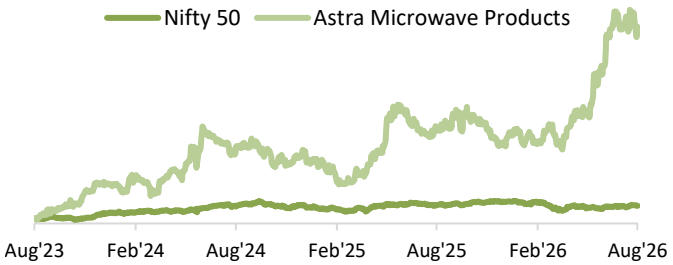
Astra Microwave Products Ltd.

Sep 08, 2026

COMPANY DETAILS	
NSE Details	**Particulars**
TICKER	ASTRAMICRO
ISIN Code	INE386C01029
Market Cap	₹ 16,378.01 Cr
Stock Price (07 Sep'26)	₹1,711.60
Face Value	₹2.00
52W High/Low	₹1,960.00/ ₹851.00
Index	NIFTY INDIA DEFENCE
P/E	85.97x
Recommendation	**BUY**
Target Price	**₹1,980.00**

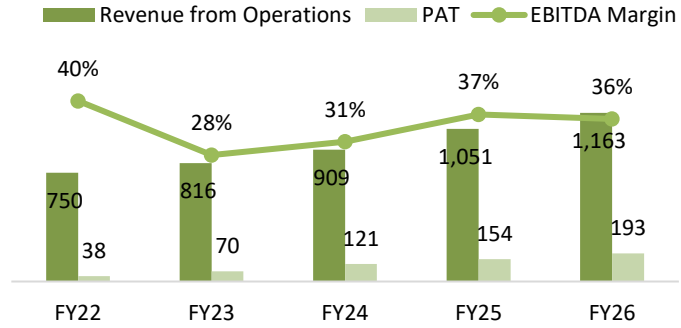
SHAREHOLDING PATTERN				
Shareholders	**Sep'25**	**Dec'25**	**Mar'26**	**Jun'26**
Promoters	6.54%	6.54%	6.54%	6.54%
FIIs	6.47%	6.26%	7.56%	10.74%
DIIs	14.55%	14.75%	15.42%	16.09%
Public	72.44%	72.44%	70.49%	66.64%

STOCK PERFORMANCE VS NIFTY (3Y)



Live Chart

FINANCIAL PERFORMANCE (in ₹Cr)



ABOUT THE COMPANY

Astra Microwave Products Ltd. (Astra) is an Indian defence and space-electronics company with over 30 years of experience in Radar, Electronic Warfare (EW) and strategic electronics. The company designs, develops and manufactures high-value RF and microwave systems, sub-systems and components. Its portfolio includes radars, EW systems, missile electronics, telemetry products, antennas, GNSS solutions, MMICs, counter-drone systems and RF PCB products. Astra has developed 35 radars, 25 satellites and 15 strategic programmes to date, and is among the few Indian private-sector players with the capability to develop Gallium Nitride and Gallium Arsenide MMIC products, semiconductor materials used to make high-frequency Radio Frequency components, up to 40 GHz.

The company follows a **B2G/B2B** business model, supplying products and sub-systems to customers including DRDO, Ministry of Defence, HAL, BEL, ISRO and IMD. Its business typically progresses from development and qualification to production, followed by AMC, upgrades and lifecycle support. This creates opportunities for recurring revenues once products are inducted into large defence platforms. Astra operates four manufacturing facilities and R&D centres in Hyderabad and Bengaluru. Astra has a defence-led revenue profile, with defence contributing 80% of Q1FY27 revenue. The mix is gradually diversifying, as the space and meteorology businesses scale.

Astra's products are deployed across fighter aircraft, missile systems, air-defence platforms, satellites, launch vehicles and weather-monitoring infrastructure including programmes such as Uttam Radar, Tejas, Su-30, QRSAM and BrahMos, Doppler Weather Radars to IMD.

VALUATIONS

At the **CMP of ₹1,711.60**, the stock is trading at a trailing PE of 85.97x and 51.87x of FY28E EPS. **We initially recommended accumulating the stock between ₹1,650 - ₹1,550 for a target price of ₹1,980 on 03 Sep'26**. We value the company at 60x of FY28E EPS implying an upside of 20% to 28% within a period of 15 – 18 months. Astra's premium is supported by the sharp increase in order visibility, strong defence-sector positioning and expected earnings acceleration as Uttam Radar and QRSAM move into larger-scale production.

In ₹ Cr (unless stated)	Reported Financials				Estimated Financials	
	FY2024	FY2025	FY2026	Q1FY27	FY2027	FY2028
Order Book	1,956	1,952	2,141	2,156	4,800	5,076
Revenue from Operations	909	1,051	1,163	177	1,324	1,629
Growth	*11.4%*	*15.7%*	*10.6%*	-11.5%	*13.9%*	*23.0%*
EBITDA	192	268	339	33	372	482
EBITDA Margin	21.1%	25.5%	29.1%	18.6%	28.1%	29.6%
Growth in EBITDA	29.8%	40.1%	26.2%	-19.5%	9.7%	29.7%
Profit After Tax (PAT)	121	154	193	12	227	313
PAT Margin	13.3%	14.6%	16.6%	6.8%	17.1%	19.2%
PAT Growth	73.4%	26.8%	25.7%	-25.0%	17.4%	38.1%
EPS (₹)	12.9	16.2	20.3	1.3	23.9	33.0

What Astra Does: Product Portfolio & Customer Mix

Astra Microwave Products (AMPL) is a design-led RF and microwave electronics company that develops and manufactures critical subsystems and increasingly complete systems for defence, space and strategic applications. Its core capabilities span radar electronics, electronic warfare, telemetry, missile electronics and space electronics, with products ranging from RF/microwave modules and T/R modules to complete radar and EW systems. The company is increasingly moving up the value chain from component/subsystem supply towards system-level solutions and Development-cum-Production Partner (DcPP) opportunities.

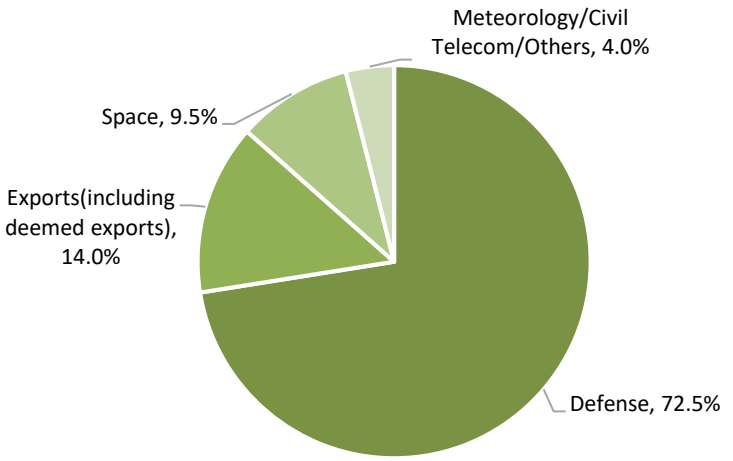
Segment	Products & Uses	Key Customers
Radar Electronics	**T/R modules, microwave amplifiers, frequency synthesizers, signal processors, antenna feed networks, AAAUs and radar subsystems** used to detect, track and identify objects across air, land and sea. These form the core RF architecture of **AESA, air-defence, surveillance and airborne radars**, with applications also extending to missile guidance and counter-UAV systems. **56.1% of FY26 revenue.**	**DRDO/LRDE, BEL, HAL, other DPSUs**; Uttam AESA, ship-borne radar, PPTR, etc.
Electronic Warfare	**Wideband RF products, receivers, signal-processing modules and EW subsystems** used to **detect, intercept, identify and disrupt hostile radar and communication signals**. Applications include electronic support, electronic countermeasures, electronic intelligence and threat detection across land, air and naval platforms. **27.2% of FY26 revenue.**	**DRDO/DLRL, BEL and defence system integrators**; Shakti, Nayan and other EW programmes.
Telemetry & Instrumentation	**Telemetry transmitters, receivers, RF front-end modules, phased-array tracking systems and signal-conditioning subsystems** that enable real-time transmission, tracking and monitoring of data from **missiles, aircraft and space vehicles** to ground stations. Used primarily for **missile development, aerospace testing and strategic test programmes.**	**DRDO/ITR, defence and aerospace test agencies**; PATM-II and ground telemetry systems.
Missile Electronics	**Missile guidance electronics, seeker systems and associated RF electronics** used for target detection/tracking and missile guidance. The company also develops **proximity-fuze and guidance-related electronics** for strategic missile applications.	**DRDO, BDL and defence system integrators**; missile-development and production.
Space Electronics	**Microwave amplifiers, RF modules, frequency converters and communication subsystems** used in **satellite payloads, satellite communications and ground infrastructure**. The products require stringent space-grade reliability and qualification.	**ISRO/SAC and space-system integrators**; satellite and strategic space programmes.
Meteorology	**Doppler Weather Radar electronics, radar transmitters, receivers, microwave amplifiers and signal-processing modules** used to monitor **precipitation, wind patterns and atmospheric disturbances**, supporting weather forecasting, disaster preparedness, aviation safety and climate monitoring.	**IMD / Meteorological departments**; DWR and wind-profiler programmes.
Hydrology / Others	RF/electronic solutions for **water-resource and environmental monitoring**, alongside other specialised strategic-electronics applications.	Government / enterprises
Communications / Telecom	RF and microwave electronics for **high-frequency communication and tactical communication systems**. Through its **Astra Rafael Comsys JV**, the group also participates in software-defined radios, ESM, cognitive radio and tactical communication systems.	**Indian Army, IAF, Navy and export customers** through ARC.

Astra's revenue remains predominantly defence-led, although the contribution from space and exports has increased. Standalone FY26 revenue stood at ₹1,155cr, of which 72% came from defence, 10% from space, 4% from meteorology/civil telecom/others and 14% from exports. Defence revenue declined marginally from 80% in FY25, while space increased from 6% to 10% and exports from 11% to 14%, indicating gradual diversification of the revenue base.

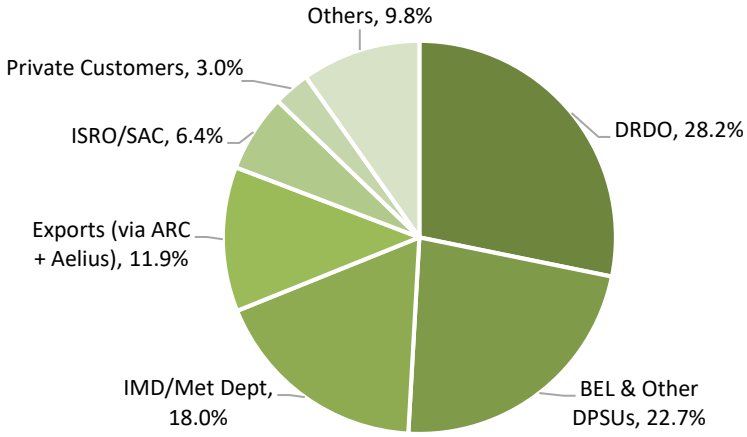
Astra's customer base is anchored by DRDO and the Indian defence ecosystem, with government and institutional customers accounting for the bulk of revenue. DRDO contributed 28.2% of FY26 revenue, followed by BEL and other DPSUs at 22.7% and IMD/meteorological departments at 18%. Exports through ARC/Aelius contributed another 11.9%, while ISRO/SAC accounted for 6.4%.

Overall, Astra's business is built around high-value RF and microwave electronics that sit at the core of radar, electronic warfare, missile, telemetry and space systems. While defence remains the dominant revenue pool, the company is gradually diversifying into space and exports. More importantly, Astra's customer relationships are increasingly extending from development-stage DRDO programmes to production through BEL, HAL and other DPSUs, creating a pathway from technology development to scaled manufacturing. FY26 also marked a meaningful shift towards higher-value systems, with the company participating across radar, EW and strategic programmes while continuing to build proprietary capabilities.

Sector-wise Revenue Mix - FY26



Customer-wise Revenue Mix - FY26



Business Model: Moving up the value chain from RF subsystems to systems integration

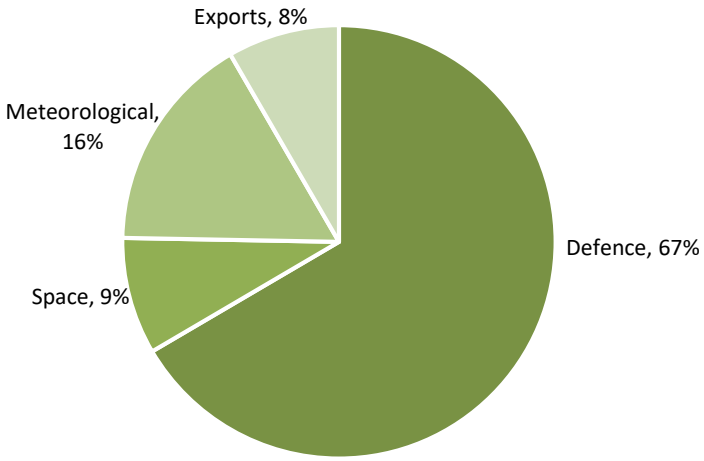
Astra Microwave Products (AMPL) is a design-led RF and microwave electronics company supplying critical subsystems and increasingly complete systems for defence, space and strategic applications. The company's portfolio spans radar electronics, electronic warfare, missile electronics, telemetry and tracking, space electronics and other strategic systems. Importantly, AMPL has evolved from an RF component/subsystem supplier into a systems-level entity with design, integration, testing and manufacturing capabilities.

The key change in AMPL's business model is its progressive movement up the value chain. Historically, the company primarily supplied RF components and subsystems that were integrated into larger defence systems. It is now increasing its participation in system-level development and integration, while also gaining Development-cum-Production Partner (DcPP) status in strategic programmes. **Management describes this evolution as a progression from an "offset partner to systems integrator and Development-cum-Production Partner".**

Astra is steadily transitioning from a sub-system supplier to an integrated, IP-driven systems provider, allowing it to capture a larger share of programme value. Historically focused on RF/microwave components and sub-systems such as T/R modules, receivers and SSPAs, the company is increasingly developing and delivering complete radar, EW and telemetry systems. Complete-system revenue contribution has risen from 12.0% in FY23 to 27.8% in FY26, highlighting the pace of this transition**. This transition is important from an earnings perspective**- higher system-level participation should enable AMPL to capture a greater share of programme value, while proprietary IP and increased in-house manufacturing can strengthen differentiation and profitability. The shift towards build-to-spec, system integration and Lead Systems Integrator (LSI)/Development-cum-Production Partner (DcPP) roles should improve value capture, deepen customer relationships and support higher margins. With growing proprietary IP and system-engineering capabilities, Astra is effectively moving from "supplying the building blocks" to "owning the solution", creating a more scalable and differentiated business model.

We view AMPL's business model as increasingly shifting from a component/subsystem-led model towards higher-value system integration, supported by strong in-house R&D, manufacturing and testing capabilities. Its development-led participation in strategic defence programmes creates a pathway from qualification to production, while the growing share of proprietary systems can improve value capture. With ~2x FY26 revenue covered by the current order book and participation across key AESA, EW, missile and surveillance programmes, we see increasing programme visibility as the key earnings driver.

Order Book Mix - FY26



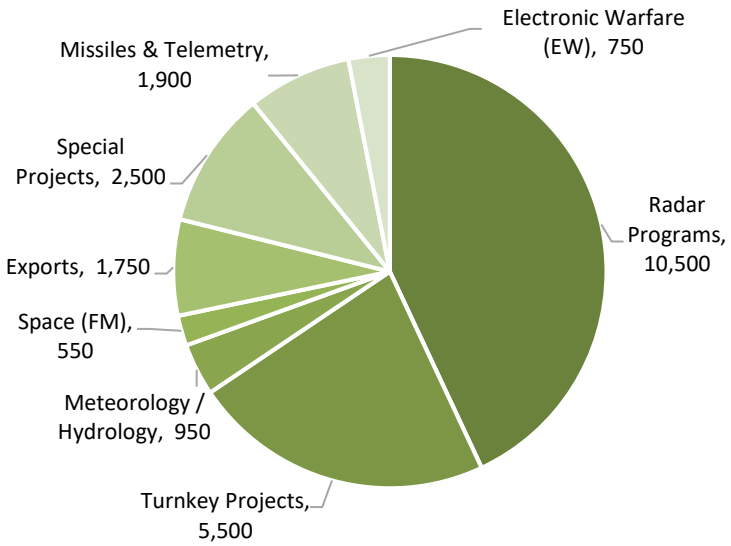
Expanding Opportunity Pool Provides Multi-Year Growth Runway

Astra's opportunity pipeline is expanding beyond its current order book, driven by India's shift towards indigenous development of advanced defence electronics. Management expects the company to participate across a broadening set of programmes spanning AESA radars, electronic warfare, missile systems, counter-UAV, naval platforms and military communications. **The Q1FY27 earnings call indicated a ₹8,000 - ₹10,000 Cr medium-term order-intake opportunity**, expected to be built over the next 3–4 years and executed over ~5-6 years, providing a sizeable replenishment opportunity beyond the current order book. Key Opportunities include the following:

- **Uttam AESA**: ₹2,205cr order already received from HAL, with execution spread over ~5 years; production is expected to ramp up progressively.
- **QRSAM**: Management sees additional opportunity as the programme moves into production, alongside existing FOPM/subsystem orders.
- **Su-30 / Virupaksha / Angad**: Astra has participation across both radar and EW programmes, with management indicating meaningful medium-term opportunity.
- **Tejas Mk1A EW**: Recent addition to the pipeline could contribute ₹500–600cr to overall order-book projections.
- **Naval programmes**: Astra expects ₹100–120cr of orders from the Shatrughat and Samaghat programmes, subject to BEL receiving the corresponding orders.
- **Counter-UAV**: The company has developed an indigenous vehicle-mounted counter-UAV system and electromagnetic-wall solution, with additional proprietary radars and drone-mounted electronic-intelligence products under development. Management has not included these opportunities in its current guidance, making them potential upside.
- **Meteorology**: Astra has orders on hand for the next two financial years and expects additional orders under Mission Mausam, providing visibility for continued production over the next 4–5 years.
- **AMCA**: Astra has emerged as L1/L2 alongside BEL for development of the AMCA AAAU, providing a potential long-term opportunity as the programme progresses.

Management also quantified the underlying market opportunity. India's radar market is projected at ~₹12,200 Cr by 2033, implying a 20.62% CAGR, while the Indian electronic-warfare market is projected to reach ~₹9,500 Cr by 2033, growing at 4.47% CAGR. Astra's exposure to both markets, coupled with its participation in indigenous radar and EW programmes, positions it to benefit from the expansion in domestic demand.

Market Opportunity till FY28 (₹ Cr)



Total Addressable Market till FY28: ₹24,000 - ₹25,000 Cr

Transitioning from subsystem supplier to Development-cum-Production Partner

Astra is increasingly leveraging these capabilities to move up the value chain from component and subsystem supply towards system-level development and integration. Its participation in strategic programmes such as Uttam AESA, Virupaksha, QRSAM and EW programmes provides a pathway from development and qualification to production. The company's Development-cum-Production Partner (DcPP) positioning is particularly significant, as it allows Astra to participate earlier in the programme lifecycle and potentially remain involved through development → qualification → production → lifecycle support.

A key differentiator is Astra's vertically integrated development, manufacturing and testing ecosystem. Its in-house capabilities include SMT-based PCB assembly, MIC/MMIC facilities, clean-room assembly, EMI/EMC laboratories, environmental testing and advanced automated test equipment. The company also operates specialised antenna-testing infrastructure, enabling it to undertake critical testing and qualification internally. This combination of RF design expertise, proprietary technology, testing and qualification capabilities and manufacturing infrastructure creates a meaningful barrier to entry. In defence electronics, successful qualification is particularly valuable as it allows a supplier to build programme-specific expertise and establish itself within the production supply chain.

We believe the combination of deep RF/microwave expertise, increasing indigenous technology content, vertically integrated manufacturing and testing capabilities and growing DcPP participation provides Astra with a differentiated position in India's evolving defence-electronics ecosystem.

Subsidiaries & JVs: Building capabilities across the RF and communications value chain

Astra has strategically expanded its technology footprint through Aelius Semiconductors and Astra Rafael Comsys (ARC), with both entities complementing the parent company's core RF/microwave capabilities. While Aelius provides access to critical semiconductor/MMIC capabilities, ARC expands Astra's presence into software-defined radios, electronic warfare and tactical communications, thereby broadening the group's addressable market.

Aelius Semiconductors Pte. Ltd: Aelius is a Singapore-based fabless MMIC design house specialising in GaAs and GaN MMICs. It focuses on the design of high-frequency semiconductor chips, while fabrication is outsourced to leading foundries globally, with testing and packaging undertaken through specialised facilities. Its products serve as building blocks for high-frequency radar, electronic warfare and communication systems. Aelius is strategically important to Astra as it provides access to advanced GaAs/GaN semiconductor design capabilities, enabling greater control over a critical part of the RF signal chain. GaN-based MMICs are particularly relevant for next-generation radar and EW applications because of their ability to deliver higher power density, efficiency and performance. This supports Astra's broader objective of increasing indigenous content and moving towards higher-value, technology-intensive products. Aelius also supplies to companies other than Astra in various countries, thus providing scope for incremental revenue from industry demand rather than being isolated to Astra’s customer base.

Astra Rafael Comsys (ARC): Astra Rafael Comsys is a JV between Astra Microwave and Rafael Advanced Defense Systems, focused on software-defined radios (SDRs), electronic warfare systems and electro-optic/tactical communication solutions with a ₹800+ Cr order book. The JV combines Astra's manufacturing and RF capabilities with Rafael's defence technology expertise. ARC's portfolio includes software-defined radios, electronic support measures, cognitive radio and tactical communication systems, which are used for secure and flexible communications and for detecting and analysing electromagnetic signals in defence environments. The business therefore gives Astra exposure to the broader military communications and EW ecosystem, beyond its traditional radar electronics franchise.

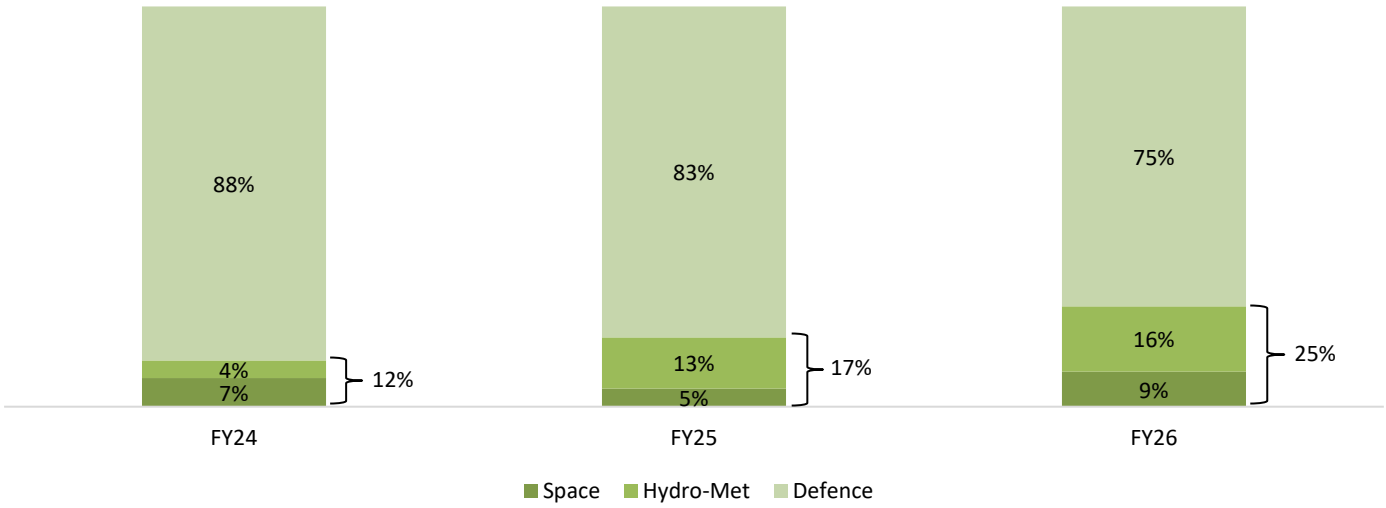
The strategic rationale for both entities is therefore complementary. Aelius strengthens Astra's upstream semiconductor and RF technology capabilities, while ARC expands its downstream systems and communications offering. Together, they enhance Astra's ability to participate across a larger portion of the defence-electronics value chain and create additional avenues for exports and higher-value system opportunities.

Diversification into Space, Meteorology & Hydrology: Margin-accretive Growth Beyond Defence

Astra is strategically diversifying beyond its core defence business into Space, Meteorology and Hydrology, creating a second growth engine while reducing its historical dependence on defence, which accounted for ~80% of revenue earlier. The shift is already visible, with Space revenue growing 88% YoY to ₹110cr in FY26, while Space and Hydro-Met together carried an ₹537cr order book at year-end — ~25% of Astra's standalone order book. The attractiveness of these businesses lies not just in diversification, but in their higher value-add and margin potential: space electronics require stringent qualification, reliability and precision, creating high entry barriers, while meteorological systems increasingly involve complete, technology-intensive radar and sensing solutions. Management has indicated that the broader opportunity pipeline across these specialised businesses can be captured at elevated margins, supported by Astra's differentiated technology and growing system-level capabilities. Management has indicated that the broader space/weather opportunity represents a profitable, high-growth opportunity, with scope to expand from electronic subsystems into satellite systems, weather intelligence and downstream applications.

Importantly, Astra is demerging these businesses into a separate listed entity, Astra Space Technologies, enabling dedicated management focus, tailored capital allocation and sector-specific growth strategies. The company expects the new entity to operate independently from 1 April 2027, subject to the requisite regulatory and other approvals. We see the demerger as strategically positive as it should allow both businesses to pursue more focused growth, improve capital efficiency and potentially unlock the standalone value of the Space, Meteorology and Hydrology franchise.

Space and Meteorology Business Gaining Scale Rapidly



Financial Performance: Strong profitability with improving balance-sheet position

Astra Microwave has delivered a steady improvement in profitability over the past three years, despite the lumpy nature of defence execution. Consolidated revenue increased from ₹909 Cr in FY24 to ₹1,051 Cr in FY25 and ₹1,163 Cr in FY26, translating into a ~13% CAGR over FY24–26. More importantly, operating leverage has driven a sharper improvement in profitability, with EBITDA margin expanding from 21.1% in FY24 to 25.5% in FY25 and 29.1% in FY26, while PAT margin increased from 13.3% to 16.6% over the same period. The improvement in margins reflects better product mix, increasing contribution from higher-value systems and improved operating leverage. Consolidated EBITDA rose 26.2% YoY to ₹334 Cr in FY26, while PAT increased 25.7% YoY to ₹193 Cr.

Q1FY27: Soft quarter due to timing issues, but FY27 guidance intact

Q1FY27 performance was subdued, with consolidated revenue declining 12% YoY to ₹177 Cr, EBITDA declining 19% to ₹33 Cr and PAT declining 25% to ₹12 Cr. EBITDA margin consequently moderated to 18.6% from 20.5%, while PAT margin declined to 6.8% from 8.1%. However, management attributed the weak quarter primarily to temporary execution delays rather than a deterioration in demand. Delays in customer approvals, resolution of final technical issues and supply-chain constraints pushed some planned deliveries from Q1 into subsequent quarters. **Management indicated that most required materials had been received and development projects were nearing final clearance, with Q3/Q4 expected to see stronger execution**. **Importantly, management retained its FY27 revenue guidance of ~₹1,350cr, implying >15% YoY growth**.

Strong order inflow offsets near-term execution softness

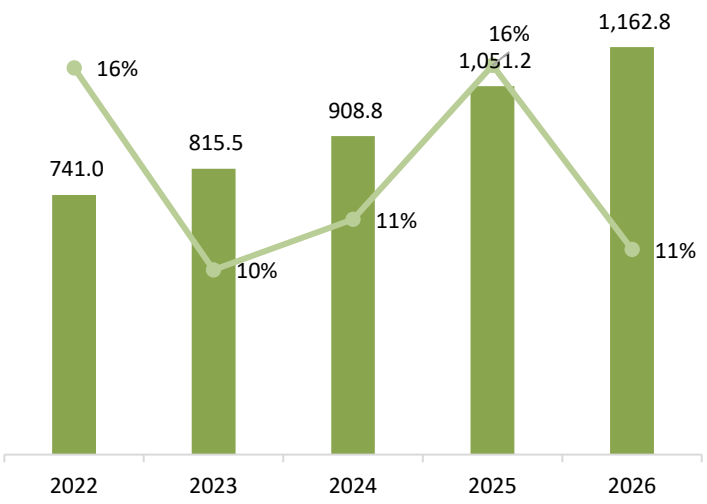
Despite the weak revenue print, Q1FY27 order intake remained healthy at ₹194 Cr, in line with management's guidance. Standalone order book stood at ₹2,156 Cr at quarter-end, with 71.3% from defence and the balance from space, meteorology and hydrology. Consolidated order book stood at ₹2,849 Cr, including ₹244 Cr of service orders that are typically more margin-accretive. The major post-quarter development was the ₹2,205 Cr HAL order for critical Uttam Radar subsystems, which effectively doubled Astra's order book to ~₹4,300 Cr as of the date of the Q1FY27 call. Management also highlighted its emergence as L1 for the AMCA AAAU programme, while ARC had an order book of ₹836 Cr and is targeting ₹360 Cr of sales in FY27.

Management's Soaring Ambitions

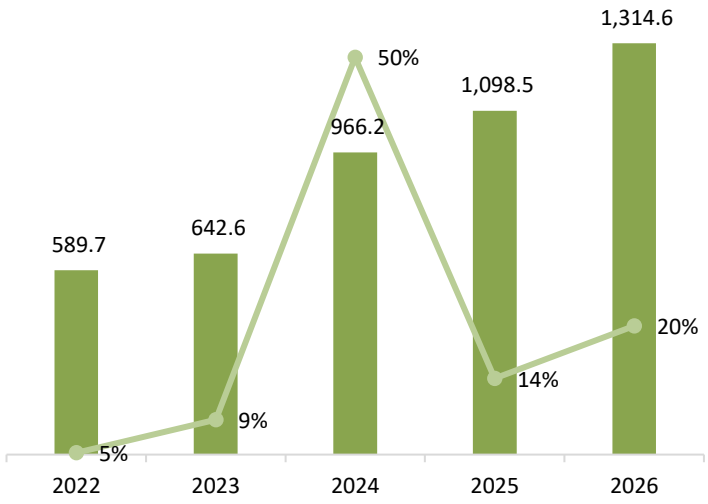
Management has set an ambitious long-term growth target, expecting Astra to scale its annual turnover to ~6–7x FY26 levels over the next five years. Importantly, this is not positioned as a near-term revenue target; management's commentary links the ambition to the ₹8,000–10,000 Cr order-intake opportunity expected to be built over the next 3–4 years and executed over ~5–6 years. The opportunity is predominantly defence-led and includes Astra's growing participation across airborne platforms, radar, EW and missile programmes.

Management's confidence is supported by Astra's increasing presence across Tejas/Uttam, AEW&C, Su-30 upgrades, AMCA, QRSAM and EW programmes, with the company expecting at least ₹1,600 Cr of additional orders during FY27, with scope for this number to increase. The company has also highlighted that its ₹8,000–10,000 Cr opportunity pool is separate from recurring business and potential new opportunities, while space revenue beyond the existing ₹4,300 Cr order book has not been assumed in this roadmap.

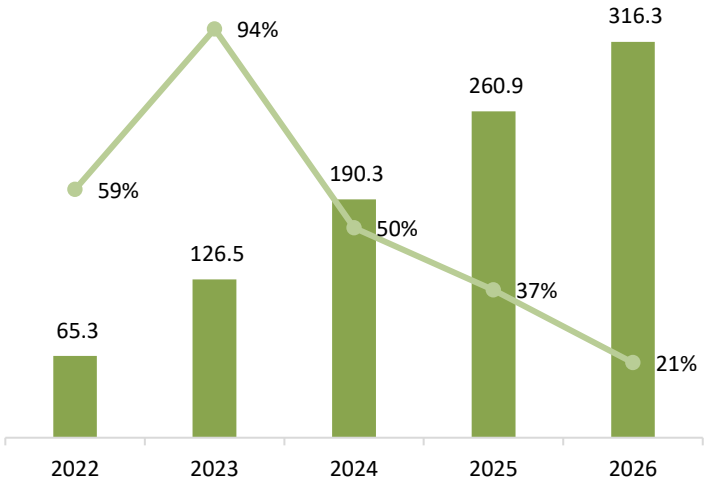
Revenue (₹ Cr) and its Growth



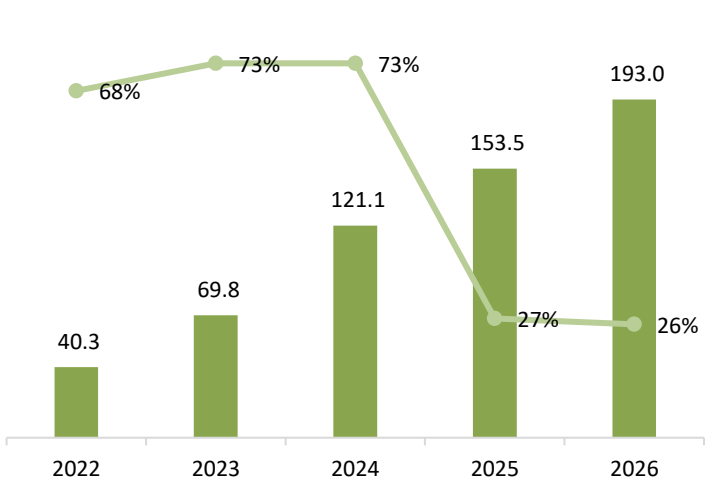
Net-worth (₹ Cr) and its Growth



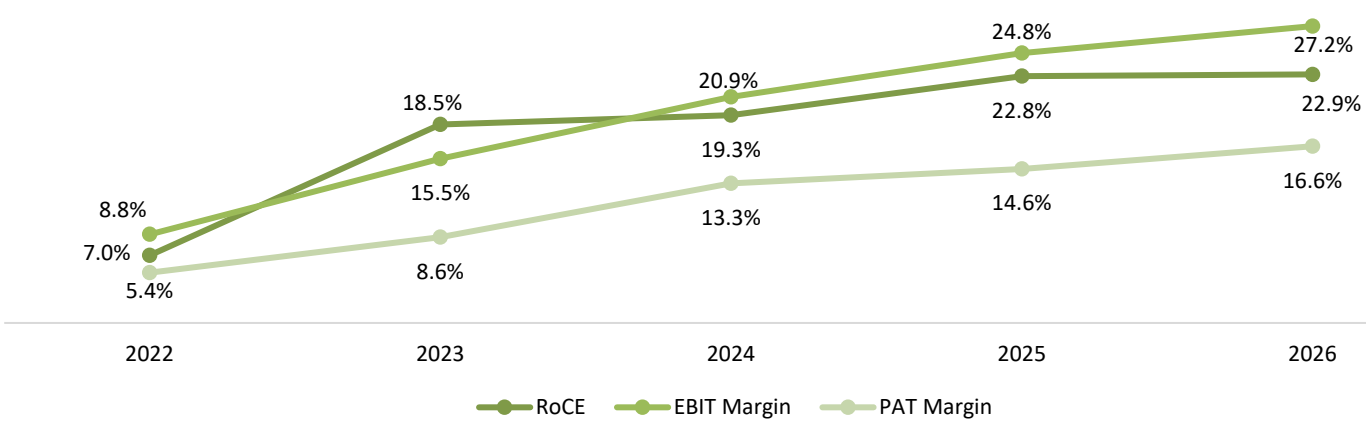
EBIT (₹ Cr) and its Growth



PAT (₹ Cr) and its Growth



Profitability Ratios



CHALLENGES

- **Execution Capacity is Becoming the Key Bottleneck:** With management targeting 6–7x FY26 turnover over the next ~5 years, the challenge is increasingly shifting from order acquisition to execution. Astra will need to materially scale procurement, manufacturing, quality and programme-management capabilities. Management itself highlighted execution as the key focus as order visibility increases.
- **Supply-chain Constraints Could Limit the Pace of Scale-up:** Management specifically flagged stretched global defence supply chains as a risk, with countries globally restocking defence inventories. As Astra scales production, delays in sourcing specialised components could affect delivery schedules and potentially working capital.
- **Working-Capital Intensity Could Rise Sharply With Execution:** The company's defence model requires significant inventory and receivables as programmes move into production. Management expects the working-capital cycle to remain broadly similar to FY26, with pressure likely to rebuild in Q3/Q4 as execution ramps up. Hence, the ability to convert the rapidly expanding order book into operating cash flow will be an important monitorable.
- **Customer Concentration & Government Procurement Dependency:** Astra remains heavily exposed to government and defence-PSU customers, with a large portion of revenue linked to DRDO, BEL, HAL, ISRO/IMD and other government programmes. This creates dependency on government budget allocation, procurement timelines, tendering and acceptance processes. Any change in defence spending priorities, delays in programme sanctions or prolonged procurement cycles could defer order conversion and revenue recognition.

PEER COMPARISION

Particulars	Astra Microwave Products Ltd	Data Patterns (India) Ltd	Apollo Micro Systems Ltd
SCRIP	**ASTRAMICRO**	**DATAPATTNS**	**APOLLO**
Market Cap (₹ Cr)	16,388.91	25,699.42	15,009.00
CMP (₹) (07 Sep'26)	1,711.60	4,590.80	403.95
52 weeks high/low (₹)	1,960.00 / 851.00	5,502.00 / 3,668.00	466.50 / 179.50
Face Value (₹)	2.00	2.00	1.00
Financial Performance – FY26 (₹ Cr)			
Revenue from Operations	1,139.74	941.47	1,022.03
Growth YoY	8.42%	32.91%	81.83%
EBITDA	334.17	373.99	218.16
EBITDA Margin	28.74%	40.44 %	24.12%
PAT	192.96	247.15	112.92
PAT Margin	16.59%	26.73%	11.87%
PAT Growth YoY	32.18%	17.36%	100.21%
EPS (₹)	20.32	48.47	3.16
Dividend per Share (₹)	2.40	10.00	0.25
Return Metrics (%)			
6M	66.30	35.52	82.87
1Y	69.70	85.12	27.63
3Y	59.56	28.60	89.44
5Y	59.18	-	102.50
Valuation Ratios - TTM			
Market Cap/Sales (x)	14.38	27.30	14.69
P/E (x)	86.69	95.12	123.70
P/B (x)	12.46	14.85	10.98
Dividend Yield (%)	0.14	0.22	0.06

Source: JRK Research, NSE, Screener

INDUSTRY OUTLOOK

India's defence industry is undergoing a structural shift from import dependence towards indigenous design, manufacturing and technology ownership, creating a favourable multi-year demand environment for defence-electronics companies. Rising defence spending, localisation mandates, higher electronics content in modern platforms and growing exports are collectively expanding the addressable market.

Rising spending and localisation expand the opportunity

India's FY27 defence allocation stands at ₹7.85 lakh crore, up 15.2% YoY, with ₹2.19 lakh crore of capital expenditure, including ₹1.85 lakh crore for capital acquisition. Around ₹1.39 lakh crore, or ~75% of the acquisition budget, is earmarked for domestic defence industries. The long-term trend is equally strong, with the defence budget rising from ₹2.53 lakh crore in FY14 to ₹7.85 lakh crore in FY27, while defence capex increased from ₹94,588 crore in FY15 to ₹2.19 lakh crore. The structural nature of the opportunity becomes clearer over a longer horizon: India's defence budget has risen from ₹2.53 lakh crore in FY14 to ₹7.85 lakh crore in FY27, while defence capital expenditure has increased from ₹94,588 crore in FY15 to ₹2.19 lakh crore. For defence electronics, this is particularly relevant as modernisation is increasingly shifting towards high-technology content rather than merely platform acquisition. Radar, AESA, EW, secure communications, telemetry, sensors and counter-drone systems are becoming integral to combat platforms, increasing the electronics value embedded in every aircraft, missile, naval platform and air-defence system.

Indigenisation creating a protected domestic market with private sector gaining share

Government initiatives including Aatmanirbhar Bharat, Positive Indigenisation Lists and IDDM procurement are moving the industry beyond local manufacturing towards indigenous design and IP ownership. Proposed DAP 2026 provisions raise IDDM indigenous content from 50% to 60%, while emphasising Indian ownership of design data, source code and critical IP. More than 400 items have been earmarked for indigenisation by the armed forces and 3,700+ items for domestic sourcing by DPSUs. The Defence Acquisition Council in Sep'26 granted Acceptance of Necessity for acquisition proposals worth ~₹1.10 lakh crore across the Army, Navy and Air Force. Importantly, ~98% of the procurement is expected to be domestically sourced, reinforcing indigenisation and Atmanirbhar Bharat push. For defence electronics, the approval of Arudhra radars and electronic-warfare jammers is particularly relevant, while the overall breadth of the package strengthens the multi-year domestic defence procurement opportunity. Defence production reached a record ₹1.78 lakh crore in FY26, up 15.6% YoY and more than 2x FY21 levels, with private-sector contribution rising to 24% (~₹42,000 crore) from 22% in FY25. GoI targets ₹3 lakh crore of annual defence production by FY29, providing significant headroom for private players across integration.

Radar and EW remain key growth pools

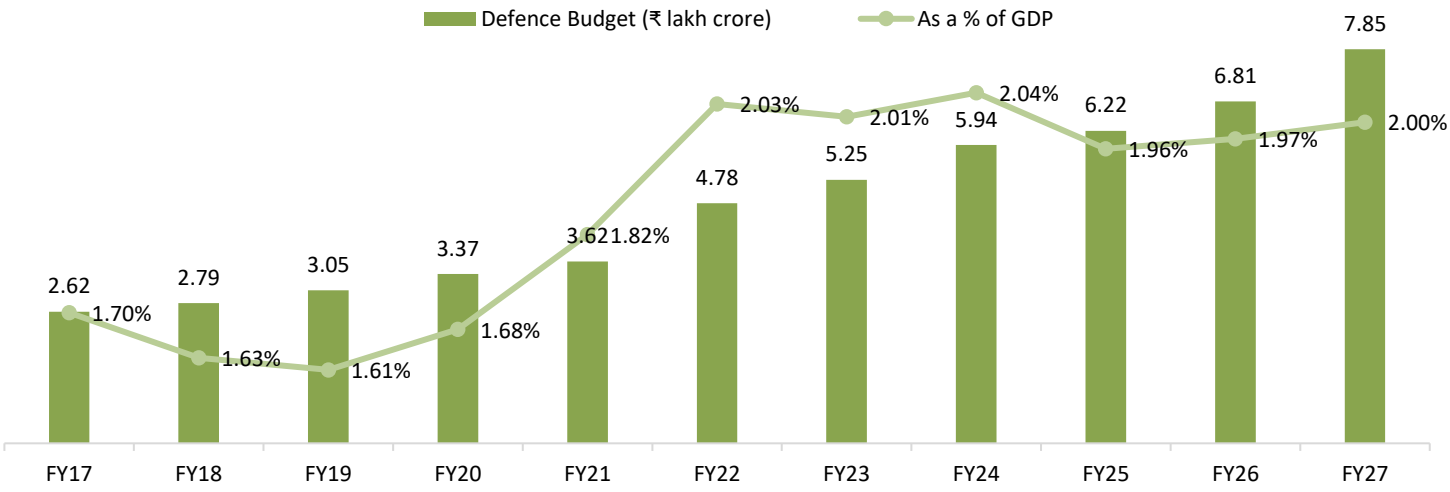
The increasing electronics intensity of warfare is creating attractive opportunities across radar, electronic warfare, surveillance and communications. Radar modernisation is being driven by the transition towards AESA and phased-array architectures, which require significantly greater RF/microwave content through transmit-receive modules, amplifiers, phase shifters, MMICs and beam-forming electronics. EW is similarly becoming mission-critical as modern warfare increasingly depends on control of the electromagnetic spectrum for signal interception, jamming, electronic intelligence and threat detection across land, air and naval platforms.

Outlook: We see defence electronics entering a structural multi-year upcycle, driven by higher capex, ~75% domestic procurement, indigenisation, private-sector participation and exports. For specialised players such as Astra, the opportunity is increasingly shifting from components towards technology-rich subsystems and complete systems. The key is therefore moving from order availability to execution capacity and conversion of development programmes into production orders.

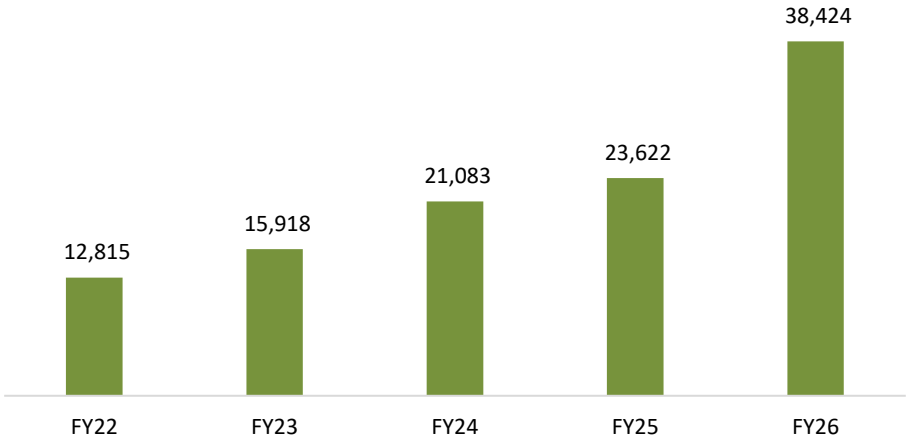
Astra's diversification into other industry growth pools

Beyond defence, space, meteorology and hydrology represent growing technology-led markets with increasing government and private-sector investment. India's space economy is targeted to reach ~$44 bn by 2033, implying ~8% of the global market, driven by satellite communications, earth observation, launch systems and downstream applications. Meanwhile, Mission Mausam is accelerating investment in next-gen Doppler weather radars, satellites, sensors and high-performance computing, with a ₹1,342 Cr budget estimate for FY27. Hydrology is benefiting from rising focus on water security, irrigation, flood monitoring and smart water infrastructure, creating demand for advanced sensing and monitoring systems.

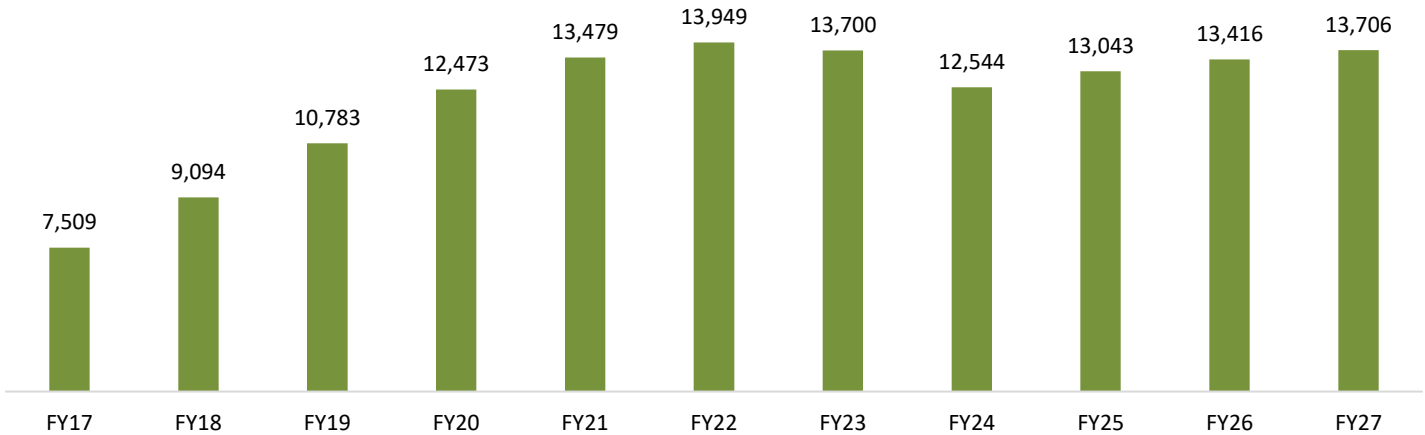
Defence Budget over the years



Defence Exports (₹ Cr)



Department of Space Budget (₹ Cr)



STATEMENT OF PROFIT & LOSS (in ₹Cr unless otherwise stated)

Particulars	FY22	FY23	FY24	FY25	FY26
Revenue from Operations	750	816	909	1,051	1,163
Growth	*17.1%*	*8.7%*	*11.4%*	*15.7%*	*10.6%*
Other Income	6	5	12	18	18
Total Income	**757**	**821**	**921**	**1,069**	**1,181**
Cost of Materials Consumed	527	518	546	578	571
Employee Benefits Expense	81	95	114	142	161
Other Expenses	53	54	58	63	92
EBITDA	**89**	**148**	**192**	**268**	**339**
EBITDA Margin	*11.9%*	*18.1%*	*21.1%*	*25.5%*	*29.1%*
EBITDA Growth	*13.0%*	*65.5%*	*29.8%*	*40.1%*	*26.2%*
Finance Costs	21	31	31	57	56
Depreciation & Amortisation	22	24	25	35	44
Total Expenses	**704**	**722**	**774**	**875**	**923**
Profit Before Tax & Share of JV/Associate	52	99	147	194	258
Share of Profit/(Loss) of JV & Associate	-2	-0	12	9	8
Profit Before Tax	50	99	159	203	266
Tax	12	29	38	50	73
Tax%	24.5%	29.2%	23.9%	24.4%	27.4%
Profit After Tax	**38**	**70**	**121**	**154**	**193**
PAT Margin	*5.0%*	*8.6%*	*13.3%*	*14.6%*	*16.6%*
PAT Growth	*31.3%*	*84.4%*	*73.4%*	*26.8%*	*25.7%*
Diluted EPS	**4.37**	**8.06**	**12.86**	**16.17**	**20.27**

QUARTERLY PROFIT & LOSS STATEMENT (in ₹ Cr unless otherwise stated)

Particulars	Q1FY27	Q4FY26	QoQ	Q1FY26	YoY
Revenue from operations	177	488	-64%	200	-12%
Expenses	144	327	-56%	159	-9%
Operating Profit	**33**	**161**	**-80%**	**41**	**-20%**
OPM	**19%**	**33%**	**-1,435 bps**	**21%**	**-186 bps**
Finance costs	11	14	-21%	15	-27%
Depreciation and amortisation	12	13	-8%	9	33%
Other income	5	7	-29%	4	25%
Profit before tax	16	141	-89%	21	-24%
Tax expense	21%	25%		23%	
PAT	**12**	**106**	**-89%**	**16**	**-25%**
PAT Margin	7%	22%	-1,494 bps	8%	-122 bps
EPS (₹)	1.3	11.2	-88%	1.7	-24%

BALANCE SHEET (in ₹Cr unless otherwise stated)

Particulars	FY22	FY23	FY24	FY25	FY26
ASSETS					
Property, Plant and Equipment-Net	159	166	167	223	261
Capital Work in Progress	0	2	13	3	9
Other Non-Current Assets	38	38	59	68	98
Current Assets	**771**	**851**	**1,235**	**1,557**	**1,621**
Inventories	419	419	515	616	616
Financial Assets-Current	286	395	636	884	941
Current tax assets (net)	1	-	1	1	1
Other Current Assets	65	37	78	51	62
Total Assets	**969**	**1,057**	**1,474**	**1,851**	**1,988**
EQUITY AND LIABILITIES					
Share Capital	17	17	19	19	19
Other Equity/ Reserve	568	625	947	1,079	1,296
Total Equity	**586**	**643**	**966**	**1,098**	**1,315**
Non-Current Liabilities	**47**	**78**	**74**	**108**	**155**
Financial Liabilities	3	3	15	39	64
Long Term Provisions	4	7	10	16	19
Other Long Term Liabilities	40	68	48	53	72
Current Liabilities	**336**	**337**	**434**	**644**	**518**
Financial Liabilities (Current)	138	247	328	489	376
Current Tax Liabilities (Net)	0	4	1	12	8
Other Current Liabilities	194	82	101	139	126
Short Term Provisions		4	4	5	8
Total Liabilities	**383**	**414**	**508**	**753**	**673**
Total Equity and Liabilities	**969**	**1,057**	**1,474**	**1,851**	**1,988**

Ratio Analysis

Ratios	FY22	FY23	FY24	FY25	FY26
Profitability					
EBITDA Margin	11.9%	18.1%	21.1%	25.5%	29.1%
Net Profit Margin	5.0%	8.6%	13.3%	14.6%	16.6%
Return on Capital Employed	7.0%	18.5%	19.3%	22.8%	22.9%
Return on Assets	3.9%	6.6%	8.2%	8.3%	9.7%
Return on Equity	6.5%	10.9%	12.5%	14.0%	14.7%
Operating					
Asset Turnover (x)	0.8	0.8	0.6	0.6	0.6
Cash Conversion Days	274.1	287.3	371.9	458.3	372.6
Debtor Days	*100.2*	*127.8*	*203.3*	*272.7*	*215.9*
Inventory Days	*200.1*	*179.6*	*204.3*	*212.8*	*193.1*
Days Payable	*26.2*	*20.1*	*35.7*	*27.2*	*36.4*
Liquidity					
Current Ratio (x)	2.3	2.5	2.8	2.4	3.1
Cash Ratio (x)	0.2	0.3	0.3	0.2	0.5
Cashflow from Operations (CFO) to EBITDA	128.9%	-16.9%	-95.0%	-33.5%	114.3%
CFO to Current Liabilities (x)	0.3	-0.1	-0.4	-0.1	0.7
Solvency Ratios					
Debt to Equity (x)	0.1	0.3	0.2	0.4	0.2
Interest Coverage (x)	4.2	4.8	6.1	4.7	6.1
Valuation					
P/E (x)	50.9	27.9	46.4	41.6	44.3
P/B (x)	3.3	3.0	5.9	5.8	6.5
P/S (x)	2.6	2.4	6.2	6.1	7.3
EV/EBITDA (x)	6.5	4.9	5.6	5.3	4.0
Dividend Yield	0.5%	0.6%	0.3%	0.3%	0.2%

JRK Stock Broking Private Limited
SEBI Registered Research Analyst Registration Number: INH300008881
NSE: INB/INF/INE 231293235
BSE: INB/INF 011293231
Contact No: 033-4017-4777; Email: info@jrkgroup.in

***JRK Research Desk POC**:*
***Mr. Sanjeev Jain**, Head of Research; Email: sanjeev.jain@jrkgroup.in*
***Ms. Khushi Agarwal**, Research Analyst; Email: khushi.agarwal@jrkgroup.in*
***Ms. Smriti Agarwal**, Research Analyst; Email: smriti.agarwal@jrkgroup.in*

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Sources:
JRK Research Desk, Annual Report, Company Announcements, NSE, BSE, FBIL, SEBI, Screener, Financial Websites.