



Ref: CE/NSEBSE/21052026

21st May, 2026

To,

Listing Department, National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	Department of Corporate Services – Listing, BSE Limited, P. J. Towers, Dalal Street, Mumbai – 400 001
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Re: Scrip Symbol: CENTUM/ Scrip Code: 517544

Dear Sir/ Madam,

Sub: Transcript of the conference call with Analysts/ Investors

In continuation to our letter dated 15th May, 2026 and pursuant to Regulation 30 and 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Transcript of the conference call that was organized with the Analysts / Investors on Friday, 15th May, 2026 at 14:00 hours IST is enclosed.

Yours faithfully,

For **Centum Electronics Limited**

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Company Secretary & Compliance Officer
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“Centum Electronics Limited
Q4 FY26 Earnings Conference Call”

May 15, 2026



ElaraSecurities



MANAGEMENT: **MR. NIKHIL MALLAVARAPU – JOINT MANAGING
DIRECTOR – CENTUM ELECTRONICS LIMITED
MR. SUNDARARAJAN P. – CHIEF FINANCIAL OFFICER –
CENTUM ELECTRONICS LIMITED**

MODERATOR: **MR. HARSHIT KAPADIA – ELARA SECURITIES INDIA
PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Centum Electronics Limited Q4 FY26 Earnings Conference Call, hosted by Elara Securities India Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Harshit Kapadia from Elara Securities. Thank you, and over to you, sir.

Harshit Kapadia: Thank you, Nitesh. Good afternoon, everyone. On behalf of Elara Securities, we welcome you all for the Q4 FY26 and FY26 Conference Call of Centum Electronics Limited. I take this opportunity to welcome the management of Centum Electronics, represented by Nikhil Mallavarapu, Joint Managing Director; and Sundararajan Parthasarathy, Chief Financial Officer. We will begin the call with a brief overview by the management followed by a Q&A session.

I'll now hand over the call to Nikhil for his opening remarks. Over to you, Nikhil.

Nikhil Mallavarapu: Thank you, Harshit, and good afternoon, everyone. Welcome to our earnings conference call to discuss the performance for the fourth quarter and full year of FY26. Let me also extend a special thanks to our hosts today at Elara Capital.

Now let me start by briefing you on the key performance highlights for the quarter and the year under review, after which our CFO, Mr. Sundararajan Parthasarathy, will take you through the financial highlights.

This year has been a defining chapter in the company's journey, one that's marked by decisive strategic measures, meaningful expansion and strong operational execution at the standalone level. And that has further strengthened our long-term foundation.

We sharpened our focus on our standalone business while deepening our presence across high potential sectors, which are defense, aerospace, space, semiconductor equipment and industrial electronics. Through disciplined execution and a clear strategic vision, we have reinforced our positioning in industries that are expected to shape the future of technology and manufacturing.

We ended FY26 on a strong note with continued execution momentum across our core standalone business and the continuing operations. During Q4, the company delivered strong growth across both BTS and EMS businesses supported by a robust execution, improving operating leverage and continued traction across Defense, Aerospace, Semiconductor, Industrial and Electrification segments.

For the full year, our standalone business delivered revenue growth of approximately 25% year-on-year, while profitability also improved meaningfully, reflecting a stronger execution, better program mix and operating discipline. At the same time, FY26 was also an important year from the strategic standpoint as we took decisive steps to sharpen our focus around the core India ESDM platform.

Let me now briefly address the developments relating to the overseas subsidiaries. As discussed during the quarter, we had -- during last quarter, we had initiated decisive restructuring actions with respect to the underperforming overseas operations with the objective of realigning management focus and capital allocation towards our core India business. I'm pleased to share that the restructuring process is progressing broadly in line with our expectations.

In Canada, operations were discontinued during Q4 FY26 and the wind-up process is under progress. In Europe, the French subsidiary entered the redressement judiciaire or the legal restructuring process during March 2026, and we are currently progressing through a court-supervised asset sale process. We have already received multiple preliminary bids and with final bids expected very shortly. Subject to the court approval process, we expect the divestment process to be substantially concluded by July 2026.

Importantly, beginning this quarter, the financials relating to these subsidiaries have already been classified under discontinued operations, thereby providing clearer visibility into the performance of the continuing core business. Sundar will be providing more details on this during his remarks. Overall, these actions represent a continuation of the strategy we outlined last quarter and should allow the company to move forward with significantly greater focus, operational clarity and financial discipline.

Now moving to the operational performance and business highlights. During FY26, we continued to see strong execution across both our BTS and EMS businesses, resulting in healthy growth in our core standalone operations and a significant strengthening of the overall order book. We closed the year with a standalone order book of approximately INR 1,645 crores, representing a growth of around 23% year-on-year and providing strong visibility for the coming years.

In our build-to-specification business, FY26 was a particularly strong year with revenue growth of approximately 37% year-on-year. The growth was primarily driven by strong execution across space-based payload programs, radar subsystems, subsystems for land and missile programs, and other strategic defense and aerospace platforms.

Alongside execution, we also continue to strengthen our order pipeline and systemslevel participation. One of the key milestones during the year was securing a marquee AESA radar program from HAL for the UHM platform, representing an important validation of Centum's capabilities with advanced radar systems and indigenous defense electronics. The overall opportunity size for this program exceeds INR 570 crores over the life cycle of the project.

We also secured our second complete radar system order for a satellite and space debris tracking application, further strengthening our position in the strategic surveillance and space program. In addition, we continue to see healthy traction across electronic warfare, aerospace, test systems and other high-reliability defense electronics opportunities.

Moving to the EMS business. We continue to witness strong momentum during the year, driven by a successful ramp-up with leading semiconductor equipment OEM along with new business wins across industrial electronics, electrification, grid automation and defense export programs.

The EMS business delivered revenue growth of approximately 21% year-on-year supported by strong customer ramp-ups, healthy order inflows and continued diversification across strategic end markets.

We remain particularly encouraged by the momentum in the Semiconductor Equipment segment where customer engagements continue to deepen alongside increasing global semiconductor investments and supply chain diversification towards India. Capability enhancement and customer diversification continue to remain key focus areas for us. And during the year, we completed more than 80 new product introductions, supporting faster customer ramp-ups and new business wins.

We also continued investments towards manufacturing capability expansion, including additional manufacturing lines, process automation initiatives and systems integration capabilities to support future growth.

Overall, we believe Centum is entering the next phase of growth from a significantly stronger operational and strategic position. With the overseas restructuring actions now substantially progressing towards closure, the company is increasing focus on scaling its core ESDM platform supported by strong execution, robust order book and expanding customer engagements and healthy long-term opportunity pipeline across both BTS and EMS businesses.

We remain optimistic about the medium to long-term outlook across Defense, Aerospace, Industrial and Electrification, Semiconductor segments, where we continue to see strong customer traction and increasing strategic relevance.

With that, I will now hand over the call to our CFO, Mr. Sundararajan Parthasarathy, to take you through the financial performance in greater detail.

Sundararajan P.:

Thank you, Mr. Nikhil, and good afternoon, everyone. Let me now brief on the financial highlights for the fourth quarter and full year of the FY 2026. At the standalone level, our revenue from operations for the quarter stood at INR 344 crores, reflecting a strong growth of 26% year-on-year. EBITDA for the quarter stood at INR 46 crores, which is higher by 5% year-on-year with an EBITDA margin of 13.22%. Profit before exceptional items and tax for the quarter stood at INR 43 crores, registering a growth of 19% year-on-year.

For the whole year, standalone revenue stood at a record INR 973 crores, reaching a strong growth of 25% year-on-year. And EBITDA stood at INR 121 crores, reflecting a growth of 28% year-on-year, translating into a margin of 12.42%.

Profit before exceptional items and tax for the period was at INR 100 crores reflecting an exceptional growth of 63% year-on-year. And during the financial year, the profitability was impacted by onetime exceptional item amounting to INR 203 crores relating to provisions and impairments in overseas subsidiaries, as discussed earlier.

Before I explain the consolidated financial performance, let me clarify the accounting positions and disclosures applied in Q4 FY26 financial statements. The net losses incurred by the overseas subsidiaries, that's in Canada and Europe have been reported under discontinued operations.

Canada results were moved under discontinued operations in Q3 FY 2026 itself. And the results of European subsidiaries are now reported under discontinued operations in Q4, consequent to the commencement of the court-supervised restructuring process in France.

The numbers of the previously reported periods have been restated under the section in the financial results statement. The balance sheet items have also been classified as assets held for sale and liabilities directly associated with assets held for sale as far as the subsidiaries are concerned.

The goodwill and intangible assets, including R&D, capitalized that were impaired and reported under exceptional items in Q3 FY26 in the consolidated statements have been reclassified under discontinued operations now.

Coming to the consolidated performance, revenue from operations for the quarter stood at INR 340 crores, registering a growth of 28% year-on-year. And EBITDA for the quarter stood at INR 49 crores, higher by 7% year-on-year with a margin of 14.31%. Profit before tax expense from continuing operations at INR 46 crores which is up by 20% year-on-year.

For the whole year, FY26, consolidated revenue stood at INR 953 crores, up by 29% year-on-year and EBITDA for the period stood at INR 135 crores, reflecting a strong growth of 37% year-on-year, translating to a margin of 14.22%.

Profit before tax from continuing operations at INR 115 crores reflecting an exceptional growth of 73% year-on-year and profit after tax from continuing operations was at INR 101 crores doubling on a year-on-year basis. The overall performance continues to be driven by both of our business segments, particularly catering to domestic defence and space customers.

And our balance sheet also remained healthy with total debt to equity maintained at a comfortable 0.28x and adjusted net working capital days improving to 142 days in FY26 from the previous year's 159 days, driven by better working capital management and the adjusted ROCE also improved significantly to 21.16% from 12.40%, reflecting stronger profitability and improved capital efficiency.

Overall, our performance in FY26 reflects the strength of our core business, improving operational efficiency and continued execution across high-growth strategic segments, positioning us well for sustainable long-term growth.

With that, we can now open the floor for Q&A session. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. We have first question from the line of Mr. Ankit Babel from Shubkam Ventures.

Ankit Babel: Congrats for a good set of numbers. Sir, just one concern here. The margins for the full year have been below our guided range of 14%, 15% at standalone basis. So it came at around 12.5%. Now the share of BTS has also increased. So what's the reason for margins in this 12.5% range?

Nikhil Mallavarapu: Thanks, Ankit, for the question. Yes, it was -- first of all, I think just in terms of our broad guidance, we're targeting to be in the range of 13% to 15% at a combined level and we are slightly below that for the full year, basically because of the product mix in the EMS business. We had initially anticipated a slightly better product mix in the last year. Some of this will be executed in the current financial year. And with that, we should see better margin from the EMS business in the current year. So that's fundamentally the point.

Ankit Babel: So sir, in FY27, what kind of top line growth and margins, we can look at a standalone basis?

Nikhil Mallavarapu: So as we said, we -- in the medium-term, we continue to work towards a 25% to 30% growth rate. And we feel we are continuing along those lines, and we should be in line with those expectations. And similarly, as I mentioned, 13% to 15% EBITDA is what we're working towards, and we maintain that target.

Ankit Babel: And sir, since you have already received a bid from -- for your European business, so last time you mentioned that you don't expect anything to realize by selling those businesses. But is there any change in that? Can we expect something -- some realization once -- by selling our European businesses?

Nikhil Mallavarapu: No, no, that also remains unchanged. We don't expect to have any realization. As you will probably see in the balance sheet today, there is a significant amount of liabilities that have been held for disposal that has been reported. And we don't expect to receive anything as a result of this asset sale process.

Ankit Babel: On a net basis, you don't expect anything to get released?

Sundararajan P.: That's right.

Ankit Babel: So sir, since the 25%, 30% growth target was there even when we were running both the businesses, the international one and the domestic one. Now since you are fully focused on the standalone part, I mean, your bandwidth will also get released. So can't we see acceleration in that business going forward?

Nikhil Mallavarapu: No, I think 25%, 30% was never at the consolidated level. What we always maintained, it was at the standalone level, whereas the subsidiary was relatively flat in terms of performance. So what we are continuing to look at this type of a 25%, 30% on a medium-term basis is what I'm saying.

We don't want to give year-on-year kind of guidance, but broadly, considering the industry tailwinds on a multiyear basis, this is our objective. I think we've been delivering quite well in terms of the standalone growth. And I think on a medium-term basis, we feel we can target the similar level of growth.

Ankit Babel: And sir, my last question is, what was your order inflows at standalone basis in FY26? And what kind of order inflows you are looking at in FY27? And the capex, what capex you would be doing this?

- Nikhil Mallavarapu:** Sundar, do you want to take this?
- Sundararajan P.:** Yes. So on the BTS business, which is what we focus as order heavy business. So there, we booked over INR 400 crores in the current year. And EMS, of course, it's an order-cum-forecast that we report only the firm orders, as you know. And in terms -- so that's on the order.
- And while as far as the order book closures, if you will see consistently, we've been growing in terms of order book that we carry to the next fiscal, it grew by over 2.3x in the last 3 years with a CAGR of 32% in BTS and at the entity level, about 1.7x with a CAGR of 20% on a 3-year basis, and that trajectory will continue, especially with the increased focus on the BTS segment.
- And on the capex, the question is around what kind of capex we are looking for in the next fiscal year, it will be in the order of, I would say, about INR 40 crores, equally more or less 50% or could be slightly higher on the BTS segment in terms of the R&D capabilities. But otherwise it will be INR 40 crores to INR 45 crores you can expect.
- I'm sorry, Nikhil with your permission, I just want to address the previous question that you raised, Ankit, in terms of can we not accelerate the growth? That would be a question -- if you look at our business model, we don't have very high volume of book and bill business, right? But our BTS, it's a fairly longer cycle game, right, from the RFP stage to closure to realizing the revenue.
- So the management bandwidth that could get focused on the BTS will only yield more results in the near future in terms of order booking for the year or the next year and the further growth on a long-term basis.
- Whereas in the EMS, again, we have a fair amount of open sales orders plus demand from the customers, which are -- which will be executed during the year. So the direct impact and the immediate impact on next year's revenue, you would not see in terms of release of management bandwidth and so on. I just want to clarify, considering the business model that we operate.
- Ankit Babel:** But it can accelerate 2, 3 years down the line, right?
- Sundararajan P.:** Absolutely, absolutely.
- Moderator:** Next question from the line of Chirag Jethalia from Allianz Global Investors.
- Chirag Jethalia:** Congratulations on the numbers. My first question was related to -- so until the court approves the sale of the French subsidiary by July, are there any broader range and further exceptional losses we should be expecting or modeling in the coming quarter or 2 related to this?
- And the second question was related to the margin profile of the vertical. So especially how do defense and aerospace orders compared to the other sectors such as transport, industrial and health care?
- Sundararajan P.:** Yes. So on the first question, I'll address and probably second also, I'll try and Nikhil, you can please chime in. On the -- as far as the European subsidiaries are concerned, Chirag, the 2 major items that were booked in Q3 have continued. And as far as the whole process is concerned, the

court process will conclude by around June, wherein there could be some takers of some part of the businesses and the people and the remaining that is not getting acquired will eventually move into the liquidation state.

But at that point in time also, as we explained, the balance sheet carries much larger liabilities, over INR 100 crores excess over assets. So we don't expect any write-down coming in hitting the consolidated books. Moreover, we'll also be evaluating the point in time of cessation of control in terms of having a necessity to consolidate.

So if that event gets triggered in Q1, then Q1, we would not be consolidating or in Q2 eventually. But we don't expect any exceptional items or one time losses coming and hitting in the next fiscal year as far as European subsidiaries are concerned in the consolidated financials. Does that answer that question, then I'll move to the margin.

Chirag Jethalia: Yes. I think the margin question.

Sundararajan P.: Yes, yes. So in general, the BTS segment, we carry a margin profile of around 20% at EBITDA level, whereas the EMS segment across industries, I would say it is fairly pegged at between 9% and 10% or in some cases, if we get lucky, briefly, it will be at around 11%, then it will again get reset due to the price pressure because we operate on a cost-plus basis, right, largely, it's a contract manufacturing.

So on the -- So there is no major differentiation, I would say, in the EMS between these segments. It could be there on a momentary basis or temporary basis. If we are ramping up a particular customer in the industrial segment, initial quarters could be a tighter margin, then we gradually scale better yield, better process and better supply chain efficiency, all that will kick in. And again, it will get normalized. It will not be substantially exceeding in excess of 10%, I would say. This is broadly, this is how the industry also operates in the segments that we are in.

Nikhil Mallavarapu: Just to add to what Sundar is saying, on the EMS side of the business, that's absolutely true. It hovers somewhere in the range of 10% -- 10%, 11%. But the BTS segment is a higher-margin business, and that can tend to be at 20% plus. So for us, at the combined level, the mix is one of the drivers.

But yes, so the way to -- the way we look at margins, at least is more divided by business model of build-to-spec versus EMS, which has, I would say, bigger difference in margin profile as compared to the different segments within EMS itself.

Chirag Jethalia: And finally, just my last question is for all the Defense segment orders and revenue recognition, are all of them booked under the BTS segment itself or is that is split into the EMS segment as well.

Nikhil Mallavarapu: Yes. So defense and aerospace is a segment that we address in both business models. So now in our results, on the standalone results, I would say, almost all -- pretty much all of the BTS numbers are for defense, which is what we've been talking about. But there is also a substantial amount of orders and revenues contribution from the Defense segment in the EMS numbers also.

So basically, the Defense and Aerospace segment contribution comes from both BTS and EMS, but BTS is almost entirely defense and space, yes.

Moderator: Next question from the line of Vineet Khatri from Toro Wealth Managers.

Vineet Khatri: My question is with respect to the EMS segment of yours. I mean in the -- like globally, the specialized CCL capacities are; becoming tight, right? And I mean, from the industry position that you are in, I would just want to like see if you are seeing such supply constraints on the ground? And do you believe that this can lead to bottleneck for the manufacturing that we do in the EMS segment?

Nikhil Mallavarapu: Yes. Could you just repeat again the big -- what constraints do you refer to?

Vineet Khatri: The CCL capacity, the copper clad laminate.

Nikhil Mallavarapu: Copper clad laminate, okay. Yes. Yes, supply chain bottlenecks are clearly an emerging theme in the EMS part of the business I think it's not only the copper clad laminate, which essentially affects the PCB lead times. But beyond this, I think some of the other impacts that we've also seen is on specific component categories like memories, where there is also a lot of demand and pull coming in because of the AI data center build-out that we are seeing.

So we have seen an increase of lead time in some of these component categories. There are certain proactive measures and actions that the supply chain team has taken and is taking to be able to mitigate these challenges that we have seen. For now, we are still working on mitigating these. But I think we will, it's something that we are monitoring very closely and need to keep an eye on as this evolves over the course of this year.

Vineet Khatri: Understood, sir. But sir, specifically for copper-clad laminates, I mean the severity has increased in the past few months, if you can give just an indication for that? And like from where do you procure it, if you can share?

Nikhil Mallavarapu: Yes. With regard to copper clad laminate, I mean we -- the -- as I was mentioning, this really goes into the delivery of the PCB, the bare boards. And we procure these boards from multiple different suppliers in different geographies based on which segments we are catering to. It can be from China for certain industrial applications, it can be from Europe for military applications and in certain cases from Indian suppliers also for some of our defense and space applications.

So we procure from different geographies. I would say, in general, we have seen an increase of lead time but we continue to have supplies coming in as per our requirement. So we basically need to place orders a little bit more in advance to be able to secure it. But it has, over the last couple of months, we've seen these impacts over the last couple of months. And as I mentioned, we'll need to monitor how this pans out in the coming months.

Moderator: Next question is from the line of Raj Agrawal from Niveshaay Asset Management.

Raj Agrawal: It's great to see business scaling. I had a few questions on the semiconductor side. Sir, are we in line to doing USD 30 million annual revenue in the next 2, 3 years? And are we any -- in talks

with any other semiconductor client who would require sort of a similar kind of equipment from us.

Nikhil Mallavarapu: Yes. I think we are progressing quite well, I would say, broadly in line with our expectations for the growth from this customer segment. Yes, today is largely driven by a key anchor customer in this segment. And we have begun discussions with a couple of other customers here. But I would say it's still in preliminary stages. The major growth is really coming from the anchor customer.

Raj Agrawal: So I wanted to understand 2 new projects, if you can even directionally quantify them, the Virupaksha order? And the second one is, I think in the PPT we have mentioned that we have won a second order for radar systems for satellite and space debris. So how big are these contracts are, sir, and how long will this order cycle execution last?

Nikhil Mallavarapu: Yes. So Virupaksha is still a development order and so is this space debris tracking order. Virupaksha, just to clarify what we have won is there are broadly speaking 4 critical subsystems that get integrated into a full radar. We have won 2 of the higher-value subsystems, which is the antenna array and the exciter-receiver. And it's, I would say relatively small development contract less than INR 10 crores.

The second one, which is a space debris tracking radar, which is a long-range radar. This is about INR 30-odd crores order and it's essentially for one system. So this is a pretty large, I would say, radar system. And the reason why we feel it's also a milestone is, again, it's a long-range high-power radar, which is a little different from the other UHM, airborne radar system that we had been awarded and which is more for an airborne platform. So it's a nice complementarity in terms of our product portfolio in terms of radar solutions.

Raj Agrawal: That's great to hear, sir. And sir, one more question I had was, sir, when we move from system integration and up the value chain, do you think we would have any kind of issues because we will be basically competing or bidding against our own customers, current customers?

Nikhil Mallavarapu: It's -- it depends on the program, I would say. I mean, in many cases, our customers, I would say, in many cases, are basically HAL, DRDO and in certain cases with BEL. So this is -- it's an evolving scenario. There are programs that we are collaborating. There are certain programs where we will compete. And I think that's a natural process of evolution of the ecosystem in the country, and it's not unique in India. It's something that is seen world over.

Raj Agrawal: Fair enough, sir. And sir, just one last question. Sir, we basically had some losses on our book historically. So will that basically -- will we have tax benefit for a few years going forward?

Sundararajan P.: Which one specifically are you talking about sorry?

Raj Agrawal: The losses on the subsidiary side.

Sundararajan P.: Okay. So the losses incurred in subsidiary with tax benefit, etcetera would accrue, if someone is acquiring the company that's holding the tax credits. I don't think that's going to happen -- that's

not going to be the reality. As far as the losses incurred in standalone business is concerned, where we booked INR 200 crores of exceptional items.

Out of that, the investment-related impairment, that INR 153 crores that will be -- that's a capital loss. So that will be available for us for the future for, any capital gains set off, whereas the other items have been used to offset against the profits made during the current year.

Raj Agrawal: And sir, we don't have any impact of this Middle East war in terms of raw material procurement, right?

Nikhil Mallavarapu: No, we don't see any short -- we had certain short-term impacts at the end of Q4 because of some logistics delays as a result of the war. But I would say we are not seeing any major supply disruptions directly as a result of the Middle East war right now.

Moderator: The next question from the line of Vijay Sarthy from Subhkam Ventures.

Vijay Sarthy: Just want to check the order inflow for the standalone BTS has been very low growth, say, rather 4%, if I'm right? So close to around INR 466 crores of order inflow for this fiscal FY26. Any particular reason? And how should we look at this for '27? That's the first question.

Sundararajan P.: The orders that we could close and book and report was only about INR 470 crores roughly. Whereas, this is mainly driven by, as you know, some of these programs do take time to get concluded and then the orders getting released. So there are a good number of orders that are in the pipeline. Some of them have moved to the current fiscal.

So at least a majority of what got spilt over to the current year, we hope to book in the first or second quarter. But as far as the current year order book, I would say, again, because of the same reason, we can't point to a particular number, but we do foresee a significant growth in terms of order that we can be booking during this current fiscal. Nikhil, you may want to add any specific color to it?

Nikhil Mallavarapu: Yes. Yes. I think broadly speaking, one point, just to clarify, again, is that the BTS piece of the business, as previously reported, had some contribution also from the subsidiary. And with that being eliminated, I think the numbers have been recast essentially to focus only on the BTS business that is within the standalone business.

And with -- so that's one point. The second is, I think even with what we're seeing, as Sundar said, we did about INR 250 crores of revenue in the BTS business in the standalone business and booked about INR 400 crores. So from a book-to-bill ratio, we still maintain a pretty healthy rate. And I think that continues to give us a pretty strong visibility in terms of what we are going into the new year with close to, I would say, INR 800-odd crores of orders in this segment.

And the third point is, I think, what Sundar also said, which is that we were also expecting another about INR 100 crores, INR 150 crores of orders to come in, which have been pushed to the current fiscal at the end of last year. But those, I would say, are fairly well secured, and we expect those to come in. And generally, the outlook for the current fiscal year also is fairly strong

in the BTS side of the business. So in general, with all of these, we feel fairly confident that we can continue to grow the BTS business also at a pretty healthy rate.

Vijay Sarthy: Fair to look -- fair to assume that there will be 30% revenue growth in the BTS standalone this fiscal, which means that if you -- whatever the spillover of order that comes through, would mean that you will have an order inflow growth of minimum of 15%, 20%, and therefore, taking your overall order book growth at the close to be in excess of 30% for BTS. Is that the fair number to look at?

Nikhil Mallavarapu: Yes. I don't want to give specific quarterly or annual guidance with regard to order booking revenue, Vijay. But as we mentioned, medium-term outlook of growing it at this rate is something that we feel pretty good about. And we have the visibility and pipeline to be able to achieve that.

Vijay Sarthy: Sure. And this UHM platform, INR 570 crores order, this INR 570 crores is the total order for us? And when do we start this? Can you give us a time line? And what is our -- what is our scope of work and all that?

Nikhil Mallavarapu: Yes. So the INR 570 crores order is basically divided into 2 phases. This is -- the first phase is the development phase that accounts for about INR 66 crores -- INR 67 crores or so. And the second phase is the remainder about INR 500-plus crores. This is without tax or anything. So the development phase of this is expected to be done in basically in 2 years. So we've 2 years from the date of the order. So that is in progress right now. And once it's successfully demonstrated, we expect to have the remaining part of it coming in -- which is to be executed out till basically FY30, FY31.

Vijay Sarthy: And what is our scope of work in...

Moderator: Sorry for interrupting, Mr. Vijay Sarthy, please join the queue for a follow-up question.

Nikhil Mallavarapu: I'll just maybe in a minute address that because it's an important development. Our scope of work in the UHM is, again, a full turnkey radar system. So we deliver the full radar to HAL, and we'll be working very closely with them to -- in terms of the integration on the platform and so on. So this goes right from development to qualification, certification and the requisite -- all the requisite airborne certification requirements and support that goes with a program like this.

Moderator: We have next question from the line of Mehul Panjuani from 40 Cents.

Mehul Panjuani: Congratulations on a good set of numbers. Sir, my first question is how quickly can our BTS business scale and the margins can improve? I have joined the call a bit late, so I may miss earlier responses.

Moderator: Mr. Mehul, please -- the noise coming from your line. Can you change...?

Mehul Panjuani: Yes, I'll go back in a better place -- is it audible now?

Moderator: Yes, yes, it is audible. Sorry, can go ahead.

Mehul Panjuani: Okay. Sir, my first question is how quickly can our BTS business scale and our improved margins improve out there?

Nikhil Mallavarapu: Yes. So the BTS part of the business, as we mentioned, we have a pretty healthy pipeline of order book, first of all, and then a pipeline of opportunities that we are seeing. So we don't -- we've been basically saying that at the combined level between EMS and BTS, both which are growing pretty healthy rate and probably fairly similar rates, can be in the range of 25% to 30% CAGR.

You will have certain years where we're able to grow a little faster in one segment or the other. And -- but over a medium term, that's a reasonable target, which we feel comfortable achieving. And so that's, I would say, broad level point, but there is a significant amount of opportunities and pipelines, which we are actively working on the BTS part of the business.

Unknown Analyst Sir, my second question is with regards to the West Asia crisis. If this crisis were to extend further, would we face challenges in procuring material which we require from our business?

Nikhil Mallavarapu: I think I answered that just a couple of minutes ago, I think the West Asia crisis basically had some short-term impact in terms of logistics but we're not seeing any major long-term impacts as a result of this war in terms of supply chain. We do have certain customers and programs that we are engaged with in the region. And -- so there are some opportunities that we're seeing as a result of the ongoing war. And so we will continue to monitor these as they evolve.

Moderator: We have next question from the line of Vivek Gautam from GS Investment.

Vivek Gautam: Sir, many congratulations for good numbers. So a few questions I had. Ours is a very old listed company. And what have been the trigger behind the recent improvement in the performance and are they sustainable? And how is the opportunity size for us, expected growth rate? And the differentiators for our company, sir? Thank you.

Nikhil Mallavarapu: I think to speak about the performance of the company, I think fundamentally, this is what we've been saying is that we've had overseas subsidiaries that have been masking the good story that we've been having at the standalone core India business, which if you look at the numbers over the past 4 years or so, we have been growing at a pretty healthy rate, once again, at the standalone level. So the -- both in terms of revenue and in terms of margins, the overseas subsidiaries have been dragging us down over these last years.

And this is where taking this decisive step to put this into a restructuring and basically get out of those businesses is a decision that the Board has taken. That allows us to really capitalize and focus on the opportunities that we have with our India platform for the ESDM business. So I think that's one at a higher level.

Specifically with regard to markets and opportunities, I think defense and aerospace clearly has been an area that we've been focusing on, with both the push for Make in India as well as the global increased demand, whether it's in Europe or in the Middle East as a result of the increased budgets from the ongoing wars or even otherwise.

Those have all been very good tailwinds, and we've been very well positioned to capitalize on those. And beyond that, I think on the EMS side of the business as well, we have been -- one, I would say, a differentiating point is that from a long time, we have been an export-oriented business. And so the levels of quality, reliability, performance and internal systems and processes that we maintain and run are at a global standard.

We've seen big global customers that are now looking to indigenize production of their electronics, which they were previously importing from outside the country or in certain cases, even buying for their global demands from other parts of the world, choosing India as a key destination and seeing the global standard that we are able to run and operate has given us a strong edge in winning these opportunities with these customers.

So I would say a combination of our positioning. And I must -- on the defense and the BTS side of the business, I must also emphasize our strong and deep domain knowledge in the design and IP creation of technologies, many of which are created for the first time in the country.

I've talked about several of these programs, whether it's space-based electronic warfare payloads, or hyperspectral imaging payloads, even as I mentioned, most recently, a major program for an airborne radar platform. All of these are, I would say, examples of IP that we are creating. And those, I think, are fairly differentiated from what many other companies can do.

Moderator: We have next question from the line of Raman KV from Sequent Investment.

Raman KV: Can you hear me?

Nikhil Mallavarapu: Yes, yes.

Raman KV: Sir, I have -- from your presentation, I have seen that your order book is now -- more than 50% of your order book is your BTS segment. And currently, around BTS segment contributes to around 28%. So can we expect in the coming year as well as by FY28, can we expect this to move towards more 40-60 split between BTS and EMS, thereby improving some margins as BTS is a higher-margin business?

Nikhil Mallavarapu: Yes. So I will maybe answer it in 2 steps. The first is that there are fundamentally different order execution cycles in BTS versus EMS. BTS orders or BTS inherently is an order book-driven business, and the execution period of a typical order is somewhere between 2 to 2.5 years. Whereas on the EMS side of the business, it is an annuity business in most of the products that we do. And so what we do -- what we get from our customers is a firm purchase order for, I would say, a shorter period of time and maybe a forecast for a pretty -- or a longer horizon.

What we report here is only firm purchase orders that we have, but the visibility is more considering the forecast also, but that's not reported. So the split of order book between EMS and BTS, I would say, is not an indication by itself of the split of revenues going forward because EMS orders typically may be in the range of 9 months or so execution period.

So 6 to 9 months depending on the product mix and customers and so on. So this is where I would say we do have a pretty good and strong visibility in terms of growth in the EMS side of

the business as well. So -- but you may see 1 or 2 years where BTS can grow a little bit more than the EMS part of the business like you saw in the FY26.

But I would say, directionally, both businesses are growing quite well. And over the medium term, I would say there would be moderately in a similar direction, but not significantly different from the current mix, maybe a little bit more towards the BTS side. The second part of your question with regard to margins, that we do see opportunity for us to improve the margin. As I said, we are targeting to be at 13% to 15% in the next 1 to 2 years' time horizon.

And that should be coming basically from some operating leverage also as we see the growth kicking in. But yes, over time, depending on the year, depending on the mix, you may see some improvement beyond that on the margins. But directionally, this 13% to 15% for the next 2, 3 years is where we feel we'll be.

Raman KV: Sir, my final question with respect to the divestment of your foreign -- of our foreign subsidiary. How much -- how much are we expecting as a quarterly loss from Q1 FY27?

Sundararajan P.: So Q1, as you're speaking, the process has kicked in already. And in the current quarter 45 days already over in the quarter. So the losses could be in -- we don't have a precise forecast, because we are not even sure in terms of what happens in the month of June, which business segment will move out and so on.

But like I mentioned earlier, there is a high possibility that we might lose control because of the process effects based on the court order, we'll evaluate again. And we might not even consolidate in Q1 if the triggering event takes place in the month of June itself, which we'll know sometime in June only because we can't predict it until we see the court order.

So to tell you like it can be in a very similar range of what we've been seeing plus probably some acceleration because of revenue slowdown. In general, the May month is a slow month in France.

Nikhil Mallavarapu: Broadly speaking, just to add. The main point here is that it is already a discontinued operation. And there is no cash that is going from the standalone entity or parent company to the subsidiaries. And it hasn't -- there hasn't been any over the last several quarters, in fact. So this will be deconsolidated very shortly. And we are looking at whether this will happen at the end of Q1 or I would guess worst case in Q2. So we don't expect any -- basically to be in our optimized scenario, we should -- this should be fully deconsolidated hopefully by Q1, not by Q2.

Raman KV: So just to put some numbers, we had INR 33 crores of loss from discontinued operation in Q4. So we can expect somewhere in that range for Q1, right?

Sundararajan P.: No. So no, in Q4, there are several other items also included, right, from Canada and so on. So I think continuing operations is what we should ideally be looking at, because June, it will only eventually, slide down in terms of numbers because it's the third month of the quarter, in fact we don't know whether those business -- some of the segments will be part of us or not.

Raman KV: So not more than what we reported during this quarter.

Nikhil Mallavarapu: No, it should -- yes, it should not be even at that range. Like what we're saying, there's a lot of one-time and so on that was happening in the Q4. So we don't expect that to happen. And in all likelihood, we will hopefully deconsolidate it completely.

And the other point just to note is that if you look at the balance sheet today, there is -- if you look at the lines for items held for disposal, the quantum of liabilities held for disposal is significantly higher than the assets over there.

So I think it's important to keep all of that in the context. And really consolidated numbers don't really mean much from a P&L standpoint anymore. It should really be focused on standalone.

Raman KV: Understood, sir. Sir, if I squeeze a small question with respect to the HAL order. Sir, this is INR 570 crores order. So I just want to understand what will be the total addressable market? I mean, once you are done with the development part and if you -- and if it's successful and you go on to do the execution work for the HAL. How much will it...?

Moderator: Sorry, Mr. Raman, please rejoin the queue. Ladies and gentlemen, this was the last question. I now hand the conference over to Mr. Harshit Kapadia for closing comments.

Harshit Kapadia: Thank you, Nitesh. We would like to thank Nikhil and Sundararajan sir for giving us an opportunity to host this call. We also would like to thank all investors and analysts for joining this call. Any closing remarks, Nikhil or Sundararajan sir, you want to share with investors and analysts?

Nikhil Mallavarapu: Thank you all for participating in our earnings conference call. I hope we were able to answer all your questions satisfactorily and at the same time, offer insights into our business. As I would say, in a short sentence, I think it's been a landmark year for us. We have taken the tough decisions of making the strategic calls with regard to underperforming overseas subsidiaries.

Standalone performance is strong, order book and visibility is strong, and I think we are quite well positioned to maintain a very good rate of growth and profitability as we move forward. And if you have any other further questions, would like to know more about the company, please do reach out to our Investor Relations managers at Valorem. Thank you, and look forward to further interactions.

Moderator: Ladies and gentlemen, on behalf of Elara Securities, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.

Nikhil Mallavarapu: Thank you.