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To,
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex
Bandra (East),
Mumbai - 400 051

Symbol: - KRISHNADEF
ISIN: - INE0J5601015

Subject: Transcript of Earnings Call

Respected Sir/ Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, please find enclosed herewith the transcript of the Earnings Call held on Friday, 22nd May, 2026 at 3:00 P.M.

Kindly take the same on the record.

Thanking You,

For Krishna Defence and Allied Industries Limited

Ankur Ashwin Shah
Managing Director
DIN: 01166537



Krishna Defence & Allied Industries Limited

Q4 & FY26

POST EARNINGS CONFERENCE CALL

May 22, 2026 3:00 PM IST

Management Team

Mr. Ankur Shah, Managing Director
Mr. Manish Shah, Chief Financial Officer

Call Coordinator



Strategy & Investor Relations Consulting

Presentation

Vinay Pandit:

Ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations team, I welcome you all to the Q4 and FY26 Post Earnings Conference Call of Krishna Defence and Allied Industries Limited.

Today on the call from the management team we have with us Mr. Ankur Shah, Managing Director and Mr. Manish Shah, Chief Financial Officer.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements which may involve risk and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management to brief us about the business and performance highlights for the period ended March 2026, the growth perspective and vision for the coming year, post which we will open the floor for Q&A.

Over to you, Ankur.

Ankur Shah:

Yes, thank you, Vinayji. Very good afternoon to all of you, and thank you very much for removing time to come for our con-call.

Let me begin by introducing myself. I'm Ankur Shah, Managing Director of the company, and I'm joined by my CFO, Mr. Manish Shah. Without wasting much time, I will quickly run through the presentation, what we are doing as a company and the financial highlights and we open the house, as I said.

So, we as a company started almost in 1997. That's my father who started the company, he was a double engineer. We are based out of Mumbai, head office and our factory is based in Gujarat, in Baroda. We started off as an engineering company manufacturing equipment for the milk and the dairy industry and somewhere around 2006-2007, we transcribed into the defence space, as I said. And that factory is at Halol. We have about 150,000 square feet based in Halol, which is about 40 kilometers from Mumbai. We have an associate office in Bangalore and we're starting a venture in Chennai. We'll talk about it as we move forward.

One of the key products that we manufacture is the bulb bar, the one that you see on the ship building section. The one that you see in yellow is used for the hull construction of warships. This has a very unique

peculiarity in the strength to weight ratio is three times as compared to normal angle channels that is there. And worldwide, most navies, most naval platforms and even commercial building platforms use these bulb bars to save weight without compromising on the strength. We are a naval approved source for this particular product, and most of the shipyards are our customers on that front.

Next is the special steel alloy welding wires and the welding electrodes. These have very special chemistry, having the precision control of titanium, nitrogen, nickel, so on and so forth. These are used for welding of critical platforms or surface ships, the underwater platforms that are there. We have got certified by this by specialists from Russia to get these approved. There are extremely difficult chemistry to achieve and further process is because of the inherent property of the steel that is there. But we are approved suppliers for the same and have been supplying that for the past few years.

On the left is the ballast bricks. This is typically used mostly in underwater platforms, underwater boats as I mean to say. These are used as artificial weights to create the right buoyancy and the balance in an underwater platform. The peculiarity of this particular product is there that this has a very low magnetic permeability making it very, very difficult to build on the radar, to predict on the radar, to see on the radar, as I said. All these products, the bulb bars, the weld consumables, all of them were imported from Russia prior to development. We have been focusing on working on indigenized product which were otherwise imported by the armed forces.

The next product that you see is the armoured steel profiles. These are Russian steel profiles which are used to manufacture the T-90 tanks of the Indian Army. We are supplying this to HVF at Chennai. These are used for the chassis construction of the tanks. That's what we are supplying.

The next product is the improved space heating device, as we all call or this is simply a room heater which is used at high altitude to keep the room warm, because we have the highest battlefield in the world at temperatures of minus 40 or something. This uses solar and kerosene or battery, whatever electricity available and ensures there is no emission of carbon monoxide which we all know is a poisonous gas. This was under a DOT with DRDO lab.

That's our customer range, the Army, the Navy, all the different shipyards and now even HVF which is an Armoured Vehicle Nigam Limited factory.

These are the product range that we manufacture in the dairy side, the milk cans, the milk cooling tanks, the milking machine and the robotic milk collection units.

I see a few hands up there. Can you just let me finish my presentation then we can take up the questions. Thank you.

I pass it over to Manishbhai to just run through quickly the financials of the company. Manishbhai, over to you.

Manish Shah:

Thank you. Thank you, Ankurbhai, and good afternoon, everyone and thanks for having me.

So, I think we delivered a strong operational and financial performance in FY26 reflecting successful execution in the defence manufacturing segment and improving the operating leverage. So, the key message on this particular slide is that our revenue for Q4 '26, for the quarter ended 31 March 2026 was INR648 million showing an increase of 42.2% year over a year. EBITDA was INR161 million, showing an increase of 55.1% year-over-year.

EBITDA percentage to sales for the Q4 was 24.8% reflecting 206 basis point increase year-over-year. Net profit for Q4 2026 was INR128 million showing a year-over-year increase of 72.9% and net profit as a percentage of sales for Q4 2026 was 19.7%, 350 basis point-- 351 basis point year-over-year.

Moving on to the annual performance for that matter, for FY26 we recorded a staggering revenue of INR2,448 million rupees showing an increase of 29.1% over last year. Similarly, the EBITDA for the year was INR520 million showing an increase of 69.9% year-over-year. EBITDA as a percentage of revenue for the year 2024, it was stood at 21.3% showing an increase of 511 basis point year-over-year.

Net profit for the year was at INR413 million, showing an increase of 85.6% year-over-year and net profit as a percentage of revenue was 16.9% showing an increase of 514 basis point year-over-year. As on 31 March, 2026, needless to reiterate, we had a very strong order book and a strong tender pipeline as well amounting to INR1,034 million and INR2,210 million respectively. At the same time during the year we

were able to create liquid reserve of INR650 million, reflecting a liquidity enhancement for that matter.

Next slide please Ankur sir, thank you. So this is -- so on slide number 10 the key message on this particular slide is from a compounded annual growth rate perspective between financial year '22 and '26, Krishna Defence's revenue was increased by 52.8%, EBITDA 67.4% and net profit 102.4%.

Moving on to the next slide please, thank you. So whatever story I just narrated, this is the graphical and the pictorial presentation thereof in terms of operating revenue EBITDA and net profit.

Moving on to the next one please. And similarly, the very strong balance sheet and whatever you see from a profit perspective you will see profit is strengthening the balance sheet at the end.

And I will take a pause over here handing over back to Ankur sir. Thank you.

Ankur Shah:

Thank you very much Manishbhai. Since the financials are over, I'll talk about the key highlights that we did in quarter four. It was a major, we got a design win for an aircraft arresting gear. These are basically, it's a system that prevents the onward journey of an aircraft if it were to cross at the lines of a runway that is there so that it does not overshoot. So think of it like a goal post that is done. We added to our armoured steel profile range from 17 that we are supplying to 26 because of the confidence level that the customer had in us. So more and more profiles are being given to us.

A very key certification that we got is the AS9100D certification which is a mandatory quality certification for you to get into the aerospace particular components. We also got our IRS certification which qualifies us for commercial shipbuilding. Remember we already had the DNV and the ABS, now we also have the IRS certification.

In addition to bulb bars that we were supplying, we also managed to apply a few other profiles which are used for commercial shipbuilding. We purchased a joining shed, it's about 50,000 square feet plot for the capacity expansion that we are looking to do. And as Manishbhai explained we were able to create an FDR about close to INR65 crores through the balance sheet so far.

Taking on just giving a generic glimpse of what we did over the year that is a capacity -- we doubled our capacity from 2,000, 2,500 tons of bulb bar to about 4,000, 4,500 tons of Bulb Bar in April 2025. We also successfully developed a few large castings which is in addition to the product range that we could offer to the navy or for the critical platforms. We also got the BV certification, a big milestone for our company when in December we migrated from SME board to the main board.

We are under construction of India's largest AUV in partnership with Navy and DRDO. We have a transfer of technology from NIO Goa. NIO stands for National Institute of Oceanography, based out of Goa for the C-Bot. So we've taken the ToT, we are building the product. We will also -- we signed an MoU with the Ministry of Steel for developing a strategic steel, which is used for the defence sector and it comes under the PLI scheme. And since we did have our expansion of the shed, we were doing to cater to the growing team that we have at factory. We have now had a new office building at our Halol premises.

We also have a 20% stake in a design company called Conceptia which is into last 15 to 18 years has been into ship and submarine design and block design so on so forth. We also have a 40% stake that's an associate company in Waveoptix defence solution. This company specializes in making modules which are used for conversion of radio frequency to optical fibre and optical fibre back to radio frequency having several applications across the military. Joint Venture with Vabo Composite to manufacture and supply composite fire-resistant doors and hatches which are used at the navy site. This is a replacement to the current steel door hatches that are used which are heavy, difficult to maintain and difficult to replace that is there. These are much lightweight and most of the European navies have moved towards that.

New prospects that we are adding to, we are adding different additional grades of weld consumables that we are doing. We are supplying only to a few platforms. Now we're increasing the range that we can do, the customer or related customers have confidence in our ability to assign us with new development product which India is still importing. So that is a way forward that we look forward.

Additional components for hull structure, as I mentioned we are trying to increase our product range that is there. We've also had a joint venture -- we've taken stake in a company that is building smart ammunition systems around particularly for the Navy. We have been focusing on indigenizing imported steel weapon systems that are there. So this is

something that we likely to take up and AUV is under the prototype scale and the C-Bot with NIO Goa is something that we are looking forward to. So this is where the new change for us is likely to come through.

We aspire to grow at a rate about 30% plus for the next few years and this is how we are going to get there. We've delivered so far and we are very sure that we will continue to deliver as we move forward.

So that's it from my side and we could stop the presentation and get to the question-answers. I see a lot of hands up.

Question-and-Answer

Moderator: Thank you, sir. So all those who wished to ask question may use the option of raise hand. If you are not able to use the option of raise hand, you can post your question in the Q&A section as well. So we'll take the first question from the line of Mr. Bharat Gulati. Mr. Bharat you can unmute and go ahead please.

Bharat Gulati: Yeah, hi team. Thank you. Strong set of results. Congratulations on that. My first question was just for Manish sir. It was a bookkeeping question. The INR65 crores of liquid cash reserve that we've spoken about, I just wanted to see is that reflecting in the balance sheet in other financial assets and is it coming in the long term section?

Manish Shah: INR65 crore that you are referring to, it is reflected in the-- just one second. I'm just pulling out the balance sheet. It is reflected in the long term -- so if you go to non-current asset and where you see financial asset, there is a section for others having a balance of INR77 crore, INR76.87 crores. There that is part because it's a long term fixed deposit.

So as per the Indian accounting standard, whatever fixed deposits that you have, you know, these days the way Ind AS works is -- so before I move on to that, this is the first year for us to adopt the Ind AS because this is the first balance sheet that we are publishing after we were on boarded on the main board. And 31 March, 2026 is the first time adoption of Ind AS. And now as per Ind AS, the fixed deposits that you are having, earlier we used to show, you take the cut-off date 31 March, 2026, 180 days and show short term, long term, but now that is gone. Whatever fixed deposits that you have, you consider from the date of deposit and hence everything was shown in the non-current asset. Does that help? Bharat?

- Moderator:** Mr. Bharat, are you there?
- Bharat Gulati:** Yeah, I couldn't unmute sorry. Yeah, yeah, that helps sir. So just trying to understand, so our cash balance is sitting at north of INR100 crore right now. Would that be fair to say?
- Manish Shah:** Yes, you are right. In ballpark, you are right.
- Bharat Gulati:** Got it. I'm just trying to understand that the major CapEx that is undergone that we've seen in the cash flow is primarily for the Chennai and the rest of the land that we've acquired in Halol that would be right?
- Manish Shah:** That's right. So the CapEx breakup, if I were to give you, yeah, so that's right. I think in ballpark what you're saying makes sense.
- Bharat Gulati:** Got it. And just trying to understand that how do we plan to fund the CapEx for our JV with VABO? How do we plan to do that? Do we plan to infuse more stake in the JV, which we already have put 51,000 into? And how much will that amount fructify to any--?
- Ankur Shah:** The amount that is going to be required, there is no scope of increasing the stake further from here. It's 51%. The Dutch guy will now not let us increase any more than that. And the initial investment, 50% investment is going to come from their side that is there. And the funding required is about INR4 crores, INR5 crores only from our side. So which we can do from an internal. We don't have to plan or take a debt to be able to fund that.
- Bharat Gulati:** Got it. So it'll be -- I mean, how will the books look like? Will it come -- with the CapEx be on our standalone books or it'll have to be in the JV books, right? So just trying to understand, will it be a loan to a JV? How will that work out?
- Ankur Shah:** It will be in the JV itself, right? It's a capital of the JV. It will be part of the JV.
- Manish Shah:** So JV is an independent entity in itself for that matter. And it will be having its own books of accounts. And certainly, part of the 51% of whatever profit that you see over there that will be clubbed with us. When? From this year onwards, from 2026-27 onwards.

- Bharat Gulati:** So just a clarification on that, we wouldn't be getting the entire consolidation of the JV books into our consolidated books. We would just be having it as a share.
- Ankur Shah:** Bharat, in the sense of a company that is being formed, it's a new company that has been formed, right? What is the rule for everyone? The same rule applies to us, right? So we don't have a choice whether you can do this or you can do that. It's a 51-49 new company being formed. So whatever the rule, whatever you can consolidate will come on our balance sheet that is at the consolidated balance sheet level.
- Bharat Gulati:** Got that, got that, got that.
- Manish Shah:** We'll treat that as a joint venture, not as a subsidiary. So that's a technical discussion. This is not the right time and right stage to discuss that, but I thought I'll just clarify that. Sorry, over to you. Thank you.
- Moderator:** Thank you. We'll take the next question from the line of Mr. Rushwith Ranga. Mr. Rushwith, you can unmute and go ahead, please.
- Rushwith Ranga:** Yeah. Hi sir. Thanks for the opportunity. First of all, many congratulations for the good result. So my question is that, what is the margin guideline for the FY 2027 for the upcoming year?
- Ankur Shah:** There will be an improvement from here on that is there. So as a company, you always aspire on how you can increase your margins, percentage margin that is there. So we aspire to keep keeping an incremental curve on that. That's what we see. So it will be higher than what is now. That's what we aspire to be. But look at the conditions that are happening right now. Very difficult to predict what's going to happen in the next nine months. But we aspire that we will show an uptake in the margins in the coming years too.
- Rushwith Ranga:** Got it, sir. Thank you.
- Moderator:** Thank you. We'll take the next question from the line of Mr. Karan Singh. Mr. Karan, you can unmute and go ahead, please.
- Karan Singh:** Thank you for the opportunity and great set of numbers. So actually, when I was looking at the order book, currently we have like INR103 crores of unexecuted order book. And for the pipeline, it's around INR220 crores. And if I'm not, if I'm right, like generally, when we try for the order book, we get like half of the orders, right, like in the past.

So it would be safe to say that the total order book for next year could be 220 crores, right?

Ankur Shah: As on 31 March, if we stand on 31 March, 2026, yes, what you're saying is correct.

Karan Singh: So then how will we be able to grow next year for like 30%? So how does...?

Ankur Shah: So sir, there are still 12 months left. You also have something coming in, right? It's not going to be a dry patch, that we will not get any orders in 12 months. That's why I said this is the position on the 31 of March, 2026. And these tender pipelines, these are not tender that we're expecting. These are for which bids have already been accepted.

Karan Singh: Okay. And the Taharabadkar Solutions, the company that we recently acquired or invested in, so is there any active discussion or orders already in the valuation or some revenue traction that we can expect? I know it's very early to say, but still.

Ankur Shah: Sir, you are only answering all your questions. But so this is a company that is building a smart weapon for the naval systems per se. So it's under development. It should take at least about two to three years for the product to get developed. And post that, we will be talking about revenues coming forward. So it's a great team over there. And we've been having long conversations with them. And that's how we decided to invest with them and collaborate with them. It's just not a financial involvement. It is going to be an involvement that will help them jointly build a product that is there.

Karan Singh: One last question. Now our operating cash flow has been positive, right, this year. So will this trend continue in the coming quarters and years, like anything that you can tell about for next year, at least?

Ankur Shah: Sir, no one aims to have a negative cash flow negative. No one aims for that. You just have your processes better. We have our processes better. So we will, of course, try to maintain a positive cash flow.

Karan Singh: One last question. Sorry. If we see H1 to H2, technically our revenues have been flat. And our margins have improved, but revenues have been flat, right? Any reason for that?

Ankur Shah: No, sir. I would not see it like that. You have to see it from a year-on-year perspective that is there. And H1, H2 flat also is not the correct

way to put things across is because if you compare to last year, there's been a 30% rise from what we did last year per se. So there has been consistent improvement. Now we love it when the quarter 4 is very heavy and that takes about 40% of the total revenue for the full year. But actually, at the company level, you are strained for resources, be it financial, be it manpower, be it machine resources.

So we've been trying to balance in such a way that we get all quarters equally, where everyone is comfortable, all your resources are not overstretched that is it. So I would look at it from that perspective rather than seeing it from a quarter-to-quarter comparison perspective.

Karan Singh: When you were talking about the Chennai thing, right, that you were not able to complete, regarding Chennai, when you were talking about the presentation, you're talking about the Chennai plant, right, that you have. Can you tell in detail?

Ankur Shah: Not complete. No, I didn't say anything not complete, sir.

Karan Singh: No, you were telling that we are planning something in Chennai, which I will tell in detail.

Ankur Shah: We are planning over there. We are planning to do our XL AUV work. The AUV work that we are doing will be done over there with our partner company over there in Chennai.

Karan Singh: Okay, thank you very much for the opportunity.

Ankur Shah: Thank you, Karanji. Thank you.

Moderator: Thank you, Karan. I would request all the participants to please limit yourselves to two questions per participant only. We will take the next question from Mr. Varun Arora. Mr. Varun, you can unmute and go ahead, please.

Varun Arora: Hi, sir. Thank you for the opportunity. Just, okay, you suggested for so 30% CAGR revenue you will target. Am I audible, sir, to you?

Ankur Shah: Yes, loud and clear, Varun.

Varun Arora: Thank you, sir. So similarly, similar growth you are targeting for FY27 and FY28, if I'm right?

Ankur Shah: Yes, sir.

Varun Arora: Okay. So the margin expansion happened very good in a way from March '25 to March '26, 16% to 21%. So for '27 and for '28, how you predicting your margin or if you can give some guidance on that part?

Ankur Shah: They have been incremental per se. One of the reasons for the specific higher margin throughout FY26 compared to FY25 is due to the product mix. So earlier we were only doing bulb bars, right? But now we have other products in an anvil, which is your armour steel profiles, your weld consumables, and a few other products that we are doing. There the margin percentage is higher. So that's how the balance trade-off comes in. And we assume that we will keep growing in that state that is there. But we expect every year the margin will keep increasing by 5%. No, that's not a reality, right? That's not a reality that is there. It will increase, but it is not going to be every year 5%. But that's not fair. Let's be realistic on that.

Varun Arora: Right. Perfect. But can we expect the similar margin trajectory for FY27?

Ankur Shah: Yes.

Varun Arora: Yes. These product traits will be -- remain as...

Ankur Shah: Maintain. Maintain. Yes. Assuming the product mix remains the same, we'll see an update. Plus operation leverage kicks in, right? Operation leverage also kicks in. So that does help too.

Varun Arora: Okay. Sir on Conceptia and Waveoptix, if you can tell or you can enlighten us for contribution from these two things for FY27 and FY28 that would be very helpful. And yeah, I'll take my last question in just next one, sir. Please.

Ankur Shah: So these two companies also, both Conceptia and Waveoptix, as per their projection, they will also be growing; Conceptia at about 20%, and Waveoptix at about close to 30 odd%. That is it. That's what their plan for the next financial year is.

Varun Arora: Okay. Okay. And any other segment you're targeting organically or inorganically, in FY27 or FY28? That's my last question.

Ankur Shah: We are targeting definitely to work on the smart ammunition because we see that's one area that we need to work on. And also with the AUV.

So these two or three segments is something that we will be working on.

Varun Arora: Okay. Thank you. Thank you so much.

Ankur Shah: Thank you, Karan. Thank you. Appreciate it.

Moderator: Thank you, Varun. We'll take the next question from the line of Mr. Shivam Parakh. Mr. Shivam, you can unmute and go ahead, please.

Shivam Parakh: Yeah. Hi, sir. Thanks for the opportunity.

Ankur Shah: Thank you Mr. Shivam.

Shivam Parakh: So my question was with regards to the previous two participants' question. We'll follow up to that. So we have acquired around 47% Taharabadkar Solutions. So I'm very interested into the opportunity plan for the company from the smart ammunition space. And I had also gone through the comments from Professor Colonel Taharabadkar that he had received a grant from iDEX. And like, we had got into research for DART ammunition which we were from Leonardo. So, I wanted to know, so like you were told that for the past two -- so you were looking at from a next two to three-year perspective. So my question is from a long term perspective, not two, three years from a five years perspective how much opportunity can we see for Krishna Defence? The first question was this.

And second, also to an addition to the participants' question. So what was the contribution to sales profit and order book position for Waveoptix as well as Conceptia for H2, as well as financial year '26, full financial year '26. This was my question.

Ankur Shah: Great. Yes, Mr. Shivam, firstly, appreciate the in-depth research that you had done on the acquisition that we had done. Honestly, when I first read about the company, when I had not done so much research in the short time that you managed to do so. So congratulations and kudos for the research and the reading that you've done.

You're spot on with the thing that the company that we have invested in has a INR25 crore grant from the Indian Navy to develop this particular product, which actually is coming from Leonardo, the Italian company. And the forces are looking to indigenize that because we don't want to be import dependent. We want to start to manufacture and indigenize the same in India, because with the world scenario, we don't know

which way it is going to go. And if you have an Indian vendor for that, what more than that?

So the Navy is funding the development for the same. And in terms of what the long term plan is, it'll take about two to three years to successfully develop the product that is there. Post that, very high numbers that are there. It may not be the right forum for me to talk about these kinds of things at this forum, but pretty large numbers and which will benefit both our country and us. So that's on the first part. Yeah, that's on the first part.

Shivam Parakh: In addition to the answer you gave, like currently what the Indian Navy is importing from Leonardo, the DART ammunition is costing around EUR 20,000 to around EUR 50,000. So this was the expected that I could find from my research. So are we trying to cost optimize on that front as well?

Ankur Shah: First we will make it, then optimize the cost. So we don't have the product, right? So first thing that you want to do is first make the product, then think about how would you want to optimize the thing that is there. And as you know, these foreigners don't sell cheap. If you're trying to make a product that they are doing, you're going to be pretty certain that you will be able to do in a better price than what they are doing it. So once again, appreciate the price points that you've got there in that range, not exactly there, but in that range that is there.

Shivam Parakh: Okay. Thank you, sir. And sir second question, the contribution numbers, let's say it's profit and order book position for Waveoptix, as well as Conceptia here, for H2 as well...

Ankur Shah: So I may not have a granular level at an H2, H1 level, but I can give you at the full year level, which would serve your purpose per se. When we look at Conceptia, they did a revenue of about close to INR80-odd crores that is there with the PAT in the range of about close to INR5 crores is what they did. And their order book is in the range of about INR20 crores, INR25 crores that is per se. When it comes to Waveoptix, they've done a revenue of about close to INR22 crores or INR23 crore with a PAT margin about close to INR5 crores to INR5.5 crores for this financial year. And their order book, open order book position is about close to INR6 crores.

Shivam Parakh: Okay, sir. Thank you, sir. So these numbers were for the full year, right?

Ankur Shah: These numbers are for the full year. Yes, yes, yes, Mr. Shivam.

- Shivam Parakh:** I will join back in the queue.
- Ankur Shah:** Thank you very much.
- Moderator:** Thank you, Shivam. We will take the next question from the line of Preet Shah. Preet, you can unmute and go ahead, please.
- Preet Shah:** Hello. Am I audible?
- Moderator:** Yes, you are.
- Ankur Shah:** Yes.
- Preet Shah:** Thank you, sir. First of all, congratulations for the amazing set of numbers. Sir my question is, what would be the -- like means from where will be the growth for FY27? Like, could you explain me in just a brief that from AUV or from Bulb Bars?
- Ankur Shah:** So the growth trajectory that we are showcasing for the next couple of years at least will come from our primary products itself, right? And the growth that we managed to do with the new addition, with the new modification, the products that we do. So we are not building in any projection from the AUV or the smart weapon to go with because these are under development kind of products which may take time and which may get delayed. So the projections that have been given are coming from our existing and developed products per se.
- Preet Shah:** Got it, sir. And sir, one last question. What would be the order book by the end of the year? Like, what do you see by the end of the year?
- Ankur Shah:** This is a very difficult question. But what I can tell you is we see ourselves growing at about 30% plus from year-on-year at least for the next three years, I can have a clear visibility of the products that we are doing. So you may do the backward math and you will have an answer. It was very difficult to say on one particular day what your order book, opening order book will be like.
- Moderator:** Thank you, Preet. We'll take the next question from the line of Deeya Jain. Deeya, you can unmute and go ahead, please.
- Deeya Jain:** So am I audible?
- Ankur Shah:** Yes, yes. Yes, Diya, you are.

Deeya Jain: Thank you, sir, for the opportunity. So this aircraft resting air system, this order that we've got, can you quantify it and when we are expected to deliver it?

Ankur Shah: Yeah, so quantify as in what quantify? What do you want to know on the quantification? Deeya, can you explain what you mean by quantification? How -- what are we looking at?

Deeya Jain: So how much revenue are we expecting from this?

Ankur Shah: So Deeya, it's a developmental in product. It's under development. We can developed that, right. So the focus is right now to be able to successfully build the product that is there. I may not be able to reveal the exact value for the same, for want of the NDAs that we have, but this is not clubbed into the revenue that we are looking to do FY27, FY28. Right now is for developing of the product. Once it is developed, then we will talk about the future revenues.

Deeya Jain: Okay, so and order pipeline of 220 cr. that we have, can you give us a timeline of when these can be realized?

Ankur Shah: This will be realized in FY27.

Deeya Jain: Okay, sir. Thank you and all the best.

Moderator: Thank you.

Ankur Shah: Thank you very much.

Moderator: Thank you, Deeya. We'll take the next question from the line of Mr. Rohit. Mr. Rohit, you can unmute and go ahead, please.

Rohit Ledwani: Yeah. Hi, Ashwin.

Ankur Shah: Ankur is the name.

Rohit Ledwani: Oh, sorry, Ankur.

Ankur Shah: But that's my father's name, so I know.

Rohit Ledwani: My bad.

Ankur Shah: No, no, that's great.

Rohit Ledwani: Ankur, I just wanted to understand what is the quantum of orders we got this year in FY26?

Ankur Shah: Quantum of number of orders or...?

Rohit Ledwani: No, value of orders, total value of orders.

Ankur Shah: Total value. Total value of what? I don't know the math that is there, but we were at INR 190 crore order book -- INR190 crore order book to start at April of '25. We executed about INR244 crores and we are outstanding about INR100 crores. So you can do the math around on how much did we get in this year?

Rohit Ledwani: Okay, so as per your presentation last year, the orders received in FY25 was INR266 crores. We executed INR245 crores this year and we have closing order book of INR100 crores with a INR200 crore pipeline. Is there some sort of slowdown that happened this year or there was less tendering or the industry dynamics are the same?

Ankur Shah: Industry dynamics, the requirements, everything is the same, Mr. Rohit. What changed is we had operation Sindoor in four or five months. The focus of the government was on immediate deployment that is there. So, whatever had to come between April and September, October all got pushed back for five months. So, that's the reason that you're seeing. And the times that are there, at that kind of times, you're looking at immediate deployment, procurement or emergency procurement as you call it. The products that we manufacture in terms of bulb bar, weld consumables and so on so forth, these are all used for construction of the platform that is there.

So, there was an interim thing that is there that happened and hence you see all the orders which were like to come in Q1, Q2 got pushed back to Q3, Q4. That's one point that is there. Secondly is because the shipbuilding cycle now, they are expecting all the vendors to gear up and deliver products much faster than what it was before, what it was before. Like earlier we would get 12 months to deliver the goods, but now they expect us to deliver in six months' time, have a production planning in such a way now. And we have also been able to deliver now because of our enhanced production capacity that we've enabled in '25.

So, there's no change in the ground reality that is there and, in the projection, but there was a pause for four or five months for the reasons that I told you for.

Moderator: Thank you. We'll take the next question from the line of Mr. Rahul Shukla. Rahul, you can unmute and go ahead please.

Rahul Shukla: Yeah, sure. Thanks for the opportunity. First of all, I think congratulations to management for great execution and delivering to the previous promises. Yeah. So, I think my question is already taken into bits and pieces, just want to enhance on the order book. So, we are saying that we are running currently with the INR100 crores order book and that pipeline. So, obviously, I understand you mentioned that those will be materialized in this financial year, but from a growth perspective, we are targeting 30% growth. So, that is approximately INR300 crores of revenue that we would be clocking this year.

Ankur Shah: Right.

Rahul Shukla: So, approximately, if I go by 40-60 combinations, so around INR130 crores, INR150 crores would be the first half and we are having only an opening order book of INR100 crores. So, out of those pipeline INR200 crores, are we anticipating the conclusions to be made within the first half itself? And also, I think in terms of the further order pipeline, so, is there any workaround where you are willing to bid for another INR200 crores, INR300 crores of pipeline to complete that window of INR300 crores-plus?

Ankur Shah: Yeah. So, because we know what the projects are coming up at the naval side, right? And hence, we have the confidence that we will be able to get to the growth target that we have given. And that's the genesis that we are building things on. Now the position that we reflected is clearly on the 31 of March 2026. After that, a lot of things have -- progress that is there. And we expect that most of the tender pipeline that we have indicated should fructify in the first half. Some of them actually got fructified as we speak right now, but others are also likely to get fructified in a very short time.

So, all-in-all, if you see, we see ourselves getting to the target that we have achieved, looking at the pipeline that are there. And this is all publicly available data that is there with the new projects, with the next-generation corvettes, skate boats, the LPDs, the multipurpose vessel, the MCM that's likely to come up. All these are projects that have been cleared, and some of them are in finalization state, some of them are in the RFP state, some of them are at the stage where the AON for all these projects have come in. So, we don't see any let down or slowness that is there. There was, as I mentioned previously, there was a let-down for

four months that is there. It's because of a very critical situation, but I think we are over it now and we are looking forward.

Rahul Shukla: Okay, fair enough. And I think just to build on to that as a follow-up question on the nature of orders that we are willing to bid for, I mean, is there any change in approach from management or market conditions? Because I think the single largest order that we have received in the past was last, I think, in October '24, where we got INR90 crores order. So, are we going for more of a number of orders with a smaller size rather than single biggest order to, or it is more of a market-driven?

Ankur Shah: Mr. Rahul, we honestly had no control over that. Now, shipyards also becoming -- the customers also becoming smarter. They are wanting to place their orders in batches so that it's easy for them to do the inventory. They are not expecting us to -- they're not going to give us 12 months or 18 months to deliver. Now, they expect us to deliver in six months' time that is there because they want to keep the minimum inventory levels at their side also. So, they want to improve that side. So, the order quantum has remained the same, but they've just been broken up into smaller parts. And honestly, we, for us, either is okay if you give us one big order or you split it up into parts that is there, either is okay. And we are willing to take anything that comes our way.

Moderator: We'll take a few questions from the Q&A window. There are two questions from Yash Jain. What is the addressable market potential for the Jalkapi program? And when can we expect the first order? And what's the likely size tentative indication of product variance?

Ankur Shah: Right. Now, this answer is very difficult to give how much is going to be the actual market size for that. But I would say the Navy has a year...

Moderator: Ankur, we lost you for a minute over there. Yeah, please go ahead. Please go ahead.

Ankur Shah: Yeah. I don't know who asked the question, but on the chat. So, the Navy has earmarked in budget about close to \$1 billion on the autonomous or AUV space that is there. Now, how much of that falls in this particular category, very difficult because the product is not even ready right now, right? The product is in development. Once the product is developed, the concept of operations or how it is going to be used is looked at. And then the future of the same will go forward. But just to give you an idea, worldwide navies are buying this literally by the billions that is there.

The navies who have successfully developed, the countries that have successfully developed it. So, the potential for the same is very, very large. But to quantify it, not very easy.

Moderator: His other question is, why are we now exploring different products in defence, especially casting trials and arresting gears? And do we already have soft commitments there, especially when our core business is already seeing strong demand?

Ankur Shah: We are trying to grow our product basket that is there. And we are using the same infrastructure. We already have steam melting. So, casting is a natural tilt that we are getting into. So there is no -- we are adding to our product range using almost the same infrastructure.

Moderator: The other question is from Mr. Sampat Nair. With the current capacity, can we do INR400 crore revenue organically?

Ankur Shah: Yes, we can, yes.

Moderator: We will go back to the Q&A queue.

Moderator: Thank you. We will take the next question from the line of Shikha Mehta. Shikha, you can unmute and go ahead, please.

Shikha Mehta: Hello. Hi, Ankur sir. Can you hear me?

Ankur Shah: Yes, loud and clear. Hi, Shikha.

Shikha Mehta: Hi. Congratulations on a great set of number and especially on the margins. I just had a few questions. First, regarding our new ventures, our new products. So, is there any TAM we have in mind that below a certain amount, we don't look at new products? So, can you help me with your thought process behind the new products we're trying to get into and how we identify which ones are worth getting into and not?

Ankur Shah: Okay. So, Shikha, TAM is a criteria that is there, but that's not the only criteria. Sometimes you want to do an order because you want to get inside a particular lab, that is, you want to get inside a particular segment, as I said, where you may not have the choice to make a complex platform or a platform which has a large addressable market in excess of INR100 crore to straight up, as I said.

So, you may have to start small and then eventually grow with adding your products that is there. So, addressable market is a thing, but that's not the only thing. I hope you can understand what I'm trying to say.

Shikha Mehta: Right. Got it. And so, on our existing product range, mainly bulb bars, welding wires and electrodes, steel profiles and the composite doors and hatches, can you give a ballpark TAM of what we can do in a best case scenario peak?

Ankur Shah: TAM, what we can do right now at -- the infrastructure that we have, as I mentioned earlier, we can get to a INR400 crore to INR500 crore in the same infrastructure with some modernization, automation that we built inside. That is something that is achievable, provided we get the right product mix for the orders that are there.

Shikha Mehta: Understood. And what would be our product mix for FY26?

Ankur Shah: Sorry, I missed your question. Can you please come again?

Shikha Mehta: What would be our order book for, sorry, our product mix for FY26?

Ankur Shah: About bulb bars, about close to 60%. The welding wires, about 15% odd that is there, HVF, the armoured steel profile, about 15% odd. And roughly around that, then others would be another 10%.

Shikha Mehta: Got it. And this is broadly what we'd like to maintain for FY27?

Ankur Shah: Yes. Yes. True. True.

Shikha Mehta: All right. All right.

Moderator: Thank you, Shikha.

Shikha Mehta: Thank you. Yeah, I'll come back in the queue. Thank you.

Moderator: We'll take the next question from the line of Prem Soni. Prem, you can unmute and go ahead, please. Hello.

Prem Soni: Hello, I am audible?

Moderator: Yes.

Prem Soni: Yes. Hi. Congratulations, sir, for the good set of results. I have a question on -- yeah, so I have a question on our customer segment. Like,

can we have a figure or percentage in terms of what kind of revenues contribution from the highest customer?

Ankur Shah: Difficult, as I said, because it all depends on which shipyard is going to get the particular platform that is there. So last year we did two customer X per se. This year we did it customer Y. But all in all, these are the six, seven shipyards that we transact with. And there's a fluctuation in amongst them.

Prem Soni: Like, can we have a ballpark figure for top five players even in A, B, C, D in this way?

Ankur Shah: It is not, but I'll give you the figure for the last year, FY26, but it will vary from FY27. See, the moment a ship is going to be built, they're going to require our product per se. They're going to require our product, right? So whether shipyard A is the tender...

Prem Soni: Hello.

Moderator: Ankur, there's some disturbance at your end. Hello?

Moderator: Please go ahead.

Ankur Shah: Yeah. Apologies. I had some internet issue at the office, so it's not off. Tell me please.

Prem Soni: No worries sir. So we were discussing about the customer contribution from our current revenue. Like, if we can, can we give a ballpark figure from A, B, C, D in this way?

Ankur Shah: We would put to the customer A about 30%, the other one about 20%, and...

Prem Soni: Okay.

Ankur Shah: So about 40% of the revenue, 35% odd comes from one particular customer, but that keeps changing. So that's a shipyard for us, for a shipyard for us, and the rest follows accordingly. So we have five, six main customers that give us entire business.

Prem Soni: Okay. So, sir, like, I was reading about some of the shipping companies, Concorde, so I got to know that there was some next-gen Corvette order is going to be lined up in next some days. So there is a value, value will be around INR33,000 crores. So can we, as we are the, like, we are one

of two companies, one or two companies who are into the niche product delivering kind of thing. So can we expect some order from this segment as well?

Ankur Shah: Yeah, 100%, sir. Not some, we get whatever the requirement of the products that we are doing, we are certified for the product. That will, - that part order will surely come to us.

Prem Soni: So this will be, this will be the order for Bulb bar, right?

Ankur Shah: Yes, yes.

Prem Soni: So assuming INR33,000, hello? Hello?

Ankur Shah: Yes, please go ahead.

Prem Soni: Yes. So assuming a value of order INR33,000, can we expect as we have a 10% of composition, which is for Bulb bar in the whole ship. So can we assume 10% or 7%, 8%, like a value of 33 or INR3,000 crores of order book?

Ankur Shah: No, sir. The 10% is by weight of Bulb bar that is of the ship. It is not the value, sir.

Prem Soni: Okay. Okay, okay.

Ankur Shah: Yeah.

Prem Soni: Okay, fine. Thank you.

Moderator: Thank you, Prem. We will take the next question from the line of Bhavya Gandhi. Bhavya, you can unmute and go ahead, please.

Bhavya Gandhi: Yeah, hi. Thanks for the opportunity. Just wanted to understand while you mentioned that INR200 crores, you've already bid for the orders. So what is the number that you are still going to bid for the full year? If you can just provide some number on that front as well.

Ankur Shah: We'll bid for whatever comes our way, right? There's no finite limit that we'll stop that now we won't do it now. Our target is to be able to get to the revenue that we are predicting. So there's no stopping to get that. But from the predictions that Navy has said and the shipyards, as the previous gentleman mentioned, we know the number of platforms that

are likely to come through in the first half. What's going to come in quarter three or quarter four that will help us reach our targeted revenue.

Bhavya Gandhi: Okay, got it. Fair enough. And this order book includes all your new products as well?

Ankur Shah: No, this is for the products that we have already developed that is there, which is the Bulb Bar, our ship heating profiles, the Bell consumables and so on so forth.

Bhavya Gandhi: Got it. And you mentioned something \$1 billion opportunity on the AUV side. If you could just elaborate that, what exactly is that? Is it the domestic opportunity or the total global opportunity?

Ankur Shah: That is what the Indian Navy has earmarked for autonomous underwater platforms. It's not for the product that we are doing. It's the entire space that is there.

Bhavya Gandhi: Okay. So if you were just to segregate your Bulb bar and the other products, for the other products, if you were to calculate the TAM, total addressable market, what would it be like? I mean, in a broader context, a very high level question. I know it's difficult to quantify, but just to understand, what market we are trying to cater to.

Ankur Shah: I didn't understand the question that is that, what we are looking--

Bhavya Gandhi: Yeah, yeah. I'll rephrase it. So one, we have Bulb bar and the existing products and there are new products that you're trying. So if you were to segregate the new products, what would be the total opportunity size in your understanding, in your experience? It could be in terms of revenue potential or maybe the total addressable market.

Ankur Shah: Now, honestly, first thing is to be able to make the product, the other products that we are looking at, the smart ammo, the AUV, the resting gear, these are all in the development that is there, right? So there is definitely a large addressable market on that. But to quantify a number, particularly on that is very, very difficult per se. So very difficult to give a specific number around that.

Bhavya Gandhi: Okay, got it. Okay, thank you so much. I'll get back to you. Thank you.

Ankur Shah: Thank you, Bhavya.

Moderator: Thank you, Bhavya. We'll take the next question from Priyansh Miri. Priyansh, you may unmute and go ahead, please.

Priyansh Miri: Hi, sir. Hope I'm audible?

Ankur Shah: Yes. Yes, Priyansh, you are.

Priyansh Miri: Yeah. Great set of numbers, sir. Ankur sir, I have a question with regards to our current order book. I'm new to this company tracking, sir. So are we currently bidding this for Indian one or export one? That is the first question. Second is a part question of this only. The licenses that you have mentioned, sir, are those act as an entry barrier if we bid for global customer or domestic ones? If you can throw some light on that.

Ankur Shah: What we have bid is all domestic only. The steels that we are doing for the Bulb bar, for the Navy or the weld consumable, these are all classified. So we are not allowed to export the same as we speak.

Priyansh Miri: Okay, sir. Sir, next question is on the composite door, sir. So I assume we already in like last year or before that also, we are in the business of doing it using a steel ford or casted alloys. Right. So will this composite one will eat up our existing margins? Because I understand this is a better EBITDA or a better margin product because it's lightweight. But given the metal content is also reducing, like will it cut down on the revenue also for our existing product if it gets replaced by Indian Navy also?

Ankur Shah: Composite is a replacement for steel door hatches. We are not making steel doors and hatches at all. We're not making that. There is no question of eating up revenue.

Priyansh Miri: Understood, sir. So my questions are answered. Thank you for this opportunity.

Moderator: Thank you, Priyansh. We'll take the next question from the line for Shivakumar. Shivakumar, you can unmute and go ahead, please.

Shivakumar NV: Sir, am I audible?

Ankur Shah: Yes, Mr. Shivakumar, you are.

Shivakumar NV: Yeah, thanks for the opportunity and congratulations for a great set of numbers. So my couple of questions is regarding the, if you can give

any updates on the current, the Jalkapi project, which is currently ongoing? And if there are any subsequent orders that we are looking for, that was my first question. And second one is on the raw material inflation that we are currently looking on. Is there any? Yeah, thanks for the opportunity.

Ankur Shah: Yeah. So I couldn't hear parts and pieces, but from whatever I could hear, I could just stitch a question around that. You want to know what the Jalkapi thing is? The work for the same is progressing as planned. There could be three months or something delay because this is under a developmental project. So these delays are likely to happen. Such product does not exist as we speak right now in the country. So, it's under development. So that can happen. And follow on orders and all will happen post successful development, post trials, so on, so forth. So that's some time away for us. I did not get the third part of the question that you asked, sir.

Shivakumar NV: Sir, my next question is on the -- if we are -- are we seeing any raw material impact because of the price rise for the raw materials, what we are making the products?

Ankur Shah: Yes, we are. So it's a global issue that is there. So how could we be insulated? There is going to be an uptake in terms of fuel costs, in steel prices, all of that. So that definitely, there is an uptake in that. There is going to be an increase in the raw material pricing, increase the conversion cost per se.

Shivakumar NV: Yeah. So are you seeing any impact on the margins or anything like that? Or any substantial impact on that? Thank you.

Ankur Shah: Not, there is an impact, but not substantial.

Shivakumar NV: Thank you, sir. And all the very best.

Moderator: Thank you.

Ankur Shah: Thank you very much, Mr. Shivakumar.

Moderator: Thank you, Shivakumar. We'll take the next question from the line of Karan Singh. Karan, you can unmute and go ahead, please.

Karan Singh: Thank you for the opportunity again. So are we taking any kind of special measures to like improve our margins? Like what are we doing in terms of how we can get better margins from here on?

- Ankur Shah:** Mr. Karan, improvement in productivity, improvement in efficiency is an ongoing process, right? It's an ongoing process. So by introducing better systems in place, how you can get a lesser rejection, your yield increases, it's an ongoing process. No one stops that process. There's nothing special. So better processes, implementation, better automation, better yield improvement is something that we are focusing on.
- Karan Singh:** And next year, are we going to see like quarter-on-quarter results?
- Ankur Shah:** Yeah, it's we are on the main board now, right? So, we will have to do it.
- Karan Singh:** And last one question. So currently, we have like a joint venture with VABO, right? So, when are we expecting the manufacturing to start at that plant? And any order book traction that we can expect from VABO joint venture?
- Ankur Shah:** So, the manufacturing for the same has started. It's a trial production for the same. And we will see some traction in this financial year.
- Karan Singh:** Okay, thank you.
- Ankur Shah:** Thank you. Thank you, Karan.
- Moderator:** Thank you, Karan. We'll take the next question from the line of Archit Agrawal. Archit, you can unmute and go ahead, please. Hello.
- Archit Agrawal:** Hello.
- Moderator:** Yes, Archit.
- Ankur Shah:** Yes, Mr. Archit, we can hear you.
- Archit Agrawal:** Thank you for the giving the opportunity. So my question is about the inventory. Inventory has declined sharply from INR724 crore to INR163 crore this year. So could you clarify whether this reduction is driven by improved inventory turnover and execution efficiency? Or if there have been any changes in accounting treatment?
- Ankur Shah:** There have been no changes in account treatment that is there. The inventory is just a cut off on that particular date. Our raw materials that were to come in February and March have come in first week of April that is there. But if you saw the average inventory holding that is there,

that was in the range of about INR40 odd crore rupees that is there. So I would not read too much into it. The reality is not INR72 crores, not INR17 crores, it's somewhere in between. So the average inventory levels have been close to INR40-odd crores.

Archit Agrawal: Okay. And the other question is about your guidance. You have given the guidance of 30% growth over next three to five years. So could you elaborate on the key drivers of this growth, specifically the segment contribution? Which segment will lead this growth?

Ankur Shah: We are into the defence segment only. So all the revenues are likely to come from that. And with the various projects that are there, the naval projects and the tender pipeline that we have, that is how we see ourselves getting there.

Archit Agrawal: No, I mean, product mix like bulb bar.

Ankur Shah: Yeah. So there will be a proportionate increase in all of them. The way it is right now, about 60% revenue will come from the Bulb bar, 15%, 20% will come from the armoured sheet profile, 15%, 20% will come from the weld consumables and so on so forth.

Archit Agrawal: So you mean to say that it will be the same like.

Ankur Shah: It will be similar. Yes, you're right, sir.

Moderator: Okay, thank you. So that's all from me. Thank you.

Ankur Shah: Thank you, Mr. Archit.

Moderator: Thank you, Archit. We'll take the next question from the line of Kartik Bhat. Kartik, you can unmute and go ahead, please.

Kartik Bhat: Yeah. Thank you for the opportunity and congratulations to the whole management for a good set of numbers. So my question is on the commercial shipbuilding opportunity. So we've secured the IRS certification recently for commercial shipbuilding applications. So what other certifications would be required before we look to make further inroads in the segment? Or is it that we are all set to pursue the segment maybe more aggressively this year? And how is the inquiry pipeline shaping up in this? Are we seeing a good uptick in inquiries as compared to last year?

Ankur Shah: No, inquiries have just started to flow IRS. So we are all geared up -- to answer your question in short. We are all geared up. If the shipbuilding orders start coming up, we have the certification, we have the approval, we have the bandwidth, we have the infra done that is there. And we did very little last year. The requirement was very little. But now things are improving and we are seeing an uptick. We will see an uptick in the requirements for commercial shipbuilding. Very difficult to put a timeline to the same and quantify that because we don't know which kind, which way the projects are going to be shaping up. But we are ready if the opportunity comes.

Kartik Bhat: Okay. And on this aircraft arresting gear systems, was it largely being imported earlier? I mean, is it being indigenized currently? And how is the competitive intensity in the segment if you can throw some colour?

Ankur Shah: No, absolutely. It was being imported. And the forces were looking to indigenize the same and not depend on any foreign men for the same. So hence the indigenization concept.

Kartik Bhat: Okay, sure. Thank you so much. Thank you.

Ankur Shah: Thank you.

Moderator: Thank you, Mr. Kartik. So due to the paucity of time, we'll take this as the last question for the day. Sir, would you like to give any closing comment before we end this conference call?

Ankur Shah: Yes, I would like to thank the shareholders and the investors that have come in over here. Really appreciate the time that you've spent and the faith that you have showed in the company. And we are confident of achieving the targets that we have given forward as we have done for the past few years. So thank you for all the support that you have consistently shown. We expect that you continue to have the support and the faith in us. Thank you very much.

Moderator: Thank you, sir. Thank you to the management team for giving us their time. Thank you to all the participants for joining us on the call. This brings us to the end of today's conference call. You may all log off now. Thank you.

Ankur Shah: Thank you.

Manish Shah: Thanks. Thanks, everyone. Take care. Bye.