

सेवा में / To,  
नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लि.  
National Stock Exchange of India Ltd.  
एक्सचेंज प्लाज़ा, सी-1, ब्लॉक जी,  
Exchange Plaza, C-1, Block G,  
बांद्रा-कुर्ला कॉम्पलेक्स, बांद्रा पूर्व  
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Mumbai, Maharashtra- 400051  
प्रतीक / Symbol: BEL  
सं.No. 17565/6/SE/NSEC/SEC

सेवा में / To,  
बी.एस.ई. लिमिटेड BSE Limited  
पी.जे. टॉवर्स, दलाल स्ट्रीट  
P J Towers, Dalal Street,  
मुंबई- 400001, महाराष्ट्र  
Mumbai- 400001, Maharashtra.  
स्क्रिप कोड/Scrip Code: 500049  
सं .No. 17565/4/SE/MUMC/SEC

दिनांक/ Date: 04.11.2025

महोदय / महोदया  
Dear Sir/Madam,

विषय – दिनांक 31.10.2025 को आयोजित निवेशकों/विश्लेषकों के साथ सम्मेलन कॉल की प्रतिलिपि।

**Sub: Transcript of the Conference Call with Investors / Analysts held on 31.10.2025**

सेबी (एलओडीआर) विनियम, 2015 के विनियम 30 और 46 के अनुसार, कृपया शुक्रवार, 30 अक्टूबर, 2025 को अपराह्न 04:00 बजे मेसर्स आईसीआईसीआई सिक्योरिटीज लिमिटेड द्वारा आयोजित सम्मेलन कॉल के अनुलिपि के साथ 30 सितंबर, 2025 को समाप्त तिमाही और साढ़े वर्षों के वित्तीय परिणामों पर चर्चा के लिए संलग्न पाएं।

Pursuant to Regulation 30 and 46 of SEBI (LODR) Regulations, 2015, please find enclosed herewith the transcript of the conference call hosted by M/s. ICICI Securities Limited on Friday, 30<sup>th</sup> October, 2025 at 04:00 p.m. for discussion on Financial Results for the quarter and half year ended 30<sup>th</sup> September, 2025.

आपके सूचनार्थ उपर्युक्त प्रतिलिपि कंपनी की वेबसाइट [www.bel-india.in](http://www.bel-india.in) पर निवेशक-स्टॉक एक्सचेंज डिस्क्लोजर टैब के अंतर्गत भी उपलब्ध है।

For your kind information, the aforementioned transcript is made available on the website of the Company [www.bel-india.in](http://www.bel-india.in) under Investors – Stock Exchange Disclosure tab.

यह आपकी सूचना और अभिलेख के लिए है।  
This is for your information and record.

सधन्यवाद / Thanking you,  
भवदीय/Yours faithfully,  
कृते भारत इलेक्ट्रॉनिक्स लिमिटेड  
**For Bharat Electronics Limited**

एस श्रीनिवास/S Sreenivas  
कंपनी सचिव/Company Secretary  
संलग्न- यथा उपरोक्त। /Encls: As stated Above.

**भारत इलेक्ट्रॉनिक्स**  
**BHARAT ELECTRONICS**  
**भारत इलेक्ट्रॉनिक्स लिमिटेड**  
(भारत सरकार का उद्यम, रक्षा मंत्रालय)  
पंजीकृत कार्यालय :  
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“Bharat Electronics Limited  
Q2 FY'26 Earnings Conference Call”  
October 31, 2025



**MANAGEMENT:** **MR. MANOJ JAIN – CHAIRMAN AND MANAGING  
DIRECTOR – BHARAT ELECTRONICS LIMITED  
MR. DAMODAR BHATTAD S – DIRECTOR FINANCE AND  
CHIEF FINANCIAL OFFICER – BHARAT ELECTRONICS  
LIMITED**

**MODERATOR:** **MR. VIKASH SINGH -- ICICI SECURITIES**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Bharat Electronics Limited Q2 FY '26 Earnings Conference Call. 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. Vikash Singh from ICICI Securities. Thank you, and over to you, sir.

**Vikash Singh:** Good evening, everyone. On behalf of ICICI Securities, I welcome you all on Bharat Electronics Q2 FY'26 Results Conference Call. I would like to thank the management to give us the opportunity to host them.

From the management side, we have with us; Mr. Manoj Jain, Chairman and Managing Director; Mr. Damodar Bhattad, Director Finance and CFO; and his team.

Without taking any much time, I hand it over to Manoj-ji for his opening remarks. Over to you, sir.

**Manoj Jain:** Thank you. Good afternoon, everybody. So here is the financial highlights for H1 up to Q2 for financial year '25/'26. So this H1, we have achieved revenue from operations, we have increased it to INR10,180 crores as compared to INR8,782 crores up to Q2 of last year with a growth of 15.92%.

Profit before tax, that has increased to INR3,023 crores up to Q2 of this year as compared to comparable period of last year, INR2,488 crores with a growth of 21.5% Profit after tax, that has increased to INR2,255 crores up to Q2 as compared to INR1,867 crores up to Q2 last year with a growth of 20.77%.

EBITDA has increased to 30.15% as compared to 27.26% up to Q2 last year. Earnings per share, that has increased to INR3.09, up to Q2 of '25/'26 as compared to INR2.55 up to Q2 of last year.

The order book position as on 1st October '25 is INR74,453 crores and as on today, it has become INR75,600 crores. Orders acquired till 1st October '25 in this financial year is INR12,539 crores and till today, it is INR14,750 crores. So overall, across all financial parameters, we have registered good growth, and the company is having plans to sustain whatsoever guidance we had given at the year beginning. That is the brief financial highlights of H1 '25/'26.

Hello. Our highlights are over. We can start questions and interactions.

**Moderator:** The first question is from the line of Dipen from PhillipCapital.

**Dipen:** Congratulations on a great set of numbers. Sir, my first question is on your order book side, sir. Sir, can you tell us as to -- so right now, we are having an EBITDA margin of close to around, say, 28% to 29%. So what kind of execution are we focusing on that the EBITDA margin

continues to remain high? And do we expect it to sustain on the similar levels going ahead as well?

**Manoj Jain:**

Certainly, although product mix for H1 and product mix for H2 is more or less similar. And as we told earlier also, product mix has more than 350 main equipment and subequipment line items are more than 1,000 plus. So we are totally diversified in different, different functional areas of defense electronics.

So as such, because of this product mix, for us, we are feeling H1 and H2 may not have too much changes. So EBITDA margins will remain more or less similar. And what the guidance we have given more than 27% EBITDA, we are confident to achieve by the year-end.

**Dipen:**

Got it, sir. Sir, my second question is on the line of, sir, what -- so currently, the emergency procurement orders are expected as well as some large product value items are also expected in second half. So can you give us an idea as to what all orders are in the advanced stages of finalization, which we can expect in second half?

**Manoj Jain:**

Certainly. As we told last quarter also that we were expecting a good number of emergency procurement orders. So finally, we have received already some 11 orders -- emergency procurement orders worth around INR1,350 crores and around INR2,000 crores worth of emergency procurement orders are in pipeline where CMCs are concluded, and we are expecting it mostly by next 2 weeks, so we will get. So this is about the emergency procurement orders.

Our other main, main orders, which are in pipeline, we have told QRSAM, we are hopeful, fully confident that before March, we may get QRSAM order. We have already submitted our RFP response, et cetera. So cost audit and other activities as per the procedure is going on.

And we are confident of achieving that by March. But in addition to QRSAM, Shatrughat, Samaghat projects, the NGC-related next-generation corporate-related subsystems orders from shipyards, additional LCA 97 numbers order from HAL for our avionics packages, Shakti, GBMES, mountain radar, HAMMER, like that, these are all orders -- big orders are in pipeline, which will definitely make our overall score what we committed to you, INR27,000 crores. So we are confident that we will definitely achieve more than INR27,000 crores order book -- order received in this financial year other than QRSAM.

**Dipen:**

Got it, sir. Sir, last question, sir. Sir, right now in your order book, so the large contract, top 10 or top 12 projects contribute how much of your current order book? So mainly LRSAM, fuses, Akash missile system, et cetera?

**Manoj Jain:**

How much of the order book is pending of these orders? Or what is your question?

**Dipen:**

Yes, yes, pending. Pending Order book.

**Manoj Jain:**

The order book as on 1/10/25, 1st October '25, LRSAM is around INR5,000 crores, electronic fuses are around INR4,500 crores, BMP-2 upgrade is INR3,000 crores, Akash Army INR2,700 crores. So all this put together, top 7 orders we have got the list right now, it comes to around

INR25,000 crores. Top 7 orders constitute INR25,000 crores, of the 1st October orders around INR74,000.

**Moderator:** The next question is from the line of Amit Dixit from GS.

**Amit Dixit:** Congratulations for a good set of numbers. A couple of questions from my side. The first one is on Project Kusha or Sudarshan Chakra, where we are on the project actually, where is the development going? And when can we expect some kind of order from this particular project?

**Moderator:** Mr. Dixit, can you please be a little louder?

**Manoj Jain:** Yes. I could read no issue. So voice was sufficient to reach our ears. So I will just briefly tell you the Project Kusha is a DRDO program, as told earlier also to you. And we are the development partner for DRDO for major subsystems of Kusha program, mainly related to radar and control.

So these radar and control system, there are some 3 type of radars and 2 type of control and communication centers, then launches, support vehicles, et cetera. So these radar-related prototype development, we are doing right now jointly with LRDE, who is the DRDO partner from radar point of view. Overall program is handled by DRDL.

So with DRDL, we are discussing control center and communication system-related modules. So these 5 major modules of this program are under the prototype development stage right now. Then it will be followed by system integration.

And then only trials -- integrated trials will be planned by DRDO, where BEL will give good support to them. So I feel these all trials, et cetera, after the prototype development, which will take -- prototype development itself will take another one more year for us. And then integration, testing, trials and then afterwards, it goes into the so-called production phase, I should say.

So we are expecting order by December 2029, the first production order for us because right now, it is that way is the prototype developmental order which we have received. So from prototype development order to the real big production order worth hopefully more than QRSAM order we are expecting. But that we are expecting by December '29 time frame.

**Amit Dixit:** That's very helpful, sir. The second question is on the -- actually the recent AON that was issued of around INR79,000 crores. So there were various platforms, et cetera, over there as well as some electronic systems. So just wanted to get an idea that what could be the approximate share for BEL in that INR79,000 crores?

**Manoj Jain:** Because it is at AON stage itself only, it has not become RFPs, and RFPs also are going -- some of the RFPs we will receive directly, like GBMES project RFP, we are receiving directly, we are going to receive. But other RFP will be received by other system integrators, and we will get electronic share of that.

So as such, we cannot give you quantified figure. But out of this AON, 3 to 4 main leads or main products of BEL will be there in that. So we can expect of the order of INR10,000 crores worth of items, we are -- we may get orders, but the order may not come directly from user. It may come from system integrator also. So of the order of this tune, I hope we will get, 1 or 2 only will be direct orders, but remaining will be indirect orders to us.

**Moderator:** The next question is from the line of Umesh Raut from Nomura.

**Umesh Raut:** Congrats for a very good set of numbers. Sir, my first question is pertaining to order inflow guidance of INR27,000 crores, excluding QRSAM for FY '26. So in that order inflow guidance, are we assuming any orders from next-generation corvette or from avionics packages related to recent ordering for light combat aircraft?

**Manoj Jain:** Certainly, yes. As I told, in this NGC partial orders because overall NGC has so many BEL components. But some of the components orders we are expecting around INR4,500 crores worth of orders this financial year, we are expecting from NGC overall program.

And remaining orders maybe a INR8,000 crores to INR10,000 crores worth we may get in the next year only because configuration and other finalizations are going on for that. The nitty-gritty is being worked out for those subsystems still. So -- and LCA, so we are expecting in another 1, 1.5 months, hopefully, we will get from HAL this order for avionics package for all the items for this 97 aircraft order. That may be around INR2,500 crores plus/minus something.

**Umesh Raut:** Understood, sir. Sir, my second question is on AMCA program. Now that you have a collaboration with the L&T in terms of participating in RFI. So essentially, I just want to understand how your scope would be different than the program like LCA or say, helicopter programs, what kind of supply you does right now to HNL?

So how the scope would be kind of different in case of AMCA? Can we assume relatively far higher share in terms of addressable market if you get AMCA contract in terms of, say, development program?

**Manoj Jain:** Yes. Certainly, that is our calculated strategic move from only supplying electronics for helicopter, for LCA type of program. Can we go higher level integration or higher level value addition in airborne platforms. So AMCA, we found as first big opportunity, and that's why we tied up with L&T. And as a consortium, we have already given RFI response for that. And we are hopeful to qualify and further may get orders also.

Definitely, we are aiming for that. There, our role will be not only supplying this avionics or electronics portion, but system integration, aircraft integration, testing, validation and that type of a role, which is as a platform, aircraft as a platform. That role we wanted to increase our role in that type of a program. So for AMCA or UAV type of programs, we wanted to have our value addition increase from our traditional electronic modules to systems level contribution.

- Umesh Raut:** Understood. And what if in a scenario suppose other consortium gets that contract, do you think you can supply avionics packages or other packages to those consortiums in AMCA program?
- Manoj Jain:** Definitely, yes, because this program is driven by DRDO. ADA is the lead agency for that. And we -- because for the last 20-plus or 30-plus years of association with them at R&D level, we are developing many modules or many subsystems related to electronics for ADA.
- So these subsystems will be taken by all consortium, whosoever wins this program, these modules order has to come through BEL only because we have a proven capability for that. And we have already developed or developing these prototypes jointly with ADA and ADE.
- So these modules share anyway will be there with us. But as I told, we wanted to go up the value chain by providing system-level solution also or system integration-related expertise also we wanted to develop in this critical segment. And that's why we have done this consortium-based approach of bidding also.
- Moderator:** The next question is from the line of Mohit Pandey from Citigroup.
- Mohit Pandey:** Sir, first question would be on QRSAM. So once the order is received, what would be the execution time line, sir, 3 to 4 years? Is that a fair assumption?
- Manoj Jain:** No, it is a bit more because the program is very complex, first thing. Second thing, we wanted to do one more round of detailed evaluation. We call it first of production module, trials/evaluation. So we wanted to do jointly with our user, FoPM trials also. So because of that trial to prove some more cutting-edge extra features, et cetera, whether they are really matured for production phase or not because you know earlier phase was a prototype phase.
- So prototype phase to production phase when we go for bigger programs, we generally add FoPM stage. So in this program also, there is an FoPM stage. Because of that, the overall program schedule will be around 5 to 6 years of total execution time for the -- this program.
- Mohit Pandey:** Understood, sir. Okay. Sir, second question was on the DAC approval. So apart from the INR79,000 crores, there were other 2 approvals as well this year, so -- other 2 set of approvals. So possible to share what could be the size that BEL could be in play for from the other 2 as well that total to around, I think, INR1.4 lakh crores or INR140,000 crores?
- Manoj Jain:** Definitely in that, the biggest program was QRSAM only, of course. But other than QRSAM, Shatrughat, Samaghat and so many other projects were there, which were included in that. And so many other naval ship programs where the shipbuilders will back end give orders to us. So overall, out of all the 3, if we include QRSAM also, it is definitely more than INR50,000 crores worth of orders we are expecting for BEL.
- Mohit Pandey:** Understood, sir. Sir, last question would be on capex. So in the media, there were reports that BEL may undertake capex in Andhra Pradesh around INR1,400 crores, followed by another phase of capex there. Any comments on that, sir? What could this capex pertain to?

**Manoj Jain:** Okay. No, this has come in media also because we had a detailed discussion with Andhra Pradesh government, and we have given our commitment to them. And based on that, Andhra Pradesh government actually has given commitment on joint behalf our and AP government behalf to our Raksha Mantri sir also.

So that is the largest investment which we are doing, and we call it DSIC. So this is Defense System Integration Complex, where we are mainly making the QRSAM program will be made out of that facility.

But in addition, there will be so many other activities, other strategic business units also, we are going to shift or going to operate from there, including these unmanned systems, missile systems, military radars. So those type of subsystems also will be manufactured there. But in addition, the largest thing will be this QRSAM program, system integration, testing, validation, qualification, these are related infrastructure, we are going to have there, that is around 920 acres of land.

And with the investment of minimum this INR1,400 crores, which we have already committed. But if required, we are not hesitant to invest further in case other programs, other complex, bigger programs like Kusha and others comes in time, we are having good space there to do further investment if required.

**Damodar Bhattad:** Just to add to what our Chairman has said, this investment will happen over a period of 3 to 4 years.

**Moderator:** The next question is from the line of Jyoti Gupta from Nirmal Bang.

**Jyoti Gupta:** Great set of numbers. I have 2 questions. One is, I believe FY '26, we should close our EBITDA margins with close to 28% plus because that's what I've assumed considering the kind of order books you have?

And second, it's actually a 2-way question. One is the recent LCA Mark 1, which was delivered by -- delivered to Indian Air Force was basically sort of rejected saying that there were some spoilers in the avionics and the radar from Israel, is possibly inadequate. Does that mean that we have -- since we know that the first batch of 41 LCA was supposed to have Israeli-built ELINT AESA radars?

So now do we stand to gain from this that we would now be integrating our AESA radars, which, of course, you are actually producing? And second is, what concerns are there in the avionics part for the LCA Mark 1, which led to this kind of discomfort within the Indian Air Force for LCA Mark...

**Manoj Jain:** Okay. Hello?

**Jyoti Gupta:** Yes, sir.

**Manoj Jain:** Voice is clear. Okay. So EBITDA, as we had told at the year beginning, we will definitely be around or up more than 27%, and we are continuously working for that by doing different type

of cost optimization, indigenization. As last time also we told, we have continuously these type of activities for cost reduction, indigenization and improving our operational efficiency. So with that, we are confident we will definitely have more than 27%.

Now coming about LCA Mark 1A. So LCA Mark 1A, as you know, program is steered by HAL, not by BEL. But BEL is a very good strategic partner for HAL. And in this, all the major avionics -- all the basic avionics-related electronics, which is typically designed by ADA, ADE and other DRDO labs, and of course, BEL also was part of design and now BEL is a production agency for that.

So these items, we are supplying for LCA, and we don't have any concern on this avionics parts because these avionics parts, full design information is available with BEL. Of course, software is jointly held by BEL and DRDO, but hardware and hardware obsolescence and everything is, again, spearheaded by BEL and well supported by DRDO.

So there is no concern about avionics. As we have indirectly or directly hinted, sensors, the radar and EW sensors when the program started, they were of foreign origin, but that was at that time, indigenous space grade -- airborne grade sensors of this variety was not available. That's why it was a joint call of DRDO and HAL to take that.

And BEL was mainly in the reviewing portion, if at all. BEL was not in driving portion to select this. BEL is always in the developmental level support only, not the decision maker because the decision maker is typically the designer, original designer is DRDO, ADA and production agency, which is HAL. So these 2 only have taken. So that's why the question actually pertains to them what it is.

But as we have told and as an electronics professional, we also know in general that, yes, there were some issues and still our indigenous radar and sensors are going through final stage of trials and evaluation. And that's why at right time, a call will be taken by HAL management to replace this foreign source of sensors with the indigenous one. And that is going to happen very soon. But the final decision and final evaluation status of this indigenous sensor will be given by HAL, not by BEL.

**Jyoti Gupta:**

Yes. So that's -- because our indigenous radar is better than the Israeli-based ELINT that we have been taking. And that's why I feel there's an opportunity for -- a huge opportunity for BEL actually in terms of the radars. And so...

**Manoj Jain:**

No, no, definitely. It is BEL opportunity, but the decision of indigenous versus foreign will be taken jointly by DRDO and HAL. And the day they will take based on all the inputs, all evaluation reports and all other things, definitely BEL will be beneficiary. I know.

**Jyoti Gupta:**

Yes. Absolutely. Perfect. That's an excellent answer. One more thing, sir, one last question, if I may ask. Do we see any opportunity with the resumption of India-China flights, specifically in terms of the super alloys and any special metals that we are looking from China? Does that sort of, in any way, improve our situations and help any kind of strategic alliance in terms of movement of these rare earth metals?

**Manoj Jain:** Again, we are not directly -- as you well now, we are not directly dealing with rare earth metals or alloys and other things. Of course, with program like AMCA, we have to migrate finally. But today, presently, we are mainly concentrating on defense electronic systems, subsystems and components.

And this particular thing is more applicable to HAL and MIDHANI as on today. But definitely, as time progresses, as we move closer to the total overall value addition of different subsystems for AMCA or other programs. Definitely, we also will be concerned about that. And on that day, I can appropriately answer your question. Today, please -- this question is either to MIDHANI or HAL.

**Moderator:** The next question is from the line of Atul Tiwari from JPMorgan.

**Atul Tiwari:** Sir, my first question is on the potential for large order inflows beyond QRSAM. So once you get QRSAM, by end of this year, the next one that we know of is Project Kusha possibly by December '29. So between these 2 large orders, are there any other large orders of similar size that can potentially come through?

**Manoj Jain:** Definitely not INR30,000 crores or INR40,000 crores single order. As we told last time also, this INR30,000 crores, INR40,000 crores type of big order comes once in 4, 5 years only because it requires that much effort to make that type of a large systems. But of course, INR2,000 crores to INR5,000 crores worth of various products or various orders are in pipeline for us for next 2 to 3 years.

So those will keep on coming, but a big large program like Kusha or QRSAM, that type of a program as of now is not there in our road map. And without that big program also, definitely we are going to have every year INR25,000 crores, INR30,000 crores, INR35,000 crores worth of products -- new orders, where individual order may be of the order of, you can assume roughly INR5,000 crores as individual orders.

**Atul Tiwari:** Okay. Great. And sir, my second question is on your interest in AMCA. So would it be -- would it possible to share some kind of color on what is expected from the winner here? So in terms of the capex that you will have to do to create these facilities, the kind of technology risk that you are taking. So any color on that?

I mean, what -- how much you will have to spend to build these facilities? Because obviously, as of now, you don't have anything as far as system integration for fighter aircraft is concerned.

**Manoj Jain:** This point, anyway, we also debated discussed when we took this strategic call, when we have to invest and how much we have to invest. Definitely, that is a question investors also will be worried. But let me tell you, the AMCA program for the next few years, 6 to 8 years is mainly still realizing 5 prototypes with the total support and handholding and driving by ADA. So it is ADA and this consortium partner jointly will do, and they will use all the infrastructure, which is created by ADA for this purpose.

So as such for the next few years, 5 to 8 years, we are not expecting big capex investment. But of course, for modules, some module testing or some jigs-related infrastructure, which is

definitely much less than the final capex infrastructure, maybe maximum INR100 crores to INR200 crores is what we may have to do investments for jigs, et cetera, in the next 5 to 8 years. But no big capex is planned as per the project plan, which is shared by ADA as part of the RFI, although more clarity will come when they will evaluate all of us and then issue RFP.

So RFP will further quantify this aspect. But as per RFI, which we have received and we have analyzed, all of us, the capex is not expected -- large capex is not expected for completion of this first phase, which is this 5 aircraft realization prototype phase.

**Atul Tiwari:** And sir, just a follow-up on that, when will the final winner be known? And when is the first prototype expected to be rolled out?

**Manoj Jain:** No. The prototype already has been made in different forms and shapes by ADA. One is for like the RPS testing, one for some other purposes, et cetera, they have made. But the first real prototype based on all electronics and other subsystems as part of this program, ADA is, I think, planning in another 1, 1.5 years' time line, first prototype. And then improvization of that, then second and third, then fourth and fifth. So total 5 prototypes will come out. Final time lines are actually decided by ADA. But macro level, we know that.

And that's why this evaluation, right now, this RFI evaluation, I believe committees are constituted and they are evaluating the proposals submitted by all of us. And it is -- they have to decide when they will finish this activity. We are only hoping that another 3 months to 4 months by March -- February, March, we may expect this qualification of the RFI phase will be over. But these all are our expectations. Exact figures, either ADA can tell or that committee can tell. And we are not party to that committee or not ADA.

**Moderator:** The next question is from the line of Sumit Kishore from Axis Capital.

**Sumit Kishore:** My comments on the strong performance of Bharat Electronics so far this fiscal. My first question is in relation to the execution cycle of the order backlog, which seems to have contracted. So your order backlog broadly has been -- has not grown over the past 18 months.

Your revenue growth has persisted at mid-teen levels, this quarter was even better. So how has the nature of the contracts in backlog really changed? Or is it the better execution that you are doing? Or what has led to sort of a compression of the execution? That's the first question.

**Manoj Jain:** The thing is we have evaluated all the existing contracts which we have. As the year start itself, we sit together and then chalk out our plans, how we can materialize within the PDC of that because these orders have a staggered delivery. So each order is not for 1 year. Some orders are 3 years, 4 years. In that, for this year, what is our commitment as per the contract.

And we have done total planning that like whatsoever was to be supplied this March '26, we have already put in our road map, execution plans are in place. We are reviewing it periodically. And we are confident that we will achieve may not 100%, but we are aiming for 100%, but we will -- between 90% to 100% delivery on time, we are expecting right now.

And over a period of time, we finally want to make it really 100%. But as you know, electronics market, there are associated challenges, related to obsolescence related to some other issues, related to component availability, especially.

So because of that, some minor variations or minor surprises keeps happening for us, but that should not affect maximum 5% to 10% of our deliveries. So 5% to 10% deliveries may overspill by a few months. But as such, we have planned right now all 100% of our committed time lines part of this execution orders we are going to achieve.

**Sumit Kishore:**

Okay. And you mentioned in the earlier reply that product mix will be as favorable as it has been in H1 and H2. I mean, from QRSAM coming into your books, does the product mix really change in the next financial year? And how should we be thinking about QRSAM revenue and margin booking profile as it gets executed over the next 5, 6 years?

**Manoj Jain:**

Firstly, for next year, I don't see any product mix change per se because QRSAM next year, we will only make the prototype. This prototype is again a saleable prototype, I should say. That's why it's called the first of production model. So I should not say prototype, it is a first of production model. And that first of production model will take minimum 12 months to 18 months' time to realize because it is a very, very complex system.

So next year, we are not expecting any turnover or business from the QRSAM program. Next to next year only, we may be able to sell it in case we successfully complete all the FoPM trials, et cetera.

Over a period of time, QRSAM per se is also similar to our existing product mix only. We are not having a big difference between QRSAM and other programs. So our overall product mix may not change that much because right now also we are supplying so many type of radars, so many type of missile system like Akash, Akash Prime, Akash Export. So QRSAM will be one more feather in our cap only.

So as such, product mix may not change that much, and it may not affect our other margins, EBITDA margins, et cetera, that much, which what we feel over a period of time. So over a period of time, overall product mix, overall diversification, overall other subsystems, et cetera, will make our product mix really wide enough to take care of different type of variations in one subsegment or segment.

**Sumit Kishore:**

Very clear. So for 12 to 18 months, you may not book a very meaningful revenue in QRSAM contract after you receive it?

**Manoj Jain:**

Yes, yes, yes. Because that is a FoPM realization time for us.

**Sumit Kishore:**

Very clear. Just one final clarification. The first half of the fiscal, how is your working capital...

**Moderator:**

Request you to rejoin the queue follow-up as there are many participants left in the queue. The next question is from the line of Amit Anwani from PL Capital.

**Amit Anwani:** My first question is on the 8th pay commission where the terms of reference has been, I think, approved by the government. And just wanted to understand what is your assessment with respect to the quantum increase which you guys are expecting as and when this is implemented? And will it be higher, lower than the last pay commission? Any assessment on the 8th pay commission and which financial year we will start providing or seeing the impact of this?

**Manoj Jain:** Let me again clarify. Last time also, I think somebody else asked the question. Eighth pay commission is not for public sectors. So it is not for us. It is for central government employees. And for us, there will be -- we call it fourth PRC because last time third PRC was there. That committee recommendation will be applicable from 01/01/2027.

And that PRC, again, government has not yet constituted that committee. Government will constitute a separate committee for PRC, fourth PRC. And that will give the general guidelines for public sector employees.

And after they study and there will be a lot of flexibility for individual PSU to adapt because we are a business entity, based on our business scenario, based on our past record, based on our profitability, based on our future growth, they are giving us a lot of flexibility to decide within the general framework.

So our framework will be quite different from 8th pay commission framework. And as we have told 8th pay commission, what expectations are there, I feel a central government employee can better guess that than we, public sector employees.

**Amit Anwani:** Right, sir. But sir, any quantum based on your framework, how much increase can happen?

**Manoj Jain:** That is a wild guess. And I think as PSU employees, we should not answer that. And we are -- generally, we don't analyze that also because for us, the quantum, our reference is 01/01/27 and it is PRC. We have to only see based on third PRC to fourth PRC, what more we may get. There, I can tell my wish is definitely what salaries we are getting on 01/01/27, maybe 10% to 15% higher salaries we are expecting minimum from that.

**Damodar Bhattad:** As far as your question on financial flows are concerned, '26, '27 will be only 3 months effect from January to March because it will be from January. From '27, '28, yes, effect of repair revision will be there. But the volume growth and quantum increase in turnover will take care of all these increases what are expected to happen.

**Amit Anwani:** Sir, on QRSAM, which you highlighted that it will take 18 months. And I understand that I think there are 3 regiments and each regiment has some 72 missiles and launchers. So how the production stage will be there after 18, 24 months? Will it be like 1 regimen each 1.5, 2 years?

Some understanding on that, and what is the direct scope of work since the missiles also, launch vehicles also, and we are integrators, I believe. So what percentage is our direct scope of work in this 30,000 crores?

**Manoj Jain:**

Yes. So firstly, as you told, delivery schedules anyway will already quantified in the RFP, which has come to us. And generally, it is kept so-called strategically confidential. But of course, there are 2 phases, as I told. One is the FoPM phase, which will take 12 to 18 months to realize and then some evaluation time, which may be 3 months to more than 3 months.

I cannot exactly quantify. After that only, we will start the production. But based on the risk and -- business risk and need -- strategic need, we generally start production-related activities for that phase also a bit ahead.

So overall time lines will be around 5 to 6 years, as already told. And this will have parallel production for Army and Air Force because as you know, the order is more or less 50-50, we can say, across Army and Air Force in this program. So production also will be parallel for both of them so that we can start equipping Army and Air Force parallelly. That is our plan.

And as you have told, yes, we are the main system integrator for this. And BDL is our main strategic partner for missiles. But other than BDL, there are 3, 4 major stakeholders for us. They are providing some other subsystem, including launches, T/R modules and other subsystems to us for integration. And the major subsystems here are radars. So 2 type of radars are there and control centers. So those integration definitely will be done by us. Launcher, et cetera, our primary aim is basic integration only, but otherwise, they come.

So that's already in the prototype phase, we have already taken care of and roles and responsibilities of BEL, BDL and other stakeholders is already quantified. All of them are aware of. We had already done multiple rounds of sensitization meeting with all our important stakeholders. And that's why we are fully geared up to realize FoPM because in FoPM also all the stakeholders have to work together and for production phase.

So the sensitization to all the stakeholders already has happened. Delivery schedules, what is expected from them, et cetera, has been chalked out. And we are confident that once we receive the order in a time-bound fashion, which is indicated in the order, we, along with our stakeholders, definitely will supply in time.

**Amit Anwani:**

Congratulations for the strong numbers.

**Moderator:**

The next question is from the line of Shirom Kapur from Jefferies.

**Shirom Kapur:**

Congrats on a great set of results. So I just want to ask about your exports. We know that, that is a strategy for BEL as well. I just wanted to check specifically on our exposure to Myanmar and whether that's likely to remain well below 5% of overall revenues and it's not necessarily going to become material for the firm going ahead?

**Manoj Jain:**

Yes. Exports, as we have told earlier also, is a slightly different ball game because it requires different expertise and total order realization has various other challenges, including like LC opening and other issues. So we are right now targeted 3% to 4% of our turnover through exports. But we are confident over a period of time in next 2 to 3 years, we are definitely going to have 5%. And our long-term vision is to increase it to 10% of our turnover coming from exports.

Various activities are planned to increase our export portion from our overall turnover. And we are confident with those activities and those initiatives which we have taken and we are going to take. We are confident that we will be in the right path to increase percentage of our export turnover year-on-year, and finally, touch 10%.

Today, we have a very good healthy order book also, around USD 326 million order book is there with us, and we have very good leads also. So we are confident that whatsoever path we have laid down for our continuous year-on-year export growth, we are on the right trajectory. And definitely, we will keep giving you better and better results on the export front also.

**Shirom Kapur:** Got it, sir. And just strategically, when we do get to this -- aiming for this 10% number, will a significant portion of that overall revenue 5%, could there be that kind of exposure to Myanmar as well? Just wanted to get a sense of that.

**Manoj Jain:** No. The thing is for us, each and every country, which is of strategic interest to us and which -- who wants to take products from us based on the maturity of our products, we give equal priority to each and every such lead.

Myanmar was also such lead where we have supplied earlier some equipment and even now also some discussions and other things are going on. But each and every country is important to us. It is nothing specific to one or second country for us. Each and every export lead, we take it very seriously. We go, present, discuss, quantify and then see that our products goes and supports them for their initiatives.

**Shirom Kapur:** Noted, sir. If you could just help us with the execution for 2Q and 1H that has driven your 26% growth in 2Q and overall 16% growth in 1H, which major programs have contributed in terms of execution?

**Manoj Jain:** Okay, major or executed till now, okay. So this total up to Q2, major 6, 7 programs contributed. So one of them, top most always in the last few years is the LRSAM program of Navy.

Second was Himshakti. Third was our battle surveillance system for Army. Fourth was Akash Army. Fifth was LCA Mark 1A LRUs, the avionics-related modules. Sixth was the Lynx U2 fire control system and seventh was Shakti EW system. So these 7 systems were the major orders which we have executed, which was worth around INR4,000 crores roughly.

**Moderator:** The next question is from the line of Harshit Patel from Equirus Securities.

**Harshit Patel:** Sir, firstly, could you give us an update on the Archer UAV program and...

**Moderator:** Mr. Patel, can you please be a little louder? We can't hear you properly.

**Harshit Patel:** Is it audible.

**Moderator:** Hello.

**Manoj Jain:** Yes, you can continue. Actually, voice is clearer to us to some extent more than the coordinator, but you continue. We are able to listen reasonable.

**Moderator:** Please continue, sir.

**Harshit Patel:** Could you give us an update on the Archer UAV program and our role is that, what is the status of the program, various vendors and the final system integrator, project size, time lines, et cetera? I am asking because recently, L&T has partnered with General Atomics to participate in the 87 MALE UAV program worth almost INR30,000 crores. So will these 2 be the competing programs or how it will play out?

**Manoj Jain:** Okay. As you may be knowing, Archer program is driven by ADE, and we are the nominated Development cum Production Partner for them. And with that status and with that support, we have realized prototypes of Archer. And I think first successful trial of Archer UAV was conducted a few days back only where it met all the parameters.

And now we are in the process of refining it and seeing the market for it because firstly, the prototype development has to be done and then only you can market. So now prototype development phase more or less is over. Formally, it will be declared by ADE because we are only DCCP partner for them.

But because we are DCCP partner, we know this much is the development done. A very good progress has already been done on Archer UAV program. But as you may be knowing, Archer is not this MALE variety. The MALE variety, what you have hinted about L&T and GA association, that is slightly different type of a program. Archer is much smaller and lower capacity UAV. So Archer will not compete with this program.

But of course, there is one more program mostly announced by ADE is Archer-NG. So Arthur-NG as a program, definitely, we would like to have a good share in that program. We may lead also that program. We don't know as of now. But that program is more or less competing with this MALE UAV program as per public information available with us from the ADE.

But that question, again, you have to ask DRDO or ADE, what is Archer and what is Archer-NG program. Based on our association, we are just sharing this input. And that program definitely will compete with this L&T, GA association, or there are so many competing products for this MALE UAV, for which I think RFP also is issued now or -- going to issue actually.

They have indicated RFP will be issued mostly on next week. And in that RFP, we are also going to bid. That much only I can tell you. But for that, we have to do so much of strategic alignment, seeing, analyzing what is our strength, what is our other consortium partner strength, whether we should go for a consortium or not. Those are all things you will come to know maybe another 3 months' time line.

And -- but I can assure you, definitely, once we have decided that we are entering into this AMCA or MALE UAV program in a big way, definitely, we will put all our efforts to see that we provide a right solution for this program also.

**Harshit Patel:** Sir, secondly, can you very broadly bifurcate your current order book of approximately INR74,000 crores among land-based systems, naval systems and airborne systems. Also, if you can give a sense on competition in each of these 3 domains where the competitive landscape is intensifying, where are the areas where we can further garner some more market share? Also areas where the indigenization is lagging vis-a-vis the other areas. This flavor will be very helpful, sir.

**Manoj Jain:** Let me tell you, we are more or less equally distributed across Army, Navy and Air Force, whether it is our product segment, whether it is our order book. So more or less, we are equally spreaded across all the 3 segments.

And we treat all the 3 segments more or less similarly because basic defense electronics components, systems, subsystems are more or less similar expertise. Although evaluation or certification criteria are different for all the 3. And that way only like indigenization is core also on land system, it's fastest, naval system is second, and then airborne system, it takes a bit more time to indigenize. So that is there.

So each segment has its own small, small challenges, et cetera. But overall, for us, all the 3 segments, we are equally geared up. We have different, different SBUs focusing on these segments. Like our naval related segments, there are 5, 6 SBUs, we are specialized for handling naval customers.

Same is for our Army customers, some of the SBUs are specialized for that. And for airborne also, we have 2, 3 specific SBUs. We are more focused on Air Force as a customer. So as such, we give almost equal priority to all the 3 very, very important customers for us.

And that is the uniqueness of BEL also, that because we know Army, Navy, Air Force, that's why the interoperability across them or the theater command type of program where integration or jointness across all the 3 are required or large C4I programs where expertise of all the 3 domains is very much essential.

We are definitely a natural leader for that segment. And that way only we had decided maybe 20, 30 years back only that we should give equal opportunity, equal strength and equal resources for all the 3 segments because each segment is unique, but each segment has many commonalities as we see from our side.

**Moderator:** The next question is from the line of Hardik Rawat from IIFL Capital.

**Hardik Rawat:** Congratulations on a good set of numbers. So extending previous participant's question, what are projects that -- do we expect to execute in the second half of this current fiscal? I gather that you mentioned the projects that we have executed, but what are the large projects that we are expecting to execute in the -- can you hear me?

**Manoj Jain:** Sorry, sorry. I was on mute. So I heard your question. So for the next half, we have 7 main programs which are there and LRSAM is topping the list, followed by Himshakti, then Akash Army, then Arudhra MPR radar, then D-29 EW system, then LRUs -- avionics LRUs for LCA

Mark 1A, and electronic fuses. So these are the top 7 big projects which we are going to execute in H2.

**Hardik Rawat:** Got it, sir. And sir, historically, for the naval platforms that have gotten ordered, our -- typically, our share has been around in terms of electronic subsystems that go into it, anywhere around 20%, 25% of the overall cost do we see a similar order inflow coming in from the recently announced landing platform docks or the amphibious vehicles that the AON was recently granted for?

**Manoj Jain:** No. Let me tell you, frankly, because the naval corvettes or other type of strike ships, et cetera, and this docking platform, there is a small difference in configuration. So large complex strategic electronic modules or systems in that will be much less. So as such, for -- there are other -- so many other programs in pipeline where our share will be more. But for this program, our electronic module share will be less.

**Hardik Rawat:** That's helpful. One last clarification was with regards to what you said earlier. Could you please confirm whether, I think you said that in the AONs that were sort of announced, the last 3 AONs, which total roughly INR1.7 trillion for the previous 1 -- previous 2 ones and the one that was quite recently announced, the INR79,000 crores one, are addressable or the order inflows -- potential order inflow that could come to us would be around INR50,000 crores, INR40,000 crores from the previous 2 ones and INR10,000 crores from the recent. Would that be correct?

**Manoj Jain:** Yes, yes, yes. Certainly. That is correct, but it include QRSAM, it include QRSAM...

**Hardik Rawat:** And what would be the expected -- sorry. It include QRSAM. Including QRSAM...

**Manoj Jain:** Yes, yes, yes.

**Hardik Rawat:** And lastly, the expected size of the GBMES project that was quite recently announced, what do you expect the size to be in terms of rupee value?

**Manoj Jain:** If I'm not wrong, it is INR1,500 crores to INR2,000 crores roughly.

**Moderator:** We will take that as the last question for today. I now hand the conference over to the management for closing comments.

**Manoj Jain:** Okay. So as we told and the way we have progressed through Q1 and of course, through Q2, we are confident that whatsoever guidance which we had given at the year start, we are on the right track to meet those guidance. So I will again reiterate our commitment that revenue growth, we are going to have 15% plus EBITDA margin, definitely 27%.

Order inflow as we committed other than QRSAM, INR27,000 crores. And including QRSAM, it will be around INR57,000 crores. R&D investments more than INR1,600 crores, capex more than INR1,000 crores with a defense and nondefense business ratio of 90% to 10%, which is our typical ratio. So this guidance, definitely, we are going to achieve. That is our final comment for today.

**Moderator:** On behalf of ICICI Securities Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

**Manoj Jain:** Thank you. Thank you all.