



प्रतिष्ठा में/ To,
नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड
National Stock Exchange of India Ltd.,
एक्सचेंज प्लाज़ा, प्लॉट नं. सी/1, जी ब्लॉक,
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बांद्रा-कुर्ला कॉम्प्लेक्स/Bandra-Kurla Complex,
बांद्रा (पूर्व)मुंबई/Bandra (E) Mumbai – 400 051

सं.No. 17565/6/SE/NSEC/SEC
दिनांक/ Date: 02.02.2024

महोदय / महोदया
Dear Sir/Madam,

भारत इलेक्ट्रॉनिक्स लिमिटेड

(भारत सरकार का उद्यम, रक्षा मंत्रालय)

पंजीकृत कार्यालय :

आउटर रिंग रोड, नागवारा, बेंगलूर - 560 045, भारत

Bharat Electronics Limited

(Govt. of India Enterprise, Ministry of Defence)

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विषय – दिनांक 31.01.2024 को निवेशकों/विश्लेषकों के साथ हुए कॉन्फ्रेंस कॉल की प्रतिलिपि।

Sub: Transcript of the Conference Call with Investors/Analysts held on 31.01.2024.

सेबी (एलओडीआर) विनियम, 2015 के विनियम 30 और 46 के अनुसार, कृपया 31 दिसंबर, 2023 को समाप्त तिमाही और नौ महीनों के लिए वित्तीय परिणामों (बिना लेखा-परीक्षा) पर चर्चा के लिए बुधवार, 31 जनवरी, 2024 को सुबह 10:00 बजे एंटीक स्टॉक ब्रोकिंग लिमिटेड द्वारा आयोजित सम्मेलन कॉल की प्रतिलिपि इसके साथ संलग्न पाएं।

Pursuant to Regulation 30 and 46 of SEBI (LODR) Regulations, 2015, please find enclosed herewith the transcript of the conference call hosted by Antique Stock Broking Limited on Wednesday, 31st January, 2024 at 10:00 A.M. for discussion on Financial Results (Unaudited) for the quarter and nine months ended 31st December, 2023.

आपके सूचनार्थ उपर्युक्त प्रतिलिपि कंपनी की वेबसाइट www.bel-india.in पर निवेशक-स्टॉक एक्सचेंज डिस्कलोज़र टैब के अंतर्गत भी उपलब्ध है।

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

सूचना व अभिलेख हेतु प्रस्तुत है।
Submitted for your information and record.

सधन्यवाद / Thanking you,

भवदीय/Yours faithfully,
कृते भारत इलेक्ट्रॉनिक्स लिमिटेड
For Bharat Electronics Limited

एस श्रीनिवास/S Sreenivas
कंपनी सचिव/Company Secretary

संलग्न- यथा उपरोक्त । /Encls: As stated Above.



“Bharat Electronics Limited
Q3 FY’24 Post Earnings Conference Call”
January 31, 2024



MANAGEMENT: **MR. BHANU PRAKASH SRIVASTAVA – CHAIRMAN AND
MANAGING DIRECTOR – BHARAT ELECTRONICS
LIMITED**
**MR. DAMODAR BHATTAD – DIRECTOR FINANCE AND
CHIEF FINANCIAL OFFICER – BHARAT ELECTRONICS
LIMITED**
**MR. SREENIVAS – COMPANY SECRETARY – BHARAT
ELECTRONICS LIMITED**

MODERATOR: **MR. AMIT SHAH – ANTIQUE STOCK BROKING**

Moderator: Ladies and gentlemen, good day, and welcome to Bharat Electronics Limited Q3 FY'24 Post Earnings Conference Call, hosted by Antique Stock Broking. 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 a touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Amit Shah from Antique Stock Broking. Thank you, and over to you, sir.

Amit Shah: Thank you, Ria. Good morning, everyone. On behalf of Antique Stock Broking Limited, I welcome you all to Q3 FY'24 Post Earnings Call of Bharat Electronics Limited. To discuss the earnings, from the management, we have Mr. Bhanu Prakash Srivastava, Chairman and Managing Director of the company, Mr. Damodar Bhattad, Director, Finance and CFO, and Mr. Sreenivas, Company Secretary.

I'll hand over the call to Mr. Bhanu Prakash Srivastava for the opening remarks, post which we can open the floor for question and answer. Over to you, sir.

Bhanu Srivastava: Good morning to all of you. Bharat Electronics Board met on 29th January and then approved the result of Q3. Our turnover increased to INR11,485 crores, which is an increase of 4.35% to corresponding figure of INR11,006 crores. PBT has increased to INR2,949 crores, which is a jump of INR33.84 crores of the corresponding figure of last year. Similarly, PAT also has increased. EBITDA has increased. So, there has been a significant increase in profitability. Our order booking this year has been very good. Against our guidance of INR20,000 crores by end of December, we have already received the order of INR26,761 crores and more orders are coming. So, positive outlook for Bharat Electronics.

And I now open for questions.

Moderator: Thank you. We will now begin the question-and-answer session. The first question is from the line of Amit Dixit from ICICI Securities. Please go ahead.

Amit Dixit: Good morning, everyone and thanks for the opportunity. First of all congratulations for a good set of numbers and very robust order inflow this year. I have a couple of questions. The first one is essentially on the revenue. So, if I look at the revenue growth so far, it has remained quiet, I would say, subdued. And we guided for around 12% to 15% growth for this year. So, given that ask rate for Q4 is quite steep, what kind of revenue growth we can expect for FY'24?

And there was INR400 crores of spillover in last quarter. And this quarter also, you mentioned in the notes that because of the ongoing Israel-Palestine conflict, there could have been a certain shortfall. So if possible, if you can highlight on these points. That is the first question.

Bhanu Srivastava: Yes, as far as revenue growth is concerned, still we stick to our guidance of around 15% growth over and above what we did last year, which amount to closer to INR20,000 crores. Yes, there has been an impact of, because of the Israel, that Hamas conflict, which has been

affecting in dispatches. But along with our partners in Israel, we are working on that. We overcome INR400 crores to INR500 crores last quarter. But still this quarter, again, there was a spillover of around INR400 crores to INR500 crores, which landed in first week of January. So, these are the challenges which are there. Traditionally, Bharat Electronics has been robust in Q4. And we are very confident that in Q4, though, ask rate is steep, but we will be able to achieve that.

Amit Dixit: Okay, so that's very comforting. The second question is essentially on the order book. Now, we have a very, very significant order book of INR76,000-odd crores. Is it possible to mention the average execution period of this? So, it will be executed over what time frame. This is what I wanted to ask, because some of these orders are pretty particularly pertaining to shipyards and all that, seem to be quite long-ranged orders. So, I wanted more of actually clarity on the FY'25 earnings, what we can expect as a result of execution of this order book. So, if you can just mention the average execution period of this order book, that would be great.

Bhanu Srivastava: See, if you see that all big ticket projects, they have execution period starting from 18 months to anywhere between 4 years, 3.5 to 4 years, depending upon the availability and execution plan of the platforms on which these products are going. So, even though we can execute it early, but deliveries are linked to that delivery or that production plan of that platform. So, the INR76,400 crores what we have ordered till Q3, deliveries are starting anywhere from next year to another 4 years you can take and that will keep on adding.

Amit Dixit: Okay. All right, sir. I have other questions. I will get back in the queue. Thank you and all the best.

Moderator: Thank you. Next question is from the line of Nitin Arora from Axis Mutual Fund. Please go ahead.

Nitin Arora: Thank you for taking my question. Sir, this year, just to understand directionally, and I think we remember completely the way you were guiding last 1.5, 2 years that order intake will remain strong which you have showcased last year as well and this year as well. When we go - - and I'm not asking more from because there is an election next year, but generally, can you talk about little more on platforms which are bigger which can drive your order intake further, let's say over the next FY'25, '26? Can you talk about a little bit more on that? That will be helpful.

Bhanu Srivastava: See one of the -- in this year, if you see Shakti System, that is the EW System is in pipeline. Then there is a program for BMP 2 upgrade which is there in pipeline. Next year if you see that both Air Force and Army they are working on making QRSAM which is likely to materialize. Some EW System on avionics platform, airborne platform are likely to come. So, these are all linked to big government program. Apart from that there are always upgrades, refits from shipyards, standalone requirement from services keep on coming. So that's how that business is.

Nitin Arora: Can you talk about a little more on the amount of pipeline with respect to these orders for '25, '26? And going forward, do you think that momentum will be sustained going forward because

that asking run rate will increase significantly for you for the next 2 years? So, if you can throw some light on the asking run rate or in the absolute terms that how much order intake you think you'll be able to get over the next 2 years based on the opportunity size.

Bhanu Srivastava: See, if you see opportunity size, we have been guiding the INR20,000 crores, INR25,000 crores. This year we guided INR20,000 crores, but there were many procurement of the government which were fast-tracked and that's how -- which was supposed to come next year, they have come in this year itself. So, to that extent if you see that next year it will be lesser because these are all orders for next 3 to 4 years execution period.

So, our assessment is that seeing that all upgrades and standalone requirements and platform because big platforms there is always a risk of spilling over to next to next financial year. But if you see if you are asking me projection of next 2 years, '24, '25 and '25, '26, I am expecting around INR50,000 crores worth order in 2 years should come. We expect to maintain an order to revenue of at least minimum 2 years at any point of -- 2 years plus at any point of time.

Nitin Arora: And sir, lastly, just on execution as you are still very confident on Q4, but let's assume that given the backlog is strong in Q4 because of the ongoing Israel issue remains. Let's not take a quarter view, but generally, do you think this will get subsided going forward in the quarters and '25, '26, the growth should be material for you, let's say closer to 20%, 25%. Can this be doable? I'm just not trying to ask what will happen in Q4, but generally, in '25, '26.

Bhanu Srivastava: See, 25% growth rate is something I don't think we will be able to achieve because our base also is increasing if you see. When we are growing, last year we grew by 15%, this year 15%. So, base also is increasing. So, I don't think we will be able to go to growth rate of 20%, 25% with our kind of business. It will be hovering around what we said, that in the range of 15%.

Nitin Arora: My question was that if Q4 still remains the ongoing issue of Israel, then that execution should catch up next year. I was asking more from that perspective?

Bhanu Srivastava: We are confident that whatever business given, because there are Plan A, Plan B, Plan C, as we have, whatever we have committed, we would like to make.

Nitin Arora: Sure. Thank you very much, sir, and all the best. Thank you.

Moderator: Thank you. The next question is from the line of Ankur Sharma from HDFC Life. Please go ahead.

Ankur Sharma: Good morning. Thanks for the opportunity. Just on Nitin's question, on the execution side, if you could just help us, how big would be the LRSAM order for us in the order book or if there's any other order which you're working with the Israelis. So, what would be the quantum of that at this point?

Bhanu Srivastava: See, if you see, as of now, our exposure to Israeli LRSAM is around INR6,500 crores. Then there are other projects like EW Systems projects. It is around INR1,000 crores there. Then some electro-optic projects around INR500 crores. So, if you see the total exposure to -- our dependency on Israel is there around INR4,000s crores, INR5,000 crores in execution in next

year and this year. So that is the extent where there is an impact. But we are working with that. Our partners in Israel, they are very confident to sort out the temporary setbacks what they say.

Ankur Sharma: And I think if I remember it right, you said you got something early part of January. Right? Some of the deliveries have started to come through.

Bhanu Srivastava: What did not come around INR500 crores, they landed up in January. They were supposed to come in December.

Ankur Sharma: So that's a positive. Sir, second given that the general elections are around the corner, do you think that could impact ordering for us, say, in Q4 or Q1 or generally, elections don't really have any impact on defense ordering?

Bhanu Srivastava: I don't think there will be any impact because already government has fast-tracked many procurement for this year. And that's why you see that last year, most of the orders, they got finalized in March, whereas this year, seeing that election and all, government fast-tracked and they have concluded many contracts much before that election starts.

So that was some positive action taken by Government of India MOD, concluding the contract before the start of the elections and all. So, I don't think -- and the next year's procurement process will be post-election, which is that post-April-May. So, I don't think there will be any impact on procurement process of government because of elections.

Ankur Sharma: Just last one is on the balance sheet, if you could just share numbers on your debtors and cash balance, please and inventory.

Bhanu Srivastava: Just hold on.

Damodar Bhattad: The receivables at this point are -- receivables are around INR7,700 crores.

Ankur Sharma: Inventory and cash, please.

Damodar Bhattad: Inventory is INR7,000 crores, contract asset is INR5,600 crores, cash balance is INR8,000 crores.

Ankur Sharma: Okay, all the best.

Damodar Bhattad: Thank you.

Bhanu Srivastava: Thank you.

Moderator: Thank you. The next question is from the line of Mahesh Bendre from LIC Mutual Fund. Please go ahead.

Mahesh Bendre: Thank you so much for the opportunity. Sir, how much revenue we lost in the quarter because of the Israel conflict?

- Bhanu Srivastava:** You see that it's very difficult to quantify, but around INR500 crores, we could have done more. That's what which landed up in January. There are other delays also, which will be compensated in this Q4.
- Mahesh Bendre:** So, whatever the revenue we could not book, that will book in the fourth quarter?
- Bhanu Srivastava:** That's what we are trying. We are making efforts.
- Mahesh Bendre:** And, sir, on export side, any initiative or any opportunity for us?
- Bhanu Srivastava:** See, it's a continuous, ongoing process. We are working with many government agencies. So, if something concrete comes significant value, we'll definitely share with you.
- Mahesh Bendre:** Sir, last question for my end. What is the capital expenditure plan for next 2 years?
- Damodar Bhattad:** Next 2 years, it will be in the range of INR700 crores to INR800 crores each. Each year.
- Bhanu Srivastava:** Every year.
- Mahesh Bendre:** Each year? Okay.
- Damodar Bhattad:** Yes.
- Mahesh Bendre:** Sure. Thank you so much, sir.
- Moderator:** Thank you. Next question is from the line of Gagan Thareja from ASK Investment Managers. Please go ahead.
- Gagan Thareja:** Can you hear me?
- Bhanu Srivastava:** Yes.
- Gagan Thareja:** The first question is around your gross margins and operating margins. Year-to-date, while sales have not really grown, your gross and operating margins have expanded substantially and they are currently above the full year guidance that you generally maintain. So, how should we think of full year gross margins and full year operating margins?
- Damodar Bhattad:** Gross margin for the full year should be around 42% and EBITDA margins would be around 23%.
- Gagan Thareja:** Which would mean that in the fourth quarter there will be a steep fall in both gross and operating margins, because otherwise...
- Damodar Bhattad:** It is only the composition of product mix which is sold in the first 9 months and in the last quarter. There are various products. So, there is a composition of product mix which has sometimes higher consumption, sometimes slightly lower consumption. So that mix determines the gross margin. So, going forward at the full year, we should have around 42%. There is some products which are having higher material composition which will be sold in the last quarter. So that way it will average out to 58% and we end up with a gross margin of 42%.

- Bhanu Srivastava:** See, yearly when we project, we project on all product mix how we are going to do in a total year. So, it's not a quarter-to-quarter fall or that increase it. It so happens that items which have got lesser material content, they got executed earlier and those which has got slightly higher material content, they will go in Q4.
- Gagan Thareja:** I completely take that point, sir. My question was that simply that year-to-date, first 9 months is 47% gross margin. If you are implying that full year will be 42%, then effectively fourth quarter should be less than -- much less than 42%, right?
- Bhanu Srivastava:** No, gross margin up to December is 45%. It's not 47%, it's 45%. And year-end it should be around 42% based on the product mix and EBITDA margin, it'd be around 23%. There will be slight differences. It will not be a very constant that it will continue in the same manner. Because of the product mix it could be slightly different in the last quarter. But overall guidance we gave around 42% gross margin and 23% EBITDA, we maintained that.
- Gagan Thareja:** When you say 45%, are you including other income in your sales also to calculate your gross margin?
- Bhanu Srivastava:** No, it is basically sales plus accretion to WIP and to material consumption. The percentage is taken as for margin, sales plus accretion to WIP to material consumption.
- Gagan Thareja:** And your other expenditure year-to-date has also grown substantially despite the fact that sales has grown at 4%.
- Damodar Bhattad:** Based on the nature of operations, basis of operations, growth happens the other expenses also grow. Like for example, when the growth happens in turnover, there could be a little more traveling and normal employee expenses will also increase based on the dearness allowance and increments, so that growth is there in other expenses.
- Gagan Thareja:** Would it be reasonable to assume that margins, operating margins for the full year could line up closer to 23% rather than to 21%?
- Damodar Bhattad:** No, 23%. EBITDA margin should be around 23%.
- Bhanu Srivastava:** When we started, we gave guidance to 21% to 23%. Now we are giving guidance that it will be 23% in the year. Lower, you can ignore that, lower guidance.
- Gagan Thareja:** The final question from my side. Sir, HAL announced that they had received Acceptance of Necessity for the Sukhoi upgrades additional combat helicopters and as well as the LCA. Is it possible to help us understand what could BEL's scope of work in these projects? I would presume there should be substantial scope of work for BEL.
- Bhanu Srivastava:** There are avionics packages which go in this. But it's only Acceptance of Necessity they have received. So, what will be your products will be going, LCA that initial we are giving avionics package. Next what will be there? What will be upgrade? All these things. Pricing, all these things, we have to work with HAL and then finalize. So, at this point of time it is premature to say that -- give an exact figure.

- Gagan Thareja:** Sir, the INR25,000 crores order intake guidance that you're giving for next year, how much of that is going to be dependent on QRSAM? Or are you keeping QRSAM separate from that INR25,000 crores?
- Bhanu Srivastava:** See, QRSAM if you see that it will be around INR20,000 crores if you see Air Force and Army taken together. So, we are expecting, we are factoring at least half of that in this projection. So, when we say that around INR50,000 crores in next 2 years then we are factoring total requirement of QRSAM.
- Gagan Thareja:** So INR50,000 crores -- in that INR50,000 crores, INR20,000 crores is from MRSAM.
- Bhanu Srivastava:** Yes, QRSAM. It all depends upon how government...
- Damodar Bhattad:** 2 years intake will be INR50,000 crores. INR20,000 crores could be QRSAM, Army, Air Force. Depending on in how many instalments we order regiments and squadrons. They will decide based on their budgets.
- Gagan Thareja:** And MRSAM also I think there was a reasonable pipeline left, right. So, what could be the contribution of MRSAM in that INR50,000 crores of intake?
- Bhanu Srivastava:** MRSAM, see they are still started discussing. So, let some concrete progress happens, then we will...
- Damodar Bhattad:** MRSAM is not factored in this INR50,000 crores.
- Gagan Thareja:** Not factored. Okay. All right, sir. Thank you. I'll get back to you.
- Moderator:** Thank you. Next question is from the line of Harshit Patel from Equirus Securities. Please go ahead.
- Harshit Patel:** Thank you very much for the opportunity, sir. My first question is on the Uttam radar. Has there been any progress on this front? Have we supplied the prototype? And if you could -- how will the production quantity be divided between us and the competition?
- Bhanu Srivastava:** See at this point of time I would not like to comment because under DRDO process. Prototype we have worked. I have to check it, whether we have supplied or not. What division will happen, how they will go, when they will induct, all is a long drawn process. It's a premature to say on Uttam radar at this point of time.
- Harshit Patel:** No problem. Sir, my second question is on the Medium Altitude Long Endurance drones, the TAPAS or the Archer UAVs. So, what is going to be our scope in this project? What kind of payloads will be supplied by us? I believe the defense forces have consolidated the requirement of 155 numbers of such drones. But we are still facing competition from Israel on this, both Heron, as well as Drishti, which are going to be assembled by Adani Defense. So, in which direction this project is going as per your opinion?
- Bhanu Srivastava:** This we have to wait and watch. That's only I can say.

- Harshit Patel:** But do you think the user trials, etcetera, those things are moving as per plan? Is there some delay in this whole process?
- Bhanu Srivastava:** [0:23:24 inaudible] where DOD is their other partner. HAL is there, BEL is there. So, it's moving. But how it takes the shape, how services look into it, what is their priority, what they want. So, at this point of time, it is very difficult to tell anything concrete on this.
- Harshit Patel:** Understood. That was all from my side. Thank you very much.
- Bhanu Srivastava:** Thank you.
- Moderator:** Thank you. Next question is from the line of Dipen Vakil from InCred Equities. Please go ahead.
- Dipen Vakil:** Thank you for the opportunity, sir. My first question is, out of a total order book of over 750 billion, 770 billion, are there any slow moving orders which have been in your order book for say more than 2 years or 3 years?
- Bhanu Srivastava:** No, there will be orders in our order book because execution time itself is around 3 to 4 years. So, there are orders which are slow moving also. But depending upon that customer's requirement and all it happens.
- Dipen Vakil:** So, any orders beyond that which are not being executed or which are just sitting in the order book right now?
- Damodar Bhattad:** No INR76,000 crores is fully executable orders only. Whatever orders you are talking of slow moving is not slow moving. It is just the tag that delivery based on customer requirements. But if your question of INR76,000 crores any order is not executable at all, it's very old order. It's not the case.
- Dipen Vakil:** Okay. Got it, sir. Thank you for answering my question.
- Moderator:** Thank you. Next question is from the line of Lavina Quadros from Jeffries. Please go ahead.
- Lavina Quadros:** Good morning, sir. Congrats on a good set of numbers. Just wanted to understand on the non-defense side. I remember in the last call you mentioned that your ATC Tower Management System was progressing well. You had installed it at Bhubaneswar Airport. Generally, on non-defense side, is there any other updates on your...
- Bhanu Srivastava:** Lavina, non-defense side, yesterday we signed a contract with the Central Board of Indirect Taxes and Customs for their infrastructure, IT infrastructure upgrade, around INR665 crores plus taxes. A month back, I think 2 months ago, we signed a contract with UP Government for their upgradation of UP 112. Bhubaneswar Airport, what we did for Air Traffic Management System, that process is undergoing in AI. So, depending upon their priority when they place the order but discussions are going on. So, non-defense site also we are working.
- Lavina Quadros:** And sir, just want to check first 9 months your non-defense revenues with the EVM delivery, what is it as a percentage?

- Bhanu Srivastava:** It is around 15...
- Damodar Bhattad:** 20%.
- Bhanu Srivastava:** 20% now.
- Lavina Quadros:** Okay. 20%. Understood, sir. Thank you.
- Moderator:** Thank you. Next question is from the line of Deepak Krishnan from Kotak Institutional Equities. Please go ahead.
- Deepak Krishnan:** I just wanted to check on the order backlog. And in longer-term, how are we looking at gross and EBITDA margin based on the platforms that we have. That's a steady state normal sort of credit cycle, '25, '26, how do we look at it?
- Bhanu Srivastava:** You are talking of '25, '26?
- Deepak Krishnan:** In general, based on the backlog that we have, the platforms, how do you kind of see our gross margin and EBITDA margin trend? Because as such, we are on an improving trajectory. So, just wanted to check on that.
- Bhanu Srivastava:** I think once this year-end financials are over, when we have the April, this one, we'll give you the guidance for '24, '25. Okay. You are asking for '25, '26, I think we'll go one at a time. We'll give for '24, '25 once this year end, this commentary we give. But generally the orders, they are all long-term orders and the same orders we are executing. So, we expect the things to remain in the same margin regiment, same range.
- Deepak Krishnan:** Sure, sir. Those were my questions.
- Moderator:** Thank you. Next question is from the line of Aditya Agrawal from Ambit Global Private Client. Please go ahead.
- Aditya Agrawal:** Hi, good morning, sir, and thank you for the opportunity. So, a couple of questions. The first one is on the non-defense piece, as the previous participant had asked. So, I understand currently, as you mentioned, 20% is non-defense. So, in non-defense, what would be the subsegments that you'll be focusing on? So, metro and civil aviation, I understand are there. But anything else which you are seeing, the momentum picking up there and what would be this mix that you will target, let's say 3 years or 4 years down the line?
- Bhanu Srivastava:** See, apart from metro, civil aviation, cybersecurity is one thing, which is coming up. We have established a new strategic business unit for cybersecurity. We are working with AIMS to ramp-up their cybersecurity. Then we have a lead from Ministry of Health also. They have given us letter for MOD cybersecurity. Among that, we are working with them. So, this is cybersecurity is one area which is giving us an opportunity apart from that. And then IT infrastructure upgrades, establishing IT infrastructure. Smart city is one area where we have done. So, these are the area in civil sector where we are working.

Damodar Bhattad: Smart city and EVMA effect will continue to be there and more entry could be there into metro, civil aviation and cybersecurity.

Aditya Agrawal: And so just to understand, so currently it's 80/20, right. So, 20 is non-defense. So going forward, this 20, you expected to go towards 25, 30. And this is what you'll be targeting or it will remain at similar level?

Bhanu Srivastava: Defense also is increasing at a much faster rate.

Damodar Bhattad: That is one. And second thing, EVMA/VPAT execution has made it actually 20% this time non-defense. But otherwise it will not be in that range. It will be lesser than 20% only. Because of the EVMA/VPAT, larger chunk of sales happening. It has happened to be 20% till December.

Aditya Agrawal: Just to understand, usually, let's say in terms of margins, so defense, non-defense broadly in the similar range or there is a difference between the 2?

Bhanu Srivastava: We would not like to tell on the segment as where it is more, less and all. Overall margins we tell it is 42% we'll maintain gross margins and 23% EBITDA margins. So, we'd not like to comment on defense or non-defense. Anyway, point you can understand is non-defense is going to be much lesser, the overall business itself is more on defense only. Okay.

Aditya Agrawal: What's currently exports mix for the quarter?

Bhanu Srivastava: Exports up to December has been around INR400 crores. Next question is from the line of Abhijeet from YES Securities.

Abhijeet Singh: Continuing from an early participant's question on drones, a more broader question on Unmanned Aerial Systems. Sir, last 2 years, what we have seen is that UAS has been a very effective strategy in the battlefield and a lot of countries have been using it to very good effect. So, as a pioneer in electronics industry in the defense segment, what will be our role in the development of the ecosystem in India going forward? It's more of a long-term question.

Bhanu Srivastava: There are 2 parts if you see that unmanned system, drone system. One is that drone. Another is the payload on drone. And third is the anti-drone. Once drones are coming, you should have an anti-drone system. So, we are very strong in anti-drone system. We have developed along with DRDO a very robust anti-drone system and we have supplied it to Army, Air Force and Navy. We have given demonstration to Border Security Force also.

And they are also working and placing the order for that. This anti-drone system is a very, very advanced which has got RF jamming apart from radar system, electro-optic system for detection of the drones. For countermeasures like RF jamming and directed energy weapon like immobilizing it with the directed energy weapon, laser. So this is the one area where we are very strong and we are consolidating.

Second area we are working on is using these drones for some of our product payloads. Like we are developing low-weight EW Systems which can be mounted on drones which will

effectively increase the range and reach and coverage of our EW Systems on land based also. And now there is a requirement for these EW Systems for sea based also. So, this is another area. As far as drone is concerned, low-end drones, we are not working, but definitely high payload, we have one strategic business unit working, trying to collaborate, work with various partners. So that is the third area which we are working. So, we are addressing this unmanned system area in all 3 aspects.

Abhijeet Singh: And as far as the high payload drones are concerned they're right now in our revenue, there is not much contribution. But going forward you are saying that directionally...

Bhanu Srivastava: These are upcoming. Our major contribution, if you see that from drone side is from anti-drone side as of now.

Abhijeet Singh: Thank you, sir. That's it from my end.

Moderator: Thank you. The next question is from the line of Sumit Kishore from Axis Capital. Please go ahead.

Sumit Kishore: Thanks for the opportunity. I have 2 questions. First on QRSAM, what is the likely delivery timeline for the INR200 billion contracts that you expect to book over the next 2 years? Would it be less than 3 years or more than that?

Bhanu Srivastava: It will be somewhere starting from 2 years to 4 years.

Sumit Kishore: 2 years to 4 years?

Bhanu Srivastava: Yes. It will involve, see, first is FOPM, First Off Production Model which we have to give, which will get cleared. After First Off Production model, then the bulk supply will happen. So, FOPM will start anywhere around 18 months. We should be able to give FOPM which will be validated, evaluated. Whatever additional requirements are given by services, you have to prove and post that delivery will start. So, another 2, 2.5 years if you see that for remaining delivery, so total time should be around 4 years.

Sumit Kishore: So, till you reach the FOPM stage, percentage revenue booking I'm assuming will be much lesser?

Bhanu Srivastava: Lesser, lesser. But what we do is that we start manufacturing process because for bulk supply also because this in FOPM also there are certain capabilities which are to be demonstrated, certain items to be evaluated. But because that whole system has been evaluated as a whole so we don't expect anything in FOPM, not major changes. So, we start that production also. And once FOPM is cleared very quickly we ramp-up and we start delivering.

Sumit Kishore: But till FOPM stage, is it reasonable to say that less than 20% of the revenue would be booked in 18 months?

Bhanu Srivastava: Yes, less than only. See, major revenue will start only after FOPM.

- Sumit Kishore:** Got it. Second question is if you see 15% revenue growth in FY'25 and your order inflows are in the INR240 billion, INR250 billion range, then the order backlog growth will peter out because your inflows and revenue would be of similar magnitude. So, in FY'26 with a stable order backlog and possibly your revenues if you grow from that point would cross your order inflow number. So, your order backlog growth in FY'26 by implication would be a negative number. So, do you think that your FY'26 revenue with a flattish order backlog can grow 10%, 15% again in FY'26? Or would that be a stretch?
- Bhanu Srivastava:** Let us see. It's difficult to project at this point of time. That's what we initiate because position also will improve. We are also working on various products, various technologies. So, these are all conservative figures what we have told you in next 2 years. But once we reach closer to that, we'll revise those guidelines.
- Sumit Kishore:** So, let me rephrase my question. If your order backlog is flat year-on-year in FY'25 or is growing in low single-digits, is the execution timeline because you said QRSAM, which is a large inflow contract, will see limited order revenue booking in the first 18 months. I'm just putting logically, doesn't it imply that there should be deceleration in revenue growth?
- Bhanu Srivastava:** No. Around 15% we will be able to...
- Damodar Bhattad:** To answer your question. Current year now we are at INR76,000 crores of order booked there and year-end we will be having little more orders inflow coming in February-March and we'll be ending up with INR70,000-plus crores order book as on 1st April of '24. And then even if you take the 15% growth, if we end up at INR20,000 crores, we'll have to see how it happens. INR20,000 crores and then INR23,000 crores in the next year still it is INR47,000 crores plus the order intake of next year if it happens to be in INR20,000 crores also minimum front it will still be ending again at INR65,000 crores to INR70,000 crores in the next year. That is March '25.
- Sumit Kishore:** Yes. What I'm saying is on INR65,000 crores to INR70,000 crores, would you again do INR260 billion of revenue or would you do INR230 billion which will be stable?
- Damodar Bhattad:** QRSAM order comes in '25-'26. Naturally, the total order flow will be much more than the revenue in that year. Okay. If QRSAM order will come totally execution will only happen in 3 to 4 years. So, in '24-'25, '25-'26 we should receive INR30,000-plus crores order minimum. In case we get the QRSAM order, INR55,000 crores.
- So that year the execution will be only INR26,000 crores. Say 15%, another growth if you take it will be around INR25,000 crores. So that will add to the order. So it will be running, so at any point of time as I was telling it will be minimum more than 2 years of revenue will be there in the order books at any point of time what we receive in the next 3, 4 years, foreseeable future.
- Sumit Kishore:** This is very clear. Thank you and wish you all the best.
- Moderator:** Thank you . The next question is from the line of Harshit Kapadia from Elara Capital. Please go ahead.

- Harshit Kapadia:** Thanks for the question and congrats team for a very good set of inflows for FY'24. I just wanted to check some things. First similar to defense pipeline which you have mentioned for INR50,000 crores, can you also share something on non-defense pipeline which you have regarding smart infra, Metros and some other projects that would be helpful.
- Bhanu Srivastava:** These projects are very competitive. Many players are there. So, it all depends upon how market goes and how opportunities are there. So, our projection has been 15%, 20% of civil business will be there. So, all these things. None of the civil businesses I think denominated basis, mostly are all competitive...
- Damodar Bhattad:** And they don't come in that range as even when it comes it comes in INR100 crores, INR200 crores, INR500 crores range, whereas the defense order can come even in INR4,000 crores, INR5,000 crores range, single order. So that also matter.
- Harshit Kapadia:** Just on the question on revenue. So, Q4 is going to be a steep task of INR8,000 crores. Just to get the more comfort, sir, which are the large projects which you're expected to execute in Q4 which can really help you achieve this INR8,000 crores number?
- Damodar Bhattad:** LRSAM will continue to be executed. We have got an order backlog of more than INR6,500 crores. Then we expect 1 IEWR System is there. And the TSA4090, many of there – there are many other.
- Bhanu Srivastava:** We have 24 strategic big business units doing many, many projects. So, there is Akashteer, some WLR will go, some tank upgrades will go, shipyard, that sonar communication system, ship data network. All these things are in pipeline. Fire control systems on ship base. Then the SDR-Tac will go to Navy. So, 24 SBUs, they are working on different projects. So, it's not spread across. So, if you see you are telling INR8,000 crores divide by 24, you just give how much it will come.
- Harshit Kapadia:** And is there a risk that even LRSAM which you have seen a spillover from in Q2 as well and now in Q3, could there be a spillover in Q4 as well if you're not able to get things from Israel on time?
- Bhanu Srivastava:** We have got an order book of INR76,000 crores. So, we are aiming at a growth of 15%, reaching at INR20,000 crores. So, we expect that the LRSAM should be executed in time and items should come from Israel. Even otherwise as we tell that we always have one Plan A and Plan B push and we'll ensure that we reach INR20,000 crores, 15% growth.
- Harshit Kapadia:** Last question, just on 4th of January there was a news that Bharat Electronics has become an L1 bidder in the Unmanned Fighter Aircraft System or futuristic Unmanned Fighter Aircraft. And so this will be completely developed this product by you or is it with DRDO? Can you share some highlights? What kind of system is this?
- Bhanu Srivastava:** Unmanned Fighter Aircraft L1. I am not aware. Let me...
- Damodar Bhattad:** This order was in the range of what? INR200 crores you are measuring?

Harshit Kapadia: Yes. INR230 crores? Yes, sir.

Damodar Bhattad: INR230 crores and it was with Godrej or somebody I think.

Harshit Kapadia: Yes, absolutely, sir.

Damodar Bhattad: I mean what is your question on that?

Harshit Kapadia: Can you share some understanding on this particular product?

Bhanu Srivastava: I understood because it's a value as a small divergent, it's a test setup. It's for aircraft test setup which is to be established. This is called Ironbird and something like that. It's not that fighter aircraft which we are developing. It's a test set of futuristic test setup for fighter aircraft.

Harshit Kapadia: What is the development timeline or any size that you can share, sir, opportunity here?

Damodar Bhattad: This order was INR200 crores. INR230 crores.

Harshit Kapadia: That was a developmental size, but any opportunity size.

Bhanu Srivastava: It's not a product. It's a test setup.

Damodar Bhattad: It's a test setup which is being supplied by us. It is more infra type of a thing for the customer.

Harshit Kapadia: Okay, fair enough, sir. Thank you and wishing you all the best.

Moderator: Thank you. Next question is from the line of Shirom Kapur from Prabhudas Lilladher. Please go ahead.

Shirom Kapur: Thanks for the opportunity. I just want to ask you about the drones once more. So just to understand, does Bharat Electronics make the entire drone itself or is it just a supplier of the various equipment such as avionics and EW?

Bhanu Srivastava: Our main focus is on payload for the drone and anti-drone systems. Normally for manufacturer of drones, we tie up with partners.

Shirom Kapur: And just on the INR30,000 crores to INR35,000 crores expected order intake you expect over the next 2 years. Of course, the INR20,000 crores for QRSAM. But in the INR30,000 crores to INR35,000 crores, could you quantify any of the major orders that you're expecting?

Bhanu Srivastava: See these are all spread across. If you see there will be EW System, Shatrughat and Samaghat, EW System for land based. That is in pipeline. Then there are some radars orders. There is a requirement for Ashwini radars. Of course it is multi-vendor. Then mission system for airborne applications. Then IFSS for Air Force, Air Shakti. So, it's all, hundreds of line items which are under process.

Shirom Kapur: And just to clarify, I missed the export number that you mentioned. Was it INR400 crores?

Damodar Bhattad: INR400 crores.

- Shirom Kapur:** So for 9 months?
- Damodar Bhattad:** So April to December was INR400 crores.
- Shirom Kapur:** Or in the quarter. Okay. And the total exposure that you had mentioned to Israel in the order book?
- Bhanu Srivastava:** Around INR4,000 cores, INR4,500 crores.
- Shirom Kapur:** And this you don't foresee too many issues. This can still go ahead as planned. Of course there were issues earlier, but...
- Bhanu Srivastava:** See things are moving. It's not like things have stopped. It's only some spillover because of that geopolitical situation, flights not getting finalized. If it is a ship -- shipment by ship it has to take a longer route now than it was coming at a shorter route. So, it is taking some more time. So, these are type of challenges are there. Otherwise as such manufacturing testing are going on. Sometimes in our partner they face some problem in some basic components, electronic components. So, these are challenges are there. But in business these will always be there somewhere or other. So, we are there to address those challenges.
- Shirom Kapur:** Understood. Thank you so much and all the best.
- Moderator:** Thank you. Next question is from the line of Dipen Vakil from InCred Equities. Please go ahead.
- Dipen Vakil:** Thank you for the follow-up opportunity. Sir, my question is on the lines of, we are seeing increased participation from private sector especially in say batteries, arms and ammunition and laser electronics. So, how do you see opportunity in this space going ahead, especially for BEL?
- Bhanu Srivastava:** Which one? Batteries?
- Dipen Vakil:** Batteries, laser electronics and arms and ammunition.
- Bhanu Srivastava:** People are there. See these are -- our also if you see that lasers we are making for anti-drone systems. There are private sector also they are also making. So, we are competing with them. Similarly, arms and ammunition also, if you see our exposure is not very high order books. So, this is area where we are trying to enter into that. So, competition will be there. We will face the competition. Private sector will be there in these areas.
- Dipen Vakil:** But the opportunity in arms and ammunition is completely an import substitution play or previously it was something which was made in India to quite some extent?
- Bhanu Srivastava:** It will be import substitute, sir. So, we are trying to tie up with OEMs also and some indigenous developers also in this.
- Dipen Vakil:** Thank you so much.

- Moderator:** Thank you. Next question is from the line of Amit Anwani from PL Capital. Please go ahead.
- Amit Anwani:** My question is with respect to the non-defense side where we have been highlighting many opportunities with respect to homeland securities and sometime EVM and then related to DMRC systems. Just wanted to understand incrementally can non-defense, you did highlighted the defense pipeline, can actually ramp-up or any opportunity which you are seeing in next 6 to 12 months from any of this business segments, subsegment or verticals in non-defense which can significantly contribute to your intake?
- Bhanu Srivastava:** If you see the total our order book and orders in pipeline non-defense will remain minority portion, minor portion. So 15%, 10%, 15%. So value will not be that significant. But yes we are in technology field and we would like to contribute in non-defense field also that will spread our portfolio. So we are working on that. But significant contribution will be from defense cycle.
- Amit Anwani:** So, wanted to understand on capex for the 9 months and guidance for FY'24 capex and FY'25 capex.
- Bhanu Srivastava:** Capex for the 9 months has been around INR400 crores and we expect it to be around INR700 crores by the year-end, March '24 and next year also we expect it to be in the same range.
- Amit Anwani:** And on capacity expand which side we are expanding capacities?
- Damodar Bhattad:** Capacities, we are building up some infrastructures and some plant and nursery. Some buildings are coming up. On the capex trend as we are told there are some infrastructures coming up at Palasamudram. It's coming up in Hyderabad, it's coming up in Masulipatnam and of course related to projects also there are some machineries which you have to buy, some test setups which you have to buy. So, these are the major capex which are happening.
- Amit Anwani:** My question again sir on the INR50,000 crores cumulative I think I might have missed, you might have indicated INR50,000 crores defense pipeline.
- Damodar Bhattad:** INR50,000 crores total order, we are expecting to get in the next 2 years is what we told. We didn't tell defense. We told '24-'25 and '25-'26 put together, the total order intake should be in the range of INR50,000 crores. All put together.
- Amit Anwani:** Including FY'24 and FY'25, is it?
- Damodar Bhattad:** Yes. April '24 to March '26.
- Amit Anwani:** So sir, just wanted to understand we were guiding INR20,000 crores for this year and we are going to achieve almost INR30,000 crores. And whatever you have been indicating, is it the case that your baseline guidance can go up to INR23,000 crores, INR25,000 crores? So you did highlighted INR50,000 crores. Is it the baseline order intake which you are expecting, or...?

- Damodar Bhattad:** No, it's just a realistic estimate of what we see today. It's not a baseline, it's not a high side or low side. It's just a realistic estimate of what we expect to receive in '24-'25 and '25-'26 based on our assessment at this point of time, based on the projects in pipeline.
- Amit Anwani:** Sure, sir. Thank you very much and all the best.
- Moderator:** Thank you. Next question is from the line of Abhishek Potdar from HDFC Mutual Fund. Please go ahead.
- Abhishek Potdar:** Thanks for taking my question, sir. Sir, regarding the positive and digitalization list, could you give some understanding that this year's order inflows of INR28,000 crores, does it have any components and items from those 400 items that was put in? And if you can give some road map also that what are your expectations for '25, '26, '27 based upon that list?
- Bhanu Srivastava:** It's very difficult to exactly match those lists. But whatever list, positive indigenous list is there by Government of India, we are in our area of business we are there. So if positive indigenous list some items are there, definitely we are one of the key supplier for those items. But it's very difficult to exactly map and tell that this much order has come from positive indigenous.
- Abhishek Potdar:** So for example, when Defense Minister has announced this, I think there were media articles which indicated that the amount would be -- which would be ordered because of that list would be in excess of INR5 lakh crores or so. Any numbering for you that what could be your share in those list, not for next 1 year but let's say next 3, 4 years. Any exercise that has been done?
- Bhanu Srivastava:** No, we have not done that exercise.
- Abhishek Potdar:** But you do expect that in next 2, 3 years you start seeing some more positive?
- Bhanu Srivastava:** Definitely, definitely.
- Abhishek Potdar:** All right. And so second on the Akash missile, if you could give some understanding that what order expectations there from either directly from MOD or from the other PSU who have won the Akash orders to you.
- Bhanu Srivastava:** Akash, we got the order from BDL. BDL got the order for 2 regiments, from MOD that in turn that our program for ground equipment around INR2,750 crores order we got. Then BDL also got some export order for that. So ground equipments and radars and all are from our side. So that order also got. For Akash, we are trying to get the export order. So that is also an opportunity for Akash weapon system.
- Abhishek Potdar:** So possible that even you get the export order directly for Akash rather than BDL getting it?
- Bhanu Srivastava:** Possible. Either BDL gets or we get. We share because our work share is almost decided. What is the work share of BDL and what is the share of BEL. So it doesn't make a difference who gets the order. Ultimately, our portion of business will come to us. BDL gets. If I get, BDL share of work will go to BDL.

- Abhishek Potdar:** So in that INR50,000 crores for next 2 years expectation anything on Akash being built in or that is beyond '26?
- Bhanu Srivastava:** Some projections are there but not very, very aggressive. But definitely we have put in the INR50,000 crores some orders from Akash side also.
- Abhishek Potdar:** Okay. Understood. Thank you, sir. All the best.
- Moderator:** Thank you. Next question is from the line of Lavina Quadros from Jeffries. Please go ahead.
- Lavina Quadros:** So one final question for me. Your working capital because your order book growth is much faster than your revenue growth, would it be fair to say that because of contracting advances your working capital will reduce by significant.
- Damodar Bhattad:** Working capital, as we have been telling that we are maintaining the ratio of current assets to current liabilities remains at around 1.5 and the liquidity is good. We have a cash on this one as on 31 December of INR8,000 crores, trade receivables are around INR7,700 crores. So working capital ratio is good. Now it's in the range of 1.5 and it continues to be in the same range.
- Lavina Quadros:** Perfect. Thank you.
- Moderator:** Thank you. Next question is from the line of Gagan Thareja from ASK Investment Managers. Please go ahead.
- Gagan Thareja:** Yes. Thanks for the follow up, sir. My question is that of the total order book of INR76,000 crores directly or indirectly for your components how dependent are you on the Russia-Israel geography?
- Bhanu Srivastava:** See, we had dependency on Russia for some of our equipments related with tank electronics. But we have gone very, very aggressively on indigenization of those items. So, tank electronics from next year onwards, our dependency on Russia will not be there. Coming to dependency on Israel, yes, for LRSAM, IW, electro-optics there will be dependency on Israel. But then that Israel also is working aggressively and they are ensuring that pipelines are maintained. They are also working, factories are working despite this war. So, some delay may happen here and there. But I don't think that any materialistic impacts will happen because of our dependency on Israel.
- Third thing is that yes, since infrastructure or ecosystem of basic electronic components is not there in country, so being in electronic industry, whatever semiconductor issues and supply chain issues will there, we will do get impacted by that. For that we do various strategies and plan how to address those and meet the expectations.
- Gagan Thareja:** Is the shipping-related problem around Red Sea something which can materially impact you in terms of the time to get your supplies?
- Bhanu Srivastava:** Not significant because you might have heard in the news also that Indian Navy are there. They are patrolling, other foreign countries that Americans and all are there in those areas and

they are making sure that the shipping lines are kept open. Some of the cases it takes more time because it changes the route. So question is of gap of round if it is by ship another 20, 25 days more time. If by air also instead of directly coming to India, it takes alternate routes and then some trans shipment something happens. So that is the only impact that what we see as of now.

Gagan Thareja: Final one, sir. Upgrades, AMCs, software upgrades, air and so on. What part of your order intake annually could come from something of a repetitive or maintenance-oriented nature?

Bhanu Srivastava: See, if you take services we have done around 11%, 10% to 11% from service. And then another, you can say that 5%, 10% will be from air supply. Upgrades, it comes as significant for existing platforms and go for refit and upgrades. So in refit and upgrades for them there is upgrade. But in many platforms when they go for upgrade, they change the equipment. So, for us it becomes a supply of new equipment.

Gagan Thareja: So 10% to 15% of sales, you're saying, or you are saying of order intake?

Bhanu Srivastava: Sales.

Gagan Thareja: And in the low earth orbit satellite business, that's a business which a lot of the private sector companies seem to talk about as one where there could be scale later on. Is it something which interests you or which you see?

Bhanu Srivastava: Yes, we have one strategic business unit which is working on this, the business opportunities and what we can do.

Gagan Thareja: Anything more you can elaborate on that?

Bhanu Srivastava: Not at this point of time. Maybe once we make progress, then we'll elaborate.

Gagan Thareja: Thank you. I'll get back to you. Thanks for taking my questions.

Moderator: Thank you. Next question is from the line of Vipulkumar Shah from Sumangal Investments. Please go ahead.

Vipulkumar Shah: Thanks for the opportunity. Most of my questions have been answered. Just we had MoU for battery management system sometime back. Any progress on that sir?

Bhanu Srivastava: I have to check it up.

Damodar Bhattad: Are you mentioning about the Titan MoU?

Vipulkumar Shah: Yes, sir.

Bhanu Srivastava: No, not much progress.

Damodar Bhattad: Not much progress on that and that is not factored also in this INR50,000 crores order.

Vipulkumar Shah: Okay, sir. Thank you and all the best.

- Moderator:** Thank you. Next question is from the line of Manish Goyal from Thinqwise Wealth Managers LLP. Please go ahead.
- Manish Goyal:** Yes, thank you, sir. Just on a continuation on the services and AMC. So, will the revenue share continue at 10%, 11% or we probably see an increase in revenue share because in recent past we have received a few orders in this segment? And what would be the share in the order book of services and AMC?
- Bhanu Srivastava:** Services and AMC, maybe around 10% 12% will be there. And it all depends upon how services go. Their philosophy for maintenance. If you use for complex equipments, they are going for AMC, but for standalone equipment they have got their own repair depots. Base repair deposit for Army is there, naval dockyards are there. They are doing so, yes, something they will do. But as of now it is around 10%.
- Damodar Bhattad:** 90-10 ratio which has been there and which is there for the December and also April to December. Order book is also in around 90%, 10% only. So it may remain in the same range in the coming year.
- Manish Goyal:** Correct, sir. And ideally the margins should be definitely much better than the company average margin.
- Bhanu Srivastava:** Just segmented things we have, why are they telling.
- Damodar Bhattad:** No, we are talking of overall margins and we are told that current year we are expecting a gross margin of 42% and EBITDA of 23%.
- Manish Goyal:** Sure, sir. Thank you so much.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question of the day. I now hand the conference over to management for closing comments.
- Bhanu Srivastava:** Yes. Thank you all for questions and we tried our best to give that our response to all the questions. I can only say that we have a very positive outlook. Major 3 guidance what we have given, profitability, order inflow and revenue. Profitability and order inflow, we exceeded our guidance. Revenue we are bit short, but we are very confident the way we have done in Q4 for order inflow last year, this year we will do it for revenue guidance also. Thank you.
- Moderator:** Thank you. On behalf of Antique Stock Broking, that concludes this conference. Thank you for joining us and you may now disconnect your lines.