



“Data Patterns (India) Limited  
Q4 FY26 Earnings Conference Call”

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**MODERATOR:** **MS. PRAYASI PATEL – GO INDIA ADVISORS**

**Moderator:** Ladies and gentlemen, good day, and welcome to Data Patterns (India) Limited Q4 FY26 Earnings Conference Call hosted by Go India Advisors LLP. 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. Please note that this conference is being recorded.

I now hand the conference over to Ms. Prayasi Patel from Go India Advisors. Thank you, and over to you, ma'am.

**Prayasi Patel:** Thank you. Good morning, everyone, and welcome to Data Patterns (India) Limited call to discuss the quarter four and FY26 earnings call. We have the senior management of the company on call Mr. S. Rangarajan, Chairman and Managing Director; and Mr. Venkata Subramanian, Chief Financial Officer.

We must remind you that the discussion on today's call may include certain forward-looking statements and must be therefore viewed in conjunction with the risks that the company may face. May I now request Mr. Rangarajan sir to take us through the company's business outlook and financial highlights, subsequent to which we will open the floor for Q&A. Thank you, and over to you, sir.

**S. Rangarajan:** Thank you, Prayasi. Good morning, ladies and gentlemen, and a very warm welcome to all of you to the quarter four and full year FY26 Earnings Call of Data Patterns (India) Limited. We sincerely appreciate your continued trust, support and participation. I hope all of you had the opportunity to review our earnings presentation, which has been uploaded on the Stock Exchanges and our company website.

Before Venkat takes you through the financial performance in detail, I would like to briefly share some key business and operational highlights for the year. FY26 has been a significant year for Data Patterns, marked by strong execution, healthy order inflows, continued capability expansion and increasing participation across strategic indigenous defence programs.

During the year, we continue to strengthen our position across radars, electronic warfare systems, avionics, communication systems and strategic defence electronics, supported by our strong in-house design and engineering capabilities built over nearly 3 decades.

One of the key highlights of the year has been a strong momentum in order inflows, during FY26, the company recorded order inflows of approximately INR1,121 crores, increase of 216% year-on-year, reflecting healthy demand across multiple defence and aerospace programs. The order inflows were well diversified across radar systems, avionics, electronic warfare, services and strategic electronics applications, demonstrating increasing customer confidence in our technological capabilities and execution track record.

The order book as on date stands at approximately INR2,062 crores, including orders negotiated, which provides a strong revenue visibility over the coming years. In addition, we continue to see a healthy pipeline of opportunities across radar systems, electronic warfare and advanced

defence electronics. Other than the order book, additional single vendor contracts based on already supplied products, which can fructify into contract this financial year stands at INR1,900 crores.

Further, based on previous delivery and performance of strategic system supplies, our customers would like to place further contracts on such programs leading to significant order book accretion, we should get visibility for these contracts, including timelines during the year.

Our earlier investments made towards realizing EW suites, including self-protection Jammer Pods for Indian fighter aircrafts have been well received by IAF, and we are poised to take the next steps for flight testing. This will lead to revenue during the medium term. The opportunities being addressed by Data Patterns with in-house developed large systems already delivered to customers has immediate requirement to address strategic space-based surveillance and mitigation, allowing Data Patterns to substantially increase revenue in the coming years towards building an order book of at least 3 years revenue, ensuring predictable growth.

We are entering into an exciting phase in India with the defence and aerospace industry set to grow substantially to reduce reliance on imports, especially in this geopolitical situation. Further, with the advance of AI in all phases of our business, Data Patterns has leapfrogged into absorption of AI for processes as well as technology and products.

This will allow Data Patterns to introduce new world-class products quickly to address the awning gap on Indian capabilities and products, necessitating imports and reliance on foreign OEMs to meet our critical defence needs. We've also repositioned some of our products to address the growing requirement of drone detection, spoofing and jamming with both radars and ESM products.

These are in advanced stage of development and expect to bring in additional revenue in the medium term. We are investing in expanding our product development across radars for airborne platforms, including surveillance and fire control, including maritime applications, which were hitherto the domain of Indian development agencies and foreign OEMs. We expect these to bring in revenue over the next few years and also allow exports of complete products.

Our export business also continued to progress steadily during the year. The export order book as on date stands at approximately INR53 crores, and exports remain an important strategic pillar of our long-term growth road map. We are actively engaging with customers in Europe and other international markets while strengthening our export-oriented marketing and business development initiatives.

We continue to execute repeat business from U.K. and expect export momentum to improve meaningfully as our complete system capabilities mature further. We believe that our revenue from exports will increase starting this year as most countries are increasing their spend on defence given the present geopolitical situation. We believe that the products and capabilities offered by Data Patterns will allow even Western countries to procure from Data Patterns,

leveraging our capabilities and much shorter time frames, delivery time frames meeting the requirement.

During the year 24 - 25, we also achieved an important milestone with the successful development and export of Transportable Precision Approach Radars to European country, including successful site acceptance testing. This reflects not only our technology capabilities, but also the growing acceptance of Indian defence systems and engineering expertise in international markets. We're also getting additional inquiries for these products from various countries.

We believe the global defence industry is entering a multi-decade investment cycle driven by rising geopolitical uncertainties, accelerated modernization programs and increasing focus on self-reliance in defence manufacturing. Advanced electronics, radar systems, electronic warfare and intelligent surveillance capabilities are becoming central to modern defence preparedness globally.

This creates a significant long-term opportunity for India's indigenous defence ecosystem with a strong in-house design capabilities, advanced engineering expertise and proven execution track record, Data Patterns is well positioned to capitalize on this opportunity.

Coming to our financial performance. FY26 has been another strong year for the company. Revenue of FY26 grew by 31% year-on-year to INR925 crores, while EBITDA increased by 35% year-on-year to INR371 crores. Looking ahead, the outlook for the Indian defence sector remains extremely strong. We remain committed to delivering sustainable and profitable growth while continuing to invest in future technologies, strengthening our complete systems portfolio and maintaining a strong balance sheet.

We continue to target revenue growth of around 20%, 25% over the short term while maintaining healthy EBITDA margins of 38% to 40% and preserving our net cash status. Most importantly, beyond financial performance, we remain deeply committed to contribute towards India's journey of technological self-reliance and strategic defence capability development.

With that, I would now like to hand over the floor to our CFO, Mr. Venkata Subramanian, to take you through the financial performance in greater detail.

**Venkata Subramanian:**

Thank you, sir. Good morning, ladies and gentlemen, and thank you all for joining us today. We are pleased to report another strong year of operational and financial performance for Data Patterns. FY26 reflects the continued strength of our execution capabilities, resilient business model and increasing demand across strategic defence and aerospace programs.

Let me take you through the key financial highlights for the quarter and full year FY25 - 26. Revenue from operations for FY26 stood at INR925 crores as compared to INR708 crores in FY25, registering a healthy growth of 31% year-on-year. Gross profit for the year increased by 35% year-on-year to INR585 crores due to increase in revenue and favorable product mix, while gross margins improved to 63 percentage compared to 61 percentage in FY25.

EBITDA for FY26 stood at INR371 crores as against INR275 crores in the previous year, reflecting a growth of 35% year-on-year. EBITDA margins improved to 40% supported by operational efficiencies and improved absorption of the fixed costs. Profit after tax for FY26 stood at INR271 crores, registering a growth of 22% year-on-year, while PAT margin remains healthy at 29%.

Coming to the quarterly performance, Q4 '26 revenue stood at INR345 crores, while the revenue was lower by minus 13% year-on-year due to timing of execution of certain programs, revenue nearly doubled sequentially with a growth of 99 percentage quarter-on-quarter, reflecting strong execution momentum during the quarter.

Pertinent to also note that share of fourth quarter revenue was 37% in FY26 as against 55% in FY25. Gross margin for Q4 FY26 improved significantly to 73% as compared to 49% in Q4 of last year. EBITDA for the quarter stood at INR193 crores with EBITDA margins at 56%, while PAT for the quarter stood at INR139 crores with PAT margin of 40 percentage.

From a working capital perspective, we continue to see improvement in operational efficiency during FY26. Our cash conversion cycle improved meaningfully to 365 days in FY26 from 428 days in FY25, reflecting strong execution, better inventory management and continuous focus on disciplined working capital control.

As of March 2026, our order book stood at approximately INR926 crores while including negotiated and expected orders, the order book pipeline remained strong at around INR2,062 crores. Our order book continues to remain diversified across radar systems, avionics, electronic warfare, communication systems and strategic electronic applications.

The company continues to maintain a strong balance sheet and remains a debt-free company. We believe our healthy liquidity position and disciplined capital allocation strategy provides us with the flexibility to continue investing in R&D, infrastructure, advanced technologies and manufacturing capabilities.

Going forward, we remain optimistic about the long-term opportunities in the domestic and international defence sector and continue to focus on execution, operational efficiency, technology development and profitable growth.

With that, we would like to open the floor for questions and answers. Thank you.

**Moderator:**

We will take our first question from the line of Dipen Vakil from Phillip Capital India.

**Dipen Vakil:**

Congratulations on a great EBITDA margin and surpassing the revenue and guidance for the year. Sir, my first question is on the lines of your margin profile itself. So, you have told us that you have told -- so this quarter, you had some great EBITDA margin, so can you help us understand as to what is the -- which product mix has led to such strong EBITDA margin and out of those order book, what kind of EBITDA margins can we expect going ahead?

**S. Rangarajan:** You see we have a differentiated product line. The margins for Q2 were much lesser because, as I earlier explained in the call also, there is a strategic program where we've taken a contract at a lower cost and lower margin, but it's helped us build us a capability to build a complete system and also the program management office, which is necessary other than also demonstrating mechanical capabilities, which is not when we talk about an electronics company. So, these are the takeaways from this contract and also our commitment that this will also lead to future contracts.

So, we take some contracts with lower margin consciously to ensure that we build our capability, product capability and also give you -- allows us future expansion. So that is the reason last year quarter, quarter-to-quarter differences were there. And though there's an increase in revenue in quarter two and overall revenue has been as per guidance, slightly better than guidance. And the rest of the margin which you talk about is that is normally where our complete product development is done in-house. Where all the IP is created in-house, we don't import anything and integrate.

So, this is in nature of exactly what we normally do. And since there is no bought-out in those last quarter revenue. And it is all our own full systems, which has been developed by us was sold, the margin profile was different. So, you need to look at not -- you can't give a direct guidance on contract to contract, how it will go in terms of EBITDA or margin because this is the overall business cycle.

There are many many products, and we take some products at different kinds of pricing based on our, one, ability to absorb it, two, to see how the future business is going to look at and the business prospects we take a call on that and take a decision where to make an offer, how to quote it.

This is what we have done. And now that the opportunities are much larger and becoming much, much larger, we need to build a capability upgrade in our company to address larger opportunities going forward. I think I've answered your question. Is there anything else, please ask again?

**Dipen Vakil:** Yes, sir. Sir, that was very much clear. So just another thing on that. So, you mentioned that you have currently INR2,000 crores of order book of which roughly INR1,000 crores already in the books and INR1,000 crores expected. So, any time line on that as to when we can expect finalization of those INR1,000 crores where negotiations are completed?

**S. Rangarajan:** I think in the next 1 to 2 months' time, we should expect the contracts to happen. Unless, of course, there is some -- see these are all government customers. So, I can't predict for them. But our feeling is that it should happen in the next 1 to 2 months time.

**Dipen Vakil:** And over and above that, we are expecting orders to the tune of INR15 billion to INR20 billion for FY27?

**S. Rangarajan:** Yes. See, what has happened is we have developed products earlier. And those products during the course of this year will have repeat orders. So that has been for INR1,900 crores. So these

are all single tender orders just expected during the course of the year. The timing is not exactly visible. That is why I said during the course of the next 12 months, we should get additional order book, which is based on already developed products and delivered and accepted by customers.

And repeat requirements are already quoted for in some situations and inquiries have also come in for another. Wherever we're talking about INR1,900 crores, we've already quoted for those requirements. The only thing is some of the negotiations may have to happen and the time lines are not exactly in our control. But it should happen during the course of the year.

**Dipen Vakil:**

Got it, sir. Got it. Sir, last question on the production. So in this order inflow, what will be the proportion of the production order inflow, which are expected to be like a short-cycle orders. So any indication on those that out of those INR2,000 crores or maybe INR1,000 crores, how much will be the quantum of the production orders?

**S. Rangarajan:**

I can't give you exact ratio now. What has already delivered, I said we get the repeat order of INR1,900 crores, that will all be production orders because already we've done the development. On the existing INR2,000 crores, some are service orders, some are already developed orders and some are new development, which is going to take place.

And so I don't have the exact mix and percentages. But whatever we have taken up, even for development initiatives we're taking up, they're looking at it only with the perspective of future requirements are there for such products and programs. So whatever we develop, we've developed with building blocks and they have a future requirement in other applications as well. So that is how the development cycle is actually managed by the company. So I can't give you exact number, but there will be a larger size production contracts for the overall business we expect as we go along.

**Moderator:**

Next question is from the line of Rishika from Goldman Sachs.

**Rishika:**

Sir, I have two questions. You indicated that you're working with global OEMs. I wanted to understand what's the traction around that? And if you have anything apart from U.K. Secondly, when can we expect to get the order for BrahMos seeker? Certain media articles indicate that the production is hampered. Will it have a material impact on our revenue growth in FY27?

**S. Rangarajan:**

Okay. First question is global OEMs. A number of them have started visiting us and quite impressed with whatever we've achieved in terms of capabilities and products. So similar products are required in Europe. So, the inquiries have started coming from Europe for building such products, and they quite like our prices and delivery term.

I think in the next 2, 3 months' time or 4 months' time, we should start getting some contracts from these global OEMs, which will lead into some development initiatives initially, but then which will lead to year-on-year or quarter-to-quarter delivery for their actual military programs for which they are addressing their opportunities.

So, this is going to be not a one-off system, but there will be multiple systems based on what we already developed and modified to meet their OEM requirements. So, this is one part of the story on exports is concerned. We also want to now expand our own export team, build a team to address exports because we believe that there is going to be increased look at India with our capabilities and delivery models, which Europe and U.S. and other countries would be looking at very seriously. So, I think this is a growing business.

And since we have done a lot of product development in-house, which matches the requirement immediately, I think there will be a lot of traction once we put the marketing team to address the opportunities.

So, we are going not just U.K., but other than U.K. also in Europe, inquiries have started coming in. Other people who are visiting us are also from U.S. from civil aviation and things like that, people have started visiting us and quite taken interest in our capabilities and inquiries have started coming in.

Regarding BrahMos seekers, the first variant of the development seeker order is under execution. Once there the execution is completed, I think in the next 4, 5 months' time, the production orders would start coming in. They've indicated production orders, and they want it to be delivered before next year, middle is what the customer is saying. So I don't think there is going to be any distress on delivery time lines as far as BrahMos is concerned with our kind of seekers and systems.

Whatever orders was given in 3, 4 months back in BrahMos seeker, we've already delivered. And by March, we delivered it. So our time lines for delivery is quite fast with respect to other competitors, which are there in this line of business. So I don't think we'll have a problem in terms of revenue.

And anyway, this is part of the expected order of INR1,900 crores is what we have projected, not in the orders on hand situation. So, I don't think there will be a revenue offset based on BrahMos even if there's a delay. But I don't think there's going to be a delay.

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

**Hardik Rawat:** Congratulations team on a wonderful result. Sir, my first question would be with regards to the current order book. So, we have some INR1,000-odd crores of order book, and we expect another INR1,000-odd crores of negotiated orders to flow through in the coming month or 2?

Just wanted to understand, our order book mix, if I look at today, the share of services and that is roughly INR350-odd crores, the order book as at the end of 4Q. When you talk about the negotiated orders, could you give us an indication as to what part of this would pertain to services or/and what part would pertain to products?

**Venkata Subramanian:** I think about on this INR1,000-odd crores, which I've said maybe INR100 crores will be on services, so the rest on product delivery.

- Hardik Rawat:** Got it. So that would mean that in the next 2 months, we'll be sitting on a product order book of about -- we should be sitting, again, not -- understanding that the orders can be delayed. But our expectation is that we should be sitting at a product order book of about INR1,500-odd crores. Would that be correct? INR575 crores that you already have and some INR900-odd crores that you'll be getting?
- Management:** Yes, around that or even slightly higher.
- Hardik Rawat:** So now I want to understand since a large part of our product portfolio and because of our faster execution time line, the execution has largely been short cycle. What do you expect the execution cycle to be on this INR1,500 crores of orders that you'll be sitting at in the month of it?
- S. Rangarajan:** That is not whether we can execute or not. It depends on the program requirements. Some of the program requirements are spread over 3 years delivery. Some is delivered in a few months. So that varies from the contract to contract. And that will be mostly based on customer requirements, not on our ability to deliver.
- Hardik Rawat:** No, sir, I get that. What I'm trying to understand is that based on the delivery schedules that you have, what is your expectation in terms of order execution cycle, if you can break it down and what do you expect, again, we're not holding you to this, but what do you expect...
- S. Rangarajan:** We have projected about 20%, 25% revenue growth. We won't think we have a problem on those things. So that will happen. And if the other INR1,900 crores things come in early, some part of it can be executed this year also. And that will also bump up our revenue model. So since we don't have the exact timing, we have only projected this 20%, 25% growth. But once the contracts are at hand, we already developed these products, our execution time lines can be matching customer requirements or even earlier.
- So, depending on that, the delivery model will happen. So, at the present moment, we don't want to wage any kind of saying that we will do this way because we know we are confident of doing this. But this is a base point. I think as the contracts start coming in, larger contracts, our projections may vary from quarter-to-quarter.
- Hardik Rawat:** Got it. That's very helpful. the point was...
- Moderator:** I'm sorry to interrupt. Hardik, you may please rejoin the queue for more question. We will take our next question from the line of Riya Bhatia from PNB.
- Riya Bhatia:** Yes. So I just wanted to understand about the order inflow for the year. You said around INR1,500 crores to INR2,000 crores. This is apart from the INR1,100 crores that has been negotiated, right?
- S. Rangarajan:** Yes.
- Riya Bhatia:** Okay. So then would it be correct to assume that you'll be ending the year with around INR3,500 crores to INR4,000 crores of order book?

- Management:** No. We will also be executing contracts, which is coming in.
- Riya Bhatia:** So, what will be the order book for the year?
- S. Rangarajan:** I think it's a bit early for that. We will come towards the year-end before we give you the numbers. It's a bit early because there are a lot of programs we're working on. Some of the large contracts and strategic programs also the order may start coming in. If the order starts coming in, the order book size will grow, plus the export revenue, which is going to happen. So, there are so many areas of product development, and we are making offers to customers.
- So, if we're successful, we will be able to have a very healthy order book going ahead. That is why in the opening remarks, I mentioned that this is the first time I've given an all-rounded view on the market and where we are in terms of investment models and product models and how the business is supposed to scale in the coming -- in the short and medium term.
- I've given you overall perspective on repeat business from existing deliveries, new things which can happen and then other areas where we are focusing on product development also, plus the export and the repeat business is expected. So, we've also said that if some of this, what we predicted it happens, we'll have a healthy product order book, which will also give us a clarity of quarter-to-quarter growth over the next 2 to 3 years' time, while we still strive for building larger businesses going ahead.
- So, I think we have a fairly rounded view I've given on the opening remarks. So -- but to exactly tell you end of March, what will it be, I think towards Q2, Q3, depending on how we get the orders going ahead, that will give you a better answer.
- Moderator:** Next question is from the line of Akshay from AK Investment.
- Akshay:** My one question is already answered, and congratulations on the great set of numbers. And sir, my second question is how much cash flow from EBITDA are you expecting to generate in FY27 and going forward for the next 2 to 3 years? Because for the last 2 years, our cash flow generation from operations has been very weak.
- S. Rangarajan:** No, I didn't understand the question. What is that? What did you ask?
- Akshay:** Sir, I am asking about the cash flow from operations since last 2 years, our cash flow from operations has been very weak, so over the next 2 to 3 years -- cash from operating, sir?
- S. Rangarajan:** So cash flow from operations, okay.
- Akshay:** Yes. So over the next 2 to 3 years, how much conversion from EBITDA are we expecting?
- S. Rangarajan:** I don't know. Venkat, do you want to answer this question?
- Venkata Subramanian:** The cash conversion cycle today is at 365 days. We are seeing improvements year-on-year. We expect it to probably settle down at 320 to 340 days going forward. But year-on-year, we cannot

-- at the beginning of the year, it's very early to calculate all that and come out with an answer for this.

But we are definitely focusing on reducing the working cycles, and it is also showing some improvements year-on-year. So going by that, we expect it to settle down at 340 to -- I mean 320 to 340 days going forward. But probably during the middle of the year, we can take a review on this. And some color can be given, but this is too early now.

**Moderator:** Next question is from the line of Pujan Shah from Molecule Ventures.

**Pujan Shah:** Sir, first question pertains to -- in the last, our con call, you have said that we might receive INR1,100 crores in 1 to 2 months' time line, while that has been delayed. But while I was also reading some of the tender participation and where we can be -- I would think that there is also an order of INR1,007 crores for Tejas Mk1A, is it possible -- is it the same order...

**S. Rangarajan:** What is that order? INR1,007 crores. What is that?

**Pujan Shah:** INR1,007 crores order value for Tejas Mk1A.

**S. Rangarajan:** Tejas, okay.

**Pujan Shah:** So, is it the same order, which I'm being considering or you're being considering in the last con call? Or it is just different order all together?

**S. Rangarajan:** These are not Tejas one. Tejas one is part of -- some inquiries have come, we quoted for whatever products are going, avionics is going into Tejas. So this -- hopefully, the orders should come during the course of this year. It normally goes through a really large negotiation cycle with HAL.

So, we have to wait and watch when the order is placed. But I've not projected anything last year for Tejas. We had orders in hand, which we executed but the new order projections is this year only, we're talking about other, than that order-on-hand situation, already delivered products, which repeat orders may happen. For this, we've already quoted. And Tejas also, we already quoted. So we have to see when the contract comes. It will be only this year.

**Pujan Shah:** Okay. But sir, I just want to try, sir, because the tender was closed on, I think, 13th or 23rd of March. I don't remember the exact date. And in 65 days of time line, it needs to be concluded on their side. So there is no update from -- on the portal or something like that. So how should...

**S. Rangarajan:** I don't know which you're talking about. I'm not aware of what you're talking about. So I won't be able to comment on it.

**Venkata Subramanian:** And to give you more clarity, actually, the orders negotiated of INR1,000-odd crores, which was shown in the previous conference call, is not a single case, it's multiple cases. Some of them we have got the contract. And that number now stands at INR1,090 crores. I mean we have got some more contracts negotiated in between last conference call and now. So put together INR1,090

crores as on date as we speak. So including that, our order book today stands at INR2,000 crores plus, INR2,062 crores to be precise.

**S. Rangarajan:** You'll have to wait for Tejas order to happen, and we'll announce it to the market as and when the order happens.

**Moderator:** From the line of Garvit Goyal from Serene Alpha.

**Garvit Goyal:** Congrats for good numbers. Sir, in your opening remarks, you mentioned about some delays of certain programs. Can I know what kind of programs are these? And secondly, if these delays and these programs are getting deferred to FY27, then fundamentally, your growth should be more than 25%. And why we are speaking about 20%, 25%. So that's my first question.

**S. Rangarajan:** No, I never -- what are these 13 programs? I don't know what you are talking. It's 13 programs?

**Garvit Goyal:** Not 13. I'm saying you mentioned about some programs getting delayed in execution in Q4 that will be deferred in next year. That's what you said, right?

**S. Rangarajan:** No, no, no, I never mentioned. I never said anything like that. I never said anything like that. I've only compared quarter 2 to quarter 4 performances. And then there are expected orders from what we delivered in quarter 2, but I never talked about any delays. I've only talked about orders, which is expected, let's say, another INR1,900 crores for repeat contracts.

I'm not able to give you time lines on those orders because these are all government contracts. But I expect this to happen over the course of this year is what I said, I never talked about delays on any other thing.

**Garvit Goyal:** Okay. So, if I look at the execution in Q4, it is falling behind Q4 last year, right? So we were having the order book in our hand, right? So what is stopping us in executing those contracts? Like what is the reason behind the poor execution?

**S. Rangarajan:** There's not a poor execution. Actually execution has been actually very good. It's not poor. It is a good execution. And the execution has to be in line with customer requirements. I may have an order on hand, but customer doesn't want delivery today. There may be preconditions to our delivery. So based on customer request, we deliver and based on the contract. So execution has not been poor. Actually, execution is very good. We delivered things in 2 months and 3 months, which is very, very good.

And our Board is very happy with the execution and how we manage the execution. So there is no delay from our side. It's a question of the agencies, government agencies getting together approval, these kind of things normally go through a process and that process delay is not addressed by -- we can't address those process delays. But we've never had an execution delay from our office.

**Moderator:** We will take our next question from the line of Shrinarayan Mishra from Baroda BNP Paribas.

- Shrinarayan Mishra:** Sir, my first question is on the largest order that we have received in Q4, IMD radar development and service order. What would be the execution cycle for that order?
- S. Rangarajan:** The requirement is between over 18 months. We're trying to see how fast we can deliver it.
- Shrinarayan Mishra:** Okay. And sir, since I can see in the order backlog, our services mix has increased significantly. So would that mean trade receivable days would improve? Or how should we see that?
- S. Rangarajan:** No, no. You're talking about services?
- Shrinarayan Mishra:** Yes. In the order book services mix has increased.
- S. Rangarajan:** Trade receivables will not increase because we don't bill for services until the services are carried out. The only product delivery happens, we bill only product development. The services part of the contract, we will bill as and when the services happen and delivery of the services happen. So there are 2 independent parts to the order. So we will not bill the overall amount and wait for services to happen over the next 4, 5 years. That is not the way revenue recognition is done. It's not done that way.
- Venkata Subramanian:** Service orders represent our AMC revenue. AMC is actually for multiple years. It's not a single year AMC.
- S. Rangarajan:** So there is a process for revenue recognition. There is a process in revenue recognition. This is not add to any -- what -- receivables increase and all those things.
- Shrinarayan Mishra:** So from the date of billing of a service order, how many days it takes to collect the amount?
- S. Rangarajan:** It depends on the customer.
- Venkata Subramanian:** It depends on the customer and the processes involved.
- S. Rangarajan:** See, what we do is after the service, it again depends on the contract, when the billing can start, so at the end of the service contract, 1 year over, the annual billing can be after end of the year or if it is quarterly billing and quarterly -- so it depends on the contract, varies from contract to contract. And the payment cycle terms varies from customer to customer.
- Shrinarayan Mishra:** But in general, if you were to generalize, is it better than production orders or?
- S. Rangarajan:** I can't generalize because uniquely government agencies are there. IMD is the first case, which is taken up now. So, until we get some money transfer from IMD, we won't be able to generalize.
- Moderator:** Next question is from the line of Amit Sharma, an Individual Investor.
- Amit Sharma:** Congratulations on a great set of numbers. I have two specific questions, 1 related to our current order book. So we have for 38% of our current order book coming from services, which has

roughly an elongated execution cycle. So does that -- and even in our negotiation order book of INR1,090 crores, even that also we have a sizable amount coming from services.

So, does that put a pressure for us in terms of our growth size? Would our growth will be, say, 25% growth, would that be a pressure point for us for the coming year as well as for next year FY28?

**S. Rangarajan:**

Okay. This question has already been asked and answered. INR1,090 crores I gave approximately about INR100 crores to be services. The rest is product delivery. So it will not affect the -- our top line revenue growth is what we projected, I said 20%, 25%. We believe we should be able to do this. On top of why we said we should be this is also that there are a number of repeat contracts we're expecting during the course of the year.

So it happens early, then we can deliver those products earlier. So that also will bring in additional revenue or either part of the revenue projections or over and above the revenue projections, we can do that. So it depends how the order inflow happens during the course of this year.

**Amit Sharma:**

But basically, what you are saying is that the quick execution order book like we had in the current year is what we are largely depending on for the -- to achieve the ballpark number that we are guiding for the current year, in fact...

**S. Rangarajan:**

Yes, we believe it will be substantially higher than the guidance number is what we expect because I think a lot of long-term initiatives the company has taken. And I think those initiatives one by one will start fructifying into contracts. Once it starts getting contracts, our order book situation should grow substantively in the coming years is what we expect.

And we have developed products and over a period of time to ensure that this -- we can scale the company very quickly into multiple thousand crore company rather than scale it 20% year-on-year. That is not what we're looking at in the management cycle here. We're actually looking at some very high scalability in the coming years. And the strategy and product development mix is working towards how to build the scalability and sustainable scalability is what we're working on.

**Moderator:**

Next question is from the line of Sahil Karia from White Pine Investment.

**Sahil Karia:**

So apart from BrahMos missiles, which are the missile programs...

**S. Rangarajan:**

I can't hear you at all. I can't hear you at all. Can you come to nearer the phone and call.

**Sahil Karia:**

Am I audible?

**S. Rangarajan:**

Yes.

**Sahil Karia:**

So apart from BrahMos missiles, which are the missile programs...

- Moderator:** I'm sorry to interrupt, Sahil. Can you use your handset mode, please?
- Sahil Karia:** Am I audible now?
- Moderator:** Yes.
- Sahil Karia:** Yes. So apart from BrahMos missiles, which are the missile programs are we delivering products, seekers and IR products to and all these products could we be the relevant vendors?
- S. Rangarajan:** I'm still very confused with your question. You're not very audible.
- Sahil Karia:** Apart from BrahMos missiles, which are the missile programs, are we delivering products to and for which product are we L1 vendors?
- S. Rangarajan:** Other than BrahMos product, there's one other program for the air defence. We've done a seeker that is under delivery mode now. But there are no other programs on the missile area. We're working on seekers. But as a concept, we want to take up initiatives to build other kinds of seekers, electro optic, etcetera, seekers on our own. And where we are positioning ourselves with an industry partner to see that we can meet the revenue model as we go along.
- But those are all development initiatives internal to office. But as of now, we don't have anything else because we work on whatever DRDO allows us to do. We develop the products as per the requirement. So until then, it will be now -- it's really controlled by DRDO or missile program itself.
- As and when the missile program becomes opened up, other agencies start building, large corporates start coming into the business, then maybe we should be able to do a large part of the missile and have an ecosystem which will develop the system, but that's yet to happen.
- Moderator:** We will take our next question from Jenish Karia from Union AMC.
- Jenish Karia:** So, my question is on the AMCA program. Any update on our consortium's position for the AMCA program? And irrespective of the outcome of the -- which consortium is winning, what would be our opportunity within the AMCA program?
- S. Rangarajan:** Yes, AMCA program, the RFP is expected any time now. So that is the first status. Second is on the AMCA, we've -- the glass cockpit is developed by us. The mission systems is developed by us for the LCA-Mk2, which is going to be taken to AMCA. We are hoping that as we go along, more such -- on the sensors and RWR and radar and things like that, as and when we are able to develop products and it is acceptable to the customer. All such programs will follow. At the present moment, we have only the cockpit solutions and machine management system is being done by us.
- Moderator:** Next question is from the line of Santhosh from iThought PMS.

**Santhosh:** Okay. So, I just want to know like out of the negotiated orders of INR1,000 crores, you did say that if the delivery schedules are okay, we might deliver some of those contracts this year. Would that growth be over and above the guidance of 20%, 25% you are guiding for?

**S. Rangarajan:** No, I never mentioned. I think you misheard me, you misunderstood the whole thing, which I've answered. I never said the INR1,000 crores, we only talked about orders on hand, expected orders and negotiated with INR1,000 crores. I never said that this will be delivered earlier and things like that. I talked about other INR1,900 crores.

If it were to come, similarly the business that happen during the course of the year, comes in early, then I can include them early. That is what I talked about, not on the contracts on hand. I didn't understand the second part of your question. What was the second part of the question?

**Santhosh:** No, I'm just asking that if that INR1,000 crores, if the delivery schedule is allowing you to get the revenue today, would that be over and above the guidance you're suggesting for? Because - - is there any capacity constraint is my question as well?

**S. Rangarajan:** No, we are building large capacities. For export contracts already capacity we have built, plus we are building something about nine floor of factory space to build in additional capacity to see that the larger -- as we -- the program size has increased and the volume of contracts increase to scale to multi thousand crore company. We already started investing on capex and infrastructure expansion because it takes 1 to 2 years' time. So, we're already in the process of doing it.

For seekers and other things, we already put the building blocks and infrastructure necessary to ramp up production. Already, we have done that. So, I don't think we will have a problem in execution. As and when it happens, we are aware of when this will happen. Of course, the time lines are not very predictable. But -- so we have taken a cautious view of not overspending in infrastructure and the contracts don't happen.

I don't want to sit on capex infrastructure there. So, this has to be judiciously implemented, but we are aware that scaling is going to happen substantively. And we are taking an aggressive position on terms of capex infrastructure to address the scaling requirements as we go along.

**Moderator:** Next question is from the line of Dipen Vakil from Phillip Capital India.

**Dipen Vakil:** I wanted to understand on your product development and also on the Virupaksha -- component for the Virupaksha Radar that you had supplied to Indian Air Force as well. So, any update on that as to what is the progress? How was the response? And if there's any concrete order which we can expect from there?

And you also mentioned about the new areas of development around anti-drone system, drone detection. So, can you tell us about -- more about the time line as to when these products will start getting commissioned or rather in that approval stages and we can expect some revenue from them?

**S. Rangarajan:**

Okay. First is Virupaksha is not our product. Virupaksha is a DRDO project, name for the Super Sukhoi radars. This is not ours. We call it by a different name. So, we never delivered Virupaksha or any equivalent to Air Force as yet. So that is the wrong information you have received. So, we have our own versions of it. And we believe that, that will also be taken up by Air Force in the coming years. But because of the uncertainty and time lines, which I can't predict, we've not given revenue expectations out of those things and in our opening remarks.

Similarly, when you talk about anti-drone, yes, products are getting done. We will be participating in demonstrating the products to army and air force and whatever. So that will happen. But again, we don't have clear time lines when what will happen. We have started quoting in some locations.

And if we are successful, the quotes, we will -- may get the order. But these are all things which is again a quote and competition basis. So time lines are -- and the revenue model is not -- what do you say, very clear now. So -- but then we need to expand the product portfolio and be aware of what is happening and the need of the customer is trying to address the need in overall. So we're developing a number of products.

And these are all repurposed products. Already we have done something, an incremental effort of 3, 4 months, I can position the products. So, it makes sense to do that. And our product will be reliable and meeting the specifications. So, we believe that there will be some revenue model going ahead, but I can't predict anything at the present moment.

On new product development, we don't do revenue projections unless the clarity is there for the market and it is an acceptance stage and later requirements or inquiries start coming in, I can't give you projections.

I'm only talking about the overall business environment and product development to help the investors to understand how scalability we are going to ensure that we can be a larger business going ahead in the next 2, 3 years' time. That is how the overall business perspective and product development has been explained, not to the exact revenue model, because I can't give you numbers like that.

**Dipen Vakil:**

I'm also looking for the time line on the new product development as to when we can expect the new products to start coming into your product portfolio per se?

**S. Rangarajan:**

That will all happen as it's happening already, but that depends on the product. Anti-drone is a smaller system, so it can happen quickly. But the other, the EW suite for self-jammer is a 2-year, 2.5-year initiative, which we've taken on. And that is in the next 1 year, it will come to conclusion. It depends on the product and the complexity of the project and program and the acceptance models. Air trials have to be done, it takes longer time. It takes 1.5 to 2 years' time to do air trials. So why I give you the overall perspective is that, we are not only looking at contracts now. We're also looking at shorter term, some kind of product initiatives and repeat contracts.

Slightly immediate term, we've already invested and continue to invest in new products and products, which is actually needed by the country, which is not position -- no Indian company is positioning. Only foreigners are positioning products there.

So, in competition to products, our products should be far more economically priced and support systems are going to be far superior as long as the product meets world-class specifications. So based on that, we believe there are low-hanging fruits, but time lines are not predictable. So, we will not predict time lines and revenue models out of that.

**Moderator:** Next question is from the line of Aditya from Avendus Institutional Equities.

**Aditya:** Congratulations on your set of numbers. My doubt is regarding our competitive peer, which is Astra Microwave. I have been following the defence companies as such. In this case, Astra Microwave is also like in line with providing more on complete system like similar to us.

They have been transitioning in that aspect. So how are we trying to position ourselves in case of the competitive trends when compared to one such peer like, let's say, Astra Microwave, in case of systems and the orders which we have received?

**S. Rangarajan:** I wouldn't like to comment on specific competition on open line. So, I will refrain from answering this question.

**Aditya:** So that's all question from my side, sir. If possible, could you just explain more on our technological side in case of our product development, which is part of our R&D assets, like details more on the technical part of it?

**S. Rangarajan:** Yes. We have a strong in-house technology development team. We are nearly about 1,200 engineers working with us. So as what we've done all through the years, we develop products and write off the revenue expenses, except in a few cases where we did a few of the fund product development, which is capitalized. We don't do capitalizing.

We continue to do enormous amount of product development as part of our yearly requirements and then have the product ready for markets, which we perceive or we believe is going to open up to us. So we take such kind of initiatives and upfront invest products. And we're investing now products on radars a full -- earlier only hardware is being done by us because the DRDO software is done by them.

However the market has opened up, we decided that we build the software and full radars. So we've done a few radars and some of them have been exported. Now we're building the drone detection radars. We want to get into the airborne radar programs. So we are doing the airborne development programs for airborne radars, including software, complete radars. We were doing the IFF. We want to do the mission systems. We want to do the EW, already flying. So, we want to enhance the scale of EW.

The communication intelligence, we want to do world-class systems, the increasing specifications to see that it is a top of line world-class specifications are met. So like that, in

every product area, we're trying to improve the product capability and address it to the world markets and see that we are in line with the world systems so that we can offer best solutions to India and not -- second to none is what we're trying to do.

So, our area of focus is, if you take avionics, radio, mission systems, communications, radar, EW, IFF, a lot of other things which goes into UAV platforms and parts of the radar as for DRDO requirements, complete radar solutions wherever we can do that, export of these parts of systems to international OEMs, all of this is what we're looking at.

We have fairly deep technological capabilities in all of them. And we have a very strong group of people who have been with this company for 20, 25 years who will drive this technology and also the middle management on engineering for all 15, 20 years in the company.

So, there's a very -- it's a very homegrown kind of an organization where there are no levels and product talks and all of us is in. So, the idea is to develop products which is world-class with the market opening up and we want to build a large-scale company moving ahead.

**Moderator:** Ladies and gentlemen, we will take that as the last question for today. I now hand the conference over to the management for closing comments.

**S. Rangarajan:** Thank you all for joining in on this conference call, earnings call for Q4 and the year '25 - '26. I've taken time to give you an overall perspective of how our business is growing and where we are trying to develop products. The intent is to see that we scale up multiple times in the coming years.

The market opportunities are very, very large, considering that India has been importing all our defence systems and these are core competency in IP-driven products. We have been completely dependent on foreign OEMs who don't share the details and do a manufacturing only in India.

As against that, we want to build our own capability in full products to see that we are completely self-reliant and with world-class products. Some of our initiatives have started giving some results and some orders are going to come on the EW, which we're competing with Germany. We got some contract -- we're going to get some contracts. Tenders have been opened and negotiation completed.

So, things like that. Similarly, on the EW jamming, we have done all this, including the software, the mechanical systems, the cooling systems, the electronics, which is world-class. So, we believe that also should give us some substantial revenue opportunities going ahead.

The third area is what we've already developed, and we've taken some additional risks in addressing these opportunities because we believe it will help us build scale and repeat orders as well as build program management capabilities in the company. If you take them and successfully executed the contracts, customers are quite happy. So we believe that there will be some additional requirements will come up, which will build scale into the company.

Fourthly is we are looking at exports. Till now that has not been a focus area. But with the geopolitical environment, the export then now takes a precedence because a lot of warehousing companies are looking at how quickly can we deliver products for their military programs. So we're trying to address it. And similarly, in U.S. programs.

And we need to now have a team to go and address in Japan, to Korea, to Europe, to U.K., to other countries, including U.S. So that we are trying to put a team together to see how to address this. We're also looking at how do we scale capabilities in terms of electro optics. So what is it we need to do to build an electro optics, not just electronics company and domain.

So domain and electronics, mechanical, all we integrated together to build their own systems. So I'll give you an overall idea. We are very bullish, like I said, on the growth opportunity of what India offers today. And since we've been importing everything, now it is up to us for grabs. Obviously, there are time lapse and it's government agencies, so we need to be aware of that and not do overinvestment and then have competition foreigners who come on the back route and put in infrastructure and use the business. So, we are cautious of the development and what we are putting money in.

So -- but overall, I think we are taking the right approach and direction. And the Board and the technology Board and the company are quite clear that we're going in the right track. So, we will continue to build like this and scale the company quite quickly. This is what we expect. We're very bullish on Data Patterns growth going ahead.

Thank you very much for your listening patiently for this. If you have any further questions, please pass it on to Go India Advisors, and we'll get them answered to you through them. Thank you all. Thanks for listening in.

**Moderator:**

Thank you very much. On behalf of Go India Advisors, that concludes this conference. Thank you all for joining us today, and you may now disconnect your lines.