

**ASTRA MICROWAVE PRODUCTS LIMITED**

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

August 18, 2022

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

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: 532493

Scrip code: ASTRAMICRO

Dear sir,

Sub: Conference call transcript.

We are sending herewith Conference call transcript held with analysts on 12th
August, 2022.

This information is also uploaded on the website of the Company
www.astramwp.com.

Thanking you,

Yours faithfully,
For Astra Microwave Products Ltd

T. Anjaneyulu

T. Anjaneyulu
G.M - Company Secretary



Works :

Unit 1 : Plot No. 12, ANRICH Industrial Estate, Bollaram, Medak Dist., Telangana State - 502 325

Unit 2 : Plot No. 56A, ANRICH Industrial Estate, Bollaram, Medak Dist., Telangana State - 502 325

Unit 3 : Sy. No. 1/1, Imarath Kancha, Raviryala (Vil), Maheshwaram (Md) R.R. Dist., Telangana State - 500 005

Unit 4 : Sy. No. 1/1, Plot No. 18 to 21, Imarath Kancha, Hardware Park, Raviryala (V), Maheshwaram (M) R.R. Dist., T.S. - 500 001

R&D Centre : Plot No. 51 P, Bengaluru Aerospace Park(KIADB), Survey Nos Parts of 36 to 40, Bengaluru North, K.S. - 562 149.

“Astra Microwave Products Limited Q1 FY23 Earnings Conference Call”

August 12, 2022

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 12th August 2022 will prevail

**MANAGEMENT: MR. S. G. REDDY – MANAGING DIRECTOR
MR. M. V. REDDY – JOINT MANAGING DIRECTOR**

Moderator: Ladies and gentlemen, good day and welcome to the Astra Microwave Products Limited Q1 FY23 earnings conference call. As a reminder, all participants' 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 '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. S. G. Reddy – Managing Director, Astra Microwave Products Limited. Thank you and over to you, sir.

S. G. Reddy: Thank you, Aman, and good afternoon, everyone. I welcome you to this post results earnings call of our company. I am with my colleague, Mr. M. V. Reddy – Joint Managing Director and SGA, our Investor Relations Advisors.

The results are taken on record at today's Board of Directors meeting. The results and the Investors Presentation are uploaded on our company website and stock exchange. I hope you had a chance to look at it.

As you are aware, we are in this business for the last 30 years supplying RF and microwave components subsystems and systems for Defense, Space and Communication Meteorology and Hydrology. We have always tried to and with a steady progress climbed up the value chain from subsystems to a high value-added systems company as of today.

On this call we would like to outline some of our product lines for greater understanding of our capabilities and expertise. We begin with our core area that is the radars. We have the capability to provide TRMs for active phased array radar. We are adept at designing and developing all kinds of radar subsystems like power amplifiers, receivers and exciters, filters, synthesizers, converters. In the area of signal processing and the radar data processing we are in concurrent IP with other companies. You would be delighted to know that your company is developing radar systems like Ship Borne Radars, Coastal Surveillance Radars, Anti Drone Radars, Ground Penetration Radars, Telemetry Radars, Instrumentation Radars, etc. We enjoy joint IP rights with the DRDO labs for MMIC products for radars and other communication systems.

The other area for expertise in different segments is Electronic Warfare. We have been supplying various kinds of EW subsystems and components such as Direction-Finding Receivers, Passive Homing Head for RF seekers used in NGARM, Jammers, Filters, Amplifiers, Receivers, etc. We have delivered EW systems and components to programs of Indian Air Force, Navy and Army. Another area in defense is the Telemetry. Astra has been supplying various subsystems for telemetry applications such as S-Band FM transmitter, Airborne RF Trans Receiver, Ground Up Down Converters, C and S Band Switch Antenna Systems, Telemetry Tracking Systems etc. Astra has been supplying various key microwave components and subsystems for ground and space-based payload applications. In addition to the above, we have the capability to provide required microelectronics for launch vehicle subsystems for private sector players.

We are also present in SATCOM and MSS terminals for communication during disasters. In the guided weapon segment, we have taken up the development of TetraHertz Proximity Sensor with DRDO which is an advanced version of proximity sensor for guided weapons.

Our expertise and capabilities in these areas which I have spoken about puts us in envious position to partake a major stake in upcoming defense programs like Light Combat Aircraft, AATRU for ASPJ, AAAU for Uttam AESA Radar, AAAU for AEW&CS and many more. We take pride in being one of the few companies in India except Defense PSU, which has the capability of designing, developing airborne radars for fighter jet platforms. We expect to be the beneficiary for Uttam airborne radar for LCA Mk1, Mark1 which is currently being tested.

We have been supplying Wind Profile Radars, Doppler Radars, Automatic Weather Stations to IMD and we are one of the few companies in India which has the capability of designing and developing these radars.

With our persistent efforts our business mix is also evolving. Space and meteorology which combinedly contributed about 7% of our total revenues in FY22 will constitute about 16% of the order book as of January 2022. In the last five years Astra has grown at a CAGR of 20% and we are confident that in the coming years we will continue this rate as microenvironment for defense sector is very positive. On the back of our deep domain expertise, we are able to create a solid diversified order book of about Rs. 1,663 crores which is executable in the next 12 to 13 months period. During Q1 FY23 we have received orders for about Rs. 253 crores.

Now coming specific to the standalone financial performance for the company for Q1 FY23, our revenues are about Rs. 161 crores which is a growth of about 34% year-on-year. Gross margin saw a small reduction from 39% to 35% due to increase in material cost. EBITDA stood at about Rs. 25 crores which is a growth of about 15.4%. The company reported profit after tax about Rs. 11.4 crores which is a growth of about 18% year-on-year. In terms of geographies, Indian market is about 61% whereas export is about 39%.

With this I open this floor for questions and answers. Thank you.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin the question-and-answer session. The first question is from the line of Rahul Jain from HNI Invest. Please go ahead.

Rahul Jain: Firstly, I would like to thank you for an excellent presentation. Now I would particularly want you to clarify some numbers you've mentioned on slide 30 of your presentation. You mentioned that the business potential of Astra Micro is around Rs. 14,500 crores till FY28. I just wanted to check how certain are we of the execution and is this business potential over and above the existing order book of Rs. 1,600 crores?

M.V. Reddy: As we mentioned earlier though we talked about for the 3 years, next 5 to 6 years, the total outlook, business outlook, it appears to be that we have a fairly good potential of close to Rs. 15,000 to Rs. 18,000 crores of orders which are likely to come in our domain expertise. In that

I would say close to Rs. 8,000 crores we can say with 100% probability we can accept orders, in that the major chunk of business will come from the radar close to about Rs. 5,000 crores and then an electronic warfare of about Rs. 1,000 crores and missile and telemetry put together around Rs. 1,000 crores and space and meteorology put together around Rs. 1,000 crores. This is what the potential emerges for us in the next 5 to 6 years.

S.G. Reddy: This is in addition to the existing order book. I think that is one of the clarifications you have sought.

Moderator: The next question is from the line of Amit Shah from Ace Securities. Please go ahead.

Amit Shah: Gross margins have fallen from 39 to 35 year-on-year. What are the major reasons behind the fall and how do you see this trend going forward?

S.G.Reddy: Basically, the gross margin, we have to get into very micro details to explain in detail, but in general the fluctuation in gross margin is directly related to the product mix that is being executed on quarter-on-quarter. Therefore, it is not something which we have to really worry about. But there is a small effect of the FE changes that has happened in the first quarter. Maybe about 1% to 2% has contributed to that, but otherwise it is not a trend to really worry about.

Amit Shah: Okay, sir, could you please elaborate on the order book within the quarter and how does the pipeline look like for the remaining part of the year?

M.V Reddy: For the first quarter we have booked orders close to Rs. 280 crores and in that the defense segment is around Rs. 128 crores and to be precise Rs. 77 crores from Radar and Rs. 34 crores from AW and Rs. 17 crores from Missile and Telemetry and Rs. 12 crores from Meteorology, Rs. 5 crores from the space sector, all put together it is around 282 crores. These are orders we have booked in the first quarter. Going forward from Q2 we are expecting close to Rs. 400 crores in this from domestic close to about Rs. 380 crores and rest is export. In that again from radar segment we are expecting to book Rs. 275 crores, AW about Rs. 85 crores and Missile and Telemetry around Rs. 10 crores. This is the broad classification of order book for the Q2 and Q3 and Q4 as of now, close to Rs. 250 crores worth of orders are in pipeline which probably we can book in Q3 and Q4.

Amit Shah: These orders will get executed in how much period?

M.V. Reddy: Usually we have delivery schedules of 12 to 24 months. All these orders can be executed starting from Q2 of next financial year.

Amit Shah: Okay, sir. Lastly sir, I had a quick look on the presentation, and we see some interesting additions to the products. Usually when you talk about the order book you give some color on the kind of project that you are working on. Could you be able to give some details on this aspect?

M.V.Reddy: We're working on many projects precisely like last call where we did mention that we are going to execute this AAAU for Uttam so that has been completed and we have delivered successfully. We are in the race of production and similarly for ITR we said we will be delivering that PATM Telemetry Radar so that also is being delivered and few radars like PCTR for again PX which is an advanced stage of completion and these are all about systems what I've been talking and the Doppler weather radar for IMD we have completed the first contract of ten numbers and we have participated for tenders for the next requirement for the C&X Band and also we bagged orders for Avalanche Radar that is under execution now and so these are all our systems and as far as the subsystems are concerned we have been working in various programs so few of them are in development stage and few are in the production. All put together I think whatever we have been mentioned in the last call, so it is in line with our guidance.

Moderator: The next question is on the line of Priyanka Shah from KK Advisors. Please go ahead.

Priyanka Shah: I have few questions. I was wondering if any further CAPEX is planned or required at your end to meet the growing order book and what kind of capital utilization are we working on?

S.G. Reddy: Yes, we need little bit of CAPEX that was planned in the last year itself. It is continuing in the current year. In terms of the absolute number in the present year we are spending about Rs. 12 crores of CAPEX.

Moderator: The next question is from the line of Subrata Sarkar from Mount Intra Finance, please go ahead.

Subrata Sarkar: This is regarding your business potential till 2028 which you have given. You have given like Radar and Counter Drone Systems potential of Rs. 8,000 crores. Can you just give a ballpark break up of that? Like how much will be radar and how much is counter drone or anti drone system?

M.V.Reddy: I see that radar subsystems is about Rs. 2,500 crores and AAAU and systems put together we have taken around Rs. 5,000 crores. This is a potential what we see in the next 5 to 6 years and then counter drone systems we have taken about Rs. 5,000 crores and these are all major part of radars. In this as I said out of Rs. 12,000 crores opportunity we are confident of booking Rs. 5,000 crores with 100% probability and the rest we have 30% to 50% probability as we have competitors in that segment and in EW, we have close to Rs. 2,000 crores visibility for next 5 to 6 years. In these programs like Shakti, Dhara Shakti, Dolphin, Varuna, Nayan, Shruti and Imeshakti all put together it is about Rs. 2,000 crores opportunities are there for next 5 to 6 years. These 800 crores we are confident of booking with 100% probability and the rest we have competition so we can take it 30% to 50%. As far as the missile and telemetry, we have programs like Akash Oneness, Astra and Akash NG in all programs put together with the visibility of close to Rs. 3,000 crores. In this we have taken about Rs. 1,000 crores with 100% probability and the rest is 30% to 50% probability. These are all in defense sector and rest in

space and meteorology put together close to Rs. 1,000 crores we have potential to book orders. I hope I answered your question.

Subrata Sarkar: Yes sir. Regarding counter drone sir, I have two questions, as of now have you owned any anti drone or counter drone order number one and second sir, I would like you to comment on this. What is the competitive landscape in anti-drone like? How many players are there generally in terms of whenever there is a beating and all those things? If you throw some light on that market sir?

M.V.Reddy: Well, I don't go in much detail in that but because last time as I said in last earnings call, we have taken basic technology from DRDO, and we are optimizing the design to suit various applications. To that extent I think we are progressing well. Probably I think next in 4 to 5 months we should be in a position to demonstrate our model to various users.

Subrata Sarkar: Okay, so as of now, it will take another 5 to 6 months to demonstrate our model, sir?

M.V.Reddy: Yes.

Subrata Sarkar: Perfect. Just one follow up question on the like I can recall like few quarters back on the con call we were contemplating the opportunity of some fundraising for a new project or JV basically. Is that plan still on or like, no more require that sir?

S.G. Reddy: Are you mentioning about any fund requirement for our JV?

Subrata Sarkar: Yes, if you can recall a few quarters back we were talking about the possibility of if we get into a specific project or some other JV then we were contemplating that we may raise fund at that point of time. What I mean to say sir, still we are like through KYP, or some other sources so are we, is that still open or we currently do not need any fund?

S.G. Reddy: If I recollect correctly, we mentioned about a new product line introduction in our JV. This is about electro optics. This is a product line what we talked about and in fact we are very happy to share with all of you that a fortnight back we have signed an agreement with our JV partner and this product will be introduced into the JV in the near future, but as of today immediately no funds are required and depending on how the project takes off so we have to take a call on that fund requirement at a later date.

Moderator: Our next question is from the line of Bhavesh Shah from MK Ventures. Please go ahead.

Bhavesh Shah: My first question is, are we still maintaining a guidance of Rs. 850 crores and 10% PBT?

S.G. Reddy: Yes.

Bhavesh Shah: So there's no change in upward or downward revision.

S.G. Reddy: No.

- Bhavesh Shah:** The second question is on the consolidated financials; you have reported a PAT of around Rs. 8 crores in the consolidated financials so is this loss on account of the JV which was breakeven in the last quarter, you were talking about JV being breakeven this year right?
- S.G. Reddy:** Yes, we mentioned that JV will break even in the current financial year but in the first quarter still it is in red only.
- Bhavesh Shah:** So, what's the outlook there? Are we expecting it to breakeven or losses will continue?
- S.G. Reddy:** It will breakeven at the end of the financial year.
- Bhavesh Shah:** Okay, are we witnessing any execution challenges as like quarter on quarter of revenue has declined so is this due to some semiconductor shortages or like what?
- S.G. Reddy:** No this is not due to the semiconductor shortages. There are some technical issues faced by the JV in executing but all those issues have been resolved now and they will be exporting their first consignment very soon.
- Bhavesh Shah:** Not only JV, on the main business I'm seeing like our revenue is declined quarter on quarter so are we witnessing some execution challenges or what?
- S.G. Reddy:** Revenues have not declined in fact whatever we have given guidelines at the beginning of the year we have been maintaining the same, like first quarter we said about Rs. 150 crores we have executed Rs. 160 crores. Similarly, for Q2 we have given around Rs. 200 crores so we are standing to that Rs. 200 crores and Q3 and Q4 put together it is around Rs. 500 crores which are in pipeline for execution, so I don't see any major challenges. There are issues of semiconductors that the challenge is there all companies have been facing this crisis but somehow, we are managing for the current year we don't see any major challenges as far as the component shortage for the revenues are concerned.
- Bhavesh Shah:** From this fixed asset what asset turn and what could be a maximum revenue potential from this like the fixed assets we have, how much CAPEX will be required to achieve the Rs. 2,000 crores order book?
- S.G. Reddy:** I didn't get your question please.
- Bhavesh Shah:** I just wanted to understand from the current fixed assets we have what is the maximum revenue potential can we have? Like how much is the maximum revenue potential from the current fixed assets we have?
- M.V. Reddy:** Yes, actually the infrastructure and capital equipment what we have we can comfortably we can book revenue worth of Rs. 2,000 crores, going beyond Rs.2,000 crores yes, we need to add more capital equipment into the company, that we have already initiated the plan. Probably we will come out with the action plan in a couple of quarters time, but otherwise yes, whatever infrastructure we have, we can comfortably book revenue of Rs. 2000 crores.

Bhavesh Shah: Okay. And sir just last question, what is the net debt balance and credit on cash figure as on June quarter end?

S. G. Reddy: Again, your voice is not clear, but I assume that you are asking what is the cash position at the end of the quarter?

Bhavesh Shah: Yes, cash and debt figure.

S. G. Reddy: Long term debt is about Rs. 18 crores, working capital is about Rs. 100 crores and the cash at bank inclusive of the margin money for the deposits is about Rs. 51 crores.

Bhavesh Shah: Okay sir, thank you and all the best.

Moderator: Thank you. The next question is from the line of Rahul Jain from HNI Investment. Please go ahead.

Rahul Jain: Hi, I just had a couple of follow-up questions based on your previous answers. My first question is the Rs. 8000 crores that you said is certain from Astra's business potential, could you just shine some light on what is our potential margin profile on this and what can be our bottom line from that revenue? And my second question is we have a JV with Rafael. So, could you just give a broad outlook on what can we expect from this JV 4-5 years down the line and what progress should we expect?

S. G. Reddy: I think in terms of the margins, it's too early to really talk about that, but otherwise these general standard margins what we are enjoying for the defense and aerospace industry that we should be able to have. I would say that in terms of the gross margin that is sales minus material cost should be anywhere between 35% to 40%. That is how we look at it when we look at the number of that Rs.8000 crores business potential. Then coming to the JV, as you are aware, currently it is executing supply of SDRs , i.e., Software Defined Radios, for one of the Indian Air Force programs to Rafael. Going forward it is working on a similar software defined radios for the Indian Army under the NCNC program, i.e., that is no cost no commitment program. It is investing close to about \$7 million or \$8 million to come out with the product, demonstrate to the Indian Army, then get the product approved, then compete for the business. So, that is the kind of cycle it is going through. This is likely to get the technical approvals or demonstration is likely to get completed by second half of next financial year, then basing on how successful the product is, the company is going to bid further business. Then thirdly, as we said a few minutes back, it has signed an agreement with its JV partner for the electro optics business. This has a huge potential in the Indian market. Currently it is being procured under the global market, but it is likely to be in an Indian specific procurement going forward and therefore the JV is preparing for competing for this business in the Indian market in the years to come. Therefore, it has a very good product line on shelf. Going forward we have to see that how it is going to mature into the business.

Rahul Jain: Okay, thank you sir.

- Moderator:** Thank you. The next question is from the line of Prabir Adhikary from Ratnabali. Please go ahead.
- Prabir Adhikary:** Thank you, sir. First of all, thank you for providing this excellent presentation. I have two questions. First of all, out of this Rs. 253 crores of orders that you have bagged in this quarter, around 127 is from defence. So, can you please tell us that what kind of order is this?
- M. V. Reddy:** You want the details of the orders?
- Prabir Adhikary:** Yes.
- M. V. Reddy:** In segment wise I have already given.
- Prabir Adhikary:** Just want to know the different orders that 127 that you have bagged from which program?
- M. V. Reddy:** See, in this the major orders what we have bagged is from EW Subsystems, that is from Shakti and Nine program, that is about (+) 70 crores. Then we have order from DCX that is basically for supply to ELTA, this is about Rs. 75 crores. Then we bagged orders from Caps, which is a space for Mark 1 Netra, that is S-Band TRML, that is about Rs. 7 crores. And we bagged one development contract from NSDL. This is something which we would like to highlight here. This is basically to provide communication from submarine to the sea surface on top shore. Though the order value is small, it's about Rs. 8.7 crores, but this has a huge potential. Once it gets through then we can provide this kind of a communication to all submarines. Then we bagged order from Metallurgy segments close to about Rs. 15 crores. So, these are all breakup of various orders which we bagged in the first quarter.
- Prabir Adhikary:** Okay. Sir, my next question is you have an aspiration to be in the mini satellite market and my understanding is saying that SSLV is very much correlated with this mini satellite market. And recently SSLV has been launched by ISRO successfully. So, my question is what kind of opportunity this SSLV program can bring to Astra? And is this over and above your existing program?
- M. V. Reddy:** See, we don't have much contribution in the launch vehicles. We only supply some components to the launch vehicles. But we have major contribution in payloads, satellite payloads. We have been working on that. Our space group, we're working to make payloads for the communication and also, they are planning to get into remote sensing payloads. That takes time, but we had already started working towards that.
- Prabir Adhikary:** Okay. Thank you, sir.
- Moderator:** Thank you. Next question is from the line of Akshay Kothari from Envision Capital. Please go ahead.
- Akshay Kothari:** In the defence segment could you just elaborate what sort of orders there would be in terms of whether it would be production or development?

- M. V. Reddy:** We have both mix of development as well as production.
- Akshay Kothari:** As a part of our current order book, how much would be production and how much would be development?
- M. V. Reddy:** You mean to say total order we have on hand?
- Akshay Kothari:** Yes. Total orders, what percentage would be production and what percentage would be development?
- M. V. Reddy:** See, from R&D close to Rs. 300 crores in defence and rest all in production. I think out of (+) 600 crores, close to Rs. 350 crores are for the R&D, rest all in production.
- Akshay Kothari:** Okay. And sir the new orders on the export side would be having gross margins of around 10%?
- M. V. Reddy:** It's close to 8% to 10%.
- Akshay Kothari:** So, I could not understand, so is it because our capacities are unutilized that we are taking these orders because we are at significantly lower than the domestic margins what we are making?
- M. V. Reddy:** See, Actually, we have taken this, we have booked these orders long time back and of course we are continuing the same projects. But this is something like where with the BTP, we do not have any risk in executing this contract and the customer is providing the 100% cash flow, positive cash flow, and also with the infrastructure being provided by them, so we have been continuing to work on this, I think, but gradually we are coming out of this. So, probably down the line maybe after one or two years as business is getting....because of no priority by global. So, we focus more on BTS now. Even in the export market segment we have been discussing with many OEMs for BTS opportunities and we are likely to close one deal maybe in few months, one of the US companies and which are in the advanced stage of discussions. So, like that in future going forward we are focusing more on BTS specifications where margins will definitely be better. Yes, we are focusing more on indigenous develop R&D programs. The offset business will go down as next couple of years.
- Akshay Kothari:** Okay. And I would like to congratulate you on the good order wins, but could you give some order misses which happened during the quarter, if there are any?
- M. V. Reddy:** I didn't get you, come again.
- Akshay Kothari:** Sir, the orders which we were projecting in our pipeline would come to us, but it has gone to someone else. Were there any orders of that sort?
- M. V. Reddy:** Actually, as I said, always we take a few contacts which are in competition, like with 30% to 50% and which we are sure of getting like with 100% probability. So that always we project.

Yes, this 30% to 50% where we have in competition, few orders we lose and few orders we bag.

Akshay Kothari: Okay. And sir, you talked about we have taken a technology for anti-drone from DRDO. So how does it go? Do we make some payment to DRDO for the technology, or we develop it together? What is the process actually?

M. V. Reddy: See, there is agreement terms, so we don't want to discuss the agreement terms. But as I said, we have taken this technology from DRDO, and we are building the system. And as I mentioned repeatedly, we are optimizing that design to suit wider applications. So, that is what actually we have been working on that and in few months' times we will come out with our own product.

S. G. Reddy: At least there is no upfront payment for the technology transfer.

Akshay Kothari: Okay. And this has been exclusively provided to Astra.

M. V. Reddy: No. That license was given to, I think, six companies.

Akshay Kothari: Okay, thanks a lot and all the best.

Moderator: Thank you. Next question is from the line of Abhijit Mitra from ICICI Securities. Please go ahead.

Abhijit Mitra: Just to understand, one of your competitors in recent calls they mentioned about two radars scaled down version of space surveillance radar and ultra-high frequency bandwidth radars where the potential final products or projects can be each Rs. 1000 crores. So, did we participate, were the margins sort of unfavorable to sort of compete? What were your thoughts as to why we couldn't be the L1 there?

M. V. Reddy: See, in a competitive environment, like every company will have some strategy to be done to get into that. Yes, we did participate in those tenders which you are referring. We lost it and because the kind of margins where they bid for it, it is nowhere close to us. So maybe I think it is their strategy to bid for it, but for us it was not comfortable at all to bid for that particular margin.

Abhijit Mitra: So, just to understand the margin profile here. What is comfortable margin profile for you for these kinds of tenders, is it 10%, 20%?

M. V. Reddy: It all depends upon like what are the programs like, what are the future potential and what kind of products it will have, like production, quantity, it's all like we take all those factors into mind while working out costing. It is not a fixed margin level where we operate and , so it depends upon case to case, project to project, application to application. We'll have our own strategy to bid for it.

- Abhijit Mitra:** Okay. And then there was recent news flow of again project for development and realization for mobile radar hardware. Essentially there also we could see your name and some very familiar competitors. So, would these dynamics be sort of similar or your bidding strategy are similar here and how to look at this? I mean these tenders potentially this looks like big tenders.
- M. V. Reddy:** See, we do have big tenders. As I said when I have given this projected the numbers so these are all like high potential big tenders for various programs. Like that I have not gone to the specific of each and every program when I mentioned about in radar domain, we have a clear visibility of Rs. 12,000 crores in next five to six years. So, in that we are very confident of booking Rs. 5,000 crores with 100% probability with various programs. So, I'm not listing down all the programs where we are currently developing, or we have already developed which few of them are in production and all, but this is certainly we can book Rs. 5,000 crores with 100% probability. And the rest Rs. 7000 crores what we see the visibility in that we may have to compete with one or two players and there we took 30% to 50% the probability. So, like that we've worked out and I have given this numbers.
- Abhijit Mitra:** Got it. And just to understand this Rs. 5,000 crores which you have mentioned, how is it spread out? I mean, is it concentrated across say 6 to 10 projects or there would be say at least 20 to 50 projects across which this Rs. 5,000 crores will come. So how is the concentration? How is the concentration risk is what we want to understand.
- M. V. Reddy:** A major chunk of business, we are expecting in FY24-25, I think it should give us 50% of it, then balance 50% maybe another three, four years. That is what it is actually as per today. Because it all depends on the government, these are all government projects, it depends on even the funds availability, budget allocation and program outlay. So, all these factors also should consider. So, I think that was the reason why I said five to six years we should take this time frame. But a large chunk of business we can expect in FY25 and FY25.
- Abhijit Mitra:** In terms of order inflows. So, I was more asking about the number of projects over which this Rs. 5,000 crores is distributed. Is it fairly concentrated, say five to ten projects or is it like numerous numbers of projects like 20 to 50...
- M. V. Reddy:** I would say 10 to 12 projects.
- Abhijit Mitra:** 10 to 12 projects can give Rs. 5,000 crores of order inflow.
- Abhijit Mitra:** Yes. Where you are 100% confident, where there are no competitors essentially.
- M. V. Reddy:** Yes, that's right.
- Abhijit Mitra:** Okay, great, thanks. That's all from my side.
- Moderator:** Next question is from the line of Ketan Gandhi from Gandhi Securities. Please go ahead.

- Ketan Gandhi:** You mentioned about entering into optoelectronics with the JV partner. Is it an existing JV partner or the new JV partner?
- S.G.Reddy:** This is existing JV. We have added this product line into this JV portfolio.
- Ketan Gandhi:** That is our Rafael JV, right?
- S.G.Reddy:** Yes, that's right.
- Ketan Gandhi:** Thank you.
- Moderator:** Thank you. Next question is from Subrata Sarkar from Mount Intra Finance. Please go ahead.
- Subrata Sarkar:** Just a follow up on this counter drone system, sir. So, I suppose apart from you, L&T, Adani, who are the other companies out of the six companies who have received this? And is this for soft kill only, sir?
- M. V. Reddy:** This is soft and hard kill both and this apart from the I think...actually we should not name other companies in this our investors call. Better I think you get this information from DRDO. But there are about six licenses that have been given and this is both hard kill and soft kill options are there.
- Subrata Sarkar:** Okay. Sir, just one clarification, these licenses are like on-tap, what I mean to say only these six companies will be visible or like this is open anybody who additionally can apply and can be get evaluated.
- M. V. Reddy:** I'm not sure what is DRDO policy but that time it selected six companies to give this license. But going forward we don't know. They may even consider, and few companies can approach them and all. But as of now I think only six companies got these licenses.
- Subrata Sarkar:** Okay sir. Thank you.
- Moderator:** Thank you. Next question is from the line of Jayesh Shah, as an individual investor. Please go ahead.
- Jayesh Shah:** Good evening, sir. Can you throw some more light on the progress on the submarine antenna front and what can be the total potential in terms of its contribution to order book? And if you can just let us know who all would be your competitors in this space, please?
- M. V. Reddy:** In this it is a totally new development work we have taken with the DRDO. And this in competition we won, and this timeline is within 14 months we should complete the development portion and once we are through, I think as on today, no one has this complete solution. I think probably if we can complete successfully, we will be the first one to make this communication from submarine to the sea surface as far as the Indian companies are concerned.

- Jayesh Shah:** And sir, what is the size of this order?
- M. V. Reddy:** It is roughly about 9 crores for one system which we got in toto and future we have to see.
- Moderator:** Thank you. Next question is from the line of Prabir Adhikary from Ratnabali. Please go ahead.
- Prabir Adhikary:** I have two questions. I want to understand this structure of the system that you are developing. Like Uttam, LR, MA part, where you are making AAA which is roughly 60% to 70% of the entire system. So, for the remaining 30% will you outsource, or will you integrate the entire system?
- M. V. Reddy:** The AEC radar, that technology is given to HAL. So, HAL is going to integrate. Whereas our AAAU we've been making total AAAU, and we would be supplying to the production agencies like HAL. But otherwise, the radar technology as on today it has been given to HAL. So, HAL is going to build a total radar system.
- Prabir Adhikary:** Okay. Sir, my next question is you are also making TRM for the long-range radar. Are these related to the long-range tracking radars having 600 to 800 kms range which is called the swordfish. And if it is so, what kind of TRM is required for this?
- M. V. Reddy:** I won't compare with that swordfish and all. But this is yes, if the range is whatever you mentioned is correct around that range is being designed. And this is a TR module in L Band, we have supply to DRDO.
- Prabir Adhikary:** How much TRM is expected in each radar?
- M. V. Reddy:** I think your voice is breaking, can you come again?
- Prabir Adhikary:** Is it possible to throw some light about the number of TRM is required for making...
- M. V. Reddy:** Number of TRMs, okay. Quantity you are asking about. So, I think the quantities like each radar will have close to, I think, 600. I'm not sure exact number, but I think it should be around 600 numbers.
- Prabir Adhikary:** Okay, great. That's all from my side. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, that would be our last question for today. I now hand the conference back to the management for their closing remarks. Thank you and over to you.
- S.G.Reddy** Thank you everyone for joining the call. We hope we have been able to answer your queries. For any further information, I requested to get in touch with SGA, our investor relations advisors. Thank you very much and see you again at the end of second quarter. Thank you.
- M.V.Reddy:** Thank you.

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