Ref: CE/NSEBSE/18082026 August 18, 2026

To,

Listing Department, National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	Department of Corporate Services – Listing, BSE Limited, P. J. Towers, Dalal Street, Mumbai – 400 001

Re: Scrip Symbol: CENTUM/ Scrip Code: 517544

Dear Sir/ Madam,

Sub: Transcript of the conference call with Analysts/ Investors

In continuation to our letter dated 14th August, 2026 and pursuant to Regulation 30 and 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Transcript of the conference call that was organized with the Analysts / Investors on Friday, 14th August 2026 at 12:00 hours IST is enclosed.

Yours faithfully,

For **Centum Electronics Limited**

INDU H S Digitally signed by INDU H S Date: 2026.08.18 22:38:21 +05'30'

Indu H S
Company Secretary & Compliance Officer
Encl: as above

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“Centum Electronics Limited

Q1 FY27 Earnings Conference Call”

August 14, 2026

MANAGEMENT: **MR. NIKHIL MALLAVARAPU – JOINT MANAGING DIRECTOR – CENTUM ELECTRONICS LIMITED**
MR. SUNDARARAJAN PARTHASARATHY – CHIEF FINANCIAL OFFICER – CENTUM ELECTRONICS LIMITED
VALOREM ADVISORS, INVESTOR RELATIONS MANAGERS – CENTUM ELECTRONICS LIMITED

MODERATOR: **MR. JUZER HAVELIWALA – VALOREM ADVISORS**

Moderator: Ladies and gentlemen, good day, and welcome to Centum Electronics Q1 and FY27 Earnings Conference Call hosted by Avendus Spark Institutional Equities. This conference call may contain forward-looking statements about the company, which are based on beliefs, opinions and expectations of the company as on date of this call. These statements are not a guarantee of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant line 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 this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Juzer. Thank you, and over to you Juzer.

Juzer Haveliwala: Good morning, everyone, and a very warm welcome to you all. My name is Juzer Haveliwala from Valorem Advisors. We represent the Investor Relations of Centum Electronics. On behalf of the company and Valorem Advisors, I would like to thank you all for participating in the company's earnings conference call for the first quarter of the financial year 2027.

Before we begin, let me mention a short cautionary statement. Some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management beliefs as well as assumptions made by information currently available. Audiences are cautioned not to place undue reliance on these forward-looking statements in making any investment decisions.

The purpose of today's earnings call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review. Let me now introduce you to the management participating with us in today's earnings call and hand it over to them for opening remarks.

We have with us Mr. Nikhil Mallavarapu, Joint Managing Director; and Mr. Sundararajan Parthasarathy, the Chief Financial Officer. Without any further delay, I request Mr. Nikhil to start with his opening remarks. Thank you, and over to you, sir.

Nikhil Mallavarapu: Thank you, Juzer, and thank you, and good afternoon, everyone. Welcome to our Earnings Conference Call to discuss performance of the first quarter FY27. And let me extend a special thanks to our hosts at Avendus Spark for today's call.

Let me start by taking you through the key business highlights for the quarter, after which our CFO, Mr. Sundararajan Parthasarathy, will take you through the financial performance in greater detail.

We have started FY27 on a steady note with revenue growth in our stand-alone business and continued strengthening of our strategic positioning across high reliability electronics. At the outset, I would like to highlight that the first quarter was somewhat muted compared with our expectations for the full year, both in terms of growth and margins. This is primarily a function of the quarterly variations in project execution and revenue phasing, particularly in our build-to-spec business.

Based on the momentum we are seeing across our businesses, our order pipeline and customer engagements, we are confident that the stronger execution expected in the subsequent quarters will enable us to deliver against full year growth objectives. As we mentioned consistently, we encourage investors to look at our performance and outlook on a full year basis.

During the quarter, stand-alone revenue grew 11% year-on-year to INR205 crores, while we closed the quarter with a stand-alone order book of approximately INR1,800 crores, representing a robust 31% year-on-year growth and providing strong visibility for future growth. One of the most significant developments during the quarter was the successful completion of the restructuring and exit from our overseas subsidiaries.

As many of you would recall, we initiated this strategic exercise last year with the objective of sharpening our focus on our core India business and ensuring more disciplined capital allocation. During the quarter, the French court approved the acquisition of substantially all operating business and employees of Centum T&S Group SA and certain subsidiaries to the successful bidders, which were MBDA and SII.

Following the transfer, these entities ceased operating activities and were deconsolidated from our financial statements effective 4th of June 2026. Subsequently, the French court converted the process into liquidation judiciaire and appointed a judicial liquidator on 2nd July 2026 to oversee the remaining wind-down activities.

Importantly, with the operating businesses now transferred and restructuring process substantially completed, we do not expect any further liabilities in relation to these subsidiaries. This allows us to put this chapter behind us and move forward with a much sharper focus on our core India ESDM platform with greater management attention and capital directed towards our stand-alone business. Sundar will take you through the accounting impact of these developments in greater detail.

Let me now move to our operational performance and business highlights. Our build-to-specification or BTS business continues to have a strong underlying demand environment. Revenue in the quarter was impacted by the project execution schedules, but our order book remained healthy and grew approximately 40% year-on-year.

Looking ahead, we expect continued strong order intake through the year across several of our key programs, particularly in the areas of space, radar, electronic warfare and air navigation. This gives us confidence in the growth trajectory of the BTS business as we move through the year.

Our Electronic Manufacturing Services or EMS business also continued to perform well with the revenue growing 20% year-on-year and order book expanding 23% year-on-year. We are ramping up well with our semiconductor equipment customer and the demand remains solid and is in line with our expectations for the current year. And importantly, based on customer engagements and opportunities we are seeing, we believe there is visibility to surpass our current expectations over the next 1 to 2 years.

More broadly, we continue to see increasing opportunities across industrial automation, electrification and grid automation. During the quarter, we received a strategic partner award from a leading global industrial and energy conglomerate. We value this recognition as a strong endorsement of our engineering capabilities, execution track record and long-standing customer relationship.

This also reflects an important area of focus for Centum going forward. We are increasingly working with global customers who are implementing localization strategies in India while simultaneously responding to growing global demand for advanced electronics.

We see an opportunity to leverage our engineering capabilities, manufacturing scale and high reliability expertise to become a deeper partner to these customers as they localize and diversify their supply chains. As part of this strategy, we have initiated the NPI process for a number of electrification and grid automation products.

These programs are expected to start contributing meaningfully to revenue growth over the next 2 years and provide another important growth avenue for our EMS business. Across our other focus areas, we are tightly integrating our engineering services and EMS teams to deliver differentiated design-led manufacturing solutions, enabling customers to seamlessly transition from product design to high reliability manufacturing.

This approach strengthens our value proposition, enhances customer engagement and supports improved margin profiles. We have made encouraging progress in building this capability and are optimistic about securing our first DLM program wins in the coming quarters. Our objective remains to move further up the value chain by combining our design and engineering expertise with advanced manufacturing capabilities.

In summary, with a robust order book, strong expected order intake, expanding customer engagements and a healthy opportunity pipeline across both BTS and EMS, we believe Centrum is well positioned to capitalize on these structural opportunities.

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

Sundararajan P.: Thank you, Mr. Nikhil, and good afternoon, everyone. Let me now take you through the financial highlights for the first quarter of financial year 26-27. At the stand-alone level, our revenue from operations for the quarter stood at INR205 crores, registering a healthy growth of approximately 11% year-on-year. EBITDA for the quarter stood at INR23 crores, which translates into an EBITDA margin of 11.28%.

Profit before tax stood at INR18 crores, while profit after tax stood at INR14 crores with a PAT margin of 6.59%. While margins during this quarter were impacted by a relatively lower contribution from the BTS business, we expect the revenue mix to improve as execution on key

BTS programs accelerate over the coming quarters. Before I move to the consolidated performance, let me briefly touch upon the accounting impact of the overseas restructuring.

During the quarter, following the approval of the French court and the transfer of substantially all operating businesses and employees to the successful bidders, the overseas entities were deconsolidated effective 4th of June. Consequently, the financial statements reflect a onetime profit on deconsolidation of INR94 crores, while the remaining entities are now under liquidation proceedings.

These developments provide greater transparency into the performance of our continuing operations and sharpen our focus on the core India business. Coming to the consolidated financial performance, Revenue from operations for the quarter stood at INR204 crores, representing a growth of approximately 14% year-on-year. EBITDA stood at INR24 crores with an EBITDA margin of 11.56%.

Profit from continuing operations after tax stood at INR11 crores and including the onetime gain arising out of the deconsolidation of the overseas subsidiaries, the consolidated profit after tax for the quarter stood at INR106 crores.

Our overall performance continues to reflect the resilience of our core India operations, well supported by healthy execution across both our BTS and EMS businesses, robust order inflows and sustained demand across strategic sectors, including defense, aerospace, semiconductor equipment, industrial automation and energy.

We also closed the quarter with a stand-alone order book of approximately INR1,800 crores, up 31% year-on-year and strong order inflow for the quarter stood at INR360 crores approximately, that grew by approximately 70% year-on-year, which was mainly influenced by BTS registering a robust 150% year-on-year growth at INR120 crores. This provides a strong revenue visibility for the coming years.

Overall, we remain confident in the strength of our business fundamentals with a focused India ESDM platform, a healthy order book, expanding customer engagements and a strong opportunity pipeline across both BTS and EMS businesses, we believe the company is well positioned to deliver sustainable long-term growth.

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

Moderator: Thank you so much, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. First question comes from the line of Shahi Vijay from Capstocks & Securities.

Shahi Vijay: Sir, my first question is regarding the BTS segment. So given the higher project life cycle of over 2.5 years, our order book has almost doubled since FY24. So can we expect an accelerated revenue recognition going forward for the BTS segment?

Nikhil Mallavarapu: Thanks for the question, Vijay. The simple answer is yes. With the increased order intake that we've had, we expect to have clear strong revenue growth in the BTS business this year and the coming years also. Like I mentioned in the call, this is -- so there is a high level of quarterly variations. But on a full year basis, we are....

Moderator: I'm sorry, sir, but your voice is breaking.

Nikhil Mallavarapu: Okay. So I was just explaining that we do absolutely expect that there will be a healthy growth of the revenue in BTS segment as a result of the increased order book. We have some quarterly variations because of the lumpy nature of this business and the contract. But on a full year basis, we expect to have a strong growth in revenue.

Shahi Vijay: All right. Sir, just one doubt regarding the advances. Around INR210 crores of advances that we currently have, how much of it is coming from the BTS segment?

Sundararajan P.: So, I would say majority of that is coming from the BTS segment only. About two-thirds is coming from the BTS.

Moderator: Our next question comes from the line of Prateek Shrivastava with Nivesh Wisdom.

Prateek Shrivastava: Again, congratulations on a great set of numbers and great progress in the BTS segment. My question is about the semiconductor equipment. This has been referenced in the call also many times.

I just want to understand what the semiconductor equipment, can you just give more details on the semiconductor equipment? Again, who are the customers? Have you signed any large global player in that? So just want more details on the semiconductor equipment, sir.

Nikhil Mallavarapu: Sure. Thanks for the question, Prateek. Yes. So first of all, what we -- this is part of our EMS business. So it is essentially where we are manufacturing various types of box builds and PCBAs that go into the equipment used in manufacturing semiconductors.

So if you talk about the processes such as photolithography or etching and some of these critical processes that actually enable the manufacturing of semiconductors, they are supplied largely by a few -- very few large global OEMs that supply these equipment to the foundries essentially.

And in terms of where we are, this is -- we have a global OEM, one of these key global OEMs that we have added as a customer, and we have ramped up over the course of the last year, and we continue to ramp up in terms of new part numbers and products that we're delivering.

On previous calls and so on, I had mentioned that our revenue, which was from this segment, which was practically 0 in FY25 was in excess of USD10 million or over INR100 crores of revenue contribution in FY26. And we expect this to get to in the range of USD25 million to USD30 million in the coming 1 to 2 years. And this is where we are seeing a strong visibility, and we -- it's in line with our expectations.

Prateek Shrivastava: Got it, sir. And since this is EMS and not BTS, what are the margins in this business? And what are the margins we are looking forward in future in this business, sir?

Nikhil Mallavarapu: Yes. With the EMS business, considering the sectors that we are addressing, these will be in the range of about 10% EBITDA. They can vary slightly a little bit up and down depending on the customer and segment a little bit. But I would say not a huge amount of variation. Typically, this being a cost-plus model. 10%, 11% is a fairly benchmark EBITDA margin.

Prateek Shrivastava: And in future, can we use the learnings from this and get more into sort of BTS sort of a model where the margins could be higher in this segment?

Nikhil Mallavarapu: Yes. So this is where I was addressing the point around the design-led manufacturing, where we are -- while we have a BTS -- we run our BTS separately in the form of actually building products for defense and space and so on. We also had an engineering services team that was -- which was originally intended or created for this overseas subsidiary that we've had.

But with that being basically behind us now, we are refocusing this part of our business to work very closely with our EMS team and our EMS customers to offer more end-to-end solutions or design-led manufacturing solutions. So as those progress, we do expect to have a higher margin contribution from those businesses.

Moderator: Our next question comes from the line of Darshan Gala with Gala Investment.

Darshan Gala: You were just explaining how the margins would be much higher in the semiconductor part of the business. Can you -- when can we expect those revenue to start meaningfully contribute?

Nikhil Mallavarapu: No, I didn't talk about higher margins in semiconductor. I said the revenue growth, we have a good visibility on semiconductor, but this is fundamentally EMS business. So the margin stay at 11%.

Darshan Gala: Correct. Sorry on that. But about the revenue part, when can it start meaningfully contribute?

Sundararajan P.: So like you mentioned, quite a bit...

Moderator: I'm sorry to interrupt you, management. Your voice is breaking.

Sundararajan P.: Is this any better?

Moderator: Slightly better, I can say, sir, but still breaking.

Sundararajan P.: How about this? Is this okay?

Moderator: Yes, this is loud and clear. Thank you, sir. You may proceed.

Sundararajan P.: Yes. I was explaining to Darshan that the contribution of revenue from this business was 0 in FY25 and it ramped up to INR100 crores in last year, more than INR100 crores. We expect this to kind of double or triple in the next 2 years. So you will see that coming in this year as well as it will further ramp up in the next year. That's what we see.

Moderator: Our next question comes from the line of Karan Sanwal with Niveshaay.

Karan Sanwal: Sir, I wanted to understand something in line what previous participant asked. So semiconductor, we have already ramped up the semiconductor division pretty well in the last 2 quarters, maybe Q4 and Q3. So should this execution remain stable and the customer tests our product in the real condition? And would there be a linear growth or there can also be an exponential growth as we also qualify the simultaneous other part for the same customer?

Nikhil Mallavarapu: Let me make sure I've understood the question correctly, Karan. So your question was with regard to the semiconductor equipment. If these have been tested and validated in the real environment, and then your second question was with regard to growth, whether you see that it's an exponential growth or linear growth. Is my understanding correct?

Karan Sanwal: Yes.

Nikhil Mallavarapu: Okay. So yes. So to your first question, absolutely, they are in production. So this is, first of all, a very highly recurring business. You will have maybe certain variability that comes with longer capex cycles in the broader semiconductor manufacturing industry.

But at least for the next 2 years or 3 years, there is a fairly strong visibility in terms of the demand in the industry. And as a qualified partner for these global OEMs, these products are -- typically have very long product life cycles. And so we have a fairly good level of recurring revenue from this part of the business.

Also, in the last year itself for all the products that are already in production, we have gone through the full qualification process and requirements. So that is behind us, and now it is in serial production. But we continue to add also new part numbers from these customers.

And as and when we do that, they will go through their respective qualification processes and then go into production after that. So I would say we are very well integrated and now in a fairly mature process in the supply chain.

Your second question about growth. I think as we mentioned, this has already been a very steep and strong growth considering the fact that this was pretty much 0 in terms of revenue in FY25, exceeding INR100 crores in FY26.

And as Sundar was mentioning, we expect it to more than double going forward in the coming year and so on. So clearly, a steep growth over these couple of years. And we expect, of course, that it will stabilize at a point in the next maybe 1 to 2 years, and then it should be fairly stable after that.

Karan Sanwal: So it would still be a recurring demand after 1, 2 years, right?

Nikhil Mallavarapu: Yes.

Karan Sanwal: Understood. And for the product that we are manufacturing for these semiconductor equipment players, are we -- who are we competing with in India? And or are we competing with players in other geographies? Where is the competition placed in position for the product that we are already manufacturing or we will be manufacturing in future for the semiconductor line?

Nikhil Mallavarapu: So, in terms of...

Moderator: Sorry to interrupt you management, again, your voice is breaking.

Nikhil Mallavarapu: Yes. So I was saying that with regard to the competition, as far as PCBA and box build manufacturing for EMS type of business, we are the main supplier in India. We are their first major supplier in India. Our main competition is in Southeast Asia, basically in Malaysia. So there's nobody, I would say, in India that we would directly be competing as far as EMS business is concerned.

Having said that, they are adding other parts of the supply chain. And so there are other good companies that have been benefiting from the general shift that they are looking in terms of increasing their overall spend and sourcing from India.

Karan Sanwal: Understood. Sir, also, are we in talks with some other semiconductor clients for similar products or we can't supply to similar products to other -- their competition basically, the customer's competition. How is the understanding over there?

Nikhil Mallavarapu: These -- first of all, in the EMS business, the design and the IP of the product belong to the customer. So we are not allowed to sell the same product to other players in the space. Having said that, we are in some preliminary level discussions with other customers also who are looking at India as a supply base for their -- as part of their sourcing and supply chain strategy. So -- but that's still at an early stage. We will update that as we progress.

Moderator: Sorry to interrupt. Can I request you to come back for a follow-up, please? Next question is from the line of Alok Shah from SRE PMS.

Alok Shah: Am I audible?

Moderator: Yes.

Alok Shah: Sir, I have 2 questions. First is that can you throw some light that how India is evolving into the space industry? And what are the opportunities that ISRO can give us in the next 2 to 3 or 4 years? And my second question is the space-based surveillance program that was initiated during Operation Sindoor, I think. So where it is now, what is the opportunity we will get? And can you throw some light on that also, sir?

Nikhil Mallavarapu: Thank you. The space opportunity is quite an exciting one, I would say. We have been in the space now for over 25 years or close to 25 years and moved along the value chain from doing niche components to modules to subsystems to now building complete payloads.

And our objective is to go further also into satellite integration and so on as we move forward. In terms of the broader ecosystem, I think there's been a lot of positive development in the form of start-ups coming with very good and innovative solutions.

You all must have recently seen the success of the Skyroot launch vehicle, I think, which is a major milestone for the country. So there is clearly a lot of innovation. There is clearly, from a demand perspective also, a need coming in from various different end-use applications.

As far as we are concerned, the major end applications that we are addressing today are largely for defense and military requirements. But there are also certain contributions that go into scientific missions and some communication, kind of, equipment also.

And with regard to your question regarding the SBS program, this is moving well. We have started to book some good orders from this program, and we expect in this year that we will have a very strong order intake coming from this program essentially.

So we are quite positive about that. And apart from that, we are also executing a major program for payloads -- electronic warfare-based payloads, not specifically part of SBS program, but very, very closely aligned with it. And we expect those also once delivered, will have repeat requirements in the coming years as well.

Moderator: Next question comes from the line of Harish Subramanian with Unifi Capital Private Limited.

Harish Subramanian: My question was on the BTS segment where the order book has inched up over time. So as far as the revenue mix is concerned, do you see it sustainably moving beyond the 70-30, sort of, ratio much in favor of BTS in a sustainable manner? So that is the first question.

Nikhil Mallavarapu: Thanks, Harish, for the question. So I think we may -- fundamentally, first of all, we are seeing strong growth happening in both businesses. We may see in 1 year -- maybe in the very short term, 1 year or 2 years, you may have slightly a little bit higher contribution from the BTS. But I would not say it is hugely different. I mean, we may have, instead of 70-30 split, it may marginally be favorable towards the BTS side. But again, not hugely drastically different from a split standpoint.

Harish Subramanian: Okay. Another one on the revenue growth. You say that medium-term target in terms of revenue growth for the India business is at 25%-plus. But for this year, do you think you'll still maintain that? Or will there be anything less than 25% in terms of revenue growth?

Sundararajan P.: We will reach. We are confident of reaching that 25% level, and we'll maintain that for now. We don't see any reason to change it significantly based on the order book trend and the projects that are under execution. yes.

Harish Subramanian: Okay. Understood. Just last question from me on the new wins that you mentioned -- yes, the last question on the new wins that you mentioned on aerospace and defense applications, the complex test systems. If you can talk a bit more on that and what it can open up.

Nikhil Mallavarapu: Yes. This is a part of what we deliver to our export customers. It's part of our, I would say, value-added engineering service offering that we give to our EMS customers. This is -- so it was roughly about, I think, INR55-odd crores order that we received from this export customer for this program. I would say these are -- the nature of this business is it is a test bench, or a test system is not always a recurring type of revenue.

They are based on application-specific or they come up from time to time. So it is, I would say, volatile in terms of demand. You have certain years where you have high order intake and certain others which are lower. But it is a -- this one is a particularly substantial one that we received. And we continue to offer this as a solution to differentiate ourselves with our major customers.

And it has a small revenue contribution. I would not say, from a revenue standpoint, it's going to make a big impact in terms of the future prospects for the company.

Moderator: Our next question comes from the line of Deeya Jain with Sapphire Capital.

Deeya Jain: So can you provide any guidance for FY27 and FY28 in terms of revenue and margins? And also how the split of exports and domestic is going to be going forward?

Sundararajan P.: Yes. So we still maintain the similar trend of about 25% on the revenue growth for this year. And for next year also, that's the visibility that we see as of now. And the margins, last year, we reported about 12.5%. We are aiming to move it up and above about 13%, and that could remain stable or slightly improve in the next year.

But of course, it's too early to comment on the next year. We need to look at the order profile as we keep booking the orders during the year. And in terms of our export component -- sorry, composition, I think it will still remain in the order of about 50% to 55% or even slightly higher, given the orders that we see on the growth that we see in EMS, but it could be in the same range also, nothing much expected to change.

Moderator: Our next question comes from the line of Darshan Gala with Gala Investment as a follow-up question.

Darshan Gala: No, no. My questions have already been answered. Thank you.

Moderator: Our next question comes from the line of Vineet Khanna, an Individual Investor.

Vineet Khanna: So Nikhil, a question for you. In the previous calls, you have updated or shared details about some of the BTS related initiatives you have done. In particular, the one which you had done for Virupaksha.

The second one being a recent win you had for the helicopter platform for AESA radar. And another initiative was with, I think, Garden Reach Shipbuilders where some upgrade was there for the electronic subsystems. Can you just provide a current update in terms of where we stand with respect to these?

Nikhil Mallavarapu: Yes, sure. Thanks for the question, Vineet. So yes, we are quite excited, making good progress on all of these programs. So with both the Virupaksha and the UHM programs, these are development programs. So we have completed, I would say, the first phase of -- on the UHM, at least, we've completed the first phase of the critical -- the design reviews and so on.

And we are in the -- well underway in terms of the realization of the first prototypes for the program. So things are moving well, and we expect to have these first prototypes in the next year, successfully demonstrated to the customer and subsequently deliver the order, after which we will be waiting for HAL to look at the serial production quantities. So in short, it's progressing well. Virupaksha also, we are in the design of the product. We expect also to have those development orders completed maybe in Q4 or Q1.

And with the TACAN system also, similar progress in terms of the delivery and the development. This is a technology partnership that we've established, so it doesn't involve a significant amount. There is some localization design engineering work that is being done, which is actually an important part of the development effort here. But it is progressing well. And this, again, in the beginning of next year, we expect to have the first deliveries done.

And also, we are very closely monitoring and awaiting some further orders for this system in the coming 1 or 2 quarters.

Vineet Khanna: Okay. Just a follow-up on -- I think there was some discussion in previous calls about direct engagement with armed forces. So, so far, our engagements are mostly with defense PSUs or DRDO and ISRO. How are we tracking on direct engagements or are there opportunities which are emerging in that space?

Nikhil Mallavarapu: Yes. So those also are progressing well. I mean even when we talk about some of these system-level opportunities, although there is -- our direct customer, may be a PSU like HAL or GRSE and so on, these systems are very critical to the platform and capabilities. So there is already an enhanced level of engagement that we are having with the end users. But beyond that as well, we are also in various levels of discussion and answering RFIs and so on, on full system, kind of, opportunities with the armed forces directly.

I would say they are in progress, but we will update as and when they come to a higher level of maturity.

Vineet Khanna: Yes. Just one last one is on -- I mean, from your side, you highlighted the 4 bullet points in the BTS section of the slide. Is there anything which you want to share in terms of something new which is happening, which probably slide is not capturing? You are doing some work which potentially is something -- or seeding something which has some potential. I mean, just share some color on if something is not captured in that slide, which you want to share maybe verbally.

Nikhil Mallavarapu: No, I think there's a lot happening in this side of the business that much more than we can capture, I would say, in 4 bullet points. But I would say there is clearly a major ramp-up that we are doing in terms of engineering team and capability across different skill sets and also focused more on the objective of our system integration, kind of -- system integration objective.

So we are bringing in new talent and people that will enable us to get there, and also to ensure that we are executing and delivering these new programs and answering other new opportunities to the right level of satisfaction of the customers. So I would say, at a high level, that's the main thing I would maybe add or add color to what's actually happening.

Moderator: Our next question comes from the line of Preet Gopani with Unique PMS.

Preet Gopani: Most of my questions have been answered. I just have one question in continuation with the last participant. So in your AGM yesterday, you had alluded that we are trying to work with a global customer in the BTS space and the opportunity is not far away. So can you just elaborate a little bit on that? How big of a business can global BTS be for us?

Nikhil Mallavarapu: I mean, this is a specific opportunity that we were talking about with regard to BTS for an export customer, specifically around electronic warfare. So this is, I would say, beginning for us. There are various levels of discussion happening with various different customers.

So it's a little bit early to quantify what it could be in several years. But I think there is clearly a need and a demand for this. And as we close some of these opportunities, they will have a meaningful contribution both in terms of revenue and margin to the overall business.

Preet Gopani: Okay. But on a broader level, once businesses like this, let's say, global BTS start contributing to our P&L, do you think that it will be at a higher margin than the BTS that we do here, the domestic BTS business?

Nikhil Mallavarapu: No, I would say probably we're still targeting around that 20-plus percent, kind of, margin profile. But the main difference, which is the reason why we like export BTS business in some of these cases is that they are not all tender-based. It's not an L1 type of business where it's 0 or 1. They typically have a relationship with a customer that -- and you can come to a reasonable agreement on some of these things. So that's what we like about some of these export, kind of, opportunities.

Of course, once these systems that we have built, whether it's like the one that we're doing for the UHM or some of the other products that we're developing, there are -- there will be major demand for those type of equipment and systems for overseas customers.

We have not yet come to a stage where we are answering opportunities because we're still at the development stage. But when those come, which are system-level opportunities for exports, yes, those can absolutely have a higher level of margin profile even beyond BTS.

Moderator: Our next question comes from the line of Alok Shah with SRE PMS.

Alok Shah: Yes. Sir, just one last question. We had executed a groundbreaking ceremony at KIADB Aerospace Park at Bengaluru. So can you let me know what is the status? Have we started construction of the facility? And secondly, what is the capex plans for this year and next year?

Sundararajan P.: Sure. So this one, the design stage is complete, and we'll be starting the construction soon. However, this is not -- the land belongs to another group company, private limited company. So we don't have to invest anything from Centum Electronics in this year.

So next year, once the shell is ready, as we start building the factory and all the MEP, HVAC systems and so on and clean room, dry room ordering, plant machinery and so on, towards the end of next fiscal, the capex flow could start.

And on the whole, high-level estimate is about, I can say, anywhere between INR50 crores and INR70 crores, but we'll get to know more as we do the budgeting for the next fiscal. We'll update you.

Moderator: Our next question comes from the line of Ashit Kothi with -- an Individual Investor.

Ashit Kothi: Just wanted to understand with regard to various opportunities available, where do we stand vis-a-vis competition, major competitors, like, in different areas where we are operating?

Nikhil Mallavarapu: Yes. I would not speak about specific company. I would say broadly, we have 2 businesses, which we have described, EMS and the domestic Defense and Space Products or BTS business. We have different sets of competitors for each of these businesses. They are not the same.

And I would say with regard to our positioning, I think there are certain areas, especially if you talk about the BTS side of the business, where we -- in certain areas, especially things like space, where we are, I will say, quite ahead in terms of our capability and history in the domain.

And we are making very, very good and strong progress from a systems perspective on things like radar and EW (Electronic Warfare) where there are some competitors that have been there, maybe a little bit ahead of us. But from a capability standpoint, I think we are quite, I would say, on par in these areas.

On the EMS side of the business also, I think we have certain segments and differentiators where -- especially when it comes to export customers, some unique manufacturing requirements, the supply chain complexity, these are all things that I think we understand quite well. And we consistently see that when we work with these customers that they have a strong preference to work with us.

I think on certain -- the areas that, maybe, when it comes to very high-volume type of business, things like consumer electronics and so on, that's where -- probably that's not our cup of tea. Our competitors have set up an ecosystem much more aligned and tuned for those types of segments. That's in short.

Ashit Kothi: Reason why this question was like companies like Astra or Data Patterns and a couple of other players, which are specializing and are they ahead of us?

Nikhil Mallavarapu: Yes. So as I mentioned, there's 2 things. One is there are areas that we are ahead compared to them in the space and so on. There are other areas where they have been in the business for -- or in these specific domains, at least for longer than us. But from a capability standpoint, as I mentioned, we are, I would say, quite close to being on par.

These are the companies that we deal on with very various projects. I mean, as I mentioned, even on the UHM program, there were -- when we had qualified for that, there was several -- there were more than 10 bidders who were interested to participate, but only 3 shortlisted and of which we were L1. So I would say some of these are good case studies in terms of proof of case -- proof in point in terms of capability recognition.

Ashit Kothi: Sir, who are the other two?

Nikhil Mallavarapu: I cannot disclose that.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for the closing remarks. Thank you, and over to you, team.

Sundararajan P.: Sure. Thank you all for participating in this earnings conference call. I hope we were able to answer your questions satisfactorily and at the same time, offer insights into our business. If you have any further questions or would like to know more about the company, please do reach out to our Investor Relations managers at Valorem Advisors. Thank you. Thank you, Juzer.

Moderator: Thank you so much, sir. Ladies and gentlemen, on behalf of Centum Electronics, that concludes today's conference. Thank you for joining us, and you may now disconnect your lines.