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CORPORATE OFFICE

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HINDUSTAN AERONAUTICS LIMITED

CO/SEC/4(7)/2026-27/ BSE & NSE Filing/12

22<sup>nd</sup> May, 2026

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| BSE Limited<br>Listing Department<br>Phiroze Jeejeebhoy Towers,<br>Dalal Street,<br>Mumbai – 400 001 | National Stock Exchange of India Ltd<br>Listing Department<br>Exchange Plaza, 5 <sup>th</sup> Floor, Plot No C/1,<br>G Block, Bandra-Kurla Complex,<br>Bandra (E), Mumbai – 400051 |
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Dear Sir/ Madam,

**Sub: Transcript of Q4FY26 Earnings Call**

**Ref: BSE Scrip Code: 541154, NSE Symbol: HAL**

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Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, transcript of Q4FY26 Earnings Call held on Friday, the 15<sup>th</sup> May, 2026 hosted by Ambit Capital Pvt Ltd. is attached herewith. The same is also made available on Company's Website at <https://hal-india.co.in/investors/analyst-investors-meet>

2. This is for your information and record, please.

Thanking you,

Yours Faithfully

**For Hindustan Aeronautics Ltd**

**(Shailesh Bansal)**

**Company Secretary & Compliance Officer**

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“Hindustan Aeronautics Limited  
4QFY26 Earnings Conference Call”

May 15, 2026



**MANAGEMENT:** **MR. RAVI KOTA -- CHAIRMAN AND MANAGING  
DIRECTOR – HINDUSTAN AERONAUTICS LIMITED  
DR. BARENYA SENAPATI – DIRECTOR FINANCE AND  
CHIEF FINANCIAL OFFICER – HINDUSTAN  
AERONAUTICS LIMITED  
MR. SHAILESH BANSAL – COMPANY SECRETARY –  
HINDUSTAN AERONAUTICS LIMITED**

**MODERATOR:** **MR. SAMEER THAKUR -- AMBIT CAPITAL**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Hindustan Aeronautics Limited 4QFY26 Earnings Conference Call hosted by Ambit Capital. 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 touchtone phone.

I now hand the conference over to Mr. Sameer Thakur from Ambit Capital. Thank you, and over to you, sir.

**Sameer Thakur:** Good afternoon, everyone. On behalf of Ambit Capital, I thank the management of Hindustan Aeronautics Limited for the opportunity to host their 4QFY26 earnings conference call. To discuss the results, I'm pleased to welcome Shri Ravi Kota, Chairman and Managing Director; Dr. Barenya Senapati, Director Finance and CFO; Shri Shailesh Bansal, Company Secretary.

Now I invite Shri Ravi Kota to take us through the key highlights of the quarter, post which we will open up for Q&A. Thank you, and over to you, sir.

**Ravi Kota:** Thank you very much. Good afternoon, ladies and gentlemen. At the outset, I would like to thank all of you for taking the time to join us today and for your continued confidence in HAL. This interaction is particularly significant for me personally, as I assumed charge as Chairman and Managing Director of HAL on 1st May 2026. It's a huge responsibility to lead one of India's most strategic aerospace and defense organizations at a time when the Indian aerospace and defense ecosystem is undergoing transformational growth.

Today, I have with me Dr. Barenya Senapati, Director Finance and CFO; and Shri Shailesh Bansal, Company Secretary to answer any questions that you may have. We have declared our results for FY 2025-'26 yesterday and hosted the results on our website, as well as filed with the stock exchanges. Hope you had the opportunity to see the same.

I would like to highlight some of the physical milestones that we achieved during 2025-26 before discussing the financial numbers. Some of the major achievements during the year are: Production capacity of 8 LCA Mark-1A per annum established with the inauguration of the third production line at HAL Nashik in the presence of Honorable Raksha Mantri on 17th October 2025.

Indigenously designed and developed ALH Dhruv NG took maiden flight in the presence of the Honorable Minister of Civil Aviation on 30th December 2025.

Maiden sortie of the first series production Hindustan Turbo Trainer, HTT-40 aircraft, successfully completed on 24th October 2025.

HAL received the Certification of Indigenous Manufacturing of Shakti Civil Engine from the DGCA on 30 December 2025.

As part of the diversification, HAL signed the SSLV Technology Transfer Agreement with ISRO, IN-SPACE, and NSIL on 10th September 2025, securing a non-exclusive license to manufacture the SSLV.

For production of civil commuter aircraft, SJ-100 in India, HAL and Public Joint Stock Company United Aircraft Corporation, Russia, signed an MoU on 27 October 2025.

HAL contributed to ISRO's successful launch of the LVM3 mission on 2nd November 2025 and the LVM3-M6 mission that deployed the massive BlueBird Block-2 Satellite on 24th December 2025 by on-time supply of space-worthy hardware.

To position HAL as a key player in the global aerospace supply chain, HAL has signed an agreement with Safran Aircraft Engines in June 2025 for the industrialization and production of rotating parts of LEAP engines, which power the single-aisle civil aircraft such as Airbus A320neo, Boeing 737 MAX, etc.

Indigenization success stories, advanced manufacturing capabilities, and opportunities for MSME partnership were showcased during the National Defense Industries Conclave, 19 to 20 March 2026, inaugurated by Honorable Raksha Mantri.

Now I would like to discuss a few financial highlights for FY 2025-'26.

We have achieved revenue from operations of INR33,050 crores for financial year 2025-'26 in comparison to INR30,981 crores in financial year 2024-'25. This is an increase of 7%, despite global aerospace supply chain disruptions.

Deliveries of ALH helicopters, AL-35FP engines, RD-33 engines and ROH revenues helped offset delays in Tejas Mark-1A and HTT-40 programs. Our diversified portfolio has enabled balanced growth across segments.

Our manufacturing revenue was INR9,227 crores, and ROH revenue was at INR20,524 crores. The manufacturing revenue increased from INR7,957 crores to INR9,227 crores with the help of the delivery of ALH helicopters, AL-31FP engines, and RD-33 engines. The manufacturing revenues are expected to grow further on the commencement of delivery of LCA Mark-1A and HTT-40 during the current year.

During the year, we also achieved export revenue of INR501 crores as against INR400 crores of the previous year.

The profitability remained robust during the year. Our EBITDA grew by 11% to reach INR13,472 crores as against INR12,168 crores of the previous year. Operating EBITDA was at 30% of the revenue and was maintained at the levels of the previous year. We reported a profit before tax of INR12,112 crores as against INR10,820 crores reported in the previous year. This is an increase of 12%.

Coming to capex and R&D expenditure, we are continuously investing in our future through investment in building capabilities in the form of capex and in our future capabilities through R&D expenditure. During the year, we have crossed INR2,386 crores as capex and INR2,794 crores in R&D activities, which is around 8.4% of our revenue.

Considering the major orders in-hand, envisaging new orders, and to ensure timely delivery to the customers, production capacity ramped up for the following major projects, namely LCA and HTT-40 manufacturing at Bangalore and Nashik plants. LCH manufacturing at Bengaluru and Tumkuru plants will be the focus areas going forward.

Additionally, we plan to develop manufacturing infrastructure for LCA Mark-II, GE 414 engines, and IMRH engines, infrastructure facilities for manufacturing SSLV, indigenization of aero engine projects, etc., along with facilities to support design and development activities for IMRH and other projects. We plan to invest around INR12,000 crores in these projects by 2030.

During the year, HAL has filed 223 IPR applications, which made the cumulative number of 2,842 IPRs filed by the company. Further 84 IPRs have been granted during the year, taking cumulative IPRs held by organization to 1,226.

Coming to order book. The order book of the company further improved to INR2,54,538 crores against the previous year order book position of INR1,89,302 crores as on 1st April 2025, and after the liquidation of the current year turnover of INR31,792 crores.

During the year, the fresh orders received by the company were INR97,028 crores, which includes the manufacturing orders of INR69,668 crores and ROH orders of INR26,539 crores. Major orders bagged include contracts for the supply of 97 LCA Mark-1A to IAF, quantity 6 ALH Mark III MR to ICG, quantity 8 Do-228 to ICG, quantity 10 ALH Dhruv NG to Pawan Hans, quantity 2 Hindustan-228 to Guyana.

The order pipeline looks even more promising with additional anticipated contracts of 143 ALH for the Army, IAF Su-30 upgrade, upgrade of 40 Do-228, etc., are at various stages of approval. In total, we expect to receive orders of INR90,000 crores, including the ROH orders, during the next 2 years.

I would like to conclude and say that these results represent not just numbers on the balance sheet, but the culmination of dedicated efforts by our 24,000-plus employees, the trust of our armed forces, and the collective aspirations of a nation-building self-reliance in aerospace and defense. While this past year has presented significant challenges, it has also demonstrated HAL's resilience and our unwavering commitment to national security. Thank you and Jai Hind.

**Management:**

You can now start the question-and-answer session.

**Moderator:**

First question is from the line of Atul Tiwari from JPMorgan.

- Atul Tiwari:** Sir, what is the status of the start of delivery of LCA Mark-1A to the Air Force? When can we expect the Air Force to accept the first lot? That is the first question. And what is the revenue growth and EBITDA margin guidance for FY '27?
- Ravi Kota:** Thank you, Mr. Atul. This is CMD here. See, as you are aware, that we have 6 engines received from GE now, and all these aircraft are flying. There are few tests still undergoing now, and we are going to discuss the same with the Air Force in the coming months. So we are hoping to resolve everything and stabilize by August or September. And I'll just hand over to the Director Finance to give the guidance.
- Barenya Senapati:** As far as revenue growth is concerned, we are hopeful that we'll be maintaining a double-digit growth in the current financial year '26-'27. And the EBITDA margin, we have always maintained around 30%, 31%, and it will be maintained.
- Atul Tiwari:** Okay, sir. And sir, because these timelines of LCA delivery have gotten stretched multiple times. And is there a risk that the delivery schedule spills well beyond August and possibly only in the very fag end of FY '27?
- Ravi Kota:** No. This time, because GE has committed more engines this year. So with that, we are hopeful now that by August or September, we should be able to start the delivery.
- Atul Tiwari:** But, sir, the delay in the delivery of the first 6 aircraft appears to be beyond the engine because those aircraft are ready. And based on media reports, and we don't know the reality, it looks like there is some software issue, etc. So could you throw some light on what is holding it up? And how big is the issue? And what are you doing to resolve those issues? I'm asking because, in the market, it is causing a fair bit of anxiety among the investor base, and there are question marks about whether any aircraft can be delivered even in FY '27.
- Ravi Kota:** See, the testing, whatever has been done, is only for refining whatever has already been tested. So this is a continuous process. So since there are more technicalities involved in that, I will restrict myself to saying that we are moving in a very positive direction, and we are hopeful that by August or September, we should be able to start the deliveries.
- Moderator:** The next question is from the line of Amit Dixit from Goldman Sachs. As there is no response from the line, we'll move to the next question, which is from the line of Umesh Raut from Nomura.
- Umesh Raut:** Congrats for strong operational performance in fourth quarter. Sir, my first question is again on LCA program. If you can articulate to us in a better way what went wrong in terms of execution delays apart from engine supplies from GE? And what exactly is left in terms of testing where we can get confident of deliveries by the second quarter end this financial year?
- Ravi Kota:** Thank you very much. Again, as I told to Mr. Atul, see, these refinements, whatever, because I cannot get into the details of it, so these refinements, we need to meet certain parameters. So

these requirements are -- because these are all design and development projects, they have to go through iterations. So we are going through the iterations of that. And we will be -- we are confident, because now it is going in the right direction. The results are very promising. But still, some refinements are required, so HAL is working on that. We are confident that we will be able to meet the September deadline.

**Umesh Raut:**

Got it, sir. Sir, if I understand correctly, we are doing a lot of these platforms after design and development for the first time in terms of execution, and indigenization, as per se, for us, in terms of scope, has also increased. So what are our action plans in terms of mitigating these execution risks in terms of other programs, whether those are in terms of, say, HTT-40 or LCH on the helicopter side? So what are our plans in terms of mitigating these execution risks? And at the same time, if you can guide us in terms of execution timelines for other larger programs, like LCH and Sukhoi 12 Mark-1A aircraft?

**Ravi Kota:**

So you please -- one thing is, see, the other programs -- first of all, whatever risk mitigation, what you are telling, what we are trying to do is we are trying to identify more than one vendor for the supply of items, whether it is indigenous or from a foreign source, so that we have an alternate available for us. That is one thing.

As far as Su-30 or the HTT-40 is concerned, all the purchase orders required are already placed with the vendors. So now we are in the receipt of these items, even though it is slow because of the geopolitical situation. We will still be able to maintain the deliveries of the other platform, as you mentioned, in time because all the structures, everything, we are going ahead as per plan.

**Barenya Senapati:**

To supplement CMD, there is a little bit of a difference between LCA and LCH. LCH is our own design product. HTT-40 is our own design product. And LCA, it's a joint production between ADA and HAL. So we are confident this helicopter, LCH, and HTT-40, is on the right track. And as per the contract, it will be delivered. LCH, hopefully, as per contract '27-'28, and we'll be able to deliver in time.

**Umesh Raut:**

Got it, sir. Sir, my second question is pertaining to supply chain risk that we have in the business, where if I look at beyond probably engine supply from GE, in case of other programs, are you seeing any kind of supply disruption, whether it is for radars or engines for that matter in programs like Sukhoi, LCH helicopters, HTT-40 aircraft, any kind of supply chain risk over there where vendors are delaying any major components to you?

**Ravi Kota:**

Yes. See, if you see now the current global situation, whatever is there, I will not say disruption, but slowness is there. There is a slowness. But when we have discussions with them, and now we have started discussing with their Tier 1, Tier 2 vendors also, we are getting confident that we should be able to get the items. There may be minor delays, but we are confident that we will be getting within the time required for me to complete the platform and delivery. Because the current situation is like that, some delay is expected from a few places.

- Umesh Raut:** Got it, sir. Sir, my last question is on the guidance side. If I look at your guidance for revenue growth of double-digit, can you quantify this growth relatively in a better way, where exactly this growth is expected to come from? How much increase over and above INR92 billion, INR93 billion that we reported on the manufacturing side, we can expect in '27?
- Barenya Senapati:** See, when I said double digit -- see current year, if you see it is around 7% growth. So double-digit means you cannot expect a significant increase like 15% to 20%. Yes, it will be in the range of 10% to 12% minimum.
- Umesh Raut:** Got it. But particularly in the case of manufacturing, where we have seen about 30% year-on-year growth -- yes.
- Barenya Senapati:** Manufacturing 30%, if you see, if hopefully, our LCA program and HTT-40, if we are able to deliver, manufacturing sales will play a dominant role.
- Moderator:** The next question is from the line of Saif Sohrab Gujar from ICICI Prudential Asset Management.
- Saif Sohrab:** If you can highlight the upcoming programs like Tejas Mark II, when do you expect the ground testing and prototype rollout of, say, the Mark II program? And also on the other future programs like the UCAVs, any update on that expected over the next 1 year?
- Ravi Kota:** Sorry, what is the second program you talked about?
- Saif Sohrab:** Unmanned aircraft and all those. Other programs beyond that, right? Maybe first on the Tejas Mark II, when do you expect the prototype rollout?
- Ravi Kota:** Yes. The assembly of these structures is going on for Tejas Mark II. So we are expecting in the last quarter of this year, for the rollout of Mark II. Again, these are all joint designs between us and ADA. So there are a few things that have to be resolved by them also. So we are expecting that by March, we should be able to roll out Mark II.
- But other than that, as you said, we are doing a rotary UAV, which is -- the prototype is already built, and we are doing the ground test now. And the CATS Warrior, which we did the ground run last year, it was successful. Now we are actually building the actual UAV now. That we are expecting next year, not this year. maybe it will have a flight.
- Saif Sohrab:** Sure. And sir, the second question is on the Mark-1A platform. In our guidance, how many Mark-1A have we considered?
- Ravi Kota:** Actually, what is happening now, this time, we have received 6 engines. So GE is committing another 20 engines -- 15 to 20, he is telling, but not the exact number. So we are expecting around 20.
- Moderator:** The next question is from the line of Mohit Pandey from Citigroup.

- Mohit Pandey:** Sir, first question is on the ROH revenue. The growth seems to have come off compared to what we used to guide earlier. So any colour there, sir? That would be question number one.
- Barenaya Senapati:** No. If you see, spares sales have actually come down by around INR500 crores to INR600 crores in the current financial year compared to the last financial year. But the repair and overhaul are almost at the same level because we have not added any new platform to our repair and overhaul activities.
- It's all the same platforms like ALH and -- maybe when the LCA will come up for repair and overhaul, maybe next year, and more of LCH, if it comes, then only it will be a significant increase in repair and overhaul we may have in the next financial year. Otherwise, if you see platforms are the same and then at the same level only, except for the escalation part, and other things which might be there.
- Mohit Pandey:** Understood, sir. Sir, secondly, on margins, so your guidance of 30%, 31% margins, sir, with manufacturing share increasing and with some supply chain disruptions that you highlighted, input costs going up, so how do you plan to deliver similar margins, sir, 30%, 31%? Is there a cost pass-through process with regard to commodities in your contracts with the end users?
- Ravi Kota:** No. But the disruption —whatever— or the delay— or what I told you at the beginning— is that this purchase order is already placed.
- Barenaya Senapati:** See for '26-'27, already we have the inventory.
- Ravi Kota:** Yes, we have.
- Barenaya Senapati:** The inventories are there, and only some components may come, for which the purchase order has already been placed 1 year back or 2 years back. So there will not be any cost increase as such for '26-'27. I don't think -- there will not be any increase. And as the purchase orders have been placed for 83 LCA long back, our inventories have been purchased, and we have built up the inventory. So we'll get that advantage. And then we have negotiations and all those things.
- Ravi Kota:** And if you see, we have already produced the aircraft, like -- you have seen, around almost -- more than 20-plus aircraft are already produced, for example, LCA is produced, which means all the items are fitted, and its engine ground run has also happened.
- Barenaya Senapati:** And as far as the ERV exchange rate, this is already mitigated. It is factored into the contract. So we are not affected. So our cost of production will not increase.
- Mohit Pandey:** Understood, sir. Sir, and from, say, next year perspective, when the older inventory gets used up, so just to understand, are there similar to the exchange rate variation clauses, also commodity-linked cost pass-through?
- Barenaya Senapati:** ERV clause is there in each and every contract, and even in the repair and overhaul contracts.

- Mohit Pandey:** That is clear, sir. But yes, on the commodity and other input costs also, are there pass-throughs available?
- Barenya Senapati:** Other input costs mean only the material. Labor and all those things, this escalation is already factored. And material escalation is already factored into the contract itself. So I don't think -- based on our negotiation and the clubbing of the material and then LTBA and all those things, we don't see any significant increase in the material cost also in our future program because 97 LCA, already we have placed purchase orders.
- Mohit Pandey:** Yes, yes. Understood, sir. Very clear on that. Sir, one more question. So now that the next 2 years we'll be working on 5, 6 programs in parallel, with LCH Prachand also coming up for delivery and Su-30, so how are we -- while we have mentioned about capex and all, with regards to manpower and other resources, how are we placed? What could be the peak aircraft and helicopter delivery that we could do, say, in '28 or '29? Any color on that? Because we understand there is increasing private sector competition also for manpower and all.
- Ravi Kota:** See, all the deliveries for the next year will be as per the contract. You touched upon the manpower and other things, if you see, now we have -- we are trying to increase our efficiency inside. And we are trying to outsource because we have partnered with so many people outside to do the main -- full structures so that I will be the core integrator. And we are trying to in-source as much as possible so that my manpower cost remains as low as possible. So I can use in-sourcing and outsourcing so that I get better efficiency and better costing for the product.
- Barenya Senapati:** And still, we are open. It will be a balancing thing. '28, '29, we are talking about 2 to 3 years down the line, but we have not closed our recruitment process also. It will be a balancing one, more of outsourcing, in-sourcing, and some recruitment will also be there in due course.
- Mohit Pandey:** Understood, sir. And for all your manufacturing -- just one clarification, all the manufacturing projects, revenue recognition is only at the time of delivery, right? It is not on percent of completion method.
- Management:** No, no. It's against delivery.
- Mohit Pandey:** It's at delivery. So we will have possibly a lumpy year 2 years down the line? Okay, sir. And yes, yes. And sir, just one follow-up to the previous participant. We have read about press reports about the GE F414 engine, right? So the Mk2 prototype you mentioned by next year and the order -- by when it could come, sir, any sense on that?
- Ravi Kota:** That will be by the end of maybe next year because it has to fly, and then finally, the Air Force will start pushing the paper. So we are expecting by the end of maybe another 2 years, down the line, we can expect the order.
- Moderator:** The next question is from the line of Kavish Parekh from 360 ONE Capital.

- Kavish Parekh:** On the Sukhoi program, I have 2 questions. First, on the 12 Sukhoi-30 aircraft order, what is the expected execution timeline? And when are deliveries likely to commence? And how many aircraft should we expect to be delivered annually over the next 3 years?
- Ravi Kota:** Okay. The Su-30 MKI, as per contract, starts from '27, '28, that is, in that year, there is only 1 aircraft due as per contract. And next year, we are going to complete all 11 In 28-29.
- Kavish Parekh:** So 11 units in FY '29?
- Ravi Kota:** Yes. That is -- will complete.
- Kavish Parekh:** And second, on the Sukhoi-30 upgrade program, what is the likely timeline for contract signing and subsequent execution of the same? How should we think about annual revenue recognition from this program once execution begins? And what would be the margin profile for the Sukhoi-30 upgrade revenue? Will it be closer to manufacturing margins or ROH margins?
- Barenya Senapati:** No, It's the Su-30 upgradation design program now. The design program will go on up to maybe 5 to 6 years. And so we are expecting the CCS approval for the current financial year. So the design will take probably 5 to 6 years. Then only the upgrade program will start, production will start after 5 to 6 years.
- Moderator:** The next question is from the line of Sumit Kishore from Axis Capital.
- Sumit Kishore:** Good afternoon. My sincere regards and congratulations to Mr. Ravi for shouldering this huge responsibility for the nation in heading HAL. My first question is, the 10% to 12% revenue growth numerically in the second half of the year, how many LCAs are you sort of factoring in terms of dispatch?
- Because it appears to be a single-digit number, given the value per LCA. So -- and when I look at the inventory plus contract assets, that's almost INR490 billion. So what percentage of your inventory unbilled revenue is for the LCA program now? So maybe if you could address these 2 points as the first question.
- Ravi Kota:** As I initially explained, also since we are getting around 20 engines. We are planning to deliver around 20 LCA. I'm not telling that it may happen in this quarter, next quarter, or the last quarter. But this financial year, we are planning to deliver this many aircraft. That's 20, this year, we are planning to deliver. As regards the -- what is the second question? Which is the other part of the financial...
- Management:** So, inventory for LCA is around INR7,500 crores. And if you look at the unbilled revenue, unbilled revenue is against the delivery that has already happened. It's not against the inventory. Whatever we have delivered because of the documentation and all those things, the non-receipt of documentation we could not bill it. So that has nothing to do with non-delivery of LCA. For

non-delivery of LCA, our inventory is around INR8,100 crores, if you include raw material and WIP.

- Moderator:** The next question is from the line of Shirom Kapur from Jefferies.
- Shirom Kapur:** I'm going to start with a bookkeeping question. If you could quantify what was your export and development orders and sales for FY '26?
- Management:** The export order right now, the export order book is around INR400 crores, and the development order book is around INR3,000 crores.
- Shirom Kapur:** Okay. Got it, sir. And secondly, I just want to understand this pipeline that you mentioned of INR900 billion orders over the next 2 years, including ROH. So if we keep ROH of about INR200 billion -- INR20,000 crores a year on the side, that is about INR50,000 crores. You mentioned 143 ALH and 40 Dornier aircraft.
- Could you quantify what -- how much these programs are worth and what other programs are in the pipeline beyond these, such as the UH-M aircraft and any other, LUH -- 12 LUH Limited Series Production that was pending. So what are the timelines, quantities, and values of those?
- Ravi Kota:** Since these contracts are not yet 100% finalized, that's why I did not give detailed numbers for each contract because it takes time. But a ballpark figure, I have just explain what are the numbers the services are expecting. And we have started discussing with them, with these numbers, with these -- top-level cost with them. But however, it is not finalized. That's why we have not given any numbers.
- Management:** The major contributor will be the ALH 137 program. And as usual, your ROH program will be at the same level.
- Moderator:** The next question is from the line of Harshit from Elara Capital.
- Harshit:** Congrats on decent results, and the CMD is the first to have this role. Just a few questions. One is that there was news that there will be a penalty on GE for the delayed engines. So would that be from you, or would that be from the Ministry of Defense? And if that is true, how do you recognize that? Any quantum that you can share?
- Ravi Kota:** No, these are all commercial activities as per the purchase order with GE, whatever is there. But we are talking about only the penalty. There are so many terms and conditions, which is available in the contract. It's on there. So it's -- as for the procedure, we apply not only to GEs, these are applicable to all the purchase orders we placed with the vendors.
- Harshit:** Okay. But any amount that you can suggest? What could be...
- Ravi Kota:** It's in the contract, so that's why we don't want to give any...

- Management:** It depends. And delivery will happen when the payment is made. At that time, we'll see what it will look like. It's not the right time to say what the penalties will be— we cannot quantify them right now. Let the delivery happen, then we'll see.
- Harshit:** Okay. And sir, lastly, just wanted to check on the AMCA program. I know you are not part of it, but is there a possibility during the production time that HAL could be involved? And secondly, is there a possibility of you getting orders for the SU-57?
- Ravi Kota:** First, let me answer about AMCA. This, we have made clear last time also because the current tender, whatever the tender that is going to come is, is that RFI, which was placed, is for the D&D program only, that is to build prototypes. And they have not indicated that the same person will do production. So we are hopeful that we will participate in that. And as far as SU-57 is concerned, it's the government's call, so we cannot comment on that right now.
- Moderator:** The next question is from the line of Harshit Patel from Equirus Securities.
- Harshit Patel:** My question is on the ALH. Have we completed the execution and delivery of all the legacy contracts, including the army contract for 24 members? And what will be our execution schedule for the contract of the 143 ALH that you were mentioning that we will receive in the next couple of years?
- Ravi Kota:** Yes, the deliveries of ALH, we have no issues. We have delivered everything as per contract. And as far as the new one is concerned, now we have augmented the facility in the current helicopter division. And outside, private vendors are also helping us in making the structure. So we are confident that ALH, because it is our program in a sense, designed by HAL, we will be ahead of schedule.
- Harshit Patel:** And just a clarification of the HTT-40 program. I wanted to check on any supply chain issues with the production, especially with the Honeywell engines. Also, if you can share the execution strategy, that will be helpful. Did you mention we will start in FY '27 or FY '28 for delivery?
- Management:** FY'27.
- Harshit Patel:** And how much units we are planning for FY '27? And I think we should be able to complete this by FY '30. Is that the right understanding?
- Ravi Kota:** Yes, You are right. See, as I said, the supply chain of Honeywell engines, it was there a few months back. Then we have continuous review, and now it is stabilized. So the engines will start going to come from next month. And we are planning around 20 plus this year to deliver. And every year, it continues because now we have 2 lines, one in Bangalore, another one in Nashik. So we should be able to ramp up faster and deliver.
- Harshit Patel:** Can I ask one more question, if that's okay?

- Ravi Kota:** Yes, please go ahead.
- Harshit Patel:** Yes. Sir, what is the status of Uttam Radar integration? By when we will start producing Mk1A? Is the Uttam integrated on them? I believe the earlier plan was to start from the 41st unit. Is that still intact?
- Ravi Kota:** No. Because this is controlled by the DRDO. So we are only a production agency. Once they give the production clearance, we will go to the DCPD partner and we'll buy it. So as of now, it is not coming in the 83 program. So in the 97 program, we are planning to integrate this.
- Moderator:** The next question is from the line of Chaitanya Iyer from Goldman Sachs.
- Chaitanya Iyer:** So I wanted to ask, provisioning as a percentage of revenue was on the lower end this year. Can you please elaborate on that? And what would be the stable state guidance that we can consider for the same?
- Management:** The provision is based on the happening of an event. See, last time, the provision we made because the 1 SU-30 aircraft got into an accident. So, for the replacement purpose, we made a provision of INR800 crores. And that situation is not there, in the current year. So it's not comparable. Provision is based on any happening or not happening. So for that reason, last year, that INR800 crores was there, and that INR800 crores is not there in the current year. So there cannot be any guidance percentage of revenue and in provision.
- Chaitanya Iyer:** Understood, sir. And sorry if I missed this, but could you give the exact numbers for the manufacturing ROH development and exports for all 4 of these?
- Management:** Manufacturing for the current year, if you see, manufacturing is around 28%, and then we pair an overhaul 62%, and other 10%.
- Moderator:** The next question is from the line of Neelotpal Sahu from JM Financial.
- Neelotpal Sahu:** Just one clarification. Can you help quantify the manufacturing share of revenue for the INR48,000 crores of 83 LCA Tejas Mk1 aircraft. That would be the first question.
- Management:** Can you repeat? It was not clear.
- Neelotpal Sahu:** So INR48,000 crores, I assume, includes some ROH component and some of the payments to ADA as well. So, can you help us understand what would be the share of purely the manufacturing part of revenue that would accrue to us?
- Management:** INR48,000 crores? Where did you get that number? INR48,000 crores? It is our order book position you are...
- Neelotpal Sahu:** Yes. The complete order is INR48,000 crores. What is the, like manufacturing...

- Management:** The complete order is on HAL. So the entire contract is with HAL, and whatever supply will be made by HAL, the entire thing will be revenue for HAL.
- Moderator:** The next question is from the line of Sanjeev Zarbade from Antique Stock Broking.
- Sanjeev Zarbade:** Sir, there were -- Ravi mentioned that in the future, the growth of manufacturing revenue would be faster than ROH, and it could be -- probably impact margins going ahead that you are guiding for 30% to 31% EBITDA margin. So, how should we read into this?
- Management:** Yes, manufacturing, see, your repair and overhaul also, what we said that -- see, now current year, if you see our revenue growth is around 7%. And as we grow, manufacturing sales will grow. Then definitely, the composition, what is there right now, is around 28% to 30% to 70%.  
  
So it will be in the range of 50% to 50%. 50-50. So there is no reduction in the repair and overhaul sales, Repair and overhaul sales will also grow by the addition of the new platforms and all those things.  
  
And the manufacturing as well, manufacturing sales will grow. The composition only, it will be now 30-70, it will be in the range of 50-50. And your revenue growth would be there as well. So that, we don't feel -- and there will not be any stress on the profitability from the manufacturing contract. Though revenue there -- I mean, the profitability on repair and overhaul, a little bit higher than manufacturing.  
  
But repair and overhaul, growth will be there as well as manufacturing there, we don't see any stress on the manufacturing sales also in terms of profitability. And that 30% will be maintained.
- Moderator:** The next question is from the line of Dipen Vakil from PhillipCapital.
- Dipen Vakil:** Congratulations on the great margins. Sir, first question is, I want to understand your order book position with respect to the projects that are currently under execution. Like, what is the pending order book for engines and -- so ALH helicopters? So, can you help us with the amount breakup for the order book currently executed?
- Ravi Kota:** Currently, as you see, LCA is one of them. And we have 12 Su-30s, we are doing. AL-31FP engine, we are doing Dornier-228. 21 ALH we're doing. LCH, HTT-40 and RD-33 we are doing. These are the major platforms that are already going on, which I mentioned in my opening statement, where around INR2.84 lakh crores orders are there.
- Moderator:** The next question is from the line of Amit Anwani from PL Capital.
- Amit Anwani:** So, my question again on LCA. So you did highlight that I think there's a final leg of iteration, and probably 6 by September, we can deliver. So I think so far in April and May, we may not have received the engine. So, what is the understanding now? Are we still targeting to get at least 2 engines per month from probably next month till March?

- Ravi Kota:** No, Mr. Amit, again, thanks for your question. June, we are expecting 1 engine now. Then afterwards, it is going to August. From August, they have committed 2. And then by end of this year around 15 to 20, yes, so because 15 is telling, yes, I would give, but a balanced one, you may get more which is still not committing. So that's why I told 20 LCA we will deliver this year.
- Amit Anwani:** So at least 15 additional, the -- and that will be largely starting from August to March?
- Ravi Kota:** August. Yes, exactly.
- Amit Anwani:** So that deliveries will slip to the next financial year. Is it correct? So, how much time does it take for the engine to be received after you start delivering till the final delivery happens to the IAF? So, how much time will it take?
- Ravi Kota:** Around 30 to 45 days.
- Amit Anwani:** 30 to 45 days, understood. Sir, what is the core reason that last financial year, also, I think you guys received a commitment of at least 2 engines per month, but nothing of that sort materialized. So is it the issue at the GE in terms of supplies? Or -- so what is the core issue that so much of the variability is happening in terms of delivery from GE, despite now things have been okay versus the COVID time? So what is the core issue at their end?
- Ravi Kota:** Yes. The supply chain issue is global. It has not spared anybody. Even the big players like GE or Honeywell, everybody is impacted by the supply chain. And they have also gone through that cycle. There were some casting issues that they had because we, as I explained earlier, went to the Tier 2, Tier 3 suppliers to also understand the real issue. And they had a real supply chain issue. So it is, again, supply chain. As I told you, disruption is with GE also. Now they have found an alternative for that. So that's why he is committing the numbers that I explained to you also.
- Amit Anwani:** Understood, sir. Sir, finally, you mentioned the ongoing projects. Just wanted to understand in terms of numbers, how much, for example, the engines RD and AL FP, how many numbers you're targeting for deliveries across different platforms that would help?
- Management:** Our target is around 32, 35 engines per annum of AL-31 FP. And RD-33, only 15 engines are left, and those 15 will be delivered in the current financial year, '26, '27.
- Amit Anwani:** Right. So what's the target for HTT, ALH?
- Management:** ALH, Army, the 10 numbers are left out, and then we are going to deliver those 10.
- Ravi Kota:** There are the other 5, and Pawan Hans is 8. These are our targets. They're all on track, and we'll be able to do that.

**Amit Anwani:** And LCA, you said, probably we are targeting 15 to 20 deliveries this financial year? That's right?

**Management:** You are right.

**Moderator:** The next question is from the line of Shreya Agarwal from Asian Market Securities.

**Mayur Milak:** This is Mayur Milak. So first thing, you've added about INR9,000-odd crores into your inventory this year. And you said bulk of that is the LCA inventory that you've carried. So this is all the bodies that you had made, the airframes and the engines received, all of that is sitting in inventory, is it?

**Management:** Yes, yes. That is a WIP, what we have made up. We don't have only LCA. Many programs are going on. And the inventory is for repair, if you see, out of INR33,000 crores, INR20,000 crores is towards repair and overhaul and spares.

And so we built up inventory for repair and overhaul also, spare supply, then we have Su-30, AL-31FP engines, RD-33 engines, then LCH, to some extent, ALH. So this inventory is for all now those platforms, HTT-40. LCA is part of it. And as I said, out of 30,000 LCA is around INR8,000 crores.

**Mayur Milak:** Sure, sure. So the second thing, we've had capacities of 24 LCAs, and assuming that these deliveries begin as and when in this fiscal. Would it be fair to assume that we should start having a better operating efficiency and some recovery in margins because of that as well, since most of that facility would be lying idle as of now?

**Ravi Kota:** No. Why? They are not idle because you see production is happening. We have 3 lines now, 2 in Bangalore and 1 in Nashik. Not a single production line is idle because we are continuously building the structures and equipping them. Everything is being done. It's not that these facilities are idle. That is why we were able to do what we showed at the end of March, 21-22 structures ready.

Those structures are fully built and engine ground run completed, which means all the systems are working fine. So there's nothing called idle capacity as of now. And we have 97 orders coming. So all these facilities will be 100% utilized throughout the year.

**Mayur Milak:** Okay. And sir, just since you've been mentioning it time and again, that there is an ongoing process of checking and the facilities on the LCA, and approvals are expected once we complete most of these parameters. I'm just trying to understand, let's say, as and when the first round of deliveries happens, does that mean that all our dedicated numbers will have the same software, or will there still be upgrades coming in on the pending volume that needs to be delivered to the armed forces?

- Ravi Kota:** No. Because once the certification happens, all aircraft will be with the same software. Minor modifications will be there. There's always continuous improvement. But that will not be like a huge jump. Minor updates will be there because once we fly, a few improvements will be required. So that we will take on if we—and most of the time...
- Mayur Milak:** Okay. And so that is why you're saying that once those deliveries happen, we should expect better returns on the spare part use and the ROH income. So will all of those changes be part of the service income?
- Ravi Kota:** LCA will not be immediate because these deliveries are happening now. These ROHs will come after some time.
- Management:** There are already 38 LCAs we have delivered from earlier contracts. Those things will come now. And then with the ALH continuously, we are supplying 20 to 25 every year. So those things will come. So there is an addition in the repair and overall quantity. And these LCAs what will be delivering, right, the current financial year, maybe like the 3 years, we will come for ROH...
- Management:** ROH cycle will start.
- Management:** ROH.
- Moderator:** The next question is from the line of Sagar Dhawan from Valuequest.
- Sagar Dhawan:** Sir, just wanted to understand on the ROH side. Typically, in the LCA, like you said, you delivered 38. In the INR100 of the value of the equipment, what is the relative ROH portion in that? I mean, if INR100 is the equipment, then anchor a thumb rule that this would be the ROH component in terms of value?
- Management:** ROH, see, repair, and overhaul has nothing to do with the sale of the equipment. After that, it depends on the -- what type of repair, the repair or it's a full overhaul. If it's a full overhaul, we have a separate kind of pricing mechanism, 10 to 15 will be on a cost-plus basis. So it will come for the overhauling, and whatever will be the cost -- actual cost in terms of component, material, labor.
- So the selling price will be decided on that basis. And based on the samples, the overhauling cost will be fixed. Okay. So as I say, in the procedure, repair, and overhaul procedure. We call it the PPRC, the pricing policy review mechanism. So it will be done in that way. So there is no fixed percentage that ROH will be a fixed percentage of the equipment cost.
- Sagar Dhawan:** Got it. And sir, one more clarification. When you receive an order for a new aircraft, let's say, a Tejas LCA order you received a couple of years back, 97 plus 83, did the order inflow include the ROH portion in that, or is that order only for the equipment?
- Ravi Kota:** It's only for production.

- Management:** It's only for the delivery of the quantity along with the...
- Management:** That will be a separate order later.
- Moderator:** The next question is from the line of Shubham Dalia from Nirmal Bang Institutional Equities.
- Shubham Dalia** Congratulations on a great set of numbers. Sir, my question is on the number of deliveries that we are expecting and the guidance that is there, because we are expecting around 20 plus HTT-40, then we are also expecting LCA to go, then the guidance of 10% to 12%. So are we seeing some risk in any of these programs? That's my first question.
- Management:** When we tell 10% to 12%, then hopefully, we have taken all these things into account while we conclude our revenue target for the current financial year. So hopefully, we expect that whatever we have told right now, we will be delivering. And we have our ways and means to see that if something goes wrong.
- And we will always have our plan B in the year that we cannot tell you right now. But we are confident that LCA and HTT-40 will be delivered, and whatever guidance we are giving, 10% to 12%, we'll be able to maintain it.
- Moderator:** Ladies and gentlemen, that was the last question for today. I now hand the conference over to management for closing comments.
- Ravi Kota:** This is Ravi here, CMD, again. I just want to thank each one of you for taking the time and asking us questions. And we, at HAL, are continuously working towards meeting these targets, as we said. Once again, thank you to each one of you for participating in this call. Thank you very much.
- Moderator:** Thank you. On behalf of Ambit Capital, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.
- Ravi Kota:** Thank you.