ASTRA MICROWAVE PRODUCTS LIMITED
Regd. Office: ASTRA Towers, Survey No. 12(P), Kothaguda Post,
Kondapur, HITEC City, Hyderabad - 500084, Telangana, INDIA
Tel:+91-40-46618000, 46618001. Fax:+91-40-46618048
Email:mktg@astramwp.com,website:www.astramwp.com
CIN: L29309TG1991PLC013203

May 29, 2025

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 23rd May, 2025.

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

Thanking you,

Yours faithfully,
For Astra Microwave Products Limited

THALLAPALLI ANJANEYULU
Digitally signed by THALLAPALLI ANJANEYULU
Date: 2025.05.29 15:28:12 +05'30'

T. Anjaneyulu
Company Secretary & Compliance Officer

Astra Microwave Products Limited

“Astra Microwave Products Limited

Q4 FY '25 Earnings Conference Call”

May 23, 2025

E&OE: This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on May 23, 2025, 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
STRATEGIC GROWTH ADVISORS – INVESTOR RELATIONS ADVISORS – ASTRA MICROWAVE PRODUCTS LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the Q4 and FY '25 Earnings Conference Call of Astra Microwave Products Limited. 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 the 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 the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. S.G. Reddy, the Managing Director. Thank you, and over to you, sir.

S.G. Reddy: Thank you, Puja. Good afternoon to everyone. A warm welcome to all the participants to the post results earnings call of our company. I'm with my colleagues, Dr. M.V. Reddy; and Mr. Atim Kabra; and SGA, our Investor Relations Advisors. The results and investors presentation for Q4 FY '25 are uploaded on our company website and Stock Exchanges. I hope you have had a chance to look at it.

I'm happy to report that Astra achieved excellent performance for the year FY '25 with a 15-year year-on-year growth in terms of revenue, which reached about INR1,044 crores on a stand-alone basis. With this, we have once again successfully achieved on full year revenue target given in the beginning of the year. We have witnessed significant growth in our gross profit margins, which stood at 43.9% for financial year '25 as against 39% for financial year '24.

We have also seen good expansion in our EBITDA and PAT margins. This improvement is directly related to the product mix where we have continued to see healthy execution of domestic orders with a tilt towards the defense segment. The revenue contribution from domestic business in this year is close to 90% as against 68% in previous year. For FY '25, our EBITDA margin is about 25.5% and PAT stood at about INR143 crores with a margin of about 13.7%.

Based on our product mix for the current order book, we are confident to maintain margins -- margin profile around 18% on a PBT level for the coming year also. During the year, we received orders worth about INR1,098 crores on a stand-alone basis. These new orders are essentially

from radar and other segments, where radars have contributed to about INR556 crores, INR226 crores coming from electronic counter intelligence, about INR36 crores from telemetry, INR60 crores from space, INR79 crores from exports and about INR140 crores from metrology and hydrology sectors.

Overall, our stand-alone order book of about INR1,951 crores consists of 91% of domestic orders, primarily build to spec and 9% export orders, which include both BTP and BTS business. Moreover, our consolidated order book includes service orders valued at about INR150 crores, which are typically more accretive to margins. Apart from regular orders, during the quarter, we have received orders for AAAU for LCA Mark 2 and Su-30, which have significant business potential in the years to come. As of March 2025, our consolidated order book stood at about INR2,304 crores.

Now coming to some business updates for the quarter. Earlier this week, the Board has approved a fundraise of about INR174 crores by way of preferential issue. This raise will help us to strengthen our balance sheet as we look ahead. Also, I would like to update you that Board has approved dividend distribution of about INR2.20 per share, up from INR2.00 of last year. Both our wholly owned subsidiaries have done well, though they continue to serve the parent company to a large extent on an exclusive basis.

Our joint venture company, Astra Rafael Comsys has done well again. In terms of top line, though there is a dip in profitability due to low level of performance in Q4. It has huge potential to grow in the years to come in. And in the immediate coming year, it is estimated to reach about INR350-plus crores of sales with a PBT of about 12%.

In terms of capital expenditure, we have budgeted to spend about INR45 crores for purchase of various test equipment to augment existing operations and another INR45 crores for building additional space at our production unit to take care of expected load in the coming years. This capex will be met out of internal accruals and term loans from the bankers.

Over the years, Astra has grown strength by strength and invested significantly both in infrastructure and talent in view of enhancing capacity and capability and opportunities. Our performance during the year and our order book mix are a clear sign of these strengths. Today, Astra stands as a tall as well as diversified defense company that offers critical components, subsystems, high-end MMICs, and systems, especially in the radars for both defense and weather and anti-drones. In this world of heightened uncertainty, Astra is strategically well positioned to serve both domestic and international markets with a diversified product portfolio catering to a wide spectrum of applications in defense, space, and metrology.

In the end, I would like to share with you, we are aiming to grow our top line at around 20% with a bottom line of about 18% with an order book target of about INR1,400 crores for the financial year FY '26. Now I hand it over to Dr. M.V. Reddy and Mr. Atim Kabra, who will give more insight into new product developments, business outlook in the near and long term. And the strategies adopted by the company to take it to the next level of growth cycle.

And I request Dr. M.V. Reddy to take this.

Dr. M.V. Reddy: Thank you, S.G.R Good afternoon, ladies, and gentlemen. Thank you for joining us today. We being one of the prominent player in defense and aerospace over the last 3 decades. First of all, we take this opportunity to congratulate Government of India and our Armed Forces on the tremendous success of Operation Sindoor mission. This landmark achievement stands as a testament to India's growing strategic capabilities, and we at Astra Microwave Products Limited are proud to have a tiny contribution in the Akash missile system and Netra.

Our technologies continue to play a critical role in strengthening national defense and security. It is with immense pleasure we share that we have surpassed INR1,000 crores in sales, it's a historic milestone in the history of Astra and the highest ever in the company's turnover so far. This is not only a financial achievement, but a reflection of the tireless efforts of our teams and the deep trust placed in us by our partners and stakeholders.

What makes this milestone even more significant is our consistent track record of delivering on the annual guidance we set at the start of each financial year for the last few years. Our ability to align planning with performance reinforces the credibility of our strategic vision and execution.

We would like to highlight a few strategically important orders, which we won in the last quarter, which is including technology demonstrated version of the Su-30, AAAU, Virupaksha critical subsystems for next-generation electronic warfare suite, technology demonstration version of the LCA Mark 2 program. These projects are not only technologically advanced, but also strategically aligned with India's long-term defense requirements.

We also would like to bring out a few key operational highlights from Q4, which also include other order wins like radar subsystems, which we won for Akash Prime, VL-SRSAM and a few radars, weather radars from meteorology sector and also the Agro AWS system from Indian meteorology Department and the X-band vehicle for a strategic missile program.

A few major programs which we have delivered in last year, which includes Ashlesha Rohini modules, 3D-Car frame modules and other subsystems for MPR, WLR likewise and also EW subsystems like Himshakti modules, Nayan, etcetera. And also, we have delivered subsystems for Anvesha program of space program.

We have also delivered successfully precision approach radar to HAL and its installation and integration is in progress. And during Aero India Show, we have signed multiple MOUs with the large defense and aerospace companies, include L&T, BDL for expanding our collaborative ecosystem and market reach.

In a nutshell, in FY '25, we won orders 80% in defense, 20% in space and metrology. Overall, radar contribute 50% and 20% we bagged from AW sector. Similarly, we have made sales in the same ratio, that is 80% in defense and 20% in space and metrology. As we look forward, we see a strong order pipeline and robust demand for our indigenous defense technologies.

We are cautiously optimistic keeping in view of process timeline constraints, and we expect to achieve a top line growth of 20% in the coming financial year, that is FY '26 onwards, driven by

a sustained government focus on self-reliance and strategic procurement. We target to book a revenue of INR1,300 crores to INR1,400 crores orders in FY '26, including INR1,000 plus from the domestic segment and INR300 crores plus from the export.

And also, we have a target to book revenues close to around INR1,200 crores plus. Our JVC, ARC is doing extremely well, although there is a slight dip in Q4 revenue due to a few technical constraints. But we have strong visibility to book significant orders in the coming years. The current year, that is in FY '26, we have a good visibility to book orders worth of close to $100-plus million. And the revenue, we are expecting around INR350 crores plus.

In closing, I would like to reiterate that we are geared up in building a future-ready, resilient, and proud Indian defense enterprises. We would be happy to answer your questions.

And now let me hand over to Mr. Atim Kabra to share his thoughts. Thank you.

Atim Kabra: Thank you. Thank you, Dr. M. V. Reddy and good afternoon, everybody. Let me start by joining my colleagues in conveying our deepest gratitude to our armed forces, and we are also proud of our defense establishment, our research labs, and the defense PSUs, as Astra partners them all in this journey towards a self-reliant India. Multiple armaments that performed with resounding success and precision and then were used by our armed forces represented years of hard work, dedication, and a vindication of the R&D efforts within the country.

As Astra, as Dr. M.V. Reddy has just mentioned, it was a very proud moment for us to see the successful deployment of Akash missiles, where critical subsystems were contributed by us. We were proud to be a small part of the BrahMos missile program also, proud to be a part of the extensive network of radars deployed across our borders, where we have contributed components and subsystems, plus the layer of safety and comfort provided by advanced systems like Netra, the airborne early warning systems, where Astra has been a key contributor.

And as the paradigm of warfare evolves into incorporating drones as essential components in warfare, Astra will be a key contributor going forward, too, in designing and producing anti-drone solutions in varying myriad configurations, along with surveillance systems that shall be the centuries at our borders. This is in addition to newer radar, deeper penetration into enemy territories that we are building, the solid-state seekers and multiple other products coming through our stable.

This entire spectrum that I speak about is in line with our stated journey into systems and products and solutions, which we have discussed with you over the last quite a few sessions. So we are well on our way towards delivering what we promised. And needless to say, our counter UAV solutions will be made in India. And will not only cover various use cases and ranges, but will also be targeted against high altitude tactical drones at the higher end of our offering spectrum. So where do we position ourselves?

And as you very well know, Astra manufactures complete radars right from MMIC to T/R modules upwards. And we are strengthening that core capability continuously, bolstering it by concerted move into smaller, lighter radars with a predominantly digital footprint.

I also wish to share with you today the broad spectrum of our product range, which establishes Astra as a well-diversified defense sector key player, with deep rooted capabilities that expand much beyond our expertise in land and airborne radar platforms. So we are not only into high-end radars, but also significantly into electronic warfare systems, missile electronics, telemetry, space sector and weather and hydrology segment with exports contributing as the final niche.

So in a predominantly tender-driven procurement system, our diversified presence insulates us to a large extent from extreme swings and brings about a predictability and sustainability to the earnings stream, which is our focus.

More than 50% of our revenues are driven by the segments which I just described above besides the radars. So we make radars, but we are a key player in electronic warfare systems, missile electronics, space and weather and hydrology. So this will give you a sense of the deep talent pool, which is the backbone of Astra.

Now as multiple AF1 platforms get upgraded and ground-based radars cover larger swaths of our products, will give us an ability to look deeper into hostile territory where -- and we expect our radar business to grow at a steady pace. But the evolving sector of warfare will be predominantly based on electronics in our opinion.

And electronic warfare suites will gain an ever-increasing role. Precise targeted strikes with minimum collateral damage will place importance on command guidance units in missiles, fuses and missiles with AI-based data interpretation becoming the norm. Our solid-state seekers will propel safe to say, new generation missiles. And there is a substantial potential market in both offensive as well as defensive missile capabilities, where we hope to continue playing a critical role, much like the success of Akash missiles.

We also believe that space will be the next frontier in war, with space-based surveillance and spy satellites becoming the norm, high-speed data transfer, satellite-based communication links and there are eyes in the sky, which never blink and penetrate through clouds and foliage. And this will be besides the multiple civilian applications that you will see for space sector.

You will be very happy to note that barring launch capabilities, Astra has over more than a decade, developed capabilities in the space sector that cover space-grade components, subsystems, significant payload contribution capabilities, satellite designing and assembly capabilities, ground stations. And now we are moving into solutions across sectors from the space sector.

Further, I would say, diversification is also provided by our weather business, with Doppler weather radars, wind profiler radars, automatic weather stations, which enable us to offer weather prediction solutions over time.

But as we shift our focus on the solutions, I hope you are able to share our vision of being a deep tech company providing solutions across a spectrum of needs for our defense forces and beyond in a focused, profitable manner. We together, I would say, both you and us to our soldiers in our own ways, supporting the vision of a self-focused partner that dominate over our interest.

So I'll close with Jai Hind, and we shall take a few questions now. Over to you.

Moderator: The first question is from the line of Amit Dixit from ICICI Securities.

Amit Dixit: Congratulations for a good performance. I have a couple of questions. The first one is on in the changed geopolitical scenario where we are hearing that Project Kusha is likely to be advanced. There is advancement in QRSAM as well. Just wanted to understand what kind of subsystems modules we'll be developing and what could be our possible share in these platforms? And also, is it possible to highlight very broadly if any of our subsystems -- we manufacture any subsystems for Akashteer? That is my first question.

Management:: Yes, please go ahead with the second question.

Amit Dixit: Yes. The second question is on essentially what we see while the operating cash flow utilized has reduced by 50% this year. The working capital, we see that inventory has gone up, receivables have gone up. So is it because of certain specific contracts that we expect the payment to come in April or June? Or -- and inventory have gone up? Is it in preparation of something to be delivered in FY '26?

Management:: Yes. First, we'll take the question on Kusha Project, then I'll...

Management:: Yes. Mr. Amit, we are the part of the Kusha development program, and we have been providing subsystems like TR modules and Receiver/Exciters and products to radar being planned in the Kusha, which are in the development and supply phase. And I'm sure like -- in fact, we and other companies are sharing the subsystems market in the Kusha. As far as the QRSAM is concerned, yes, we have a significant portion in the subsystems area like TR modules.

And also, we have subsystems in missile programs also. So we have subsystems in both radar and as well as the missile of QRSAM. So we are waiting for the orders. I think BEL is likely to get this contract by the Q4 of this financial year. And we may get our order maybe post to that. And if BEL takes any advanced action to go ahead on that, probably we may get our order much early.

Management:: Yes. Regarding the working capital, in terms of the receivables, essentially, if you look at the balance sheet at the end of the financial year, the receivables outstanding appears really high. But again, you have to look at the delivery pattern. In the last quarter of the financial year, we have delivered close to about INR400-plus crores of business. Essentially, the entire business executed in the Q4 will be outstanding there apart from the old receivables. As a result, the overall outstandings are at a higher side.

To give an update about the receivables aging and other things, out of total receivables, about INR55 crores receivables are the deferred receivables. We have explained in the previous calls what is the deferred receivables is. Again, for the benefit of all of you, I'll repeat. The deferred receivables one about INR24 crores worth of material what we have supplied to our joint venture company as a part of the NCNC program, which the company is undertaking for development of backpack radios for the army. That was our contribution for this program. So the

understanding is that this amount will be shown as deferred receivables till that final technical acceptance of that product gets completed.

Once we have a result about it, if ARC becomes a winner, then in the normal course, they are going to repay that amount back. Suppose if for whatever reason, if it is not going to win the contract, then this amount we have to find out a way of getting it back. One option, which is there in the discussion is to convert this as a loan repayable over a period of time. So we are going to take a call depending on when the final trial gets completed in terms of getting this INR24 crores back from the joint venture company.

The other part of deferred receivables pertaining to the weather-related products, what we have supplied to IMD. The supplies are made against the open tender, wherein we get about 40% of the amount -- 40% of the value of the goods supplied on acceptance. Then the remaining 60% is paid over the warranty period, which stretches up to 5 years in equal installments. Therefore, that amount pertains to that part of the receivables, which is going to be get collected on a yearly basis over a period of 5 years.

The other thing which I would like to share with you is about INR140 crores worth of material what we have supplied is in the final stages of acceptance by the customer. Probably this entire amount is going to be realized by the company in the next 6 months. So you have to take these 3 factors into account.

One is the deferred receivables. The other one is items which are waiting for acceptance at the customer end, which is about INR145 crores. And the billing done by the company in the last quarter, which is about INR400 crores. So once you factor all these 3 elements, then the receivables status is -- probably it is very clear to all of us. Yes, Amit, is there anything else you want to clarify?

Amit Dixit: Yes, the inventory part.

Management:: Yes, inventory part, apart from one large program which we are executing to BEL, which is MPR program. Most of the other inventory pertains to what we are likely to deliver for the current year.

Moderator: We'll take our next question from the line of Akshay J from Xponent Tribe

Akshay J.: In the last few interviews on new channels and on these calls, you've spoken about space having the potential to be as large as our current defense business. Can you spend a little bit more time understanding and explaining to us what the parts -- any areas that we see as large opportunity in the near term and the medium term. If we have to imagine a business as large as defense in space, what would the journey look like from here to say, 3 years or 5 years?

Management:: Yes. In space segment, we started our journey by supplying components and subsystems to all communication and remote radar imaging satellite programs to ISRO. This is almost -- we started from 2001 onwards. And we -- with the transformation in the space sector and the reforms being introduced in 2020, and the government has given the opportunity for companies to build and launched satellites.

And keeping -- taking this opportunity, we decided to start our own space satellite division, and we formed Astra Space Private Limited and the 100% subsidiary of Astra. Here, basically, we are planning to build our own satellite and as a technology demonstrator for this and which is already in the advanced stage.

And apart from that, we are also participating in a couple of RFPs being floated by IN-SPACe and all, wherein the private company has been allowed to build the satellite constellation and to operate and sell the data. This kind of RFPs, we started looking into this. So going forward, while we continue to supply our subsystems to satellites made by ISRO and other key OEMs and international OEMs, we also -- we are planning to build our own satellite for generating revenue from the data. This is what the mission. Maybe Atim may add a few more points on this.

Management:: Yes. Guys, there's a lot of talk about the need to launch spy satellites. There is a need for application of satellite source data for agriculture, for fisheries, for water management, you name it. Data is the key here. Data monetization abilities which exist in the West has now -- the time has come for that to be implemented across the board in India. Now Astra's journey was as we explained over a period of time, has been for more than a decade where we have space-grade facilities to manufacture components.

Components have to be tested, and they have to be forced, if I may say, to withstand high temperatures as we send them into the space. So there are dedicated facilities and testing units, which are within Astra for space-grade components. We -- in the last mission, which went, I think it was Samudrayaan, if I'm not wrong, Dr. M.V. Reddy, where we were 9% of the payload and 3% of the overall satellite in value terms, okay?

So once you supply components which are space grade, you move into subsystems. We are -- we have been a very active part of the reset satellite programs. We -- across multiple bands frequencies, we are able to create these communication links, which will come in very, very handy as we go forward. You have subsystems, which are made and then you have payloads.

Now Astra has in certain segments, in certain kinds of payloads, very significant capabilities, which have been built up over a period of time. There are a few gaps which we are hoping to fill in through JVs or alliances or through tech absorption from external sources. We have in our Bangalore unit, satellite assembly clean rooms, which have already been set up and commissioned. We have designing capabilities, satellite designing capabilities, which are being continuously improved.

We are already there in the ground segment for satellites, the communication ground stations, which need to be built. Astra is a part of that, okay. And this completes -- almost completes the hardware chain. And then there is a data monetization part, which I mentioned to you the various applications. And Astra will be a significant player over there also is our effort. So I hope I'm able to explain the value spectrum where we are.

Management:: Point that for the defense programs, which have been DRDO has made a few satellites like OTGR, Anvesha, SAMOOHA, wherein we are an active partner, and we have been supplying critical subsystems to those programs.

Akshay J.: And my second question is on LCA 1A. The order book expectation that you have for the coming year, does it include the potential that comes from LCA 1A Uttam radar

Management:: Yes. We have taken a few numbers from that. And probably since we -- although we were expecting that order in this quarter, but I think may get deferred by another 1 or 2 quarters, but we have taken a few numbers from that program.

Akshay J.: And sir, when do you start delivery of...

Management:: Execution will start mostly by the last quarter of this financial year.

Moderator: The next question is from the line of Yash from Lucky Investments.

Yash: Congratulations on a good set of numbers. Sir, I just wanted to understand the importance of antennas, which are being used for our radar, electronic warfare, missiles, and counter drone. Do we make that in-house? That's my first question.

Management:: Yes. Antenna is one of our core strengths in our products. Actually, we were one among the first set of companies who started antenna design and development and manufacturing. Even in 1992, we have established antenna design center and the open-air antenna test range with the capability to build antenna for -- to begin with telecom, and then we entered into defense and space.

We have supplied these antenna for many programs for ground-based, airborne-based and shipborne-based programs in defense. And also, we have supplied these antenna panels to satellite programs. So today, we have a very strong antenna design development and manufacturing facility in-house. So all the antennas, whichever required for our radar systems and EW being built in-house.

Yash: Okay. Got it, sir. And just a follow-up on that, sir, that -- can you help us understand the criticality of designing and developing these antennas in-house and not getting it made from someone outside the company?

Management:: Actually, this antenna is a specialized skills like in this particular domain since we have this expertise built in a company right from inception of the organization. So we have been growing with the upgradation of this particular technology, and we have been using specialized tools and with the software designed by our own team. And with that, we are able to turn out these antennas and to be supplied to the defense and space requirement. So the software plays a very key role while designing this antenna.

And our team has a full established capabilities, and they have been successful in developing this antenna using those softwares. And also added to that, we should have an infrastructure to test and measure the radiation and all like we have an open-air antenna test range. As I mentioned earlier, in the beginning, we have established. And then also we have established a near-field

test range in Bengaluru to test all active phase antennas, which is one of the, I would say, first in private sector to build this kind of a test range in India.

Moderator: The next question is from the line of Dipen Vakil from PhillipCapital.

Dipen Vakil: Congratulation on a great set of numbers. Sir, my first question is in the line of your margin. You mentioned that your margins this year have been higher because of higher execution from domestic defense orders. But if you look at it, even last year, the margins were close to around 21%, which was substantially higher with lesser contribution from domestic.

So can you give us a bit more commentary as to what is leading to such a great margin and how sustainable that is? Is the impact because of the change in the kind of contracts like whether they were TOT licensing? So can you explain a bit more regarding the margins?

Management:: Yes, the improvement, as I mentioned in my opening remarks, this improvement has happened mostly because of the change in the product mix. As we execute more and more domestic business, where most of the things are being done in-house, the value add is much higher compared to what we get in offset-related export business or some other export business where generally we get paid only for the conversion cost.

So the main reason is only in the product mix where we are moving more towards the domestic kind of thing. Apart from that, a couple of domestic programs, which were in R&D and earlier are moving into a production stage where we are able to economize in terms of our material cost, etcetera, which are also contributing to the improvement in the margins.

Dipen Vakil: Got it, My second question is a little bit about the market scenario. So there have been talks about the emergency procurement coming into place and a lot many orders. So what is your sense in terms of the kind of request that you're getting from the Armed Forces and the areas that are right now being discussed. So any light on that?

Management:: Yes. For the last few days, in fact, we have been getting inquiries and RFPs for a few systems, which we have and for which we have already supplied like, for example, like counter drone radar system and jammer and detectors and we have a few RFPs, and we have submitted the response and some trials are expected to be conducted very soon. Similarly, we have a news from a customer that they may need more Akash missile systems. So for -- if that turns out to be business, then I think we may have good contract from a customer.

Then also, we have received inquiry for low-level lightweight radar that also we are participating in that. Apart from that, yes, our customers, especially DPSUs, they have been getting system inquiries and all. As and when those inquiries get materialized, we will -- since we are a qualified subsystem supplier to those systems, we will be getting orders thereafter.

Dipen Vakil: Got it, sir. Sir, just a small follow-up. What is the timeline in the emergency procurement from RFP to tenders to trials and maybe finalization?

Management:: They're talking from -- right from 8 months to 18 months. It depends upon the program, project, and requirement...

Dipen Vakil: Even the emergency procurement takes so much time?

Management:: Yes. Actually, a few systems, if they talk about, if they -- like some systems where we need to have -- we have to depend on some imported elements. So I would say most of them are within 1 year, but very few cases probably will go beyond 1 year.

Moderator: The next question is from the line of Niraj Mansingka from White Pine Investment Management.

Niraj Mansingka: I have a few questions. Sir, on the Virupaksha, you said in the initial that there have been some prototype or something. Can you elaborate on that actually? The Virupaksha and LCA Mk-2.

Management:: Yes. Actually, both these are technology demonstrated version of actual models. So this is an extension of what we did for Uttam. And that radar itself is configured to meet this particular requirement of these 2 platforms. So this will be tested in these 2 platforms. And for that, we got this -- it's kind of a repeat order. These 2 orders we have now received, we are trying to execute. Apart from that, the -- for actual version of Virupaksha radar, we also -- we emerged as L1 in one of the tender floated by DRDO. So as -- and when we get the order, we will inform you.

Niraj Mansingka: What happens when you get an L1 in Virupaksha? Does the government go and again give another supplier opportunity, or you would be the one who would be having a higher chance to get this...

Management:: No, it will go for 2 vendors. In fact, the other vendor's name, I won't mention here, but it will go for 2 vendors. Yes, we are among them.

Niraj Mansingka: And sir, this Virupaksha is for the entire 260 planes to be done over a period of 10 years or whatever number -- is it...

Management:: No, this is, I think, to our best of knowledge, I think it is initially for 100 members they are planning to go. And the other 100 plus, I think they may take it up in parallel. This is what we understand from our -- from the discussions what we had.

Niraj Mansingka: And sir, on the related thing, one of the players have shown a Hawkeye -- so does it mean the government will again open up changes and move to...

Management:: We don't want to comment on somebody's product...

Moderator: Sorry to interrupt you, sir, but queue -- the next question is from the line of Bharat Sheth from Quest Investment Advisors.

Bharat Sheth: In the initial remarks, you spoke a lot about drone side. So can you give some color what exactly and what stage we are in the drone space?

Management:: Let me answer that, Dr. M.V. Reddy The counter drone systems are a very, very wide range. They range from simple stuff like drone guns to jammers and to jammers, which can be of varying distances, right? There are passive detectors and active radars, which are included as a part of counter drone systems. On top of that, you have panels, which decide the direction as

well as the strength of the signal and the length to which you can jam the signals and the height to which you can jump the signals, right?

And whether you can do it in parallel simultaneously or in how many directions can you cover the jamming. So now these are for standardized drones. Then you have tactical drones, which are -- which come in with their own built-in anti-jamming systems. So there are different technologies which are deployed to counter them. Suffice to say that Astra has a presence across the entire spectrum of drones at this point in anti-drone systems. And they are being tested as we speak.

Bharat Sheth: How big the opportunity we see in medium term? What is the current, I mean, contribution -- revenue contribution? And how do we see over the next...

Management: Very difficult to put in a number, but you'd be rest assured that drones are now a critical part of any offensive strategy. So any defensive strategy will need to deploy counter drone systems, and we have a very, very huge border.

Bharat Sheth: Okay. And my second question is on the balance sheet side. So how do you think from a medium-term perspective on working capital overall as a number of days? Of course, this -- so this is one-off or this will remain, I mean, sustain at this level only?

Management: I think S.G. just answered this question. We are fairly -- S.G., do you want to take this up, please? Again?

Management: Yes. Okay. Yes. As you rightly said, yes, this business is working capital intensive. We continue to have higher working capital days. The best case is that whatever is there in our hand in terms of procurement cycle and addressing technical issues as and when they arise once you supply the product.

These are the few things which are in our hand. We are focusing on that so that the working capital days can be optimized. Beyond that, there is very little that we can do about it. Of course, when it comes to the systems business, one representation from the industry to the government is that instead of keeping everything for after supply of the product and going through that fat and fat clearances, whether it can be facilitated in terms of the milestones.

So that representation is there from the industry to the government. If they accept that, then probably there will be a little bit of relief to the industry in terms of the working capital management.

Moderator: We'll take our next question from the line of Ketan Gandhi from Gandhi Securities.

Ketan Gandhi: It is indeed a very proud moment for all the stakeholders, and congratulations to all the office bearers and the team Astra for -- in Operation Sindoor, our products have been worked as per the expectation like AWACS and guidance system for Akash and RPF that is the proximity fuse and various radars. And one more thing to note is the commitment shown by the existing Board members to subscribe to the warrant issue is indeed gives a quite comfort that there is a long way to -- for Astra to go ahead.

My one question, only one question is in Project Virupaksha, I believe total 2,400 TRMs are being built in the AAAU. So -- and is there any chance that gallium, which is now banned by Chinese, can be a deterrent for us to go for TRM? Can we have any issues in procuring gallium or we have already tied up that?

Management: Yes, it's a good question, Mr. Ketan. MMICs, which we have designed and developed for the TR modules being used both at Uttam or Virupaksha. We have a standby foundry service in Europe. We already have a tie-up with them, and we are already given some kind of a development activity to build the wafers to get the standby in case if we have any issue with Taiwan, where we are depending on for the current production. So we've already taken action on this.

Ketan Gandhi: That's really very helpful. And again, once again, sir, really, we feel so proud that we have invested in this company since long and all the best for the future.

Moderator: We'll take our next question from the line of Kush from Electrum Capital.

Kush: Just two questions. So one, can you elaborate on the competitive landscape in terms of -- so since we have a wide product who are our like-to-like competitors? And second, I think in the presentation, we have mentioned in terms of strategic alliance and SDR segment, which is a software-defined radios. So in terms of opportunity, what kind of total TAM we're looking at or what is the yearly requirement? And how are we going to develop these products?

Management: Okay. You have asked three questions. So one is the competitive landscape. Yes, we have competitors in various segments in bits and pieces. We don't have any real competitor covering the entire product range from MMICs to the radar system or EW systems today and satellites. So our range is too large, and we have competitors in different segments. So that's the first question. And I don't want to name those competitors, but we do have competitors.

Then the second question, you said the strategic alliance, what I have mentioned in my opening remarks is not for the SDR. It is basically for the radars, one of the huge long-range radars. We have made alliance with another company as it is -- the investment is to be made in huge and also the scope of work is apart from the electronics, we do have a lot of mechanical intensive portion.

So keeping that in mind, we have made an alliance in the long range, one of the long-range radar. That is a program-specific alliance, not in generic alliance. And also, we have made alliance, we have entered MOU with PSU to develop the RF seekers for the few strategic missile programs. These are the couple of alliances what we have made during India.

As far as SDR is concerned, the entire SDR market is being addressed from our JV company, which is Astra Rafael Comsys. And we have in-house design, development, and manufacturing center in our JVC. And whatever the products which have gone for NCNC trial, as Mr. S. Reddy mentioned in his opening remarks, are designed and developed in our joint venture, which have been passed successfully first 2 stages of trials, and the third final stage of trials are scheduled

in July. With this, we have built capability to develop the complete range of SDR in-house in our JVC.

And the third question, what you asked is the TAM. Yes, we are addressing close to INR20,000 crores to INR25,000 crores of market, as we mentioned in our previous earnings calls, and we are still in that particular range. Probably it may increase. But as of now, it is -- that is the overall TAM in next 4 to 5 years, we should be in a position to capture majority of that.

Kush: So just a clarification, the INR25,000 crores TAM is only for the SDR segment?

Management: No, no, no. It is an overall product range, not SDR alone. It is, as I said, the overall product range of our Astra.

Kush: Any specific number on the SDR? What kind of opportunity?

Management: For SDR, the total market size, it appears to be around INR5,000 crores to INR6,000 crores in next 5 years.

Moderator: We'll take our next question from the line of Karthi from Suyash Advisors.

Karthi: Many congratulations on the impressive performance. It's gratifying to see that the commentary 2 years ago and today is consistent. So good to see that you're on the same path and things are playing out. I had only one question regarding your preferential issue. Three things, what determines the allottees' names?

I understand A, team having spent a lot of time in the same, but I'm just trying to understand about the other allottees. B, couldn't you have raised money given that -- from the public bid, given that the markets are much more open today, I suppose. So some thoughts on this. And of course, why is it structured as a warrant? So these are 3 parts to the question.

Management: Could I answer this, S.G.?

Management: Yes.

Management: Okay. The requirement for money is for NCNC demonstration of a product range. We don't want to stress the balance sheet necessarily beyond the point. As you have heard other participants also point out that this is a working capital-intensive business. The requirement for money is not huge and it comes in as the products are manufactured over a period of time. The systems are delivered, they go in for testing, etcetera.

The QIP price was actually lower. So we -- and the pref -- and if you add a 5% discount, which is customary, it actually was, if I'm not wrong, working out to around INR 801. So we decided to go in for a pref price, which was on the higher side. On the participants which you're talking about, Suresh Somani is one of our most valued directors deeply involved in guiding the company forward strategically and he's a very valued Board member.

Chitrakar, sir, is our original founder in the company. Mr. RK Damani's group is not only has been a substantial holder, but we hold him in extremely high regards in terms of his being who

he is, and the value adds which they can bring in. So there was no need to dilute every shareholder beyond a point when it was not necessary. So all these considerations played a significant role in deciding this.

Moderator: The next question is from the line of Siddharth Purohit from InvesQ Investment Advisors. Since Mr. Siddharth's line is not reachable, we'll take the next question.

Management: Puja, we are crossing one hour. Can you limit the questions, please?

Moderator: The next question is from the line of Santanu Chatterjee from Mount Intra Finance.

Santanu Chatterjee: Congratulations for good set of numbers. My question is on Virupaksha radar. Whatever information we have gathered actually from the public domain that Virupaksha radar upgrade program is estimated to cost approximately INR65,000 crores for the first phase upgrading 84 jets. If we calculate it, the par radar cost is coming at around INR770 crores. Is it the right way of understanding the price of that radar? And if that is so, then how much -- what is our contribution towards Virupaksha radar in percentage terms?

Management: Yes. First of all, I defer with your numbers as the information what we have is different and both in terms of quantity and also the value, number one. Number two, the -- as today, whatever like we have participated in DRDO development program for this middle upgrade project, which is being sanctioned by Indian Air Force to DRDO. In that -- for the radar and EW suite, there were multiple tenders which have come from DRDO from different labs.

So in that, we won both AAAU, which is the major portion of Radar as Uttam, we won from them. And also in EW, we won critical subsystems to be supplied for the pod jammer. So likewise, we won subsystems from both Radar and as well as EW segment for Virupaksha. And once this development phase is over, I think we will be getting a production order from HAL, who is designated production agency or any other production agency, which –whomsoever takes over. But otherwise, these are in development phase. And today, we are developing these critical subsystems.

Moderator: Ladies and gentlemen, in the interest of time, we'll take this as our last question. I now hand the conference over to the management for the closing comments.

S.G. Reddy: Thank you, everyone, for being part of this call. I hope we are able to answer most of your questions. And I look forward to talk to you again at the end of Q1.

Moderator: Thank you. On behalf of Astra Microwave Products Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.