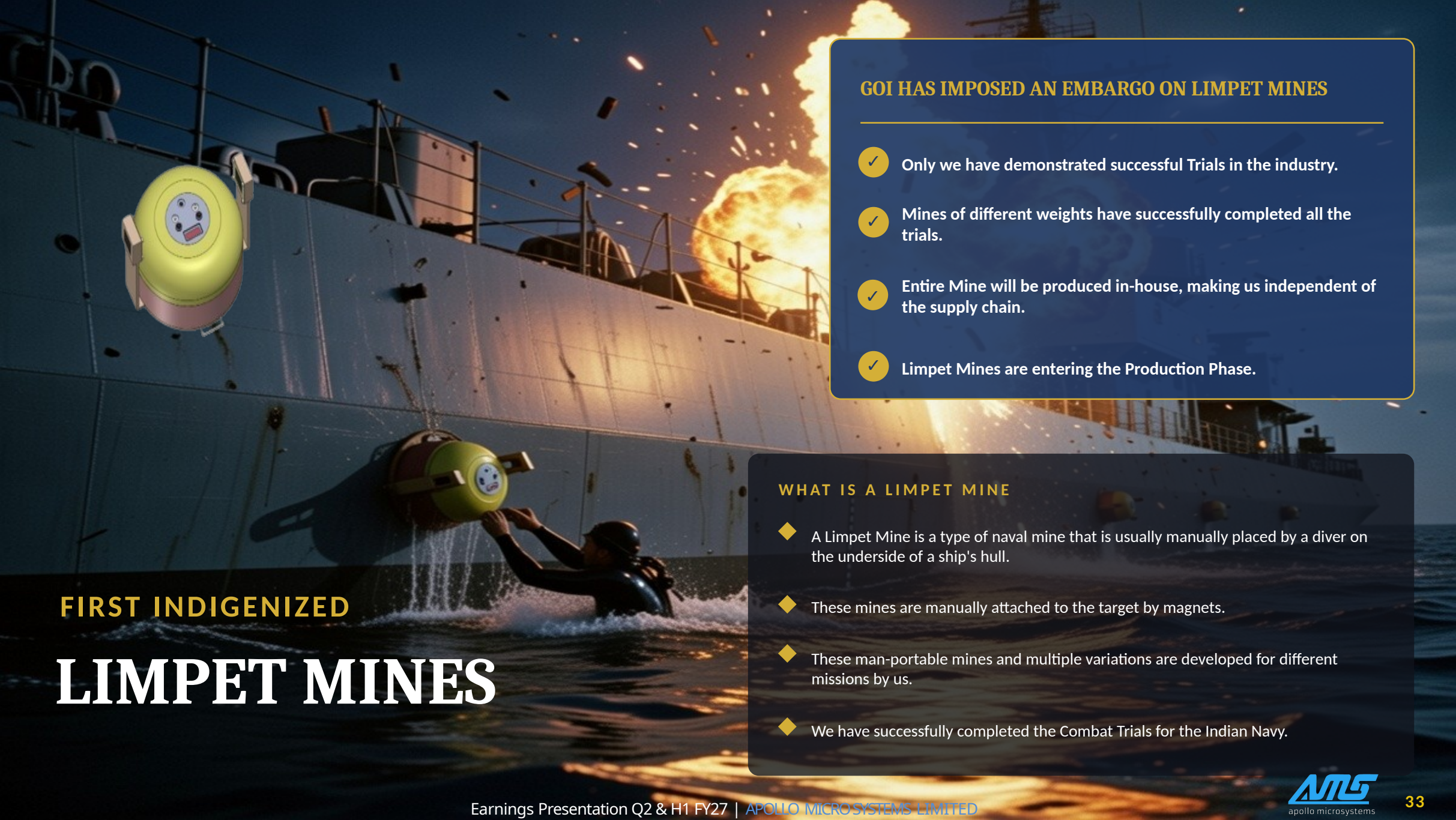
"A mine is a terrible thing that waits. It waits and waits till it destroys/damages a naval vessel or is destroyed by the naval mine hunters."

WHAT IS A MOORED MINE

- ◆ The Moored Mine is deployed where water is too deep for bottom mines and normally uses a combination of acoustic, magnetic and pressure sensors or even more sophisticated optical shadows or electro potential sensors.
- ◆ The Moored Mines have a weight attached to them which keep them anchored to a certain point. Moored mines remain at a particular depth and thus can target different types of vessels such as submarines and surface ships.

AoN HAS ALREADY BEEN ACCORDED FOR MOORED MINES

- ✓ Programme is entering Production Phase.
- ✓ We are the only company in this category of Mine.
- ✓ From fibers to electronics and explosives, every aspect is executed in-house, enabling complete supply chain independence.



FIRST INDIGENIZED

LIMPET MINES

GOI HAS IMPOSED AN EMBARGO ON LIMPET MINES

- ✓ Only we have demonstrated successful Trials in the industry.
- ✓ Mines of different weights have successfully completed all the trials.
- ✓ Entire Mine will be produced in-house, making us independent of the supply chain.
- ✓ Limpet Mines are entering the Production Phase.

WHAT IS A LIMPET MINE

- ◆ A Limpet Mine is a type of naval mine that is usually manually placed by a diver on the underside of a ship's hull.
- ◆ These mines are manually attached to the target by magnets.
- ◆ These man-portable mines and multiple variations are developed for different missions by us.
- ◆ We have successfully completed the Combat Trials for the Indian Navy.

AUTONOMOUS NAVAL WARFARE

From unmanned surface boats to semi-submersible autonomous vehicles



Our Expanding Autonomous Naval Portfolio

AUTONOMOUS BOAT

Unmanned surface vessels high-speed autonomous boats developed as part of our unmanned systems roadmap.

SEMI-SUBMERSIBLE AUTONOMOUS UNDERWATER VEHICLE

SAVIOR-ASW the Semi-Submersible Autonomous Vessel for Intelligence, Operations and Reconnaissance.

How Autonomous Vessels Change the Fight

1

Autonomous boats pop up from the surface to ram into targets.

2

These small vessels are launched from multiple directions at high speed, saturating surveillance and defensive systems.

3

The purpose of the submersible is area denial and deterrence.

Milestone Achieved

MAKE-II PROTOTYPE SANCTION ORDER (PSO) AWARDED

By the Indian Navy, for the development of SAVIOR-ASW, the Semi-Submersible Autonomous Vessel for Intelligence, Operations and Reconnaissance.

An advanced class of Kamikaze boat is currently under development.

ANTI SUBMARINE WARFARE ROCKETS

1

There is a critical need to advance the development of Anti-Submarine Warfare (ASW) rockets to effectively counter emerging and increasingly sophisticated underwater threats.

2

Because of the specialized nature of submarines, a distinct military strategy called anti-submarine warfare, or ASW, was created to counter them. Its primary objective is to defend ships and allied assets by identifying, locating, and eliminating enemy submarines, using sonar, aircraft, dedicated submarines, and formidable weaponry.

3

One of the most effective armaments used are anti-submarine rockets, which is known as a “Standoff” weapon. A Stand Off weapon is built to hit targets from a distance, allowing the launch platform the ability to evade the targets' defenses.

4

Because of the threat submarines pose, several of the most powerful navy destroyers in the world are armed with anti-submarine rockets.



AERIAL BOMBS

1

These Aerial Bombs are fitted onto Unmanned Aerial Vehicles (Loitering Munitions) that are designed to provide unprecedented levels of flexibility and precision in modern warfare and will be delivered to inflict damage to the targets.

2

The Aerial Bombs can be used as Anti-personal / Anti - tank / Anti- Bunker.

3

Nine Variants of Aerial Drop Bombs developed for dropping from aerial platforms like drones.

ENTERING THE FUTURE

Entered into **SMART BOMBS**

The Indian Air Force has sanctioned AMS a Make-II prototype sanction order for a 500 Kg Smart Bomb (July 2026), establishing us as a Prime OEM candidate in the Precision Guided Mmunition segment with an assured procurement pathway on successful trials.



MEDIUM RANGE ROCKETS

COMPACT FORM FACTOR

Its compact form factor ensures compatibility with vehicle-mounted launch systems while maintaining the required aerodynamic stability, structural integrity, and operational effectiveness for counter-drone missions.

GROUND TO AIR LAUNCH

Ground to Air Launch developed for attacking Drones/ Swarm of Drones.



GRAD ROCKETS

The BM-21 Grad Rockets (122 mm Global Standard) remain among the most widely demanded unguided rockets in the global defence market. It is considered the last line of defence for a warship against the enemy.

1

Successfully developed the 122mm rocket warhead inhouse.

2

Integrate warheads and rocket motors that are indigenously developed by us.

3

Remains in Service across dozens of countries, valued for its simplicity, reliability and overwhelming firepower.

4

The rocket motor is the primary propulsion system of a rocket and comprises the propellant, casing, nozzle, and ignition system. It is the most critical subsystem in determining the range, stability, thrust, and accuracy of artillery rockets.



The image shown is for illustrative purposes only, as the project is currently under development.

VEHICLE MOUNTED COUNTER DRONE SYSTEMS (VMCDS)

1

Can be deployed and used while moving rather than fixed at one location

2

Detects, tracks and or defeats hostile or unauthorized drones.

3

The trials will be initiated in this Financial Year.

The image shown is for illustrative purposes only, as the project is currently under development.



DIRECT ENERGY WEAPON (DEW)



The image shown is for illustrative purposes only, as the project is currently under development.

As the name suggests, they use high-powered lasers to inflict damage on targets. Compared to traditional weapons, which mainly rely on physical impact and kinetic energy, DEW uses directed energy to heat up and destroy or damage the target. It has diverse military applications, offering rapid and precision strikes against threats such as UAVs, missiles, and small vehicles. The most important aspect of DEW is that it can be used in all warfighting environments. These technologies will enable us to design, manufacture, and support critical DEW subsystems for defence applications, enhancing indigenous capability in advanced weapon systems.

01

Transfer of Technology for Multi-Channel 10 kW Laser Directed Energy Weapon System from DRDO-CHESS, Hyderabad, subject to execution of a Licensed Agreement for Transfer of Technology (LAToT) and fulfillment of regulatory requirements.

02

Transfer of Technology for EO Tracking System with EO Sensors for DEW from DRDO-IRDE, Dehradun.

PRESENCE IN ALL THE INDIGENIZED MISSILE PROGRAMMES

The requirement of missile systems is envisaged to grow significantly in the upcoming years with the induction of a large number of ships, submarines and aircrafts.

Q2 & H1 FY27

BUILT INTO EVERY INDIGENIZED MISSILE

Apollo electronics and subsystems across nine missile categories



Air to Surface Missile (ASM)

RUDRAM



Surface to Air Missile (SAM)

**VLSRAM (ASTRA Variant), AKASH /
NGRAM, QRSAM, SANT, KUSHA**



Anti Radiation Missile

RUDRAM, STAR, NGRAM



Anti Tank Missile

NAG, AMOGHA 2, HELINA, MPATGM



Anti Ship Missile

LRAHSM, NASM



Cruise Missiles

NIRBHAY, SLCM, BRAHMOS NG



Ballistic Missile

K4, PRALAY



Anti Submarine Missile

SMART



Nuclear Missile

AGNI

BUILT FOR EVERY INDIGENIZED PROGRAMME

Naval programmes — from nuclear submarines to expendable decoys



Nuclear Submarine

Arihant

Aridhaman



Torpedo

TAL

Varunastra



Submarine Launched Torpedo

ALWT

EHWT



Underwater Mine

MIGM

Moored Mines



Expendable Decoys

MAREECH

MOHINI

BUILT FOR EVERY INDIGENIZED PROGRAMME

Bombs, artillery and advanced programmes

 Bombs	 Artillery	 Others
TARA	PINAKA	RUSTOM UAV
GARUTHMA	GUIDED PINAKA	VSHORAD AIR DEFENCE SYSTEM
GARUDA	ATAGS	HYPERSONIC TECHNOLOGY DEMONSTRATOR VEHICLE
LRGB		

INDIGENIZED MISSILE

BALLISTIC, NUCLEAR, ANTI-SUBMARINE & AIR-TO-SURFACE

Ballistic, nuclear, anti-submarine and air-to-surface programmes



K4
BALLISTIC MISSILE

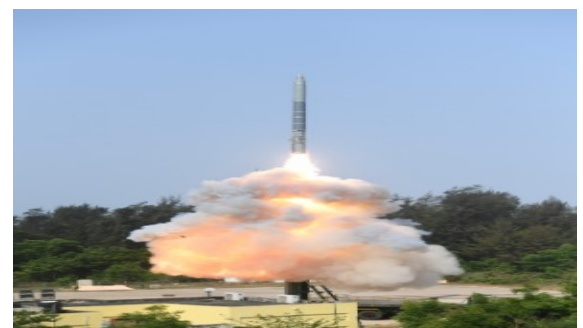
1

PRALAY
BALLISTIC MISSILE



2

SMART
ANTI SUBMARINE MISSILE

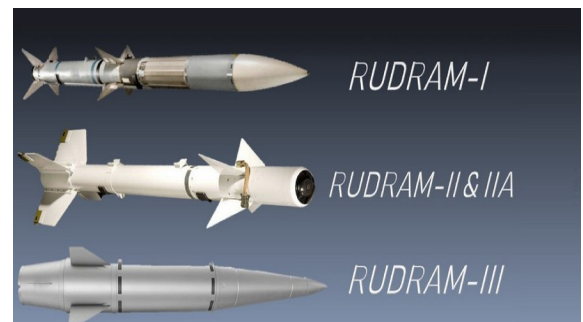


3

AGNI
NUCLEAR MISSILE

4

RUDRAM
AIR TO SURFACE MISSILE



5

INDIGENIZED MISSILE

CRUISE AND ANTI-SHIP PROGRAMMES



NIRBHAY
CRUISE MISSILE

1



SLCM
CRUISE MISSILE

2



NASM
ANTI SHIP MISSILE

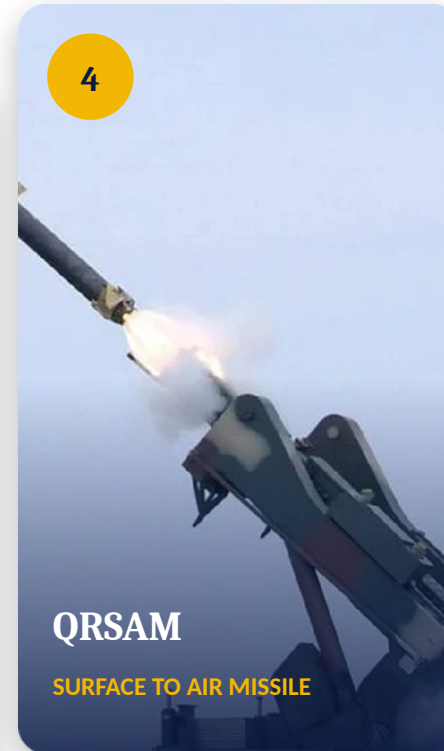
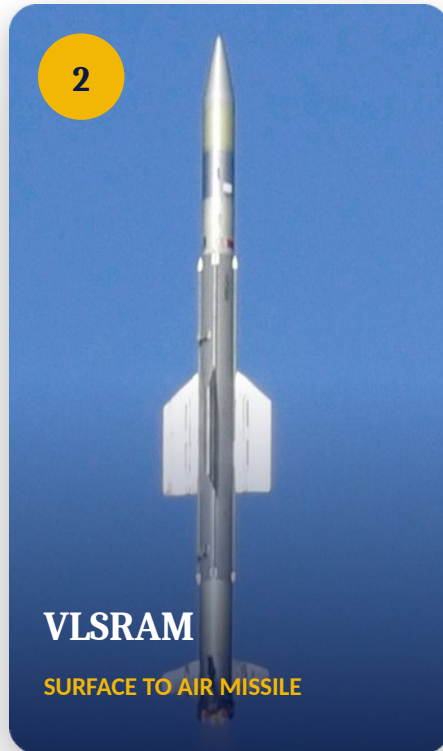
4



LRAHSM
ANTI SHIP MISSILE

3

SURFACE-TO-AIR PROGRAMMES



INDIGENIZED MISSILE

ANTI-TANK AND ANTI-RADIATION

Anti-tank and anti-radiation programmes

ANTI TANK

ANTI RADIATION





NAVAL PROGRAMMES

Q2 & H1 FY27

NAVAL PROGRAMMES

DENIAL & DETERRENCE

Denial and deterrence. Expendable decoys protect fleet assets by attracting incoming torpedoes away from their targets.

UNDERWATER MINES



MIGM
UNDERWATER
MINE



MOORED MINES
UNDERWATER
MINE

NUCLEAR SUBMARINE



ARIHANT
NUCLEAR
SUBMARINE

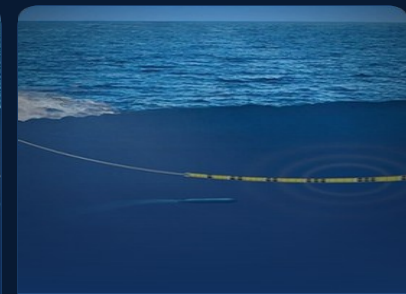


ARIDHAMAN
NUCLEAR
SUBMARINE

EXPENDABLE DECOYS



MAREECH
EXPENDABLE
DECOY



MOHINI
EXPENDABLE
DECOY

NAVAL PROGRAMMES

TORPEDOES

Torpedo electronics heritage. Sensor, homing and onboard electronics for India's indigenous torpedo family, built on decades of DRDO underwater programme partnership.

Development of Torpedo which can be launched from small boats is under process.

TAL

TORPEDO



ALWT

TORPEDO



VARUNASTRA

TORPEDO



EHWT

SUBMARINE LAUNCHED TORPEDO

OTHERS

Q2 & H1 FY27



OTHERS

OTHER PROGRAMMES



RUSTOM UAV

UNMANNED AERIAL VEHICLE

VSHORAD

AIR DEFENCE SYSTEM

**HYPERSONIC TECHNOLOGY
DEMONSTRATOR VEHICLE**

ADVANCED PROGRAMME



ARMS AND AMMO

Q2 & H1 FY27

ARMS AND AMMUNITIONS

BOMBS

01

GARUTHMA-1000KG

BOMB

02

LRGB

BOMB

03

GARUDA-500KG

BOMB

04

TARA

BOMB

Aerial bomb family- From the 1000kg Garuthma and 500kg Garuda class to long range glide bombs and TARA, the aerial bomb portfolio spans conventional and precision guided delivery.

ARTILLERY



PINAKA

ARTILLERY



GUIDED PINAKA

ARTILLERY



ATAGS

ARTILLERY

Rocket and gun artillery- Electronics and subsystems for the Pinaka multi-barrel rocket family including its guided variant and the Advanced Towed Artillery Gun System.

CHANGE IN THE WORLD ORDER

INDIA

2027

ERA OF TRANSITION

2027-2037

ERA OF CONSOLIDATION

2037-2047

ERA OF EXCELLENCE

Q2 & H1 FY27

NATIONS ARE GEARING UP

NATIONS ARE GEARING UP

- 01 **World military expenditure rose by \$2887 billion in 2025.**
(2.9 % YoY Spike)
2.5 % of GDP in 2025.
- 02 **Europe total military spending reached \$864 billion (2025)**
(14% YoY Increase)
- 03 **The five biggest spenders in 2025 were the**
United States, China, Russia, Germany and India,
accounted for 58% of world military spending.
- 04 **The military expenditure of the 32 NATO members**
amounted \$1581 billion (2025),
55 % of spending globally
- 05 **Total Military Spending by NATO member reached \$ 1506 Billion**
55% of Global Military Spending



REVENUE DRIVER INCREASING DEFENCE BUDGET

NATIONS ARE GEARING UP

Global military expenditure distribution and share as a % of GDP

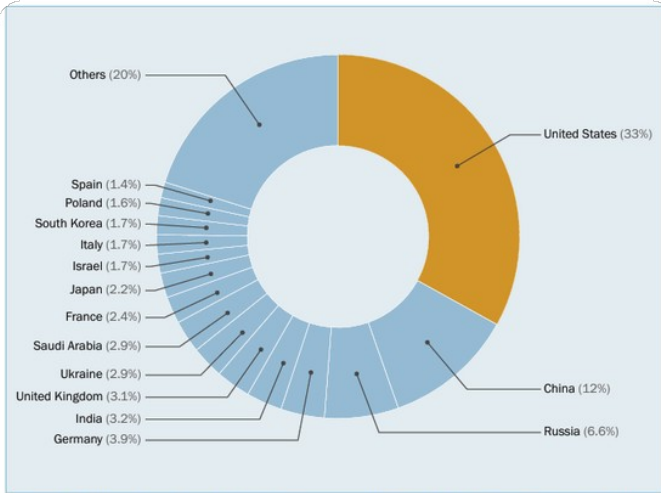


Figure 2. The share of world military expenditure of the 15 countries with the highest spending in 2025

Biggest Spender - The USA

- Accounting 33.33% of all military spending (2025)
- The USA spent 2.8 times as much on the military as China (2025)

World's 2nd Largest Military Spender- China

- China maintained 12% of global spending
- Accounted 1.7% of China GDP
- Military spent increased each year for 31 consecutive years

Russia's military expenditure reached an estimated \$190 billion (2025)

- 5.9% YoY spurt
- 7.5% of GDP in 2025.

Germany 4th biggest spender globally

- Military expenditure reached \$114 billion (24% YoY)
- 2.3% of Germany GDP (2025)

Taiwan's military expenditure reached \$18.2 billion in 2025

- 14% YoY
- 2.1% of GDP

Poland Military spending reached \$ 38 Billion (2024)

- 4.2% of GDP

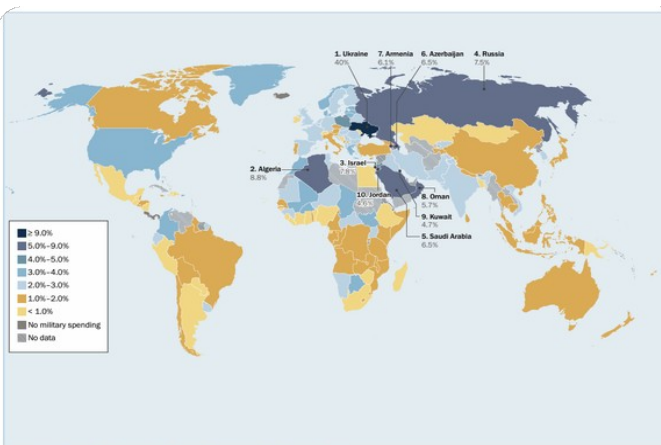


Figure 3. Military spending as a share of gross domestic product, by country, 2025
Note: The 10 countries with the highest military spending as a share of gross domestic product are labelled.
The boundaries used in this map do not imply any endorsement or acceptance by SIPRI.
Source: SIPRI Military Expenditure Database, Apr. 2026.

USA APPROACH AND PRIORITIES

The Department of War is addressing challenges in ordering thousands of additional missile interceptors and long-range strike missiles.

	2014 QDR (Obama II)	2018 NDS (Trump I)	2022 NDS (Biden)	2026 NDS (Trump II)
Approach	End wars in the Middle East, rebalance to Pacific	Compete, deter, win	Integrated deterrence	America First
Priority	Operating under fiscal constraint	Great power competition	Pacing challenge of China	Homeland and hemispheric security

	2014 QDR (Obama II)	2018 NDS (Trump I)	2022 NDS (Biden)	2026 NDS (Trump II)
Industrial base	"National asset that the Department of Defense is committed to supporting."	"Harness and protect the national security innovation base."	"Build enduring advantages across the defense ecosystem."	"Require nothing short of a national mobilization—a call to industrial arms"
Nuclear modernization	Baseline, no new nuclear weapons	Baseline, plus options to "counter competitors' coercive strategies"	Baseline, cancel SLCM-N	Baseline
National missile defense	Baseline	Baseline	Baseline	Baseline, plus "Golden Dome"



EU DEFENCE PROCUREMENT

SPEED FOR SOVEREIGNTY

Defence procurement contracts in the EU (US\$ million), 2018-2021 vs. 2022 - June 2025



Totals (US\$ M): 2018-2021 — Land 27.0, Aerospace 54.0, Maritime 31.5, Space 2.0 | 2022-June 2025 — Land 115.0, Aerospace 95.0, Maritime 25.5, Space 3.5

SUPPLY CHAIN WEAPONIZATION

Globalization brought with it complex international supply chains and cheaper critical materials-components.



1

Chokepoint vulnerabilities

While concentrated global supply chains can maximize cost effectiveness, they can also create chokepoint vulnerabilities.

2

Tightening export controls

Since 2020, China has steadily tightened exports of critical materials and several of the world's largest arms companies have cited such restrictions as a major risk to their operations.

3

Diversification and its cost

To minimize their reliance on current sources, states and companies have opted to diversify their suppliers, focusing on strategies to reconfigure global supply chains to increase resilience, reduce risks and align with political or economic allies. But shifting towards greater autarky is a long-term endeavour and not being able to leverage economies of scale means more expensive weapons and reduced purchasing power for military procurement budgets.

CHANGING GEOPOLITICS

With the expiry of the bilateral 2010 Treaty on Measures for the Further Reduction and Limitation of Strategic Offensive Arms (New START) in February this year, uncertainty is increasing about the future direction of US and Russian strategic nuclear force levels.

India is believed to have once again slightly expanded its nuclear arsenal in 2025 and continued development of new types of nuclear delivery systems. The modernization programme is increasingly focused on developing long-range weapons capable of reaching targets throughout China, although planning also continues to be focused on India's long-standing rivalry with Pakistan.

World Nuclear Forces	Deployed Warheads	Stored Warheads	Total Inventory
	2026	2026	2026
USA	1770	3700	5042
Russia	1796	4400	5420
United Kingdom	120	225	225
France	280	290	370
China	34	620	620
India	12	190	190
Pakistan		170	170
North Korea		60	60
Israel		90	90
Total	4012	9745	12187

- Russia and the USA together possess around 83 per cent of all stockpiled nuclear warheads (i.e. useable warheads). This combined share is shrinking somewhat due to the growth in the world's other nuclear arsenals.
- China is expanding its nuclear arsenal faster than any other country and showcased several new nuclear systems during its 2025 military parade. By January 2026, China had loaded hundreds of missiles into three large missile silo fields in the north of the country, while working to complete 30 silos in three mountainous areas in the east.
- The 2025 Strategic Defence Review reiterated the UK's 2021 policy change of no longer publicizing the size of its nuclear arsenal, reducing transparency concerning the UK's arsenal. Also in 2025 the UK announced its intention to buy 12 nuclear-capable F-35A combat aircraft from the USA, and equip them with US nuclear bombs, in order to join NATO's nuclear sharing arrangements.

INCREASING PROLIFERATION AND USE OF MISSILES

Owing to ongoing conflicts, inventory replenishment, operational readiness, changing geopolitical scenarios, as nations seek to safeguard sovereignty through enhanced defence capabilities and self-reliance in critical weapon systems. Also, It has opened new revenue streams via exports.

Wars

Russia- Ukraine and Israel- Hamas War

Continued and extensive use of weapons in conflict—especially in the Russia-Ukraine war and in Iran's missile attacks on Israel linked to the Israel- Hamas war—and by the underlying and explicit use of missiles for signaling and leverage in these conflicts and elsewhere. Russia continued to use conventionally armed ballistic missiles, cruise missiles and one-way attack UAVs in large numbers against Ukrainian forces, critical infrastructure and civilians in 2024. Between January and September 2024, Ukraine reported that almost 5500 such systems were launched at Ukraine, averaging more than 20 day launches every day.

Change in policy has disrupted supply dynamics and raised concerns across Europe regarding its defense preparedness against potential Russian aggression. The concern stems from the United States' decision to cancel the deployment of long-range missiles to Germany

USA/ Israel- Iran

Prior to the strikes against Iran, the USA has also secured deals with companies with the goal of significantly increasing annual production rates for a range of systems, including Patriot, Tomahawk, SM-3, SM-6, and AIM-120 AMRAAM. As part of this effort, the Pentagon's FY26 request sought multiyear procurement authority for 13 missile types, with lawmakers ultimately signing for eight out of 13 munitions requested.

USA at risk of missile shortage after depleting stockpiles in Iran war.

Together with the need to replenish stockpiles, states' perceptions of the military value and utility of missiles, air and missile defence systems contributing to growing demand for current missile.

Missiles are a critical part of any Arsenals

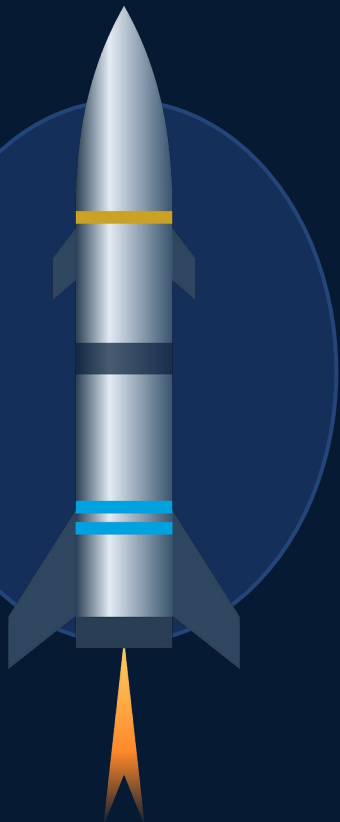
To threaten strategic infrastructure and deter the enemy from launching an attack

To retaliate against aggressive actions without resorting to large scale conflict

To hit key enemy targets far beyond the frontline

Approximately 35 countries currently possess operational ballistic missiles of various ranges and approximately 25 countries have operational.

INCREASING PROLIFERATION AND USE OF MISSILES



The demand for and proliferation of both conventional and dual capable missile systems have increased. Missiles were used in armed conflicts during 2025 in a wide variety of strike roles. These included long range precision strike missions against adversaries' infrastructure and strategic targets deep inside their territory; saturation salvo attacks seeking to overwhelm air and missile defences.

The systems are being produced and exported at much higher rates than previously, driven by ongoing conflicts and by states seeking to replenish or expand their arsenals.

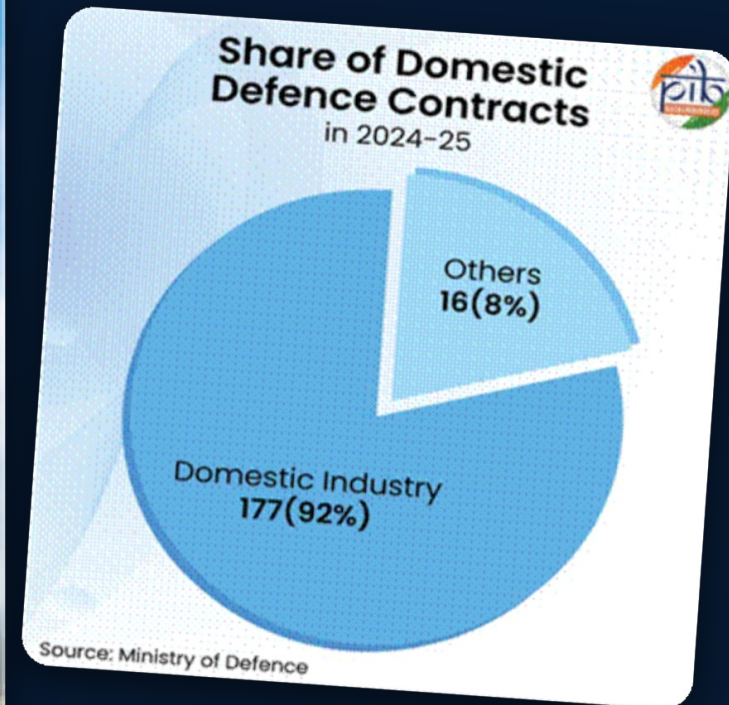
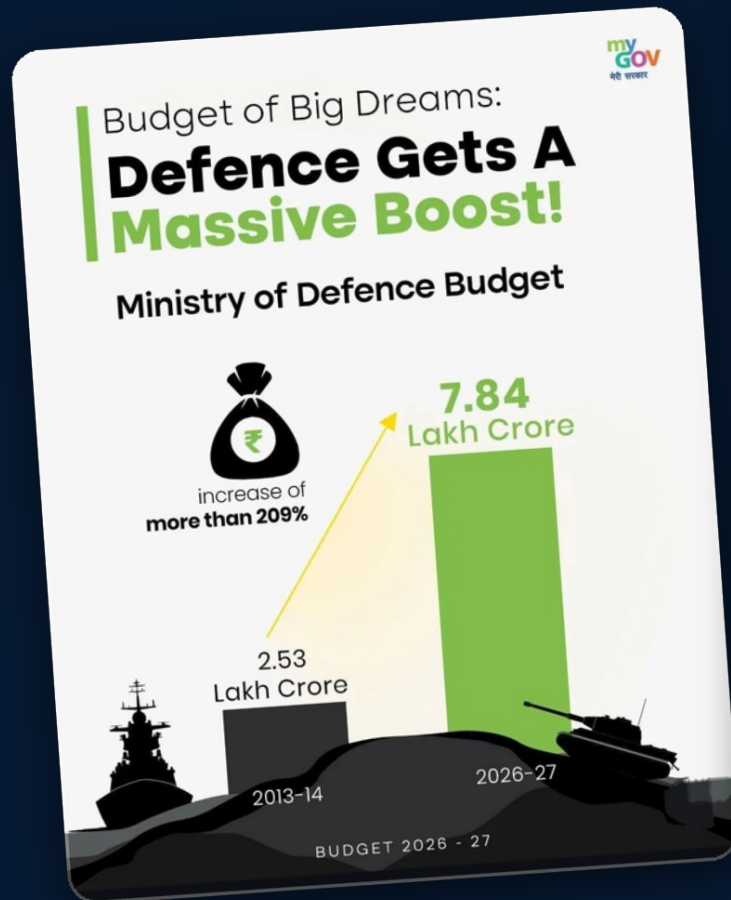




INDIA DEFENCE SECTOR

Q2 & H1 FY27

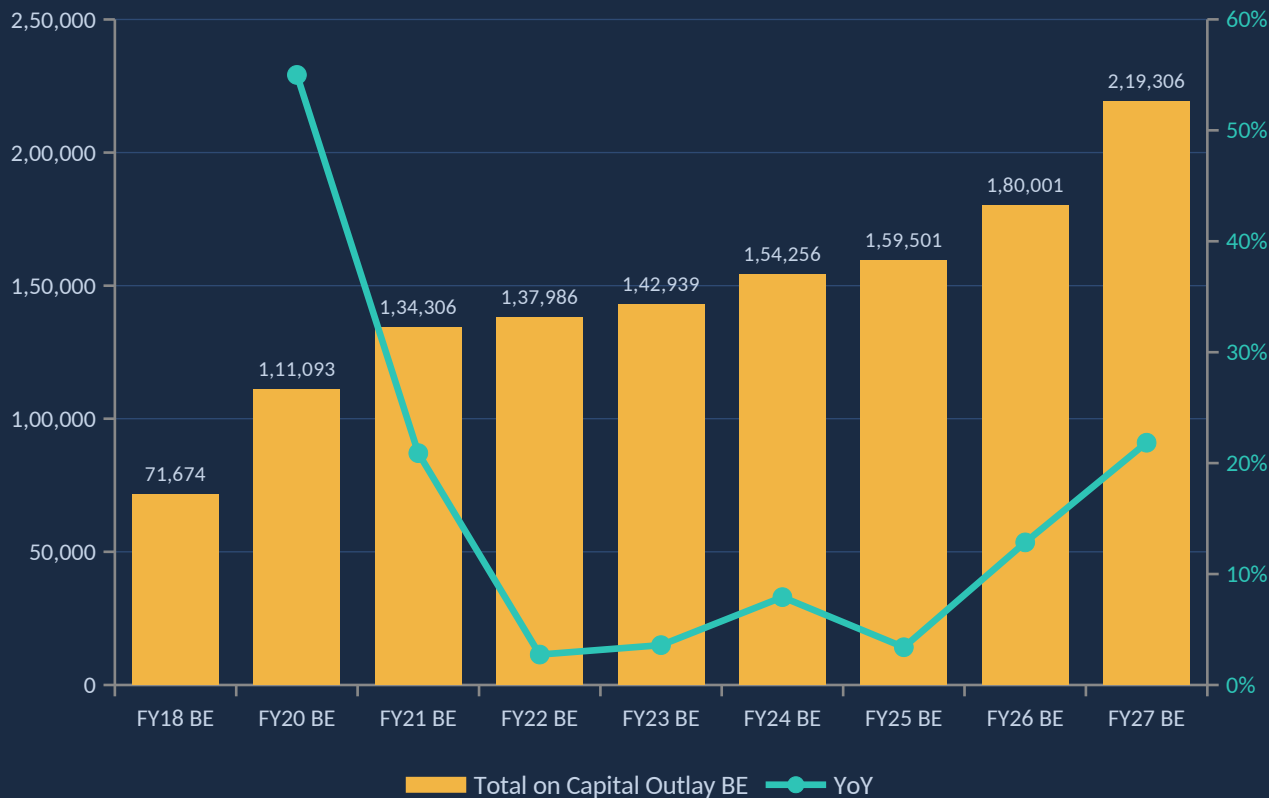
KEY TRENDS



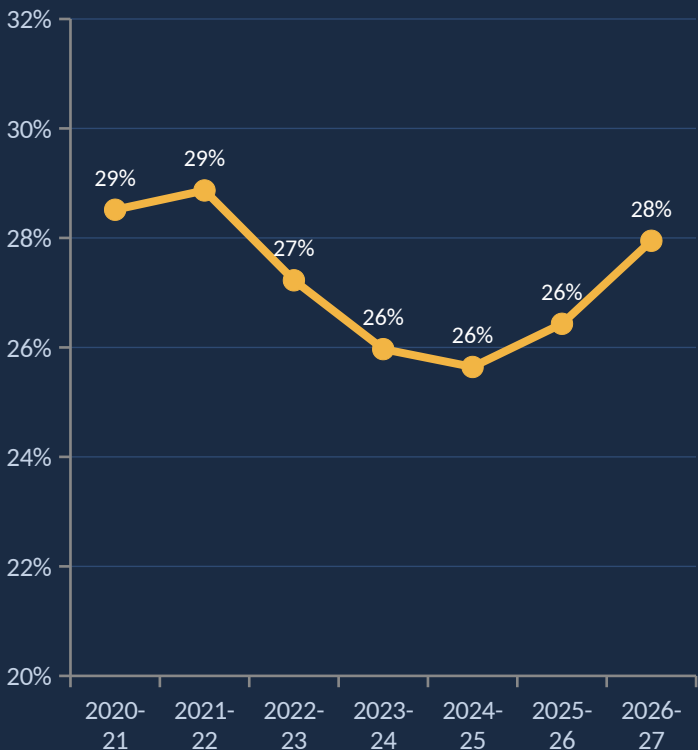
KEY TRENDS

Capital Acquisition Outlay

3.05x

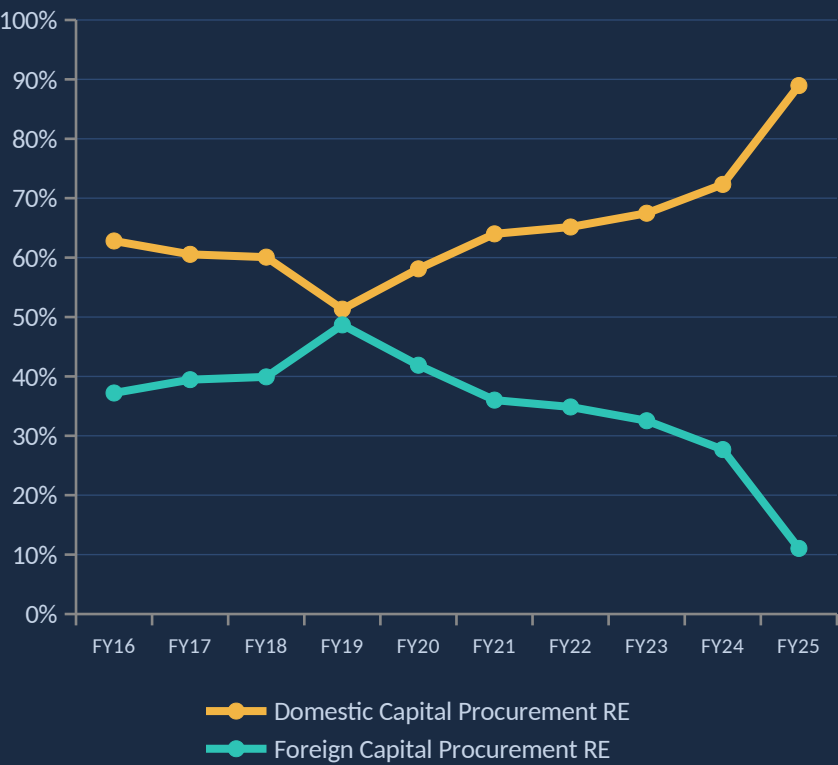


Capital Outlay as a % of Defence Budget

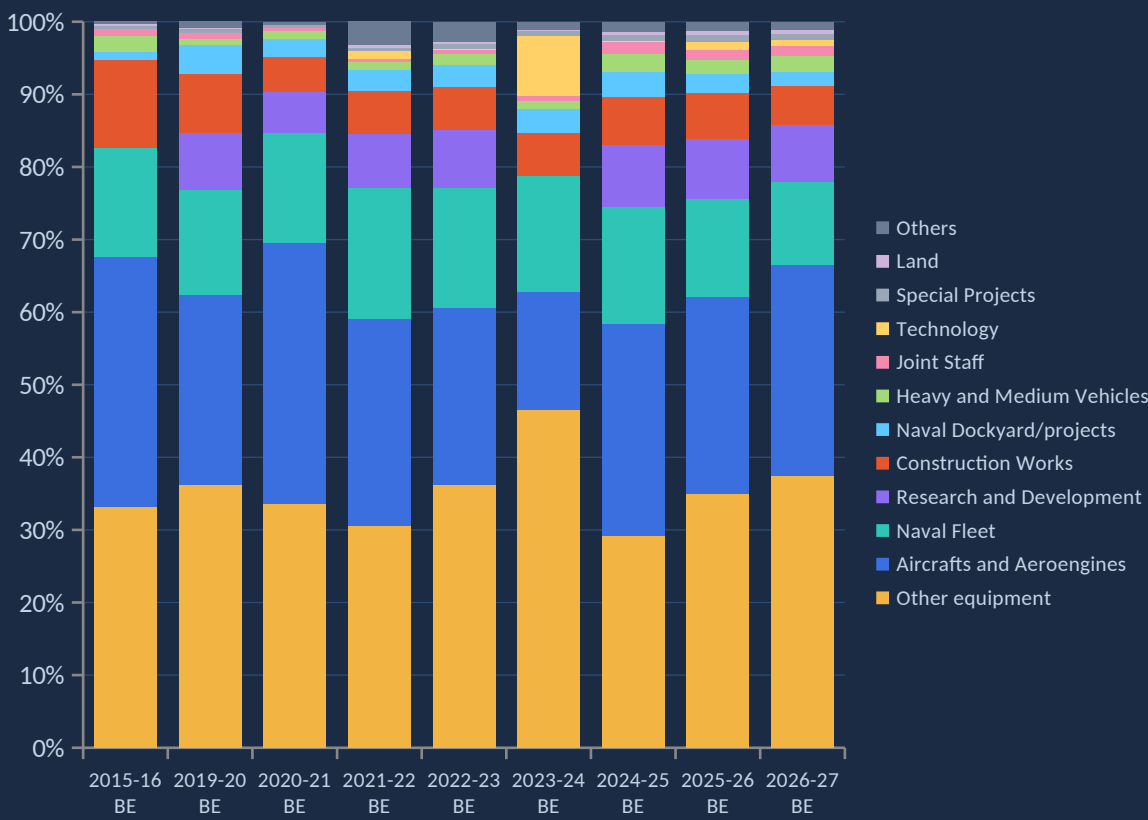


KEY TRENDS

Breakup of Total Capital Acquisition Outlay

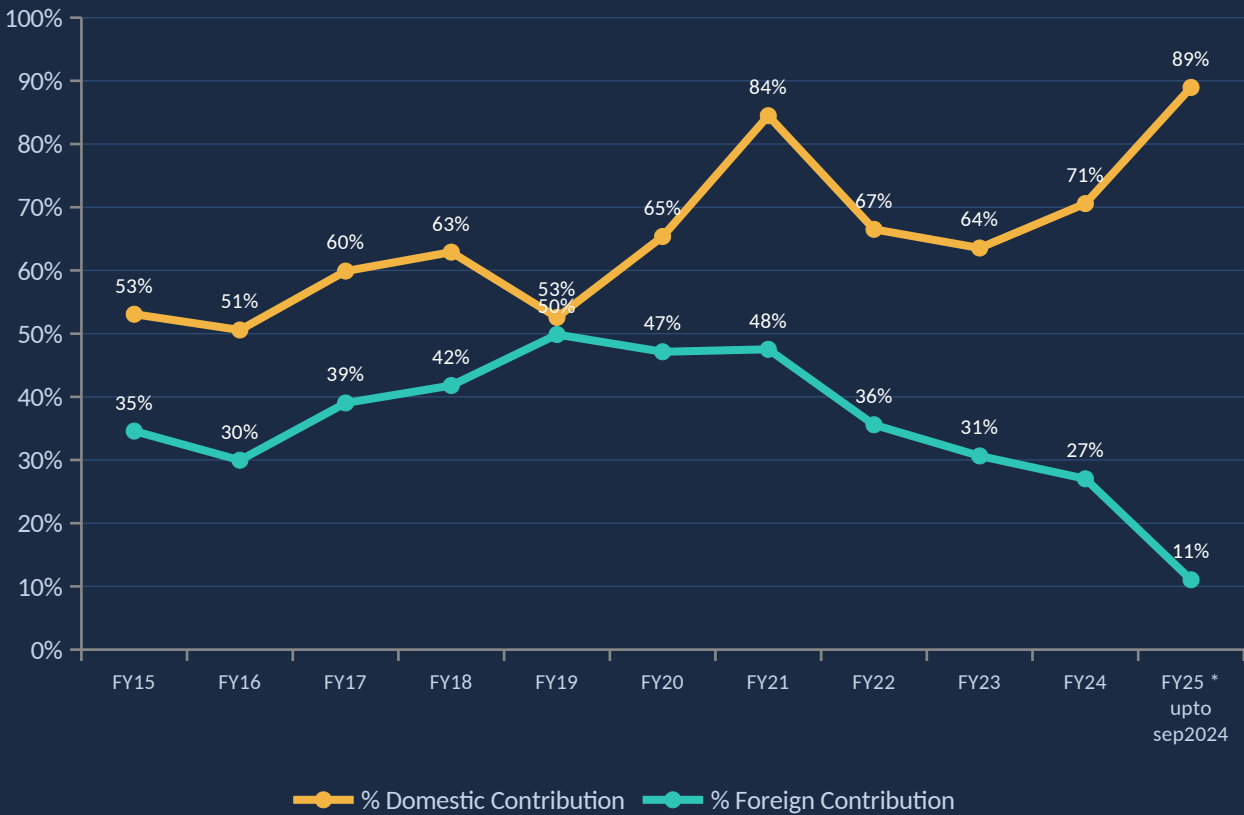


Composition of Capital Acquisition Outlay

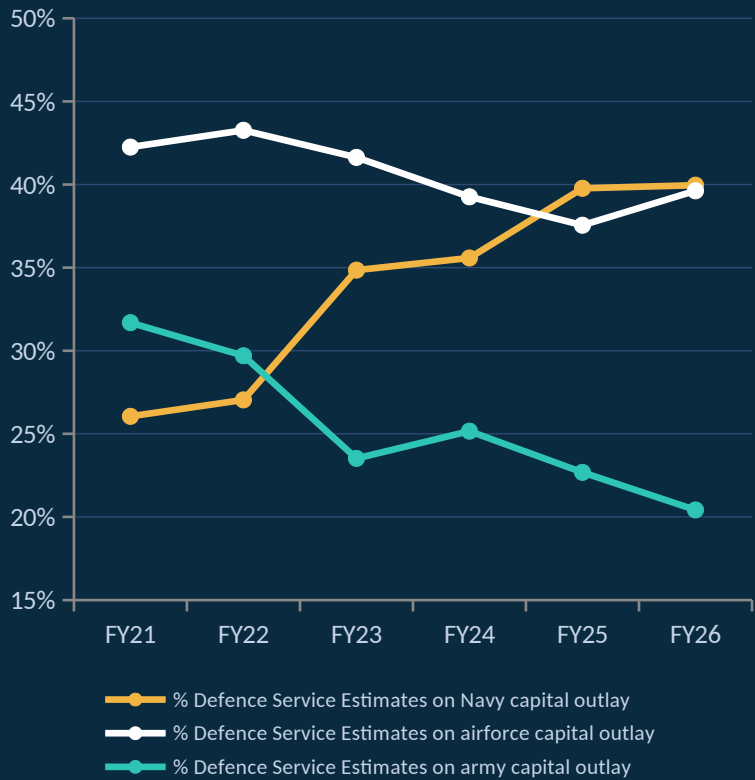


KEY TRENDS

Breakup of Total Capital Outlay in Modernization



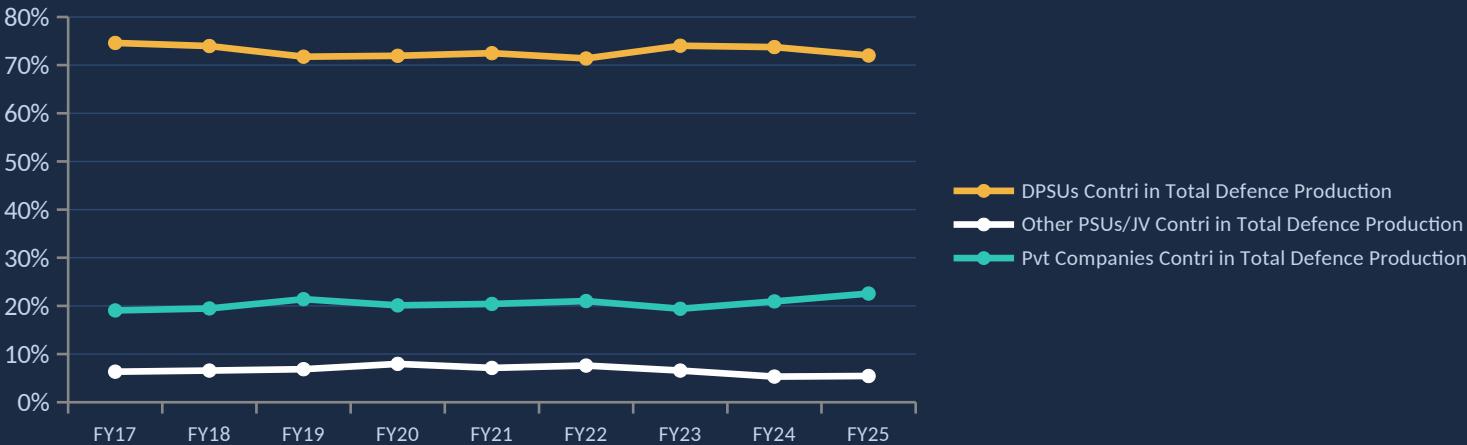
Defence Service Estimates on capital outlay



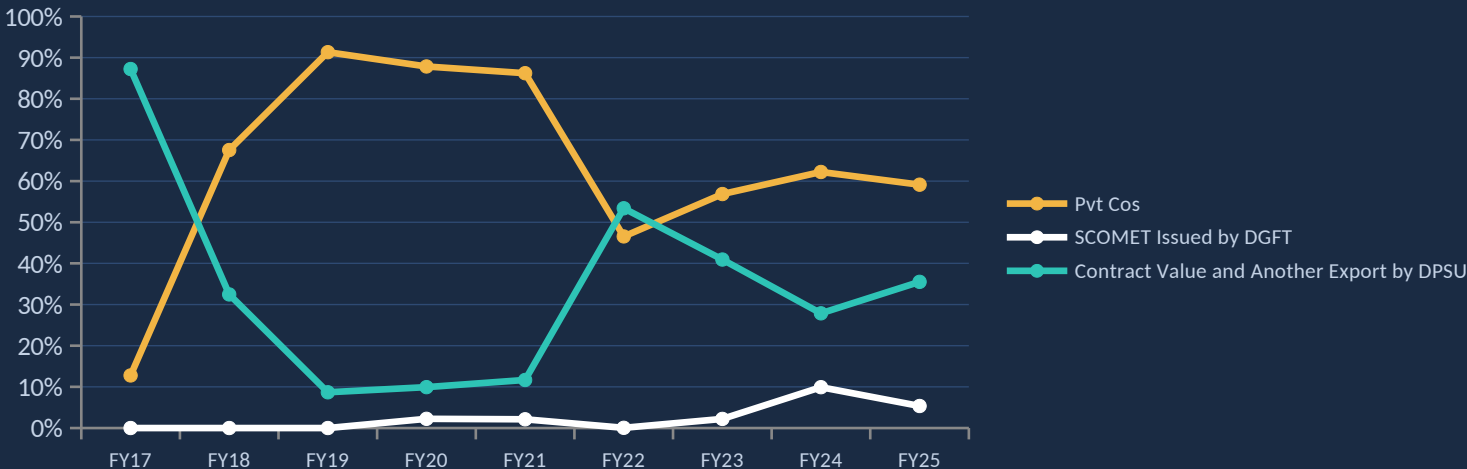
KEY TRENDS



Composition of Defence Production

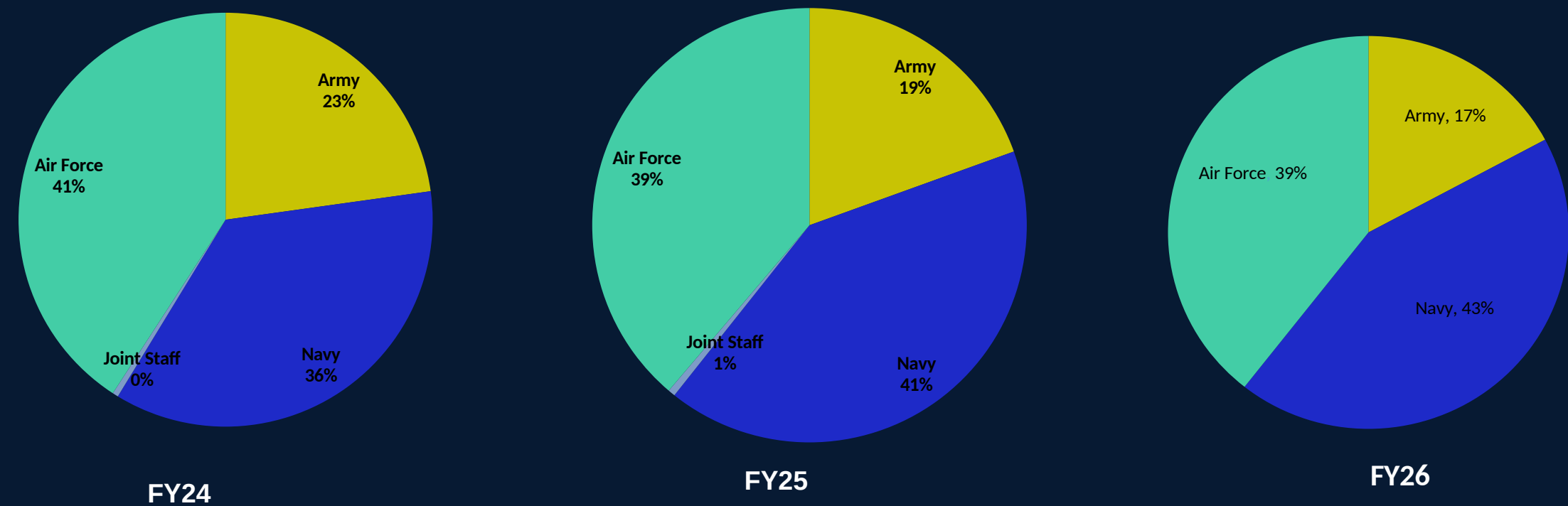


Composition of Export Production



KEY TRENDS

Composition of Capital Acquisition Outlay among Services*



*excludes other than Capital Acquisition , DRDO, DGQA etc

MARKETS WITH MACRO
TAILWINDS PROVIDE
CONSIDERABLE GROWTH
OPPORTUNITIES

A ₹7.8 LAKH CRORE TAILWIND INDIA

In pursuance of Prime Minister Shri Narendra Modi-led Government's vision of 'Viksit Bharat @ 2047' with technologically-advanced and 'Aatmanirbhar' Armed Forces, Union Budget of India has made a provision of Rs 7.8 Lacs crore for Financial Year (FY) 2026-27 for the Ministry of Defence (MoD), accounting or 14.28% of the Total National Budget.

Out of this, Rs 2,19,306 crore i.e. 28% of total allocation will be spent on Capital Outlay under Defence Services.

The Budget gives a strong thrust to Aatmanirbhar Bharat (Self-reliant India) by promoting indigenous manufacturing and reducing import dependence.

75%

Domestic defence industries, including private sector players, are key beneficiaries. Around 75% of the Capital Acquisition budget is reserved for domestic defence industries in FY 2026-27.

Prominent sector

Defence sector is prominent among the 25 sectors of industry covered under the 'Make in India' initiative. The provision of 'Make' category of capital acquisition is a vital pillar for realizing the vision behind the 'Make in India' initiative.

Rs 6.73 lakh crore

In the Financial Year 2025-26, AoN for 55 proposals amounting to Rs 6.73 lakh crore has been accorded by the DAC. Moreover, capital procurement contracts have been signed for 503 proposals amounting to Rs 2.28 lakh crore in the current fiscal year. Both the quantum of AoN given and capital contracts signed, so far, have been the highest in any given Financial Year.

Rs 1.86 lakh crore

The Ministry of Defence, with the joint efforts of MoD(Finance), Acquisition Wing, Defence Services and Defence Accounts Department, has fully utilized its capital outlay of Rs 1.86 Lakh crore for Defence Services provided for the FY 2025-26 at Revised Estimates stage.



India's Defence Ministry is seeking a 35% hike in the FY28 military modernization capital budget, Defence Secretary Rajesh Kumar Singh announced."

Provide Considerable Growth Opportunities

Multiple instances of armed conflict and rising tensions

Amid the ongoing Operation Sindoor against Pakistan, the defense forces set to get big boost of around INR 40,000 crores to buy arms and ammunition. The approval for the acquisitions under emergency powers was granted recently by the Defence Acquisition Council in its meeting attended by top defence ministry and military brass, defence officials told ANI

India Opens Missile And Ammunition Manufacturing To Private Sector for Long-Term Firepower Readiness

2/3

India's two-third military equipment is classified as vintage

India ranks approximately 4th to 7th globally in missile technology, excelling in ICBMs, cruise missiles, and ABM systems, with hypersonic advancements closing gaps with leaders. Its indigenous focus and strategic deployments make it a regional powerhouse, though scaling production and mastering hypersonic systems are critical for climbing higher.

Positive Indigenization Lists:

The Ministry of Defence has released its fifth Positive Indigenization List (PIL), comprising 98 high complexity systems, sensors, weapons, and ammunition. These items will be procured exclusively from domestic sources under the Defence Acquisition Procedure (DAP) 2020 within a defined timeline.

Enhanced Foreign Direct Investment (FDI) Limits:

FDI in the defence sector has been liberalized, up to 74% is permitted under the automatic route, and up to 100% under the government route.

Government has notified the 'Strategic Partnership (SP)' Model in May 2017, which envisages establishment of long-term strategic partnerships with Indian entities through a transparent and competitive process, wherein they would tie up with global Original Equipment Manufacturers (OEMs) to seek technology transfers to set up domestic manufacturing infrastructure and supply chains.

Dedicated Budget Allocation for Domestic Industry:

In FY 2023–24, a record 75% (approximately ₹1 lakh crore) of the defence capital procurement budget has been allocated for domestic industry, up from 68% in the previous fiscal year.

Establishment of Defence Corridors:

Two dedicated Defence Industrial Corridors have been established in Uttar Pradesh and Tamil Nadu, with the objective of minimizing imports and boosting defence exports.

GST removed on missiles launched from ship-launched missiles, underwater vessels, >100 mm calibre rockets etc. GST on UAVs has been sharply cut to 5 per cent from 28–18 per cent.

Provide Considerable Growth Opportunities

\$9.37 billion

BY 2029

CAGR 8.8%

The explosive market size is expected to see strong growth in the next few years. It will grow to \$9.37 billion in 2029 at a compound annual growth rate (CAGR) of 8.8%. The surge in government spending on the defense sectors in various countries including The USA, China, India, Russia, The UK and France is projected to be a major driver for the growth of the explosive market during the period. The growth in the forecast period can be attributed to an increase in territorial and political conflict, global population growth and urbanization, increasing infrastructure development expenditure by governments and increasing construction activities.

01

Geopolitical tensions and global trade restrictions have intensified supply chain disruptions, resulting in delayed production timelines and critical shortages of explosives.

02

A surge in global demand for explosives and ammunition, fed by ongoing conflicts in Europe and West Asia, has resulted in record Indian defence exports, with the figure crossing ₹23,622 crore in 2024-25.

03

State-owned defence public sector units have recorded a 42.8% surge in exports, reaching a high of ₹8,389 crore in the financial year. A large part of these too are for explosives and parts for ammunition, particularly for artillery which is in big demand in Europe.

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HYDERABAD, INDIA'S DEFENCE FORTRESS

Telangana will be an aerospace & defence hub by 2030: Minister Uttam Kumar Reddy

The aerospace and defence were among the priority sectors identified by the Telangana Government under its industrial policy framework, Reddy said.

By BL Hyderabad Bureau

Updated - May 08, 2026 at 06:57 PM. | Hyderabad.



BECAUSE OF

Conducive Ecosystem supported by deep domain expertise, strong institutional backing and globally competitive manufacturing capabilities

- World class infrastructure
- Network of over 1500 MSMEs
- Presence of DRDO, DPSUs and global OEM

RESULTING IN

DEFENCE OVERTAKES PHARMA

- At over Rs 32,000 crore in FY 26, defence and aerospace account for over a third of the Telangana's exports, beating pharma for the first time since 2014.
- Aerospace and Defence exports accounted for 33.4% of the state's total exports in FY2026, according to data shared by Telangana's Directorate of Economics and Statistics.

NOW COMES 2047 TELANGANA GOAL

BECOMING GLOBAL BUILD TO DESIGN INNOVATION



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SAFE HARBOR

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