Bharat Electronics

27 July 2026

Operator: Ladies and gentlemen, good day and welcome to the Q1 FY27 earnings conference call of Bharat Electronics Limited, hosted by Motilal Oswal Financial Services. 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 this conference call, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. This conference may contain certain forward-looking statements about the company which are based on the beliefs, opinions, and expectations of the company as of the date of this call. These statements do not guarantee the future performance of the company and may involve risks and uncertainties that are difficult to predict. I now hand the conference over to Ms. Tina Virmani from Motilal Oswal Financial Services for the opening remarks. Thank you, and over to you, ma'am.

Tina Virmani - Motilal Oswal Financial Services: Thank you, Alroy. Good evening everyone. On behalf of Motilal Oswal Financial Services, I welcome you all to the Bharat Electronics Q1 FY27 results conference call. I would like to thank the management for giving us the opportunity to host the call. From the management side, we have with us Mr. Manoj Jain, Chairman and Managing Director; Mr. Damodar Bhattar, Director of Finance and CFO; and Mr. Srinivas, Company Secretary. Without taking more time, I hand it over to Mr. Manoj for his opening remarks, after which he will open the floor for Q&A. Over to you, sir.

Manoj Jain - Chairman and Managing Director: Thank you, madam. Good afternoon, everyone. The financial results for Q1 have just been uploaded. Our board meeting ended at 3:45 PM, so we have just uploaded them and you might not have seen them yet. I will brief you on the major highlights of Q1 FY27.

The revenue from operations has increased to 5,533 crores in Q1 as compared to 4,417 crores in Q1 of the previous year, representing a growth of 25.27%. The profit before tax increased to 1,403 crores as compared to 1,289 crores in the same quarter of the previous year, a growth of 8.81%. The profit after tax has increased to 1,048 crores in Q1 compared to 969 crores in Q1 of the previous year, with a growth of 8.07%. The EBITDA margin for Q1 is 25.83%. The earnings per share increased to 1.43 in Q1 compared to 1.33 last year at the same time. The order book position as of July 1, 2026, is 72,258 crores, and orders acquired in this quarter total 3,754 crores. This is a brief financial highlight of Q1 FY27 from my side. The floor is now open for Q&A.

Operator: Thank you. We will now begin the question and answer session. The first question comes from the line of Amit Dixit with Goldman Sachs. Please go ahead.

Amit Dixit - Goldman Sachs: Hi. Good evening everyone and thanks for the opportunity. I have a couple of questions. The first one is with respect to the order inflow we witnessed in Q1. If I compare it with Q1 FY26 and Q1 FY25, the order inflow has been relatively lean. I want to understand the reasons for that, whether you see a structural component to it or if it is just a matter of timing. I would also like to ask about the QRSAM order, which seems to have been delayed.

Manoj Jain - Chairman and Managing Director: Last year, we were supposed to get certain orders by March 31, but one or two orders were received in the first week of April. That is why we did not meet our previous year's target, but our first quarter for last year looked very good because it was a spillover from the January to March quarter. This year, it was more structured. Regarding whatever we were going to get from January to March, we actually received about 2,000 to 3,000 crores more than anticipated. We expected around 25,000 crores but finally landed at approximately 30,000 plus crores. Therefore, there was no backlog, and one or two orders were actually pulled forward from this year's first quarter.

The 3,754 crores received this quarter is exactly what we planned. There is nothing to worry about. We are definitely going to meet the guidance given for order inflows this year. Regarding QRSAM, we were highly optimistic to get it by March, but there were procedural delays. We indicated earlier that it might move to Q1 or Q2. We expect to receive it by September. All inputs and activities from our side are complete. We are just waiting for CCS approval. Once the CCS meets, we expect them to clear QRSAM.

Amit Dixit – Goldman Sachs: Great. The second question is around Project Kusha. We have seen the testing of the M1 Interceptor and movement around the RFP for the M2. When can we expect testing to be complete, when do we expect the order, and what would be our portion in that?

Manoj Jain – Chairman and Managing Director: As I mentioned earlier, the Kusha program is spearheaded by DRDO and we are their largest DCPT partner for various subsystems. Right now, the trial was for the missile itself. After that, they will test different configurations of missiles and then integrated configurations with radar control centers. They have their own structured way of testing. That question should specifically be directed to DRDO. From our side, there is no delay in any subsystem or system-level support we provide for this prestigious project. We expect the order size to be approximately 40,000 plus crores, likely in the FY29 timeframe, as indicated last time. After this series of testing, there will be many more evaluations before the RFP is issued for commercial activities. It is still a long way to go.

Amit Dixit – Goldman Sachs: Great. Thank you so much and all the best.

Operator: The next question comes from the line of Mohit Pandey with Citi Research. Please go ahead.

Mohit Pandey – Citi Research: Good evening, sir. Am I audible?

Manoj Jain – Chairman and Managing Director: Yes, Mohit.

Mohit Pandey – Citi Research: Regarding orders, the explanation on the year-over-year decline is clear, but I want to get a sense of whether base orders this year will be back-ended or evenly spread throughout the year.

Manoj Jain – Chairman and Managing Director: We do not publish quarter-by-quarter targets; those are for our internal assessments. For us, it is a yearly target, and we have already given guidance at the start of the year of 55,000 plus crores, including QRSAM. We are sticking to that. Two or three big programs are in the pipeline for CCS or other approvals, so we do not foresee any problem in reaching our order inflow target for this year.

Mohit Pandey – Citi Research: Understood. While you do not publish the balance sheet or cash flow with the first quarter, can you provide detail on payments or receivables? Has there been an improvement versus the fourth quarter? Secondly, on margins, there has been a year-over-year decline this quarter. Is there anything specific to highlight, such as product mix or one-offs?

Damodar Bhattar – Director Finance and CFO: Regarding receivables, the number of days as of June 30 was 140 days, compared to 176 days as of March 31. This is an improvement. Receivables and cash flows are in good shape. Regarding margins, we have given EBITDA margin guidance of 28% for the current year and we maintain that. Quarter-on-quarter variations occur because of the product mix. There is no particular cause for concern.

Mohit Pandey – Citi Research: Just to clarify, the margin variation is due to product mix and not input cost pressure?

Damodar Bhattar – Director Finance and CFO: Yes, it is due to product mix variation, not input costs.

Mohit Pandey – Citi Research: Understood. Thank you so much and wish you all the best.

Operator: The next question comes from the line of Kavish Parikh with 361 Capital. Please go ahead.

Kavish Parikh – 361 Capital: Hi, good evening and thanks for the opportunity. Regarding the order book, could you help us understand the broad spread across categories, such as naval, air, and land-based systems? Additionally, regarding incremental order inflows excluding QRSAM, which segments do you expect to be the key growth drivers?

Manoj Jain – Chairman and Managing Director: Army, Navy, and Air Force are more or less similar, at roughly 30% each. About 90% of our business is from defense. Order inflows are also distributed in the same way. QRSAM is a combined Army and Air Force order, but there are large ticket items for the Air Force and Navy as well. Within our 55,000 crore target for the year, it will be evenly distributed across the three services. Major current orders in our order book include electronic fuses for the Army, LRSAM for the Navy, LCA LRUs for the Air Force, BMP2 upgrades for the Army, Ashwini radar for the Air Force, EW suites for Mi-17 V5 for the Air Force, and MPR Arudhra for the Air Force.

Kavish Parikh – 361 Capital: Would the margin profile differ meaningfully across these segments or is profitability product-specific? Also, what were the key products executed during this quarter?

Manoj Jain – Chairman and Managing Director: We cannot extrapolate that a specific project led to the margin decline because we only provide a glimpse of the top 8 to 10 projects, and there are many more. The margin across Army, Navy, and Air Force is uniform because we have a variety of subsystems and systems across all segments.

The major orders executed in this quarter were LRSAM, MPR Arudhra, Link U2, periscope upgrades, BSF project supplies, AON 51 systems, Akash supplies, Himshakti system supplies, fuses, and receivers. These are just 10 major projects, but we execute many more even in a single quarter.

Kavish Parikh – 361 Capital: Regarding the counter-drone ecosystem, could you share thoughts on Bharat Electronics Limited's role today? Which systems or products are we involved in? The private sector appears to account for a sizable share here; where do you see opportunities for us to expand our presence?

Manoj Jain – Chairman and Managing Director: The drone and counter-drone market is growing exponentially. In recent conflicts, threats and deterrence have centered around these solutions. This growth provides opportunities for large companies like ours, mid-sized companies like Zen Technologies, and startups. Everyone has unique solutions.

We are more focused on large, high-power laser-based or microwave-based directed energy weapon (DEW) solutions and integrated D4 solutions, which involve hard-kill capabilities. We are also working on drone-killing drones and EW jammers. We have products categorized as D2, D3, and D4. D4 varieties include hard-kill options. We are focused on large, complex systems, but we are also tapping into the startup ecosystem for innovative D2 solutions. We have taken a few small orders jointly with startups. In the large, complex domain, we are currently the de-facto leader.

Kavish Parikh – 361 Capital: Understood. Thank you so much, all the best.

Operator: The next question comes from the line of Harshit Patel with Equiris Securities. Please go ahead.

Harshit Patel – Equiris Securities: Thank you very much for the opportunity. You highlighted potential large orders from naval platforms such as NGP and P75I. Could you give color on potential order sizes from follow-on programs like the three P75 submarines, the P18 next-generation destroyers, and the P17B? What could be the potential order sizes for those programs over FY28 and FY29?

Manoj Jain – Chairman and Managing Director: It is currently too early to predict business volumes for P7B, P18, or NGD. We are currently involved in configuration finalization, technical interaction, and specification finalization for subsystems with DRDO and the Navy. Once those programs crystallize and timelines for bill of quantities are discussed, we can provide clarity on the timeframes and order sizes. These programs are definitely beyond FY29. It takes time to finalize the configuration and the exact volume of business for our company.

Harshit Patel – Equiris Securities: Recent reports suggest that Adani Defence will be the electronic system integration partner for the Netra 2. Will we have no role to play there? In which other areas and platforms will we compete with this competition going forward?

Manoj Jain – Chairman and Managing Director: biding for the Netra 2 project was done roughly 1.5 years ago. We participated but were not the L1 bidder. Adani became the L1 bidder and is the system integrator for this program. However, our subsystem-level modules and capabilities will be utilized by both DRDO and Adani. Our strengths in radars, EW, data links, and other subsystems in the Netra program will be tapped. We missed the system integrator role this time, but our in-house strengths in developing these subsystems will provide significant business in the future.

Harshit Patel – Equiris Securities: Thank you very much, I will come back in the queue.

Operator: The next question comes from the line of Balchandra Shinde with Motilal Oswal Financial Services. Please go ahead.

Balchandra Shinde – Motilal Oswal Financial Services: Hi sir. Regarding Astra missiles, which have been opened up for private players, how do you see the trend for missile programs given that many are coming up?

Manoj Jain – Chairman and Managing Director: We are also entering the missile domain. Missiles have become essential in any war scenario, as seen in recent conflicts. Both quality and quantity matter. To meet the requirements, there is scope for many players beyond BDL. We are collaborating with private firms and have received orders as a partner. Crucially, in most of these missile programs, we are the leader in the complex electronics involved. Our expertise in customized solutions will provide ample future business.

Balchandra Shinde – Motilal Oswal Financial Services: How much of a pipeline should one assume over the next 5 years for missile programs?

Manoj Jain – Chairman and Managing Director: That is difficult to predict because these are strategic matters not discussed openly. Based on projections from other countries like the US or European nations regarding missile production, we can extrapolate that similar inflows will happen for Indian programs. We are gearing ourselves up to meet that demand.

Balchandra Shinde – Motilal Oswal Financial Services: Thank you.

Operator: The next question comes from the line of Hardik Rawat with IIFL Capital. Please go ahead.

Hardik Rawat – IIFL Capital: While we have seen 25% year-over-year growth in revenue, our other expenses have declined by roughly 20%. Are there any sizable provision reversals here?

Damodar Bhattar – Director Finance and CFO: During the previous year, provisions relating to liquidated damages (LD) were at their highest based on the delivery schedules of those contracts. Those provisions are not required this year, which is why other expenses have come down.

Hardik Rawat – IIFL Capital: Regarding directed energy weapons, when should we expect a prototype and when will commercial sales begin?

Manoj Jain – Chairman and Managing Director: We have already received significant orders in the last 3 years for 2-kilowatt laser-based DEW solutions, and we have supplied 80% of those. Microwave-based solutions are currently under evaluation, though the prototype is ready. We developed prototypes jointly with DRDO and have started customized configurations for export purposes. We are seeing strong leads internationally and have given demonstrations to countries that have shown keen interest. We have the capability to upgrade these to higher power lasers or greater ranges. As confirmed orders arrive, I will update you.

Hardik Rawat – IIFL Capital: Thank you so much.

Operator: The next question comes from the line of Dipen Vakil with Philip Capital. Please go ahead.

Dipen Vakil – Philip Capital: Congratulations on the execution. Could you provide a breakup for the top 10 orders within the 72,258 crore order book?

Manoj Jain – Chairman and Managing Director: The main orders include fuses, which represent a large portion because we have an 8-year supply schedule. Other major orders include LRSAM, LCA Mark 1 and Mark 1A LRUs, BMP2 upgrades, Ashwini radar, EW suites for Mi-17 V5, and MPR Arudhra. These top 7 or 8 projects account for approximately 20,000 crores of the total order book. The rest consists of many smaller projects across at least 400 to 500 line items.

Dipen Vakil – Philip Capital: For the 55,000 crore order pipeline for the year, excluding QRSAM, which are the major orders gaining traction?

Manoj Jain – Chairman and Managing Director: We expect to receive orders for Shatrughat and Samaghat in the next 3 to 6 months. That is the largest after QRSAM. We also expect progress on NGC or P75I. We are confident in at least one of those, with a 50% chance for both. We also expect the Hamar project and Shakti Phase 4 orders in this financial year.

Dipen Vakil – Philip Capital: And what is the quantum of base orders expected this year?

Manoj Jain – Chairman and Managing Director: Out of the 55,000 crores, roughly 30,000 crores is QRSAM and 15,000 plus crores is platform orders. The remaining portion comprises base orders for smaller quantities, support services, and AMCs.

Dipen Vakil – Philip Capital: Got it. Thank you so much and all the best.

Operator: The next question comes from the line of Atul Tiwari with JP Morgan. Please go ahead.

Atul Tiwari – JP Morgan: My question is on the likely impact of the Pay Commission provisions on margins over the next 2 to 3 years. When will these start and what is the likely quantum?

Damodar Bhattar – Director Finance and CFO: The wage revision is due starting January 1, 2027. For the current financial year, provisions will be made for the three-month period from January to March 2027. Next year will depend on whether the settlement is finalized. Because turnover will be increasing, we expect the employee cost-to-turnover ratio to remain in the range of 12% in the coming years, similar to what it is now.

Atul Tiwari – JP Morgan: So despite the provisions, you do not anticipate a change in the employee cost-to-revenue ratio over the next 3 years?

Damodar Bhattar – Director Finance and CFO: You are right. Since turnover will increase at that scale, the impact of increased employee costs after the wage revision will be absorbed, and we expect the overall percentage to stay around 12%.

Atul Tiwari – JP Morgan: Thank you, sir.

Operator: The next question comes from the line of Vikas Singh with ICICI Securities. Please go ahead.

Vikas Singh – ICICI Securities: Good evening, sir. Do our supply chain contracts shield us from material cost inflation in FY28 and FY29?

Manoj Jain – Chairman and Managing Director: We do not foresee any change because of material cost inflation. We are in a continuous state of indigenization, which directly and indirectly compensates for material cost escalations. We are increasing our investment in indigenization on a much larger scale, as reflected in our MOU with the government.

Vikas Singh – ICICI Securities: Could you share your current indigenization level versus your targets for the next couple of years?

Manoj Jain – Chairman and Managing Director: Our goal for the next 5 years is zero imports at the module and sub-module levels. Barring semiconductor components, we aim to indigenize all subsystems we currently import, such as RF, microwave, or compute modules. We have set a target to complete this indigenization, including validation and certification, within 5 years. We are finalizing an indigenization policy and allocating special budgets for this. We have excellent support from MSMEs and startups to meet this goal.

Vikas Singh – ICICI Securities: What is the annual capex and what percentage goes toward indigenization?

Manoj Jain – Chairman and Managing Director: We keep capex separate from indigenization. Indigenization is generally funded through our R&D budgets. Our primary capex is for infrastructure, production activities, and capacity enhancement; we have given guidance of 1,200 plus crores for capex. This year, we have allocated over 2,200 crores in our R&D budget for niche technology development, indigenization, and collaborative efforts.

Vikas Singh – ICICI Securities: Lastly, any update on the AMCA program?

Manoj Jain – Chairman and Managing Director: We are working with L&T and have largely arrived at internal pricing and sub-module clarity. We have had senior-level meetings and will soon finalize everything to be ready for the RFP response. The deadline for the RFP submission was extended by 2 months, so the current date is August 27, 2026.

Vikas Singh – ICICI Securities: Thank you and all the best.

Operator: The next question comes from the line of Aritra Banerjee with Nomura Holdings. Please go ahead.

Aritra Banerjee – Nomura Holdings: I want to understand the delay in the Tejas aircraft. If deliveries do not pick up, don't you think there will be an impact on your supply requirements for the remaining aircraft? Will that not impact your revenue or margins?

Manoj Jain – Chairman and Managing Director: We sell LRUs to HAL. These electronic modules are separately tested and supplied. We have already supplied significantly more than what they currently require. I can assure you that no Tejas will be delayed because of LRUs supplied by our company. Public reports indicate the main bottleneck is the engines. We have supplied enough quantities for them to work with.

Aritra Banerjee – Nomura Holdings: But what will happen to the future Tejas aircraft? My point was that LRU supply going forward could actually come to a standstill if there is no movement.

Manoj Jain – Chairman and Managing Director: These electronic modules can be kept in stock. If HAL tells us to slow down, we can adjust the production and testing of those modules based on their timelines. As of today, they have not indicated any slowdown. Even if it were to occur, it might only shift our turnover by a few hundred crores, which is less than 1% of our total volume. We can definitely absorb that type of delivery schedule challenge.

Aritra Banerjee – Nomura Holdings: Regarding the LRM contract received worth 92 billion in FY19, a sizable portion is still unexecuted. Are there any reasons for that?

Manoj Jain – Chairman and Managing Director: The LRM delivery schedule was spread over several years. Last year saw a small quantity and this year is where the major portion of the quantity will be delivered. Everything is on schedule. We have roughly 3,000 plus crores left to supply in total. We plan to deliver about 2,100 to 2,300 crores this year, with a few hundred crores moving into the next financial year. It is proceeding as per the contract.

Aritra Banerjee – Nomura Holdings: Regarding QRSAM, will that also have a 7 to 8-year execution timeline?

Manoj Jain – Chairman and Managing Director: The first order is spread over 7 to 8 years because it includes the evaluation of various parameters before bulk production starts. For subsequent orders of similar quantities, we can supply them in 3 to 4 years.

Aritra Banerjee – Nomura Holdings: Is there any risk of lower revenue growth in FY28 because of ordering delays for programs like QRSAM?

Manoj Jain – Chairman and Managing Director: FY28 will not be impacted because these programs are part of our order acquisition target for this year, but they are not in the execution plan for next year. Next year's execution depends on orders we already have and smaller base orders with 12 to 18-month lead times. These large platform orders will start providing large turnover after 2 years.

Aritra Banerjee – Nomura Holdings: Thank you, and all the best.

Operator: The next question comes from the line of Bhavya Gandhi with Bajaj Alternate Investment Management. Please go ahead.

Bhavya Gandhi – Bajaj Alternate Investment Management: You guided for 28% EBITDA margins, which requires closer to 29% in the following quarters. Is that achievable?

Manoj Jain – Chairman and Managing Director: Definitely. We see variability ranging from 25% to 31% EBITDA margins based on the product mix each quarter. By the end of the year, I am confident we will exceed 28%.

Bhavya Gandhi – Bajaj Alternate Investment Management: You mentioned wanting to increase R&D spend to 8%. Will this impact margins over the next 2 to 3 years?

Manoj Jain – Chairman and Managing Director: Increasing R&D spend from roughly 6.5% to 8% actually makes EBITDA margins more sustainable. Developing new technology and doing more indigenization leads to better returns. Our experience over the last 50 years shows that as we increase R&D expenditure, we see returns in self-sufficiency and higher margins from indigenous products.

Bhavya Gandhi – Bajaj Alternate Investment Management: Is it possible to quantify the current indigenization figure?

Manoj Jain – Chairman and Managing Director: Indigenous content varies across platforms. Overall, about 78-80% of our turnover comes from indigenous products and technologies.

Bhavya Gandhi – Bajaj Alternate Investment Management: Thank you, sir.

Operator: The next question comes from the line of Rahul with Macquarie Group. Please go ahead.

Rahul – Macquarie Group: Which international markets or product segments offer the best opportunity to increase export revenue?

Manoj Jain – Chairman and Managing Director: Almost all products we deliver to Indian customers have demand internationally. The main interest is in radios, software-defined radios, and D4 solutions. We have also seen an increase in the market for airborne modules. We are seeing leads for communication and weapon-locating radar (WLR) systems. We are confident we will provide much better export figures in the future.

Rahul – Macquarie Group: In which specific areas are you directing your incremental R&D spend?

Manoj Jain – Chairman and Managing Director: In defense electronics, every area is important. Technologies like AI are required across all domains, from radars to laser systems. We are spending across all domains, with slightly more on large platform projects like radars, sonar, and EW. We are also diversifying into civilian domains like rail, metro, aviation, and space.

Rahul – Macquarie Group: Regarding the employee hike in 2027, how much could that be?

Damodar Bhattar – Director Finance and CFO: The last hike was in January 2017 for a 10-year period. We cannot predict the exact hike for 2027 yet, as that is guided by government committees. However, given the increase in turnover, we believe the cost will be absorbed and the employee cost-to-turnover ratio will remain around 12%.

Rahul – Macquarie Group: Thank you very much, sir.

Operator: The next question comes from the line of Shriram Kapoor with Jefferies Group. Please go ahead.

Shriram Kapoor – Jefferies Group: Given that you did 20% growth in the first quarter, are you on track to beat your 15% revenue growth guidance?

Manoj Jain – Chairman and Managing Director: Our target for the year remains 15%. We might exceed it by a small margin, but we are currently planning based on 15% and I am confident we will reach that.

Shriram Kapoor – Jefferies Group: Could you quantify the prospective order sizes for programs like Shatrughat, Samaghat, Shakti Phase 4, and Hamar?

Manoj Jain – Chairman and Managing Director: For the first orders this financial year, we expect Shatrughat and Samaghat to be around 9,000 plus crores. Shakti will be around 2,000 crores, and Hamar will be around 2,500 plus crores. There is potential for repeat orders after about 2 years once execution is underway.

Shriram Kapoor – Jefferies Group: Which programs will contribute to FY27 revenues?

Manoj Jain – Chairman and Managing Director: Akash Army will generate more than 1,000 crores—around 1,200 crores. D29 EW systems, MPR Arudhra, BMP2 upgrades, and LCA LRUs will each contribute between 500 to 1,000 crores. These major projects will fetch the turnover for our 30,000 plus crore journey.

Shriram Kapoor – Jefferies Group: Thank you, sir.

Operator: The next question comes from the line of Vipul Kumar Shah with Sumangal Investments. Please go ahead.

Vipul Kumar Shah – Sumangal Investments: Sequential raw material costs have risen sharply. Is this due to commodity inflation or product mix?

Manoj Jain – Chairman and Managing Director: It is mainly because of product mix. Traditionally, our material cost varies from 50% to 59%, typically averaging around 55%. Based on the product mix, it can drift up or down by 3-4%. We are not currently facing pressure from raw material input costs.

Vipul Kumar Shah – Sumangal Investments: What is our export pipeline looking like for the next 2 to 3 years?

Manoj Jain – Chairman and Managing Director: We have great leads, though converting them into orders takes time. We currently have a $465 million order book, and the leads we are pursuing are four to five times that size. We aim for at least $300 million in orders this year across 15 to 20 products. Our long-term goal is to reach 10% of our revenue through exports within 5 years.

Vipul Kumar Shah – Sumangal Investments: I suggest putting a presentation with the results showing platform-wise execution in a tabular format. It would be very helpful.

Manoj Jain – Chairman and Managing Director: Thank you for the suggestion. Detailed information is provided in our comprehensive annual report. We will explore if we can provide that data in a quarterly presentation while complying with SEBI guidelines.

Operator: Thank you. Ladies and gentlemen, we will take that as the last question for today. I would now like to hand the conference over to the management for the closing remarks.

Manoj Jain – Chairman and Managing Director: Closing, Q1 was good and met our internal expectations. Our future outlook remains the same: revenue growth of 15%, EBITDA margin of 28%, and order inflows of more than 55,000 crores including QRSAM. We maintain our R&D investment target of over 2,200 crores and capex over 1,200 crores, with a defense-to-non-defense business split of 90:10. We are working toward these goals and I am confident we will achieve them for the financial year.

Operator: Thank you, sir. Ladies and gentlemen, on behalf of Motilal Oswal Financial Services, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.