

**ASTRA MICROWAVE PRODUCTS LIMITED**

Regd. Office : ASTRA Towers, Survey No. 12(P), Kothaguda Post,  
Kondapur, Hitechcity, Hyderabad, Telangana, INDIA - 500084.  
Tel : +91-40-30618000, 30618001. Fax : +91-40-30618048  
E-mail : info@astramp.com, website : www.astramp.com  
CIN : L29309TG1991PLC013203

May 4, 2017

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 2<sup>nd</sup> May, 2017.

This information is also uploaded on the website of the Company [www.astramp.com](http://www.astramp.com).

Thanking you,

Yours faithfully,  
**For Astra Microwave Products Ltd**

**T. Anjaneyulu**  
**Dy.G.M - Company Secretary**



Works :

Unit 1 : Plot No. 12, ANRICH Industrial Estate, Bollaram, Medak Dist., T.S. - 502325  
Unit 2 : Plot No. 56A, ANRICH Industrial Estate, Bollaram, Medak Dist., T.S. - 502325  
Unit 3 : Sy. No. 1/1, Imarath Kancha, Raviryala (Vil), Maheshwaram (Mdl) R.R.Dist., T.S. - 500005  
Unit 4 : Sy. No. 1/1, Plot No. 18 to 21, Imarath Kancha, Hardware Park, Raviryala (V), Maheshwaram (M), R.R.Dist, T.S. - 500005  
R&D Centre : Y.D.Archade, No. 327, 4th Cross, Opp: Sivaparvathi Kalyan Mantapa, OMBR Layout, Banaswadi, Bangalore, Karnataka - 560043.





“Astra Microwave Products Limited Q4 FY2017  
Earnings Conference Call”

May 02, 2017



**MANAGEMENT: MR. S.G.REDDY - WHOLE TIME DIRECTOR & CHIEF  
FINANCIAL OFFICER – ASTRA MICROWAVE PRODUCTS  
LIMITED  
MR. B. MALLA REDDY - MANAGING DIRECTOR - ASTRA  
MICROWAVE PRODUCTS LIMITED  
MR. M.V. REDDY – DIRECTOR (MARKETING AND  
OPERATIONS) - ASTRA MICROWAVE PRODUCTS LIMITED**



*Astra Microwave Products Limited  
May 02, 2017*

**Moderator:** Ladies and gentlemen, good day and welcome to the Astra Microwave Products Limited Q4 FY2017 Earnings Conference Call. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing “\*” then “0” on your touchtone telephone. I would now like to hand over the conference to Mr. S.G. Reddy Whole time Director and CFO. Thank you and over to you Mr. Reddy!

**S.G.Reddy:** Thank you. Good morning ladies and gentlemen and I welcome you all to this year end and fourth quarter financial results conference call. The results were taken on record by the Board of Directors on Saturday. The results are available on our website and also published in all leading newspapers.

Just to share with you some of the broad performance parameters, net sales for the quarter is about 156 Crores as compared with 124 Crores of last quarter of last year. Similarly for the year ended, it is about 424 Crores as against 419 Crores of last year. This is sales net of excise duty.

Then in terms of the gross margin for the quarter, it is about 57% as compared with 51% of last quarter of last year and for the year, it is about 53% as compared with about 48 %. Similarly the operating profit is at about 40% as compared with 29% of last year and for the year ended, it is about 32% as compared with 28% of last year.

Profitability before tax is about 22% as compared with 18% of last year and for the whole year, it is about 16% as compared with 17%. We will explain why there is a drop in the PBT later on in the call.

Then in terms of order book at the year-end, we have about 524 Crores which includes exports of about 150 Crores and the overall orders booked during the year is about 390 Crores. With these broad details, I will open this call for the question and answers.

**Moderator:** Thank you very much Sir. Ladies and gentlemen, we will now begin with the question and answer session. First question is from the line of Subhankar Ojha from SKS Capital. Please go ahead.

**Subhankar Ojha:** Good morning. Basically in terms of the order book during the year 390 Crores I think which was below what we were expecting at the beginning of the year and the profitability has been as per our guidance and as per our expectations. So what was basically the rating for lesser order book during the year FY2017?

**M.V.Reddy:** Before the year we have given a figure of almost about 500 Crores worth of order book for the last year. We have booked 410 precisely in the last year and there was a delay in the projects like



*Astra Microwave Products Limited*  
*May 02, 2017*

7 Squadron Akash, which we were hopeful of getting that order in the first quarter last year because of the PNC has got delayed on the OEM and all so those orders got delayed worth of almost 90 Crores and also there were a few projects in space programme, those also we were hoping to close before March 2017, those orders also got delayed. We are likely to book these orders in the first or second quarter of this current year. So because of these delays, there are slippages in the order book figure, but otherwise we did not lose any order as such.

**Subhankar Ojha:** Great and what are our expectations for FY2018 order book taking this Rs.90 Crores, which is basically getting delayed for FY2018.

**M.V.Reddy:** Yes prospects looks to be good, but again keeping these delays in mind we wanted to give a target of Rs.600 Crores for this year order book.

**Subhankar Ojha:** Rs.600 Crores including Rs.90 Crores right.

**M.V.Reddy:** Yes, that is right.

**Subhankar Ojha:** And any guidance of our FY2018 and the execution for the same.

**M.V.Reddy:** It seems that these orders got delayed as we were expecting the last year, so it seems there is a delay of two quarter, so this year sales we have now planned to give you guidance of Rs.450 Crores for the current year.

**Subhankar Ojha:** This Rs.150 Crores of exports orders will get executed FY2018?

**M.V.Reddy:** No, out of Rs.150 we are executing only Rs.40 Crores.

**Subhankar Ojha:** Which means our FY2018 margin should be better than FY2017?

**S.G.Reddy:** Yes. More or less same, but maybe a few Crores, percentage wise it would not affect much.

**Subhankar Ojha:** Not much different. On an absolute number it will be better right because last year, we had a bit higher amount of exports order right last year?

**S.G.Reddy:** Last year also we did about Rs.35 Crores only and in this year in Rs.450 crores, about Rs.45 Crores will be exports , so more or less the ratio remain same, so I think that level also may remain same.

**Subhankar Ojha:** So basically net net we expect FY2018 PAT similar to 2017 that is what you are saying?

**S.G.Reddy:** Yes.



*Astra Microwave Products Limited*  
*May 02, 2017*

- Subhankar Ojha:** And any update on the JVs?
- M.V.Reddy:** As mentioned in the last con call Raffel JV marketing efforts are on, we have participated in RFIs and the discussions are going on. On the other side, customer is likely to get the orders which we were planned to book something it got delayed, so those orders also maybe happen in this year, so in that way as on today in fact we are only putting efforts in the marketing side, so discussions are going on various projects.
- Subhankar Ojha:** Okay, great Sir and finally I missed out also basically the execution schedule like last year FY2017 the March was skewed in terms of profitability and execution, so this year also going to be similar to FY2017?
- S.G.Reddy:** Yes more or less similar. As long as majority of the business is coming from the domestic market, I would say last two quarters will be giving close to about 60% of the overall revenues. In that sense Q1 and Q2 are going to be little mute compared to Q3 and Q4.
- Subhankar Ojha:** Understood. Thank you so much and all the best.
- Moderator:** Thank you. The next question is from the line of Abhijit Mitra from ICICI Securities. Please go ahead.
- Abhijit Mitra:** Abhijit here, so just to follow up on the previous question we have seen almost Rs.21 Crores of late delivery charges in this financial year, so are you expecting a rerun of that amount because without that both the margins as well as the PAT should ideally move up, so that would be my first question.
- S.G.Reddy:** Yes Abhijit in terms of late delivery I do not think it is going to be Rs.21 Crores, repetition of this kind of amount is not likely to happen, but probably we see an amount of close to about Rs.10 Crores in the coming year.
- Abhijit Mitra:** Not act as a margin or a PAT relevant?
- S.G.Reddy:** Sorry.
- Abhijit Mitra:** That reduction of Rs.11 Crores would not act as a margin and a PAT relevant, do you feel?
- S.G.Reddy:** There will be some addition, but correspondingly employee cost and other overheads are going up and the topline more or less is going to be flat as compared with current year or we see very small increase, therefore we do not see any significant increase in the profitability. There will be an increase, but definitely it is not going to be very huge.



*Astra Microwave Products Limited  
May 02, 2017*

- Abhijit Mitra:** Okay, so just to clarify on this point this Rs.450 Crores of topline, which you guided this net of sales tax, VAT and service tax right?
- S.G.Reddy:** Absolutely yes.
- Abhijit Mitra:** So that is moving from Rs.407 Crores to Rs.450 Crores is the understanding right?
- S.G.Reddy:** Yes.
- Abhijit Mitra:** So that is the significant increase right?
- S.G.Reddy:** In that you have about Rs.50 to 55 Crores exports, where the gross margins are going to be around 10%, and on the rest the margins may be probably about 52% , but we see increase in the overheads and employee cost; therefore, there could be some improvement in the profitability, but it is not going to be very significant that is the limited point what I am trying to say.
- Abhijit Mitra:** Okay and the second thing is that in terms of capex that you have spent in this financial year, so given the standalone as well as the accounts and balance sheet which you have shared, so we could see almost Rs.73 Crores kind of an expense or rather a capex gone into the standalone entity, can you please kind of break it down as to what kind of expenses this would entail.
- S.G.Reddy:** There are two elements in this; one is the R&D Center what we are building at Bengaluru. There we have spent close to about Rs.37 Crores and we have spent about Rs.35 Crores out of projected Rs.40 cr on the existing operations. So both put together is close to about Rs.70 Crores the number what you are referring to?
- Abhijit Mitra:** This will come down next year hopefully or how is this going to pan out over the next two years?
- S.G.Reddy:** Yes, at least for the next year it is going to be around Rs.25 Crores because this money is required to complete the R&D Facility at Bengaluru. We do not see too much of capex for the current year for the regular operations. Therefore all put together the number will be close to about Rs.25 to 28 Crores for the current year.
- Abhijit Mitra:** And the second question is on the non-current investment so that has hardly moved up probably not more than Rs.3, 4 Crores, the investment in subsidiaries and all that would constitute how much of next two years planning, if you would have any numbers to share?
- S.G.Reddy:** No we do not see too much of investment required for the subsidiaries at least for next two years.
- Abhijit Mitra:** And the JVs?



*Astra Microwave Products Limited*  
*May 02, 2017*

- S.G.Reddy:** JVs also I think for next at least 18 months I do not see any huge requirement except running operations.
- Abhijit Mitra:** Okay I have other questions, I will come back in the queue. Thanks.
- Moderator:** Thank you. The next question is from the line of Rahul Gajare from Quant Capital. Please go ahead.
- Rahul Gajare:** Good morning Sir. We have seen for quite sometime that the revenue number and profitability numbers are hovering around closer to Rs.500 odd Crores and profits of anywhere between Rs.50 to Rs.60 odd Crores, we understand there have been delays in orders and all, now I think last time you were talking about orders essentially being discussed, which included LR-SAM, QR-SAM and also BrahMos, which were expected to come in sometime towards FY2018 or FY2019, now could you throw some light on the pipeline that you are expecting to get formalized in the next two years?
- M.V.Reddy:** The orders for QR-SAM and other programs we got the development contracts last year, which are in execution phase, so hopefully we will get the orders for the production maybe by in FY2019, so that is what actually we are expecting for QR-SAM.
- Rahul Gajare:** What is the likely order quantum that we are discussing?
- M.V.Reddy:** Basically in the QR-SAM we are in both radar subsystems as well as in the missiles also, so in both we have our presence, so once they get the firm number on the production quantity, probably will be able to tell you, but otherwise likely to happen in the next year that is what we expect.
- Rahul Gajare:** Sir on BrahMos?
- M.V.Reddy:** On BrahMos, the regular telemetry products we are supplying, but in other side the seekers, which we have taken up for development, it is in the final integration stage and it may take another three to four months time for us to demonstrate to the customer.
- Rahul Gajare:** Okay, Sir, but in BrahMos we would know right, what are the kind of order numbers?
- M.V.Reddy:** Yes, we know, but as you said the regular products are not having the significant value, but the major product what we are developing for BrahMos is the seeker that is in the development and there is delay in the approving the spec **etc.**, so that is in the final integration stage. As I said in next three to four months we should be able to demonstrate to the customer.
- Rahul Gajare:** Sir, but you are the only one who is developing this for BrahMos or other parallel development, which is going around?



*Astra Microwave Products Limited*  
*May 02, 2017*

- M.V.Reddy:** There are various versions for the various applications, so we are developing in for one particular application.
- Rahul Gajare:** And this is along with DRDO.
- M.V.Reddy:** Basically we have MoU with BrahMos.
- Rahul Gajare:** Okay, fair enough Sir. Thank you very much.
- Moderator:** Thank you. The next question is from the line of Ritesh Chedda from Lucky Investment Managers. Please go ahead.
- Ritesh Chedda:** Sir I was not there in the early part of the call, what kind of order inflow was there for the year 2017 and what kind of backlog that you carry for the year 2018 and if you could compare those numbers on the YOY basis?
- M.V.Reddy:** FY2017 we have order inflow of Rs.410 Crores and carry forward was about Rs.520 Crores for FY2018 and again FY2018 we are likely to book orders worth of about close to Rs.600 Crores.
- Ritesh Chedda:** This 510 how does it look versus the backlog that you had carried for in the beginning of the year of 2017?
- M.V.Reddy:** More or less in fact it is in the same proposition like exports content is little more like in FY2018 exports about Rs.150 Crores, the rest are in domestic, whereas in the last year I think export was about Rs.80 Crores somewhere around that.
- Ritesh Chedda:** What is the underlying assumption for Rs.600 Crores inflow for 2018?
- M.V.Reddy:** In this around Rs.160 Crores from exports and the defence is about Rs.275 Crores and from the space sector we are likely to get about Rs.110 Crores.
- Ritesh Chedda:** Okay. Thank you Sir.
- Moderator:** Thank you. Next question is from the line of Abhijith Vara from Sundaram Mutual Fund. Please go ahead.
- Abhijith Vara:** Thanks for taking my question Sir. First question is on this working capital, receivable days and inventory days are going up, any one off in that particular entries?
- S.G.Reddy:** Normally while analyzing these receivable days, we have to look at the execution pattern. If you look at the overall 400 odd sales recorded by the company, close to about 70% has occurred in the last two quarters, last quarter about Rs.160 Crores; therefore, we have to factor this element



*Astra Microwave Products Limited*  
*May 02, 2017*

while arriving at the receivable days, beyond that there is no other specific reason. There is a skewed pattern of execution of the sales skewed towards end of the financial year. As a result, the receivables days appears much higher than normal standards.

- Abhijith Vara:** How about inventory Sir?
- S.G.Reddy:** Again inventory, most of the inventory is made to order; therefore, we are forced to buy certain items and stock it and carry forward for longer periods and that is the reason why the inventory days also fairly high compared to normal standards.
- Abhijith Vara:** Okay, second question is the space revenues, what would be the EBITDA margin for this particular segment.
- S.G.Reddy:** More or less both the defence and space carries the same gross margins in excess of about 50%.
- Abhijith Vara:** Is it possible to give revenue breakup for the FY2017 defence, space, exports, and telecom products?
- S.G.Reddy:** FY2018 or...
- Abhijith Vara:** FY2017 Sir?
- M.V.Reddy:** Last year, FY2017 I do not have the clear... From the space group I think we did about Rs.30 Crores and exports front about Rs.40 Crores and the rest all are defence.
- Abhijith Vara:** And FY2018 what is your target Sir?
- M.V.Reddy:** And FY2018, we target about Rs.295 Crores from defence, Rs.35 Crores from space and exports close to Rs.45 Crores and meteorology and hydrology all put together around Rs.20 Crores.
- Abhijith Vara:** So this is adding up to only Rs.400 Crores Sir.
- M.V.Reddy:** Rs.450 Crores.
- Abhijith Vara:** Rs.295 Crores plus Rs.35 Crores, Rs. 295 Crores Defence, Rs.35 Crores space.
- M.V.Reddy:** Space Rs.35 Crores, exports Rs.45 Crores to Rs.50 Crores, we have taken Rs.45 Crores and meteorology and hydrology around Rs.20 Crores.
- Abhijith Vara:** That is adding up to Rs.400 Crores.



*Astra Microwave Products Limited  
May 02, 2017*

- M.V.Reddy:** Actually this is about Rs.45 Crores but I have taken in different things, Rs.345 Crores, not Rs.295 Crores. The Defence is Rs.345 Crores. Sorry for it.
- Abhijith Vara:** No problem. I will get back.
- Moderator:** In the meanwhile shall we move to the next question?
- Abhijith Vara:** I am done with the question.
- Moderator:** Thank you. Next question is from the line of Vipul Shah from Sumangal Investments. Please go ahead.
- Vipul Shah:** When will the Rafale JV become operational and what is the revenue potential from that?
- M.V.Reddy:** We are likely to get some offset contracts to start with though we are participating in some of the RFIs and RFEs, but to start with some offset contracts we are expecting in this year. So I think it will be operational from FY2020. To be frank, the revenues will start grow from FY2020.
- Vipul Shah:** What sort of revenue we can expect from that JV?
- M.V.Reddy:** To start with the first year probably we may do about Rs.20 Crores to Rs.25 Crores and then followed by another total about Rs.100 Crores worth of offsets we are expecting, so that will be there about three years execution phase will be there, so at this stage it will be difficult, but in the first year with our experience probably we think we will make turnout of Rs.20 Crores.
- Vipul Shah:** So Rs.100 Crores per over three year right?
- M.V.Reddy:** That is right.
- Vipul Shah:** What is our share in that JV?
- M.V.Reddy:** 50%.
- Vipul Shah:** Okay, thank you Sir.
- Moderator:** Thank you. Next question is from the line of Shrinivas Rao from HDFC Mutual Fund. Please go ahead.
- Shrinivas Rao:** My first question is on the order inflows, so you are expecting about Rs.600 Crores order inflow for the current year, so can you tell us with the key areas from where you are expecting and also does it include exports?



*Astra Microwave Products Limited  
May 02, 2017*

**M.V.Reddy:** Yes, it include exports, exports from the customers whom we have supplied in the past and from those customers we are expecting about Rs.120 Crores and another Rs.40 Crores from new customers we are expecting, so total all put together around Rs.160 Crores we are expecting. Then the domestic for defence clients we are both PSUs, DRDO all put together we are expecting about Rs.275 Crores. In that Rs.90 Crores which we missed in the last year as I mentioned in the earlier question and there are some radar subsystems program from BEL and as well as some of the radar systems which we are getting it from DRDO all together around so total Rs.275 Crores we are expecting in the defence sector and in space this year we are likely to book good amount of orders about Rs.110 Crores to Rs.115 Crores.

**Shrinivas Rao:** Can you also give an update on the Akash program and how was it contributing to Astra?

**M.V.Reddy:** Akash, we are continuing our production lines in both radars and missiles. For radars we are supplying the subsystems to BEL and for missile subsystems we are supplying to BDL. We have enhanced the capacities for both the subsystems and we are meeting the schedules of BDL and in one of the subsystem, we are ahead of the BDL schedules.

**Shrinivas Rao:** Okay and coming to revenues, the last two, three years revenues are flat, so when and how this revenues would change for Astra if you can tell us?

**M.V.Reddy:** The revenues in fact this year and next year about, we will be around Rs.500 Crores to Rs.550 Crores next year also, but the projects what we are discussing, I think in FY2020 we should be able to touch milestone of Rs.750 Crores that is what we expect as on date, but it all depends on the projects, sanctioning the projects because since most of the projects we are tier 2 supplier, so it all depends on the orders flow for the tier 1, but the projects as of today based on the discussions with OEM and tier 1 companies, so we are quite hopeful of touching 700 plus in FY2020, that is how the actually we are targeting.

**Shrinivas Rao:** When we see it from outside for example Bharat Electronics has been declaring very good numbers both in terms of order inflows and revenues, so we are not seeing that in case of Astra, so can you explain us what are we missing?

**M.V.Reddy:** It is not that we are missing because in these sectors where we are operating, in that we are going along with BEL plans and all, but apart from our product line they do have multiple product lines where we do not have our presence. So there in fact BEL is getting good number of orders.

**Shrinivas Rao:** Okay, that is it.

**Moderator:** Thank you. Next question is from the line of Jonas Bhutta from Phillip Capital. Please go ahead.



*Astra Microwave Products Limited  
May 02, 2017*

**Jonas Bhutta:** Just a few questions. Sir you mentioned our scope for the Akash phase II 7 Squadron is within those Rs.90 Crores, so even if I assume that the entire Rs.90 Crores attributes to the Akash missile, our scope roughly works out to a shade less than about 2% but in the earlier versions during FY2011 or 2012, our share was almost 5.5%, 6%, so of the Akash order that went to BEL, so is there are change in scope or thing or we are...

**M.V.Reddy:** I think you got confused. Basically Akash for the air force version and army versions, they have different configurations. In the case of army versions, more number of missiles will go, whereas in case of air force less number of missiles will be there. So that is the reason probably that ratio is not matching, but otherwise we have not missed any subsystems in Akash. So here in 7 Squadron, the missiles would be around 300 plus numbers only whereas in army the missiles were more, almost 2000 missiles they are producing, so that is way our contribution was more in army order.

**Jonas Bhutta:** That is helpful. The second question was on the LR SAM order that Bharat Electronics recently won in FY2017 that is for I think four ships and another seven ships would come sort of in FY2018, but in the first four ships there is a high amount of import content, so would Astra be a beneficiary if at all of a direct order from BEL or an offset order from IAI, how would that work because the entire radar systems is largely coming from IAI for the first four ships, so I just wanted to get an understanding on that.

**M.V.Reddy:** We have offset contracts from that particular project and for the future, BEL will go by with the IAI recommended sources, we are likely to continue this particular product for the next four to five years, but here the content is in fact since it is a TOT like in BTP project we do not expect much margins in this particular business, but whether it is from BEL or IAI I think the price pressure will remain same.

**Jonas Bhutta:** So at least for the first set of orders, it would be largely in offset order where margins are lower?

**M.V.Reddy:** Yes.

**Jonas Bhutta:** Lastly, there were two particular projects that you are targeting as a system supplier yourselves, one was muzzle velocity radar and one was a precision approach radar, could you highlight or update us on the status of these two programs?

**M.V.Reddy:** Yes, muzzle velocity radar was successful and we have delivered those radars to the DRDO and we have developed in S-band as well as in X-band and as far as precision approach radar, the development phase is now completed and we are pursuing with HAL to deploy this radar in one of the existing air force. The discussions are on and probably we expect contract from HAL if everything goes well I think in this financial year.



*Astra Microwave Products Limited  
May 02, 2017*

**Jonas Bhutta:** What could be the ultimate size of both these projects, when you say this MVR project that you now got successfully tested. The end result would be Rs.200 Crores, Rs.300 Crores, Rs.500 Crores sort of order or how...?

**M.V.Reddy:** It is not that big, because these are all small radar systems and that too, it is not in numbers because basically these radars will be supplied to the test ranges, so it will be of the quantity like one, two numbers, but there are multiple applications. That we are exploring those applications I think this year from those similar applications, we are expecting orders worth of Rs.70 Crores to Rs.80 Crores.

**Jonas Bhutta:** It is within that Rs.275 Crores target that you have for the current year?

**M.V.Reddy:** Yes.

**Jonas Bhutta:** Lastly for the radio proximity fuze, any other upcoming programs that you would like to highlight where our RF fuzes would go in?

**M.V.Reddy:** Radio proximity fuze, we are developing in more or less for all missiles, one is QR SAM and the other one is even Akash upgraded version also we have taken it up development, so we are working on it.

**Jonas Bhutta:** Those prospects are beyond FY2019?

**M.V.Reddy:** Yes.

**Jonas Bhutta:** Alright, great, this is very helpful. Thank you.

**Moderator:** Thank you. Next question is from the line of Vineet Maloo from Birla Sunlife. Please go ahead.

**Viet Milo:** Good morning Sir. I just wanted in our order inflow like you mentioned that you have been getting orders in areas wherever you have a product and your tier 1 suppliers have been getting orders also. I wanted to know how is the competitive intensity? Are there other players who are getting market share or have won more orders over last one or two years, can you just comment on that?

**M.V.Reddy:** We have not lost any orders as I mentioned that but as far as the competition is concerned in most of these programmes we and BEL are sharing some of the subsystems or at least a couple of projects where we are supplying 60% and BEL is supplying about 40% from their inhouse lab. So in that again we are supplying a majority of the MMIC components, so we and BEL are sharing those quantities, so that is the one reason and other than that in fact we have not lost any orders except a few small value contracts in EW sector where there are a couple of new players



*Astra Microwave Products Limited  
May 02, 2017*

have come, and those companies have bagged it on very intense competition due to but otherwise high value orders I think we have not lost anything.

**Vineet Maloo:** Which are the new companies, which have come?

**M.V.Reddy:** Various companies like of course one is company, Alpha is not a new company, but they are entering into the EW subsystems and also they are working on it, so they bagged a few contacts again.

**Vineet Maloo:** Okay, so I just wanted to know last year we got orders of around Rs.410 Crores right?

**M.V.Reddy:** Yes.

**Vineet Maloo:** This would have been against... what is the kind of bid that you would have submitted etc against which you got these orders?

**M.V.Reddy:** I did not get your question, can you repeat?

**Vineet Maloo:** I just wanted to know the number, we might have some submitted bids let us say Rs.600 Crores worth of orders and you would have bagged 410 etc., so reasons could be you know something going to other person or something getting delayed, so you have already highlighted what was delayed and something could have gone into other person. I just wanted to know how much is the total...

**M.V.Reddy:** Basically you wanted to know the value of the quotations what we have submitted in the last year.

**Vineet Maloo:** Yes.

**M.V.Reddy:** That would be around Rs.700 Crores plus.

**Vineet Maloo:** Okay and the next year when you are planning Rs.600 Crores, so that correspondingly we should expect we would be submitting somewhere Rs.900 odd Crores is it?

**M.V.Reddy:** You are right. Around that.

**Moderator:** Thank you. The next question is from the line of Srikanth PVS from Spark Fund Advisors. Please go ahead.

**Srikanth PVS:** Good morning. I was just trying to kind of reconcile the breakdown of numbers that you gave for your order booking for FY2018, the current fiscal and you said Rs.275 Crores from defence



*Astra Microwave Products Limited*  
*May 02, 2017*

India, Rs.160 Crores from Expo and about Rs.110 Crores from space, did I get those numbers right?

**M.V.Reddy:** That is right.

**Srikanth PVS:** When I add up those numbers I still get your number...

**M.V.Reddy:** Another area you have missed hydrology and meteorology put together about Rs.50 Crores.

**Srikanth PVS:** That is an additional Rs.50 Crores is it?

**M.V.Reddy:** Yes.

**Srikanth PVS:** Okay, that was my first question. My second question was only on what is your guidance for tax rate for the next couple of years because you are sub 20% from what we can see?

**S.G.Reddy:** I think in last two years, the provision was made more or less at MAT level. Going forward I feel that may be continued or FY2018, it will be around 23% to 24% of PBT.

**Srikanth PVS:** And we expect that to continue even in FY2019?

**S.G.Reddy:** FY2019 there may be slight improvement, but I would say the range would be between 23% to 25%.

**Srikanth PVS:** Okay, thank you.

**Moderator:** Thank you. The next question is from the line of Abhijith Vara from Sundaram Mutual Fund. Please go ahead.

**Abhijith Vara:** Thanks for taking the follow-up. I just wanted to get the breakup of order inflow also segment wise for FY2017?

**S.G.Reddy:** No, as of now I do not have that probably, we will...

**Abhijith Vara:** Or order book details you have segment wise FY2017?

**S.G.Reddy:** I think we have already shared that, we will mail it to you; I do not think I have the clear data.

**Abhijith Vara:** Okay.

**S.G.Reddy:** You can drop in the mail, I will reply to that.



*Astra Microwave Products Limited  
May 02, 2017*

**Abhijith Vara:** Okay, sure.

**Moderator:** Thank you. As there are no further questions from the participants I would now like to hand the conference over to Mr. S. G. Reddy for his closing comments.

**S.G. Reddy:** Thank you gentlemen for your participation. I look forward to interact with you again at the end of the first quarter. Thank you very much.

**Moderator:** Thank you very much members of the management. Ladies and gentlemen, on behalf of Astra Microwave Products Limited that concludes this conference call. Thank you for joining us and you may now disconnect your line.