



ASTRA MICROWAVE PRODUCTS LIMITED

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February 19, 2026

To
The General Manager
Department of Corporate Relations
BSE Limited
Sir Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai -400 001
Scrip code: 532493

To
The Vice President,
Listing Department
The National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Scrip code: ASTRAMICRO

Dear Sir/Madam,

Sub: Conference call transcript.

We are sending herewith Conference call transcript held with analysts on 13th February, 2026.

The above information is also made available on the Company's website www.astramwp.com.

Thanking you,

Yours faithfully

For Astra Microwave Products Limited

T. Anjaneyulu
Company Secretary & Compliance Officer

An ISO 9001, ISO 14001, ISO 45001 and ISO 27001 Certified Company

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Astra Microwave Products Limited

“Astra Microwave Products Limited
Q3 FY '26 Earnings Conference Call”

February 13, 2026

E&OE: This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on February 13, 2026, will prevail.



Astra Microwave Products Limited



**MANAGEMENT: MR. S. G. REDDY – MANAGING DIRECTOR – ASTRA
MICROWAVE PRODUCTS LIMITED
DR. M.V. REDDY – JOINT MANAGING DIRECTOR –
ASTRA MICROWAVE PRODUCTS LIMITED
MR. ATIM KABRA – DIRECTOR-STRATEGY AND
BUSINESS DEVELOPMENT – ASTRA MICROWAVE
PRODUCTS LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Astra Microwave Products Limited Q3 FY '26 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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 this presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. S.G. Reddy, the Managing Director, for the opening remarks. Thank you, and over to you, sir.

S.G. Reddy: Thank you, and good morning, everyone. A warm welcome to all the participants to the post results call of our company. I'm with my colleagues, Dr. M.V. Reddy and Atim Kabra and SGA, our Investor Relations Advisors.

The results and investors presentation for Q3 and 9 months of FY '26 are already uploaded on our company website and stock exchanges. I hope you had a chance to look at it. In Q3 FY '26, the company delivered its best ever performance, supported by margin improvement, primarily due to favourable revenue mix and strong order execution.

Our standalone numbers for Q3 is at INR 258 crores with EBITDA at INR80 crores. Corresponding with the margin expansion, the EBITDA margin stood at 30.9%, while profit after tax is close to about INR 39 crores. These results underscore the strength and the resilience of our operational capabilities.

On a standalone basis, 9 months revenue surged to INR 668 crores with the EBITDA at INR 165 crores with a healthy margin of 25%. And the PAT has shown a growth of 6.3% year-on-year with a margin of 10.9%. Our stand-alone order book has crossed the INR 2,000 crores mark and stands at INR 2,226 crores, as of December 2025, providing strong visibility for the upcoming quarters. This includes orders of INR1,477 crores from defence PSUs and DRDO labs, INR 249 crores from space sector, INR369 crores from metrology and hydrology sector and INR130 crores from exports and deemed exports.

We continue to focus and execute the modules and subsystems with critical and complex applications in the area of electronic warfare, radar systems, space-based platforms. To mention a few, we have delivered Ashlesha and Rohini modules, expand DWR, AATRU, telemetry products and some more products for QRSAM and SSPA during the quarter.

To strengthen our relationship and be a partner in Make in India programs, we signed an MOU with Bharat Electronics to work together on design development and manufacturing of advanced systems with a shared objective of strengthening indigenous design and production capabilities in key defence technologies.

On the order flow front, we received INR 450 plus crores of orders during the year, which has a mix of defence and other segments. We are on the way to achieve our order guidance for the year. More details about the same will be shared by JMD. Our joint venture, Astra Rafael Comsys has bagged two prestigious orders worth INR300-plus crores during the quarter and is poised to do well in the coming years.

From a strategic standpoint, we continue to take steady steps towards becoming an integrated player in advanced electronic modules, subsystems and complete systems for defence electronics and space applications. More business-related updates and future plans will be shared by my other two colleagues.

Quick industry updates. When we look at the broader industry landscape, it is evident that the defence sector has undergone a structural shift. It is very encouraging that the government is working towards improvising the earlier L1 formula under which the lowest technically compliant bidder was selected, which is now changing by incorporating additional technical parameters as well as indigenous design.

The Indian government now chooses to prioritize the Indian companies that focus on research and development and invest in owning IPR rather than just obtaining technology transfers. Looking ahead, the Union Budget 26-27 provides a strong thrust towards indigenous manufacturing and reduced import dependence, positioning domestic defence industries, including private sector players, as key beneficiaries.

The government's continued focus on defence modernization, Make in India and self-reliant is clearly reflected in the budget with allocation towards defence increasing by 15%. Within the aerospace ecosystem, the Space segment is witnessing accelerated momentum, supported by raising investments, expanding capabilities and strong policy backing.

The Union Budget 2026 underscores this trend by healthy allocation to the space sector, highlighting government's intent to strengthen India's space capabilities and support long-term ecosystem development.

Currently, our order visibility across the industry is strong and backlogs are no longer a constraint. The focus has therefore moved to execution specifically, the ability to meet delivery milestones, while protecting margins and maintaining balance sheet discipline.

Additionally, a further support from various global trade engagements is expected to enhance export potential. Together, these developments act as a strong tailwind for all defence PSUs as well as private sector companies like Astra.

From a near-term perspective, we reaffirm our growth targets for FY '26, comprising approximately 10% growth in top line with a healthy PBT level and order inflows in the range of INR1,300 crores to INR1,400 crores.

Here, I would like to assure all of you, though we have achieved about INR600-plus crores revenue as of Q3, we are confident to reach our target of INR1,150 crores as a top line for the

year. Further, as previously guided, we are on track to deliver revenue growth around 15% for FY '27 and an order book of around INR1,500 plus crores with a healthy bottom line.

Further, when we look at the long-term perspectives of the company, we are sure that company is likely to grow much faster from the financial year '28, '29 onwards. And I'm sure all of you will be very happy with the performance of the company. With this, I thank you very much. Now I hand over to M.V. Reddy and later on to Mr. Atim Kabra.

Dr. M.V. Reddy:

Thank you. SGR. Good morning to all and thank you for joining us. I'm pleased to report that our company continues to demonstrate a strong operational resilience, disciplined execution and moving with a clear strategic direction to achieve its goals.

As we close the third quarter FY '26, our performance remains aligned with the guidance we shared at the start of the year, reflecting both the strength of our execution engine and the trust our customers and partners place in us.

As of December '25, our order book remains in line with the guidance. As my colleague just now mentioned, we have booked about INR476 crores orders in Q3 and overall stand-alone order book stands at INR2,226 crores.

We have also concluded price negotiations for the contracts worth of approximately INR550 crores to INR600 crores, which are likely to convert into firm orders by end of this quarter. With the visibility, we remain firmly on track to achieve our FY '26 order book guidance of INR1,400 crores to INR1,450 crores. Our delivery pipelines are stable.

Execution across program is disciplined and our revenue trajectory continues to be healthy. The third quarter has been particularly encouraging with high-value wins in critical defence and weather segments totalling around INR300 crores. This includes Doppler weather radar and software defined radios, reinforcing our leadership in advanced RF and microwave systems.

We also secured strategically significant wins such as DcPP for EW suites for Su-30 platform and also a few other subsystems, strengthening our role in complex subsystem integration and deepening our participation in mission-critical national programs. Looking ahead, we are even more energized by the strategic opportunities before us.

We are strongly positioned in the major programs, which our DPSU customers are expecting contracts in the next couple of quarters. where our competitive edge lies in key subsystems and in-house critical MMIC capabilities. At the same time, as we had mentioned earlier, we are expanding our presence in space domain, which we see as a major long-term growth driver.

We partnered with a couple of start-up companies to participate meaningfully in the evolving space ecosystem, combining our RF and microwave strength with advanced propulsion and satellite technologies to capture opportunities in both domestic and global markets.

We continue to invest in future-ready technologies aligned with evolving Ministry of Défense requirements and growing export opportunities. Our JVC, ARC overall performance is

exceptionally well and executed USD18.19 million in Q3. With order book of \$80 million and with the visibility of opportunities, which we have today, we are confident of maintaining sustainable growth for the ARC in next 5 to 6 years.

In summary, Astra Micro is delivering exactly as committed. We are meeting our guidance, strengthening our order book with high-quality programs and executing with discipline and confidence.

More importantly, we are building a technology road map aligned with the market needs and global trends. The future ahead is not only promising and strategically secured through sustained investment in technology, partnerships and execution excellence. That's all from my side.

I would like to be happy to answer your questions. Now I hand over to Mr. Atim Kabra, Executive Director.

Atim Kabra:

Thank you, MV and SG, for a quick summary, as always. And like you both, I too can sense that Indian defence and aerospace sector is pregnant with multiple opportunities. It has been 5-plus years and only 5-plus years since DAP 2020 and the vision laid out by the government at that time has led to the blooming of this sector. And now we have the revised version almost in place.

However, I continue to believe that private sector defence is still in its infancy. And even though all the companies here are expecting a flurry of orders, we all still face an execution challenge, which if handled efficiently, will take the sector and the constituents of the sector to newer heights.

So on the back of these developments, last quarter, for the first time, we were confident enough to mention that 3 to 4 years from now, we are expecting to more than double our turnover. On time lines are hazy as the entire ecosystem has to come together for the price negotiations to happen, orders to be placed, supply chain activated, flawless execution to happen and then at the end for the end client to accept and take delivery of the product.

So today, I want to briefly touch upon the criticality of adequate financing and how that is the lubricant, which keeps the working -- the system moving in an efficient manner. So as you're aware, defence is a highly working capital-intensive industry.

The government does release the orders to the defence prime PSUs and increasingly, of course, direct orders are being -- from the users are being placed with folks like us. And in turn, the PSUs place orders to their vendors. While they may obtain adequate financing for execution, more often than not, they are not inclined to pass on similar working capital benefits to the supply chain. It's not a complaint. This is just business, but that's the nature of the beast.

So, when I look at -- our receivables, our inventory levels, etcetera, and I look at the other industries, of course, taken in isolation, these numbers seem scary high. But that's only mitigated by the fact that our receivables are Grade 1 Government of India credit, which banks are more than happy to discount.

I must tell you that even with increasing numbers, of receivables and inventory, we have had a credit rating improvement. You would have read about it. And one of our banks has already -- prime banks has already reduced the interest rate, which has been charged to us.

Atim Kabra:

As far as the availability of financing is an issue, for us, it is actually not that big an issue. But as you know, balance sheet for efficiently -- for them to efficiently function, especially when our sales volumes are projected to go significantly higher, we need to be creative as well as ensure that there is enough financing is there so that our NCNC projects, the products being developed and the large blue sky thinking driven projects do not suffer due to inadequate financing. So watch the space. There are a few very interesting options as they crystallize, we'll be letting you know.

So the way we look at -- why is the inventory high? The way we look at it, our high inventory is a function of the long gestation product cycles and the lengthy time spans between the quotations we make to the placement of orders and the price negotiations before that, and finally, the lengthy delivery schedules over which the contracted products have to be delivered on contracted pricing.

The foreign content is fairly high in quite a few orders. And with the fluctuating exchange rate like ours, if our margins have to be protected, then orders need to be placed and your components and subcomponents acquired much ahead of the delivery schedule. And I must compliment our team here that despite the rupee guaranteeing all over and going down, I think we have done fairly well and actually have a small profit on the foreign exchange side.

So moving ahead, and often in the supply chain, the quantity which needs to be ordered is defined upfront. Supply chain partners are designated. Plus there is a minimum economic order quantity concept, which comes into the play at times, which requires us to order significant inventory, which is utilized over a period of time. But of course, we carry the risk of obsolescence in this. So combined, all these items create a significantly high inventory.

And you have to appreciate the fact that we have been around for 3 decades plus. So the numbers you see are a combined number of -- which has accumulated over close to 3 decades. It does not necessarily directly pertain to the ongoing production levels. So why do these numbers look manageable to us guys? We receive advances from the customers also.

But the numbers you see reported are gross receivables without being adjusted for these advances. And that's a very significant thing, which we are sharing with you that the numbers we report are gross receivables not adjusted for the advances, which we have received. So we look at our numbers as inventory plus gross number of days receivable minus the customer advances. So advances, if I look at the numbers for December '25, advances for customers accounted for nearly 25% of the gross receivables. So our net receivables are accordingly reduced.

And that brings the number down to a fairly significant level. And remember that these are sovereign receivables. So as long as the banks have an interest in funding sovereign receivables, we should have no problems in funding the business.

And even for these receivables, the way we can look at it is also that the incremental receivables over the normal receivable cycles, let's say, if it doubles up from the normal receivable cycle of, let's say, 90 days or 100 days, which exists, then at the current rate of interest, it's costing me probably 2% in incremental out of my margins to take care of the business. which is a very, very, very manageable number, and we are fairly comfortable.

Lastly, please note that these numbers are as of the balance sheet on 31st of March. And the nature of business is such that most of the -- or a significant amount of orders come in, in the last quarter of the year.

So this amount will always -- the 31st March number will always be significantly high given the nature of the business and the fact that there's a normal receivable cycle, even if it is a normal receivable cycle, it will show us as a gross receivable being very high, so while the cash flow is spread out over the years.

So these two things, I think when you look at the inventory numbers and the receivable numbers, I think once you start looking at it from our perspective, it is fairly manageable. And I want to end this conversation with a note on how we view our business. We view our business in blocks of 3 to 4 years, not on a quarterly basis, not on an annual basis.

As there is a significant step-up, which happens in terms of our technical capabilities, in terms of our R&D and in terms of the overall tech scenario, as well as our capabilities, which are continuously being upgraded. So we expect right now that the fruits of the last 3 to 5 years of R&D and mind you, we are very, very horizontal in terms of our product breadth, probably one of the best horizontal plays, which you will get in terms of the tech breadth in the industry.

So we expect that this will translate into multiple large-scale programs, which even if I look at just 4-year scenario, MV Reddy and SG Reddy are very confident of giving us a number of around INR8,000 crores to INR10,000 crores worth of new order booking and concurrent sales happening to the tune of about INR7,500 crores plus over the next 4 years themselves.

If you do the math, we have already given you a guidance of INR1,400 crores for the next year, plus/minus 25%. We are talking about INR1,650 crores, INR1,700 crores plus/minus 25% -- 15%, 20% over there because the visibility is very high. And if you subtract these numbers from the INR7,500-odd crores, which I'm talking about, you will see that FY '29 and FY '30 is where we again go to a completely different orbit.

And our margin profile has been, I guess, slightly on the upward trend only. And if I look at the overall operating leverage, which comes in and the cumulative PBT numbers over the next 4 to 5 years, I think it will help us very clearly achieve our cherished target of being a free cash flow generating company towards which we have been working.

So it's looking good. Focus is on execution, and I'm sure our team will deliver. With this, I hand you back for question-and-answers. Thank you.

Moderator:

Our first question comes from the line of Amit Dixit from Goldman Sachs.

Amit Dixit: Congratulations for a good performance and very healthy margins. A couple of questions and more from a medium-term view. First one is we have executed MOU with BEL. And as we all know, BEL is in one of the consortiums for AMCA. While your name directly doesn't figure in as a part of consortium unlike your some of your peers?

But just wanted to understand the opportunities that we see in AMCA platform, if very broadly, you can highlight what kind -- because we have been involved in SU, we have been involved in Tejas. So just wanted to understand the broad range of opportunities in AMCA, both in terms of products as well as if you can highlight some financial part as well?

Management: Yes. Amit, as far as the AMCA program is concerned, basically, our core expertise in basically in radar and the EWCs. And these are the major systems sensors, I would say, which we have the core expertise in AMCA. And these sensors are being dealt by DRDO separately. They are not in the scope of the EOI what being released.

So it is the most -- more of like mechanical and the avionics part of it. And the -- of course, some avionics electronics is there, but where we don't have expertise. So to be frank, we don't have direct contribution in that particular scope, what being given in the EOI. But we are there in the radar and EWC, that is which is being dealt by DRDO separately. That anyway, we are working on that.

Amit Dixit: And is it fair to assume that since we have a historical, I would say, precedent of being in Tejas being -- and now being in Sukhoi and congratulations for that. So it is -- we would have an edge over others possibly in AMCA as well?

Management: Yes. We will be -- once we complete the development and then once we made the product system, we will become the part of whosoever wins the consortium. Today, the consortium basically more focused on the building the aircraft and the other sensors and all. So we will be a supplier to those consortium, whichever wins the bid.

Amit Dixit: The second question is essentially on the export opportunities. Now with the EU India FDA in place and U.S. India trade deal also in place, there was -- I mean, DAC approval for record AoN yesterday. What kind of export opportunities we see, particularly when global OEMs are keen on dovetailing into Indian suppliers for their global supply chains?

Management: Yes. Actually, this has opened up -- although we have been working with a couple of European companies for the last few years, especially in radar and EW components and subsystems, we have now the discussions, whatever we had in the past, now we are again reinitiated. And there is -- we have seen a lot of positive response in last couple of like weeks soon after this deal is over.

But in fact, it is too early to say that how much we can get these opportunities and all. But yes, definitely, there is a good number of opportunities are there to work together to address the global market and as well as the Indian market. We have been discussing renowned European players, who are all working in this our domain.

- Moderator:** The next question comes from the line of Varun Bahl from Ploutos Investment.
- Varun Bahl:** Well done on the margin side. Sir, frankly speaking, the execution lethargy of management is slightly worrying. Even with such clear order visibility, a 10% revenue growth in the current year and only a 15% revenue growth next year is underwhelming. In this period of extreme tailwinds for the ecosystem, why can't we have bigger goals? Thank you.
- Management:** Well, see, as far as the execution capability, we have built this capability. But most of these programs, what we are executing are R&D in nature and also the -- and domestic market. And in this kind of a market, where we have many other like this thing like hindrances like inspection delay and sometimes like there is a delay in approvals. So all these things are leading to some sort of project delays. That is one of the reasons.
- And as far as R&D projects, like since we have taken up very complex R&D projects, a few of the projects have gone for attrition. And because of that, a few projects, which we have planned to execute in last quarter or last before got slipped away. But as I said, we are fairly -- whatever we worked out in the beginning of the year, we are almost in line with the guidance being given to you.
- So yes, the percentage and all, we can -- probably we can increase like the moment when we get a high bulk production orders like which we are anticipating now in the next quarter or so for the programs we have already developed. The moment when we get these orders, I think our production -- our execution will improve drastically, and we can see the better percentage in terms of both in revenue as well as bottom line.
- Varun Bahl:** Sir, this is a very common feature post getting the order and starting of execution, the planning stage is where we are seeing these delays. Is that correct?
- Management:** No, I didn't get you. Can you repeat?
- Varun Bahl:** Post receiving the order and starting of execution, the plans are redrawn. And in this phase is where we see the delays. Is that correct?
- Management:** Post receiving -- actually, it's not that we redrawn the implement execution. See, what will happen is in the majority of the development contracts, sometimes like after the receipt of the order during PDR, that is design review stage, there are many issues will get sorted out by the user or customer, I would say. keeping in view of the complex total system requirement. That time, like some decisions, we don't get as the committees and all have to sit and go through all the details. So there are some delays in this kind of a process.
- And this we have been seeing for many years. But since we are now executing a major like complex systems, now this kind of delays, especially in the approvals and all are there. That is the reason I think some of the projects got delayed. But otherwise, we are planning much ahead like for -- especially the proprietary case, the moment when we come across the demand from the customer and all, we have been planning.

And for the competitive tenders is, of course, though we made the designs and everything ready, but the procurement and all will start only once we conclude the P&Cs. So that planning will start from the date of conclusion of the P&C, and we always plan to execute within the schedule.

Management:

With all due respect if I may...

Moderator:

Our next question comes from the line of Vikas Singh from ICICI Securities.

Vikas Singh:

Sir, my first question is regarding the 114 Rafael deal. We have a JV with the same. So for the Rafael, which are going to make in India, just wanted to understand the opportunity size for us. And does we are adding this also in the next 5-year doubling of revenue capability targets?

Management:

Yes, I would like to clarify our JV is with Rafael Defence Systems Israel, not with Rafale of France.

Vikas Singh:

Noted, sir. But then those 114 -- what I really meant that those 114 Rafael, which are going to manufacture in India. So in the 50% or 60% component provider buys basically, so radars, we can supply, right? So what could be the TAM size for that?

Management:

Actually, as of today, in fact, we are not in the supply chain to be frank. But yes, some discussions are happening. We are discussing to indigenize a few components and subsystems in that. But it is too early to comment on the business size of this particular deal.

Management:

MVR, let me just come in for a second here to add on to the previous gentleman's question. I thought that was a very derogatory way of putting in the efforts of nearly 2,000 people, who are working to deliver the numbers and a target, which has been given. You being a gentleman have addressed it very nicely. But guys, we are not here. We have explained it multiple times.

We are not here for a quarterly review. This business, we take a 3- to 4-year view. And if you want to use fairly harsh words, which I think this is not the right company. It's your prerogative, of course, but you must understand that this business is a long-term business, which you have to look at it from a 3- to 4-year perspective.

So I find it quite offensive when somebody looks at a quarterly number and pulls down the efforts of the company and the 2,000 people, who work there. And we are just reiterated that we will meet the targets for the year. And I'm actually will take a liberty to say we'll be more or less close to the numbers, and we have given you a guidance for the next year.

This is a multipronged effort, where multiple things have to come together to deliver the numbers. And you must appreciate this. And we have given you a fairly sizable growth, which has happened and which will happen in the next 3 to 4 years. Just wanted to put this across very clearly for the benefit of everybody.

Vikas Singh:

Can I go ahead?

Management:

Yes.

Vikas Singh: Sir, second question pertains to our target of double the revenue. At the same time, like you previously remarks that your working capital is going to be very high. So just wanted to understand, would -- because the working capital investment comes much earlier, would that mean that we would need some capital infusion or our debt would go up in the next couple of years before we started reaping the benefits? So how should we look at that your capital requirements?

Management: Yes. I don't think we have to raise any equity capital as such to meet these working capital requirements. I'm sure that the bankers and other stakeholders will be more than happy to support the company.

So we won't be raising any equity capital for the support of the working capital. Yes, the working capital borrowings will go up as the top line grows. But at the end of the day, it is going to be a very profitable business, what we are doing.

Vikas Singh: And sir, just one clarification. On an average, what percentage we are getting as advance in the order book?

Management: Generally, for the development orders, we get an advance anywhere ranging from about 20% to 25%. Export orders, we get about 30% advance. Whereas for the production orders, we don't get any advance. Again, the orders from the space application center and metrology sectors, again, there, we get advance in the range of 20% to 25%.

Moderator: Our next question comes from the line of Karthik from Suyash Advisors.

Karthik: Just wanted to understand the order backlog and revenue targets for the joint venture sir, Rafael JV for '26 and '27?

Management: Yes. Order book.

Management: For the JV.

Management: For the JV, we have close to \$80 million as on date. right?

Karthik: Yes.

Management: And what else you want?

Karthik: Revenue, sir for this year and next year, possible revenues based on execution plans?

Management: Yes. For this year, I think it is likely to do about INR350-plus crores of top line. And probably for the next year, it should be close to about INR400 crores plus. I don't have the exact figure for the year, but it should be in the range of INR400 crores plus.

Karthik: And how is the profitability shaping up there, sir?

Management: At PBT level, they earn close to about 10% to 12%.

- Karthik:** And the INR1,400 crores does not include any contribution from this, right? Sir, this is not consolidated, right? So this is only the non-JV revenues, right? So can you talk about...
- Management:** It is a stand-alone amount. And the profit from consolidation of revenues at the consolidated level, but it is only a share of profit from the JV is taken.
- Moderator:** The next question comes from the line of Keyurkumar Vadaliya from Niveshaay. We'll move on to the next participant that is Prerit Jain from Motilal Oswal Financial Services.
- Prerit Jain:** I have two questions. One is the order book -- order inflow guidance for this year and next year, which is INR1,300 crores and INR1,500 crores. So what are the key orders that we are expecting, say, like in next 12 to 15 months? And if you can help with the quantum as well?
- Management:** What is your next one? Hello? What is your next question?
- Prerit Jain:** Yes. So the next one is like you mentioned that the current projects, which are being executed, most of them, like quite a few of them are in R&D phase, and still, we are able to maintain such good margins. So going forward, when these get into like a mass production or execution phase, like higher quantity, will the margins improve or these levels will be maintained?
- Management:** Okay. Firstly, regarding order book, MV?
- Management:** Yes. See, order book for this current quarter, that is in Q4, we are expecting, as I said, around close to INR550 crores to INR600 crores. In that majority will come from radar and EW. So from the defence overall, we are expecting about INR450 crores and from metrology around INR120 crores. This is the split of order book plan for the current quarter.
- So with this, I think we would be in a position to achieve INR1,450 crores around that for the current financial year. For the next year, for FY '27, we have a clear visibility to book order close to INR1,500 crores to INR1,600 crores around that. And in that majority programs, which, as I mentioned, like orders will come from public sector customers like BEL, where the programs, which they are expecting orders for the first quarter like QRSAM.
- And the other programs like in -- from DRDO, we are participating in a few R&D programs. Then the production orders, which we have already got qualified like in EW systems like the Nayan, Medhas, Samudrika, Dharashakti. These are all programs, where our customers are getting orders and in that, we will be getting subsystems.
- Then export front, we are expecting orders worth of INR100 crores to INR125 crores. And in Met segment around INR50 crores. So this is a broad split of order book for the next year. All in all, I would say, around INR1,500 crores to INR1,600 crores, we are confident of booking the orders.
- Management:** Yes. The second question regarding profitability. I must tell you that R&D is also a profit center to us even today. Therefore, either low R&D or larger R&D contribution is not going to affect the profitability?

But as we grow the top line, I'm sure that there will be an improvement in the margins. But how much it is going to be and all probably we have to wait and see. But definitely, it is going to be a positive one from now onwards in terms of the profitability.

Prerit Jain: Okay. And if I can squeeze in one more question. So yesterday, around INR3.6 trillion of events were awarded. So what is the potential TAM for Astra in this?

Management: Actually, we are working some of the advanced version of a few projects, which we are working there. But yes, some components and subsystems are there in a few programs and all, but we will come back to you maybe a little later of the exact potential of the business, what we can get it from the yesterday's approved project.

Moderator: The next question comes from the line of Ketan Gandhi from Gandhi Securities.

Ketan Gandhi: Sir, congratulations on a very good outlook for the next 3 to 4 years and wish you all the best for the same. I have only one question or clarification. Sir, any -- can you share any update on Man-Portable SDR? I think trial was over. And any color on the timeline of awarding the contract?

Management: MVR?

Management: It is reaching the final -- yes. Actually, the trials more or less are getting over now, but in the final stages. I think we'll get concluded maybe in a month's time from now.

Ketan Gandhi: No. So trials will be concluded or they will be come out with the result also?

Management: No, trials will be concluded. And hopefully, by March, I think they may open the bids. This is what we are expecting.

Management: But Ketan, in that, it's not one shot awarding of the contract. It's going to happen over a period of time in multiple lots.

Moderator: The next question comes from the line of Jyoti Gupta from Nirmal Bang Securities.

Jyoti Gupta: Great set of numbers. I have two questions. One is in terms of the exports; I have seen this contribution of exports have gone down sequentially. Is there any specific reason? Second, the margins are great. Any particular order that has led to it? And would that be sustainable?

And third question is on the Pseudo Satellite, which has recently come, where NAL and Open Research Institute from Bangalore, they are -- in fact, a lot of country -- international countries interest. Are we also looking at pseudo satellites, stratospheric satellites?

Management: Yes. Your first question is the exports front. As been mentioned in last few earnings calls, we are slowly moving -- moved away from the BTP business. Now more or less, except serving our joint venture, where, in fact, we have a fairly reasonable good margin. And as we do have a value addition in those products, so we are getting better margin, and we are continuing to do that deemed export business and also a few exports, which we have good margins.

But in the past, we used to take the orders, which have low margin of high value. But now we came out of that line as we wanted to focus more on the high-margin products and where our value addition is more. And that is the reason there is a dip in the revenue as far as the exports are concerned in the last 2 years.

But going forward, as we are focusing more on contracts, which we have our -- contributing in terms of design and all. In the future, we are expecting some production orders with our designs that I think maybe down the line after a couple of years, we will definitely with this export will pick it up. So till that time, we have enough domestic market to capture and to work on that. So we are focusing on this.

Now the second question is the margin -- the percentage of margin has been increased. In fact, this has been answered like we have been addressing only the domestic market and as well as export, where we have a decent margins because of the product mix and the composite of the existing product lines, what we have taken it up has got a reasonably good margin as compared to the previous years. Hence, the margin has been increased.

Then third question about the Pseudo Satellites and all. So we have some plans, but we are in the -- still in the very initial stages. I don't think I can answer your -- this particular question straight as probably maybe down the line after some time only, I can come back to you on this.

Jyoti Gupta: Okay. One last question. The advances that you're getting, is it because you are now in some platforms, you're in Tier 1 category? Or is it like now that private companies are entitled to these advances for contracts?

Management: Actually, in DRDO, the contracts -- we have been getting these advances for many years, and it has been continuing, especially in the development contracts. And the other -- even other institutions like ISRO and all, they have been giving advances. And of course, in PSUs, most of these production orders, we don't get as their -- the guidance are different for taking advance.

And we feel without advance we can roll out the execution much faster, and also the realization can happen faster than this thing. Then other one is the -- for MOD contracts, yes, now since we started participating and the advance is there and the private companies can be treated at par with the PSUs for giving advances to the industry for development.

Moderator: The next question comes from the line of Rupesh Tatiya from Long Equity Partners.

Rupesh Tatiya: My first question, sir, is LCA Mk-1A, second batch of 97. When can we see some orders for Uttam radars, AAAU, EW components? Any time lines you can give?

Management: We have RFP on hand, and we have responded RFPs and the negotiation process is on. So I can share up to this information. As and when contracts get finalized, I will come back to you on this.

Rupesh Tatiya: And delivery will start after some gap of, let's say, 1-year or it will start right away in a staggered manner, obviously, that?

- Management:** Actually, customer -- the agent is expecting these deliveries to happen in a staggered manner initially for a few numbers to get stabilized these indigenous sensors in the platform and all. Thereafter, I think they would like to give bulk production clearance for the large quantity. So hence, the execution happens in a staggered manner.
- Rupesh Tatiya:** And where are we on the qualification of Uttam radar plus ASPJ pod?
- Management:** We have completed qualification for both AAAU of Uttam radar and also the AATRU of the Pod Jammer, both QT as well.
- Rupesh Tatiya:** No, no, not from our side, sir, overall, final product?
- Management:** Overall also, like Uttam radar as far as the qualification, like it's been completed, and there are a few observations that also have been addressed. And after once we HAL gets these proto units from the -- all vendors and they integrate, then probably the 7 lakh, I think they can again step in to see what are the issues that we've been there to see. And then thereafter, they can give production clearance -- for the bulk production clearance. But otherwise, on the qualification front, I think more or less, it has been through.
- Rupesh Tatiya:** So final product, I mean, you feel in next 6 months, it will be certified?
- Management:** That I cannot say because DRDO is the agency to inform about the time lines. But yes, we are hopeful of completing that this thing within that particular time period.
- Rupesh Tatiya:** And just second question is more of a clarification. So you said QRSAM orders you're expecting in Q1?
- Management:** I didn't say that. Our customers are expecting in Q1. In fact, although they are hopeful of getting by March, but in case if they spill over, but I think maybe in Q1, they'll get order. For us, it may take another 3 months or 4 months to get orders from the subsystems.
- Rupesh Tatiya:** And on SDR - Man Portable SDR, can you give some idea about competitive landscape and what kind of market share do we expect to win or retain in this segment? And also opportunity size, you can give maybe some year-by-year picture, total opportunity and year-by-year picture?
- Management:** Yes. Actually, this particular quantity, which the RFP was released and where the trials are going on is only, I would say, some, I think, 10% of the quantity what being projected by the Indian Army. And I think you can estimate roughly around 10x to this particular quantity.
- So over a period of 5 to 6 years, they would like to induct these SDRs in the network. So the opportunity size is too large. And yes, this is now, as mentioned earlier also, there are about 3 players. Once only the price bids are open, we can -- we know who will be the successful bidder.
- Rupesh Tatiya:** Okay. So you still...
- Moderator:** I'm sorry to interrupt, Rupesh, I would request you to rejoin the queue. The next question comes from the line of Keyurkumar Vadaliya from Niveshaay.

Keyurkumar Vadaliya: Sir, my question is regarding the space vertical one. We have INR249 crores order like how this order is split like is it unity -- if so these orders are related to payload or payload subsystems or related to launch vehicles, sir? And if you can give us a direction with how we are looking forward to get the order in this vertical on which directions, payloads or the vehicles?

Management: Yes. Whatever orders we have in this space as on today, it is all related to the satellite payload electronics and some small portion, I would say, only 5% or 6% of the overall order what we have is related to the launch vehicle electronics. Otherwise, most of these are part of the payload, which ISRO is trying to build this payload for strategic applications.

And going forward, we do have a good visibility to get repeat orders in the same configuration and all. Maybe in the next 2 to 3 years, I think we should have a similar size of order book. And apart from that, as we mentioned, we are trying to build our own satellite with the payload for the -- for future. So that, I think, will take another 2 years to launch the satellite. And then we are also -- we're trying to address the end market.

Keyurkumar Vadaliya: And sir, in last con call, you mentioned like Project Mausam. So like I mean, how far this opportunity is right now?

Management: You are referring to that Indian metallurgical department.

Keyurkumar Vadaliya: Yes. Yes, yes.

Management: Mausam.

Management: Mausam. Yes, we are getting orders...

Keyurkumar Vadaliya: Mission Mausam.

Management: Yes, yes. We are -- Mission Mausam, we are there. We got a couple of contracts in recent past, and we are in execution phase.

Keyurkumar Vadaliya: So I will be very specific like actually, we mentioned that it was a very big opportunity, right? So I'm expecting like when this big opportunity can be translated in order book and then the delivery time frame?

Management: Actually, this is serious -- like all these radars will be procured in a phased manner. We are expecting at least around 4 to 5 tenders to come. to cover the overall requirement of weather radars and other systems like wind profile radars, even weather stations and all.

So these tenders will cover overall Mission Mausam requirement, and this may take at least a couple of years to finalize these orders. And on the execution front also may take a 3 to 4 years' timeframe.

Moderator: The next question comes from the line of Shivam Parakh from ValueWise Wealth Management.

Shivam Parakh: As mentioned in the investor presentation, there was a TAM of around INR24,000 crores to INR25,000 crores for extra till financial year '28. So how much is actually serviceable by us based on capabilities currently? And any expansion to be done ahead in the next 2 years or so? Some light on the same would be greatly appreciated? Thanks.

Management: Yes. As far as the investor presentation when we made, as we mentioned and also Atim mentioned in the opening this thing, we do have the TAM that is the total accessible market of INR25,000 crores to INR30,000 crores. But this -- what we had expected a few contracts about 2 years back are getting shifted to a year or so.

But overall, what we could see clearly an opportunity size of around INR30,000 crores in the next 4 years' time frame. And in that, as we mentioned, we can -- we are confident of bagging or maybe around INR8,000 crores for the execution in this particular front because in that, many of the programs, which are -- we are a single -- only approved qualified company for a few programs.

Taking all those things and also taking about 20% to 25% weighted average for the competition, this is the figure what we have arrived.

Shivam Parakh: The INR30,000 crores addressable market is for the entire players in the ecosystem, right?

Management: Yes.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, 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.

S.G. Reddy: Yes. Thank you all of you for your active participation. I hope we are able to address your questions to your satisfaction. and very happy to meet you again at the end of Q4 and at the end of the financial year. Thank you.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of Astra Microwave Products, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.