

Annual Report 2011 - 12

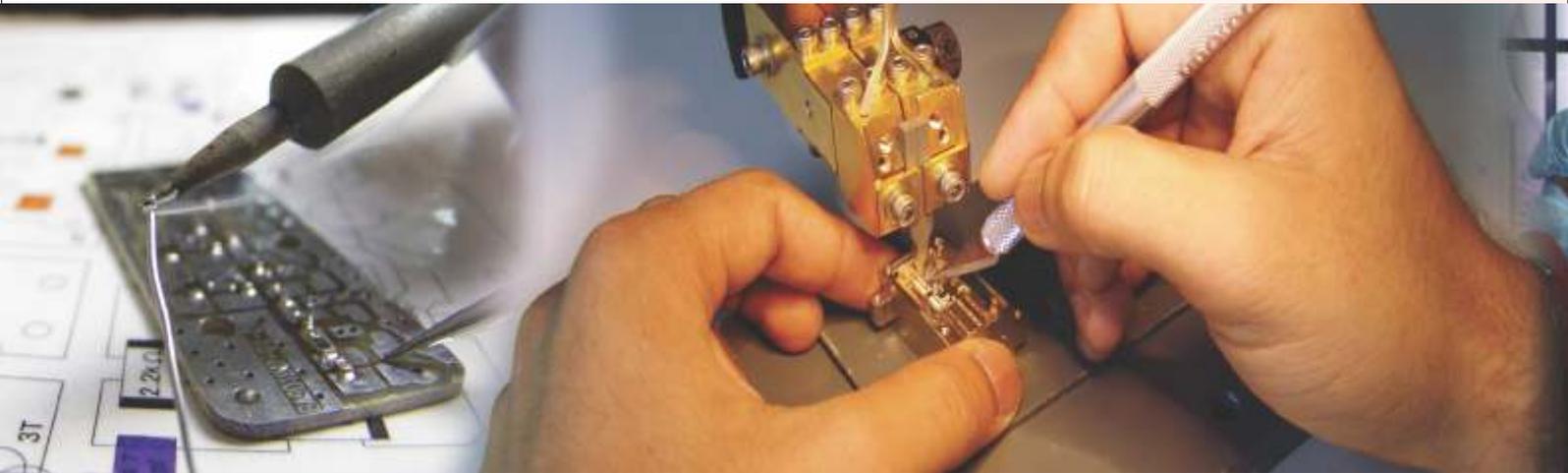


Growth
beyond
Success



ASTRA MICROWAVE PRODUCTS LIMITED

Vision



To be at the forefront of the telecommunication revolution through research and development.

Investing in technologies that can lead to leadership.

Employing the finest talent to reach the top through excellence.



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QUICK INFORMATION

- Board of Directors** : Dr.Shiban K Koul, Chairman
Mr.B.Malla Reddy, Managing Director
Mr.P.A.Chitrakar, COO
Mrs.C.Prameelamma, Director (Technical)
Mr.Atim Kabra
Mr.J.Venkatadas
- Sr. General Manager (F&A)** : Mr. S. Gurunatha Reddy
- Company Secretary** : Mr. T. Anjaneyulu
- Auditors** : M/s. Amar & Raju
Chartered Accountants
Flat No: 201, KOR Residency,
H.No:8-3-966/16, Road No:3,
Nagarjuna Nagar, Srinagar Colony,
Hyderabad – 500 073.
- Bankers** : Canara Bank, Prime Corporate Branch,
Secunderabad
- HDFC Bank Ltd.
Lakdikapul, Hyderabad.
- State Bank of India
Overseas Branch, Hyderabad.
- Registered Office** : ASTRA Towers, Survey No.12(P),
Kothaguda Post, Kondapur,
Hitechcity, Hyderabad – 500 084.
Phone: 040-30618000 / 8001
Website: www.astramwp.com

Factories

- Unit I**
Plot No.12, ANRICH Industrial Estate,
Miyapur, IDA Bollarum,
Medak (District) – 502 325 A.P.
- Unit II**
Plot No.56A, 56B and 57A,
ANRICH Industrial Estate,
Miyapur, IDA Bollarum,
Medak (District) – 502 325 A.P.
- Unit III**
Survey No.1/1, Imarat Kancha,
Raviryala Village, Maheswaram Mandal,
Rangareddy (District) – 500 010 A.P.
- Unit IV**
Plot No: 18, 19, 20 & 21 (Part)
Hardware Park, Sy.No: 1/1,
Imarat Kancha of Ravirayal Village,
Maheswaram Mandal, R.R.Dist.

Registrars

- Purva Sharegistry (India) Pvt. Ltd.,**
Shiv Shakti Industrial Estate,
Unit No.9 , Ground Floor,
7 B J R Boricha Marg,
Lower Parel, Mumbai - 400 011
Tele:91-022-23016761
Email:busicomp@vsnl.com

Listing

- The Bombay Stock Exchange Ltd.,**
The National Stock Exchange of India Ltd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty First Annual General Meeting of the Members of Astra Microwave Products Limited will be held at Hotel Daspalla, Road No:37, Jubilee Hills, Hyderabad – 500 033, on Monday, the 30th July, 2012 at 3.00 P.M. for the transaction of the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2012, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. P.A. Chitrakar, Director who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Atim Kabra, Director who retires by rotation and being eligible offers himself for reappointment.
5. To appoint M/s Amar & Raju, Chartered Accountants, the retiring Auditors of the Company, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution: “RESOLVED THAT, in modification of the resolution, limiting the borrowing powers of the Board of Directors of the Company upto Rs. 250 crores (Rupees Two hundred and fifty crores only) in excess of the aggregate of the paid up capital of the company and its free reserves, passed by the company at the Fourteenth Annual General Meeting of the Company held on 25th July, 2005, the Board of Directors of the Company be and is hereby authorized under Section 293(1)(d) of the Companies Act, 1956, to borrow from time to time all such sums of money as they may deem requisite for the purpose of the business of the Company provided that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the company’s bankers in the ordinary course of business) shall not exceed the aggregate of the paid up capital and free reserves by more than Rs. 500 crores (Rupees Five hundred crores only).”
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution: “RESOLVED THAT, in modification of the resolution passed at the Fourteenth Annual General Meeting of the Company held on 25th July, 2005, the consent of the Company be and is hereby accorded to the Board of Directors pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956 and other applicable provisions, if any, read with Article 32 of the Articles of Association of the Company, for the creation of such mortgages, charges and hypothecations, on all immovable and movable properties of the company, both present and future, up to an amount not exceeding the aggregate of the paid up capital and free reserves by more than Rs. 500 crores (Rupees Five hundred crores only) in favour of lending Financial Institution (s) / Corporate Body (s) / person (s) / Corporation (s) / Government (s) / Lenders (s) / Bank (s) for moneys borrowed or to be borrowed.”
FURTHER RESOLVED THAT the Board of Directors of the company be and are hereby authorized to finalise the terms and conditions for creating the aforesaid mortgages and / or charges and to do all such acts and things as may be necessary for giving effect to this resolution.”

By order of the Board
For **Astra Microwave Products Limited**

Hyderabad
26th April, 2012

B.Malla Reddy
Managing Director

NOTES:

1. A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in the meeting and the proxy need not be a member of the Company.
2. The instrument appointing the proxy must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
3. Members / proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
4. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
5. The register of members and share transfer books of the Company will remain closed from 23rd July, 2012 to 30th July, 2012 (both days inclusive).

6. The dividend of Rs.0.70/- per share for the year ended March 31, 2012 as recommended by the Board, if sanctioned at the Annual General Meeting, will be payable to those members whose names appear on the Company's register of members on 30th July, 2012. In respect of shares held in electronic form, dividend will be payable on the basis of beneficial ownership as per details furnished by NSDL and CDSL for this purpose.
7. Members whose shareholding is in the electronic mode are requested to inform change of address and updates of savings bank account details to their respective depository participants. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends. While members holding shares in physical form, may write to the Registrar and Transfer Agent for any change in their addresses immediately so as to enable the Company to dispatch dividend warrants at their correct addresses.
8. Members wishing to claim dividends, which remain unclaimed are requested to correspond with the Company Secretary, at the Company's registered office. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.
9. Astra is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs (MCA), Government of India, has by its Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, permitted companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance.

Recognizing the spirit of the circular issued by the MCA, we are sending documents like the Notice convening the general meetings, Financial Statements, Directors' Report, Auditors' Report, etc, to the email address provided by you with your depositories.

We request you to update your email address with your depository participant to ensure that the annual report and other documents reach you on your preferred email account.

EXPLANATORY STATEMENT

As required by Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out material facts relating to the business under items 6 and 7 of the accompanying notice dated 26th April, 2012.

Item: 6

The Board of Directors of the Company were authorized by the Members of the Company under section 293(1)(d) of the Companies Act, 1956 at the Fourteenth Annual General Meeting of the Company held on 25th July, 2005 to borrow funds upto Rs. 250 crores (Rupees Two hundred and fifty crores only) in excess of the aggregate of the paid up capital and free reserves (other than temporary loans obtained from the company's bankers in the ordinary course of business).

In order to meet the increased long term fund requirements and for financing the present and future projects of the Company, the Board of Directors request the members to accord their consent to borrow funds upto Rs. 500 crores (Rupees Five hundred crores only) in excess of the aggregate of the Company's paid up capital and free reserves in terms of Section 293(1)(d) of the Companies Act, 1956.

The resolution has accordingly been proposed for approval by the shareholders pursuant to Section 293(1)(d) of the Companies Act, 1956.

None of the directors of the Company is in any way concerned or interested in the resolution.

Item:7

As per the existing limits, the Board of Directors have powers to create charge on the movable and immovable assets of the company up to an amount of Rs. 250 crores (Rupees Two hundred and fifty crores only) in excess of the aggregate of the paid up capital and free reserves in favour of lending Financial Institution (s) / Bank (s) etc.,

To meet the increasing requirements of the funds, the Board of Directors are required to borrow funds from time to time, for which mortgages / charges / hypothecations are to be created on the movable and immovable assets of the company and hence it is considered necessary to enhance the said limit upto Rs. 500 crores (Rupees Five hundred crores only) in excess of the aggregate of the Company's paid up capital and free reserves.

The resolution has accordingly been proposed for approval by the shareholders pursuant to Section 293(1)(a) of the Companies Act, 1956.

None of the directors of the Company is in any way concerned or interested in the resolution.

By order of the Board
For **Astra Microwave Products Limited**

Hyderabad
26th April, 2012

B.Malla Reddy
Managing Director

DIRECTORS' REPORT

To the members,

We are delighted to present the report on our business and operations for the year ended March 31, 2012.

FINANCIAL PERFORMANCE

Particulars	₹ in lacs	
	2011-12	2010-11
Sales	20375	16120
Profit before depreciation	5409	3684
Depreciation	1244	1242
Profit before tax	4381	2438
Provision for taxation	1061	578
Profit after tax	3320	1860
EPS (in ₹)	4.06	2.27
Paid up Equity Share capital	1636	1636
Reserves	15494	12839
Dividend (in percentage)	35	25

For detailed analysis of the performance, please refer to management's discussion and analysis section of the annual report.

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 0.70/- per equity share of ₹ 2/- for the financial year 2011-12. The dividend, if approved at the ensuing Annual General Meeting, will be paid to those shareholders whose name appear on the register of members of the Company as on 30th July, 2012.

TRANSFER TO RESERVES

Your Directors have proposed to transfer ₹ 350 lacs to the General Reserve retaining ₹ 2304 lacs in the Profit and Loss account.

DEPOSITS

Your Company has not accepted any deposits and, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Mr.P.A.Chitrakar, and Mr. Atim Kabra, Directors retire by rotation and being eligible, offer themselves for re-appointment.

The brief resume/details relating to directors who are to be re-appointed are furnished in the Corporate Governance section.

DIRECTORS RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- In the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts on a going concern basis.

PARTICULARS REGARDING SUBSIDIARY COMPANY

The Company sold entire investments held in the subsidiary company during the financial year.

AUDITORS

The Statutory Auditors M/s Amar & Raju, Chartered Accountants, Hyderabad, retire at this Annual General Meeting. The Company is in receipt of confirmation from the Statutory Auditors that in the event of their reappointment as Statutory Auditors of the Company at ensuing Annual General Meeting, such reappointment will be in accordance with the limits specified in sub-section (1B) of Section 224 of the Companies Act, 1956.

As regard Auditors observations, relevant notes on accounts are self explanatory and therefore, do not call for any further comments.

DISCLOSURES

Disclosures in terms of Companies (Disclosure of Particulars in report of the Board of Directors) Rules, 1988 in respect of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo are attached (Annexure I) and forms part of this report.

CORPORATE GOVERNANCE

The Company has complied with the provisions of Clause 49 of the Listing Agreement relating to Corporate Governance. A report on corporate governance along with the statutory auditors' certificate and a management discussion and analysis report forms part of this annual report.

PARTICULARS OF EMPLOYEES

Pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended the names and other particulars of employees are set out in Annexure II to the Directors' Report.

EMPLOYEE RELATIONS

Employee relations were cordial during the year and the Board would like to place on record its appreciation to all the employees of the Company for their dedicated services and performance in qualitative and quantitative parameters.

ACKNOWLEDGMENTS:

Your Directors express their gratitude to all investors, customers, vendors, banks and regulatory and governmental authorities for their continued support.

For and on behalf of the Board of Directors

Hyderabad
26th April, 2012

Mr. B. Malla Reddy
Managing Director

Mr. P. A. Chitrakar
COO

ANNEXURE (I) TO THE DIRECTORS' REPORT

Particulars pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

1. Details of Conservation of Energy

The operation of the company are not energy intensive. However, adequate measures have been taken to conserve and reduce the energy consumption.

2. Research & Development (R&D)

The Company's Research and Development centre is recognized by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India in the year 1994.

During the year the R&D wing of the Company has developed innovative designs useful for manufacture of cost effective products. The research and development efforts of the Company are customer need based and hence it is a continuous process. The areas of effort are directly related to the type of products sold during the year. Because of its in-house R&D efforts the Company was able to deliver the best solutions to the customers in cost effective manner.

The Company has spent the following amounts for R&D during the year.

Particulars	₹ in lacs	
	2011-12	2010-11
a. Capital	163	Nil
b. Recurring	711	399
c. Total	874	399
d. Total R&D expenditure as a percentage of total turnover	4.46%	2.47%

3. Technology Absorption, Adoption and Innovation

The Company works on in house technology. However, the company has one contract for Technology, Transfer, Absorption and adoption with a foreign company for a specific program which enables us to supply sub-systems for a Radar program of DRDO labs. Since, the program is still in absorption and development stage no quantitative details are available as of now.

4. Particulars of foreign exchange earnings and outgo

The Company did well in exports due to Defence Offset opportunities and has bright prospects for the future also. Foreign Exchange outgo and earnings

Particulars	₹ in lacs	
	2011-12	2010-11
Foreign Exchange outgo:		
On account of raw materials	6446	5762
On account of capital goods&Tools	600	500
On account of revenue expenses	47	35
On account of equity dividend	1.50	1.00
Total	7094.5	6298
Foreign Exchange Earnings	1565	3427

For and on behalf of the Board of Directors

ANNEXURE (II) TO THE DIRECTORS' REPORT

Particulars required under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Name of the Employee	Age	Designation	Gross Remuneration ₹	Qualification	Experience in years	Date of Commencement in employment]	Particulars of last employment
Mr.B.Malla Reddy	65	CEO & M.D	11887804	M.E (Automation)	28	13.09.1991	Head (R&D) OMC Computers Ltd
Mrs.C.Prameelamma	63	Director (Technical)	11626500	M.E (Instrumentation & Control Systems)	22	13.09.1991	Scientist "C" DRDO Labs, Hyderabad
Mr.PA.Chitrakar	61	Chief Operating Officer	11672055	M.Tec (Advanced Electronics)	40	01.09.1994	Scientist `E` Defense Electronics Research Laboratory, Hyderabad

For and on behalf of the Board of Directors

Place : Hyderabad
Date: 26th April, 2012

Mr. B. Malla Reddy
Managing Director

Mr. P. A. Chitrakar
COO

REPORT ON CORPORATE GOVERNANCE

The detailed report on Corporate Governance, for the Financial Year 1st April, 2011 to 31st March, 2012 as per the format prescribed by SEBI and incorporated in clause 49 of the Listing Agreement is set out below:

Astra Microwave Products Limited (AMPL) is committed to the highest standards of corporate governance in all its activities.

Company's Philosophy on code of governance:

Your company believes in providing highest transparency and ethical value in Corporate Governance. Your company also believes in taking into confidence all the stakeholders viz Shareholders, Employees, Creditors, Customers etc. Your company is committed to take the torch of Corporate Governance forward, so that every stakeholder of the company synchronizes and synergies their efforts in their growth along with the growth of their company.

I. BOARD COMPOSITION AND MEETINGS.

The Board consists of both Promoter Directors and External Directors. External Directors include the nominees of strategic investors and professional Independent Directors. Presently the Board has six Directors with three Promoters Directors.

Table 1 gives the composition of the company's Board, their category, designation, other Directorships and memberships of Committees held by each of them.

Table 1: Composition of AMPL's Board as on March 31, 2012

Name of the Director	Category	Designation	Other Directorships	Committee Memberships	Chairmanship in Committees
Dr. Shibani K Koul	Independent Director	Chairman	-	1	1
Mr. B. Malla Reddy	Promoter and Executive Director	Managing Director	-	1	-
Mr. P. A. Chitrakar	Promoter and Executive Director	Chief Operating Officer	-	1	-
Mrs. C. Prameelamma	Promoter and Executive Director	Director (Technical)	-	-	-
Mr. J. Venkatas	Independent Director	Director	1	4	1
Mr. Atim Kabra	Non-Executive Director	Director	5	3	1

Shareholding in the Company

Table 2 gives details of the shares held by each of the Directors as on March 31, 2012.

Table 2: Shares held by Directors in the Company

Name of the Director	No. of shares held
Dr. Shibani K Koul	38,500
Mr. B. Malla Reddy	21,94,902
Mr. P.A. Chitrakar	13,74,404
Mrs. C. Prameelamma	14,54,339
Mr. J. Venkatas	42,600
Mr. Atim Kabra	5,44,500

Meetings

The Company holds at least four Board meetings in a year, one in each quarter inter-alia to review the financial results of the Company. The gap between the two Board meetings does not exceed four calendar months. Apart from the four scheduled Board meetings, additional Board meetings are also convened to address the specific requirements of the Company. Urgent matters are also approved by the Board by passing resolutions through circulation. Every Director on the Board is free to suggest any item for inclusion in the agenda for the consideration of the Board.

During the year five Board meetings were held respectively on April 27, 2011, July 28, 2011, October 28, 2011, January 12, 2012 and January 28, 2012.

The attendance of the Directors at the Board Meeting and the Annual General Meeting held during the year 2011 was as follows:

Name of the Director	Meetings held in Director's tenure	Number of Board meetings attended	Attendance in last AGM on July 28, 2011
Dr. Shibhan K Koul	5	4	Present
Mr. B. Malla Reddy	5	5	Present
Mr. P. A. Chitrakar	5	5	Present
Mrs. C. Prameelamma	5	5	Present
Mr. J. Venkatas	5	4	Present
Mr. Atim Kabra	5	2	No

Information given to the Board

Necessary information as mentioned in Annexure IA to Clause 49 of the Listing Agreement has been placed before the Board for their consideration.

Directors Remuneration

The remuneration including performance allowance payable to the Directors during the year under review was in conformity with the applicable provisions of the Companies Act, 1956 and duly approved by the Board and the shareholders.

The remuneration paid to the Directors for the services rendered during 2011-12 is given in Table 3 below:

Table 3: Remuneration paid to the Directors for the financial year 2011-12

Amount in Rs.

Name	Sitting Fee (includes for committee meetings)	Salary & Perks	Performance allowance & commission	Total amount paid	Total Eligible amount
Dr. Shibhan K Koul	20,000	0	6,00,000	6,20,000	16,80,462
Mr. B. Malla Reddy	0	22,05,304	96,82,500	1,18,87,804	1,68,04,617
Mr. P. A. Chitrakar	0	19,89,555	96,82,500	1,16,72,055	1,68,04,617
Mrs. C. Prameelamma	0	19,44,000	96,82,500	1,16,26,500	1,68,04,618
Mr. J. Venkatas	20,000	0	6,00,000	6,20,000	16,80,462
Mr. Atim Kabra	5,000	0	4,00,000	4,05,000	16,80,461

Code of Business Conduct and Ethics

The Company has adopted a Code of Business Conduct and Ethics for the Board members and Senior Management Personnel. The same has also been posted on the website of the company. A declaration by the Managing Director affirming the compliance on the Code of Conduct applicable to the Board members and the Senior Management Personnel for the financial year 2011-12 forms part of this report.

II. Committees of the Board

The Company has four Committees, namely:

- A) Audit Committee.
- B) Compensation Committee / Remuneration Committee.
- C) Investor Grievance Committee.
- D) Share Transfer Committee.

A) Audit Committee:

The Audit Committee consists of three Directors, majority of them are independent Directors. The committee is headed by Mr.J.Venkatadas, non-executive and an independent Director. All the members of the Audit committee are financially literate.

a) Audit Committee charter:

The Audit Committee provides the Board with additional Assurance as to the adequacy of the Company's internal control systems and financial disclosures. The Audit Committee acts as a link between the Management, Statutory Auditors, Internal Auditors and the Board of Directors. The composition, powers and functions of the Audit committee meet the requirements of the Listing Agreement and Section 292A of the Companies Act, 1956.

b) Meetings:

The Audit Committee met four times during the year under review on April 27, 2011, July 28, 2011, October 28, 2011 and January 28, 2012. Table 4 gives the composition and attendance record of Audit Committee.

Table 4 Audit Committee attendance during the financial year 2011-12.

Name of the Director	Position held	No.of Meetings held	No.of Meetings attended
Mr. J. Venkata Das	Chairman	4	4
Dr. Shiban K Koul	Member	4	4
Mr. Atim Kabra	Member	4	1

c) Attendees:

The Audit Committee invites such of the executives, as it considers appropriate to be present at its meetings. The Statutory Auditors and Internal Auditors are also invited to these meetings. The Company Secretary acts as the Secretary of the Committee.

d) The Terms of Reference of the Audit Committee :

The terms of reference and the role of the audit committee is to overview the accounting systems, financial reporting and internal controls of the company. The powers and role of audit committee are as set out in the Listing Agreement and Section 292A of the Companies Act, 1956

All the recommendations of the audit committee were accepted by the Board of Directors.

B. Compensation Committee / Remuneration Committee.

The Committee has not met during the year.

C. Investor Grievance Committee:

The Grievance committee consists of four Directors out of which two are non-executive Directors. The Committee is headed by Mr. Atim Kabra a Non-Executive Director.

The committee met four times during the year. The company is prompt in attending the investor grievances. Other than the legal issues, the routine investor grievances have been fully redressed.

Name of the Director	Position held	No. of Meetings attended
Mr. Atim Kabra	Chairman	1
Mr. J. Venkata Das	Member	4
Mr. B. Malla Reddy	Member	4
Mr. P. A. Chitrakar	Member	4

D. Share Transfer Committee:

In order to enable transfer of shares, the Board had formed a Share Transfer Committee with Mr. B. Malla Reddy, M.D as the Chairman of the Committee and Mr. S. Gurunatha Reddy, Sr. G.M (F&A) as the member. The Share Transfer Committee met 3 times during the financial year 2011-12. The Attendance of the members of the Share Transfer Committee recorded is as under:

Name of the Person	Position held	No. of Meetings attended
Mr. B. Malla Reddy	Chairman	3
Mr. S. Gurunatha Reddy	Member	3

III. Disclosures

i) Related party transactions:

There were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. The transactions with related parties are disclosed in the Notes on Accounts in the financial statements as at March 31, 2012.

(ii) There have not been any Non-Compliance by the Company in general and no penalties or strictures imposed on the Company by Stock Exchanges, SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

(iii) Risk management

We have an integrated approach to managing risks inherent in various aspect of our business.

(iv) Management's discussion and analysis

The Management's discussion and analysis report forms part of this Annual Report and is provided elsewhere in this report.

(v) Compliance with non-mandatory requirements of Clause 49 of the Listing Agreement

The Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement.

We comply with the non-mandatory requirement:

a. The Board

Independent Directors may have a tenure not exceeding, in the aggregate, a period on nine years, on our Board.

None of the independent directors on our Board have served for a tenure exceeding nine years from the date when the new Clause 49 became effective.

IV. Shareholders

A). Profile of the Director(s) being appointed / re-appointed at the ensuing AGM.

Directors retiring by rotation:

I. Mr. P. A. Chitrakar, COO

Mr. P. A. Chitrakar is a Post Graduate in Engineering, has been associated with the Company as Director since 1994 and has an expert knowledge in the design aspects of wide range of Microwave components.

ii. Mr. Atim Kabra, Director

Mr. Atim is a Economics graduate from Delhi University and an MBA (Finance) from NMIMS, Bombay. He is a Founder Partner & Principal of Frontline Strategy Ltd. He is a nominee Director of Frontline Strategy Ltd.

B. Communication to shareholders

(i) Financial Results

The audited quarterly and half-yearly financial results and the annual audited financial results are published normally in The Economic Times and The Vaartha (Telugu).

(ii) Other Information

The Company has its own website www.astramp.com wherein other related information is available. Information can be communicated through e-mail at secretarial@astramp.com.

C. Investor grievances and share transfer

We have a Board-level investor grievance committee to examine and redress shareholder's and investors' complaints. The details of nature of complaints are provided in the Additional information to shareholders section of the Annual Reports.

Share transfers in physical form are processed and returned to the shareholders within the stipulated time. Half-yearly Transfer Audit and Quarterly Secretarial Audit in terms of the Listing Agreement are regularly carried out by an independent practicing Company Secretary.

Designated e-mail address for investor services:

In terms of Clause 47(f) of the Listing Agreement, the designated e-mail address for investor complaints is secretarial@astramp.com.

V. CEO/CFO certification

As required by Clause 49 of the Listing Agreement, the CEO/CFO certification was submitted to the Board.

VI. Auditors' certification on corporate governance

As required by Clause 49 of the Listing Agreement, the Auditors' certification is provided elsewhere in the Annual Report.

ADDITIONAL INFORMATION:

1. Venue and Time of the Last Three Annual General Meetings (AGMs)

The Annual General Meetings (AGMs) of the Company have been held at the following places in the last three years.

For the year	Venue	Day & Date	Time
2009	Bhaskara Auditorium, BM Birla Museum, Hyderabad – 500 063	Friday, 31st July, 2009	3.30 P.M
2010	Bhaskara Auditorium, BM Birla Museum, Hyderabad – 500 063	Thursday, 30th September, 2010	12.30 P.M
2011	Bhaskara Auditorium, BM Birla Museum, Hyderabad – 500 063	Thursday, 28th July, 2011	3.30 P.M

In the last AGM, there were no resolutions required to be passed through postal ballot..

2. Annual General Meeting

Day, Date and time	30th July, 2012 at 3.00 P.M.
Venue	Hotel Daspalla, Road No: 37, Jubilee Hills, Hyderabad – 500 033.

3. Financial Calendar

Indicative calendar of events for the year 2012-13 (financial year) excluding Extra Ordinary General Meeting(s), if any, is as under

21st Annual General Meeting	30th July, 2012
First Quarter financial results	30th July, 2012
Second Quarter financial results	31st October, 2012
Third Quarter financial results	31st January, 2013
Fourth Quarter & Annual results of financial year 2012-13	30th April, 2013

4. Book Closure

The Company's Register of Members and Share Transfer books will remain closed for the purpose of payment of dividend.	23rd July, 2012 to 30th July, 2012 (Both days inclusive)
---	--

5. Dividend Payment Date

On or Before 15th August, 2012.

6. Listing on Stock Exchanges

The Company's equity shares are	Address of the Stock Exchanges listed on the following stock Exchanges
The National Stock Exchange of India	"Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai-400 051.
The Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.
Listing Fee	The Company has paid till date listing fee of all the above Exchanges.
The Stock Code of the Company	ASTRAMICRO (NSE) 532493 (BSE)
The ISIN for Company's Equity Shares in Demat Form	INE386C01029
Depositories Connectivity	NSDL and CDSL

7. Stock Market Data

Monthly high and low quotations and volume of shares traded on The Bombay Stock Exchange Limited.

Month	BSE		
	High(Rs.)	Low(Rs.)	Volume (Nos.)
April'11	44.50	37.20	12,29,984
May'11	38.70	28.00	6,28,851
June'11	32.00	21.55	5,58,161
July'11	32.40	27.00	7,04,108
Aug'11	30.60	23.25	5,77,674
Sept'11	29.15	23.35	4,83,377
Oct'11	36.90	27.80	6,77,379
Nov,11	40.70	33.10	8,28,575
Dec'11	38.35	33.00	3,93,564
Jan'12	40.80	33.15	2,88,077
Feb'12	43.05	34.85	10,75,262
Mar'12	40.25	33.85	7,64,942

8. Stock performance in comparison to BSE Sensex:

MONTH	ASTRA CLOSING PRICE (₹)	BSE Sensex (closing)
April'11	37.45	19135
May'11	31.05	18503
June'11	27.10	18845
July'11	29.30	18197
Aug'11	24.00	16676
Sept'11	28.95	16453
Oct'11	36.25	17705
Nov,11	36.85	16123
Dec'11	34.60	15454
Jan'12	38.00	17193
Feb'12	36.45	17752
Mar'12	34.90	17404

9. Registrar and Transfer Agent

M/s Purva Sharegistry (India) Pvt. Ltd.,
 Shiv Shakti Industrial Estate,
 Unit No.9 , Ground Floor,
 7 B J R Boricha Marg,
 Lower Parel,
 Mumbai - 400 011
 Tele:91-022-23016761, 2301 8261 and 2301 0771.
 Email:busicomp@vsnl.com

10. Investor Complaints

During the year the company has attended to most of the investor's grievances/complaints within a reasonable time of receipt of the same and aptly solved them. The delays in few cases were due to compliance of legal requirements.

Status report of for the period 01.04.2011 To 31.03.2012.

Name of the Complaint	Received	Disposed	Pending
Non receipt of dividend warrants	5	5	Nil
Deletion/inclusion of joint name, transfer and transmission	1	1	Nil
Demat	Nil	Nil	Nil
Others	1	1	Nil
Change of Address	Nil	Nil	Nil

11. Distribution of shareholding and shareholding pattern as on 31.03.2012

Distribution of shareholding

No. of shares held	No. of shareholders
Upto - 5,000	27300
5,001 - 10,000	823
10,001 - 20,000	345
20,001 - 30,000	106
30,001 - 40,000	34
40,001 - 50,000	30
50,001 - 1,00,000	75
1,00,001 And Above	99
TOTAL	28812

Shareholding pattern

Category	No. of shares	% shareholding
Promoters	15818043	19.33
Individuals	23250196	28.41
FII's/NRIs/OCBs	16860527	20.61
Bodies corporate	20586417	25.16
Trusts	1739400	2.13
Financial Institutions/ Banks/Mutual funds	3570642	4.36
Total	81825225	100

12. Dematerialisation of shares and liquidity.

Trading of the Company's shares is compulsorily in dematerialized form for all investors. As of March 31, 2012 equity shares representing 98% have been dematerialized with the following depositories:

Description	ISIN	Depositories
Equity shares	INE386C01029	NSDL & CDSL

13. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity.

The Company has not issued any GDRs / ADRs. There were no outstanding convertible warrants as on March 31, 2012.

14. Plant Locations.**Unit-I**

Plot No:12,ANRICH Industrial Estate,
Miyapur,IDA Bollarum,
Medak(District)-502 325.
Andhra Pradesh.
Tele:040-30618100 / 01

Unit-II

Plot No:56A,
ANRICH Industrial Estate,
Miyapur,IDA Bollarum,
Medak(District)-502 325.
Andhra Pradesh.
Tele:040-30618200 / 01

Unit-III

Survey no:1/1,Imarat Kancha,
Raviryala Village,
Maheswaram Mandal,
Rangareddy (District)-500 010.
Andhra Pradesh.
Tele:040-30618300 / 01

Unit-IV

Plot no: 18, 19, 20 & 21 (Part)
Hardware Park, Sy.No: 1/1,
Imarat Kancha of Ravirayal village,
Maheswaram Mandal,
Rangareddy (District)-500 010.
Andhra Pradesh.
Tele:040-30618700 / 01

15. Queries relating to the financial statements of the Company and Investor's correspondence may be addressed to:

Mr.T.Anjaneyulu
Company Secretary and Compliance Officer
'ASTRA TOWERS',
Survey No:12 (P),
Kothaguda Post,
Kondapur, Hitech City,
Hyderabad – 500084.
Tele:040-30618000/8001
Fax:040-30618048

AUDITORS' CERTIFICATE **(Under Clause 49 of The Listing Agreement)**

To

The Members of ASTRA MICROWAVE PRODUCTS LIMITED,

We have examined the compliance of conditions of Corporate Governance by M/s. ASTRA MICROWAVE PRODUCTS LIMITED., ("the Company") for the year ended on March 31, 2012 as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchange(s).

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Amar & Raju
Chartered Accountants

P. Venkata Ramana
Partner
Membership No:203346

Place: Hyderabad.
Date : 26.04.2012

Managing Director's Declaration on **Code of Business Conduct and Ethics**

To

The Members of ASTRA MICROWAVE PRODUCTS LIMITED,

This is to certify that all Board Members and Senior Management personnel have affirmed compliance with the Code of Business Conduct and Ethics applicable to them for the financial year 2011-12.

For Astra Microwave Products Limited

B. Malla Reddy
Managing Director

Place: Hyderabad.
Date : 26.04.2012

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Overview

Astra is engaged in designing and manufacturing of high value added RF and microwave super components and sub-systems finding applications in Defense, Space and Civil communication systems.

A. Financial Analysis

The financial statements have been prepared in accordance with the guideline as laid out in the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. The management of Astra accepts responsibility for the integrity and objectivity of these financial statements. The financial statements reflect in a true and fair manner, the form and substance of transactions, and reasonably present the company's state of affairs and profits for the year.

a) Operational performance:

For the year top line has crossed Rs.200 cr recording a growth of 26% over previous year and has achieved a bottom line (profit after tax) Rs.33.20 cr. After relatively few flat years, the Company has shown improved performance and has adequate orders on hand which will enable it to record good growth in the coming years.

The Company has invested significant resources both financially and time wise in indigenous defence development programs. These sustained efforts have now begun to bear fruits as some of these programs have moved to production stage. This will help the Company to achieve much faster growth in the top line in the years to come.

The Company which has established itself as a reliable source for indigenous defence requirements has become an active offset partner for Defence offset requirements. It is the first among private companies to bag an offset related export order in the year 2008, when the Government opened such window of opportunities. Over the years though the offset programs moved slowly, AMPL was concentrating on establishing its credibility through its quality and timely supplies to its overseas customers. This confidence has enabled AMPL to bag and accumulate more than Rs.350 cr export orders at the end of this year. With an early mover status in terms of adherence to quality monitoring systems specified by the importers abroad, now AMPL is poised for noticeable growth in such exports as our country ably supported by the Govt. of India is going to witness a surge in the offset based export business.

b) Order book.

As explained above, along with improved performance, the health of order book has improved significantly. The outstanding position as of 26.04.2012 is as follows. Most of these orders are executable in the next 18 to 24 months period.

Sector	₹ lacs
Defence / Public Sector Products	31579
Space	3322
Meteorological Products	317
Telecom Products	18
Exports	41441
Total	76677

c) **Sales performance**

Sector wise sales are as follows

Business Sector	FY 11-12		FY 10-11	
	₹ Lacs	%	₹ Lacs	%
Defense	17822	85	9645	58
Space	1351	6	2006	12
Metrology	98	1	1125	7
Civil Telecom	212	1	297	2
Exports	1565	7	3423	21
Total	21048	100	16496	100

As always Defence sector has contributed more compared to other sectors and this pattern will continue in the coming years too.

The production orders of Akash missile and some of the Radars programs are driving the growth and this phase has just started. We are likely to see improved growth in indigenous defence business as more and more projects move from development phase to production stage.

Defence offset requirement has finally taken off and the Company has bagged handsome order which will give good volume growth for the next two to three years.

Space sector has a steady run during the year and is likely to improve. The radar imaging satellite (RISAT-I) for which critical sub-systems were supplied by us was successfully launched during the year and the Company's contribution was appreciated. This launch being first of its kind in the indigenous programs of ISRO, we are all the more delighted with our contribution in the Nation building endeavor. More and more such programs are likely to be taken up in future where the Company will have a major role to play.

d) **Expansion plans**

As the company has seen a steady increase in volume production business, it has decided to strengthen some of the production process related functions which are outsourced up to now. These functions are advanced welding facility, Laser welding facility and EMI/EMC test facilities. Addition of these facilities though will not contribute to volume growth in business; it will facilitate meeting high end quality standards without loss of much time and will enhance customer's confidence in timely deliveries of right products.

Other proposed expenditure pertains to creating additional production and R&D capacities.

The Company also intend to set-up Development and Production facilities at Bangalore where it has major Defense Market customers like LRDE, CABS, BEL etc., Part of the project cost includes cost of 5 acres of industrial land at Aerospace Hardware Park development by Karnataka State.

The estimated expansion budget is around Rs.32 cr out of which the loan component will be around Rs.23 cr.

e) Risks & Concerns

The Company's main source of revenues lies in Defence market and more particularly from strategic stream of said market. Most of these projects are initiated, designed and developed by DRDO labs and driven by Govt., policies and priorities. Though technically we can project and complete the product development on the time lines indicated, conversion of that to a recognizable quantum of orders lies mainly on the Government decisions. This results in an uneven and skewed pattern of sales for the Company, which is beyond the control of the Company.

B. Financial Condition:

1. Share Capital

At present, the company has only one class of shares-equity shares of Rs.2 each, par value. The paid up capital as on 31.03.2012 is Rs.16.36 cr.

2. Reserves and surplus

The change in reserves and surplus represents the amount used for issue of bonus shares, premium earned on issue of shares under ESOP, transfers from the profits derived during the year after making provisions for taxation and equity dividend.

3. Loan Funds

The company has taken long terms loans during the year to buy testing and other environment equipment's. Following are the details of secured loans maintenance during the year.

Particulars	As of March 31 (Amount. ₹)	
	2012	2011
Working capital loans:		
Open cash credit		
Sanctioned amount	65,00,00,000	50,00,00,000
Outstanding amount	9,98,12,181	44,96,063
Short-term loan	25,15,46,577	20,05,25,205
Long term loans:		
Outstanding at the beginning of the year	10,64,36,215	13,62,97,834
Additions during year	6,51,62,759	3,17,96,819
Repaid during the year	6,17,02,823	6,16,58,438
Amount outstanding at the end of the year	10,98,96,151	10,64,36,215
Hire purchase loans:		
Outstanding at the beginning of the year	33,33,647	25,89,463
Addition during year	39,62,160	19,74,700
Repaid during the year	19,86,867	12,50,516
Amount outstanding at the end of the year	53,08,940	33,33,647

Unsecured loan pertains to the sales tax deferment availed by the company for products manufactured at Unit-II. During the year the Company repaid Rs. 6,55,446/- which pertains to the deferment availed in the year 1999. The liability position and repayment schedule for the remaining periods is shown below.

Deferment availed during the year	Amount(Rs.)	Payable during during the year
2000	18,36,075	2013
2001	10,12,027	2014
2002	11,34,646	2015
2003	21,53,923	2016
2004	47,39,206	2017
2005	1,04,74,783	2018
Total	2,13,50,660	

4. Deferred tax

The company has accounted for full tax liability.

5. Fixed Assets

Particulars	As of March 31 (Amount ₹)	
	2012	2011
Original cost		
Land	91,094,397	8,58,64,397
Buildings	481,792,960	47,58,84,349
Plant & machinery	852,485,500	77,42,48,963
Electrical installation	32,100,077	3,19,16,570
Air conditioners	49,288,681	4,89,88,760
Office equipment	9,357,120	87,34,094
Furniture and fixtures	49,058,028	4,43,26,237
Computers	90,209,822	7,46,24,465
Vehicles	21,041,778	1,88,46,318
Total	167,64,28,363	156,34,34,153
Less: Accumulated depreciation	78,31,76,370	66,02,66,514
Net block	89,32,51,993	90,31,67,639
Net fixed assets	89,32,51,993	90,31,67,639
Depreciation as % of total revenue	5.91	7.71
Accumulated depreciation as a % of gross block	37.20	42.23

During the year the company added assets worth Rs. 11 crores to the gross block. Most of the plant and machinery additions pertain to cost of Test equipment's, Environmental chambers for increasing production and R&D capacities.

The company has further capital expenditure commitment of Rs. 30 crores during the year which will be met out of the cash accruals and borrowed funds.

6. Investments

Investments (previous year) represents amount invested in equity share capital of its wholly owned subsidiary.

7. Sundry Debtors

Sundry debtors amounts to Rs. 87.15cr at the end of the year as compared to Rs.82cr for the previous year. They are at 41.4% of revenue for the year as compared to 49% for the previous year representing an outstanding of 151 days and 182 days of revenues for the respective years. There is a marked improvement in the health of receivables as compared to previous years.

The company has a policy of writing off debts as bad after the review and recommendation by the management review committee. Before recommending, the committee considers various factors including the realisiability of specific dues, risk perception of the industry and the customer's ability to settle. Most of the receivables for more than 180 days is from Metrology and Automatic Weather Station products, which are getting delayed due to logistics, installation and commissioning issues.

8. Cash and cash equivalents

The company is operating with multiple banks and the surplus funds if any are parked with them or with their associates. For meeting certain statutory requirements the company is maintaining current accounts with couple of other nationalized banks. The company's cash and cash equivalents is as follows.

Particulars	2012	2011
Cash and cash equivalents as a % of total assets	12.41	3.97
Cash and cash equivalents as a % of revenues	9.89	3.77

9. Loans and Advances

The advances paid for supplies, services and expenses represent the amount paid to both domestic and foreign vendors for supply of materials and services. The advances also include un availed mod vat credit both on capital goods and raw materials.

The amount of income-tax paid represents the advance tax, self-assessment tax paid and TDS deducted.

10. Current liabilities

Sundry creditors for capital works, supplies represents the amount due at the end of the year for the capital goods and raw material supplied. Sundry creditors for services and expenses represent the amount due and payable for various expenses including the accrued salaries and other benefits of the employees.

Advances from customers represent the amount received as per the terms of purchase orders from the Defence and Space establishments for the development orders.

11. Provisions

Provisions represents provisions made for taxation, dividend, gratuity, leave encashment etc., Taxation provisions are shown net of advance tax for the years for which the assessments are pending.

The provision for dividend is provided @ Rs.0.70 per share. The provision for gratuity and leave encashment is provided on the basis of actuarial valuation at the end of the financial year.

C. Others

Human Resources

We at Astra believe that our human resource is crucial for success of the company, especially in today's knowledge driven & competitive business environment, and treat it as our most valuable asset. We commit to improve the quality of work life and employee satisfaction, while aligning the individual aspirations with the company objectives. Towards creating a vibrant and performance-oriented culture in the organization, several interventions are initiated. Overall employee relations are cordial and productive.

Internal Control Systems & Adequacy

The Company is committed to maintaining an effective system of internal control. The Company is conducting all its operations on ERP-SAP system. Successful usage of ERP-SAP system has facilitated management's objective of establishment of the accurate, reliable and speedy compilation of financial information, safeguarding the assets and interest of the Company and ensuring compliance with laws and regulations.

The Company functions with well-defined budgets and has an effective management information system to enable the management to regularly review actual performance. The Company has also put in place a well-defined organization structure, clear authority levels and internal guidelines for conduction of business transactions.

M/s. Price Water House Coopers conducts company's Internal audit program which supplements the Company's internal control systems. The Audit committee of the Board of Directors reviews the Internal Audit Reports at regular intervals and suggests implementation of best practices based on observations therein.

SELECT FINANCIAL DATA

Amount in Lacs

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Gross sales	12,905	12,067	11,030	16,490	21,048
Net Sales	12,389	11,682	10,678	16,114	20,375
Other income including accretion to stock	923	-350	663	505	1,748
Expenditure	9,039	8,227	8,754	12,248	15,952
Operating Profit (EBDIT)	4,272	3,105	2,586	4,371	6,171
Interest	424	306	364	692	545
Profit before depreciation and tax(PBDT)	3,848	2,799	2,222	3,679	5,626
Depreciation	739	847	1,120	1,242	1,245
Profit before tax(PBT)	3,109	1,952	1,102	2,437	4,381
Tax	1,020	500	286	578	1,061
Net Profit	2,089	1,452	816	1,859	3,320
Equity	1,075	1,081	1,083	16,366	16,366
No.of shares	53,755,850	54,045,950	54,143,350	81,825,225	81,825,225
Gross Fixed Assets	9,492	12,492	14,920	15,634	16,764.00
Net Fixed Assets	6,145	8,142	9,474	9,032	8,933.00
Raw material consumed	5,536	4,836	5,239	7,807	8,807.00
Man power cost	1,941	1,820	1,806	2,424	2,731.00
Sundry debtors	7,612	6,151	8,259	8,149	8,753
Networth	11,476	12,378	12,912	14,476	17,130
Capital Employed	15,367	15,611	17,817	18,096	19,110
EBDIT to Sales(%)	34.49	26.58	24.22	27.13	30.29
EBDT to Sales(%)	31.06	23.96	20.81	22.83	27.61
PBT to Sales(%)	25.10	16.71	10.32	15.12	21.50
PAT to Sales(%)	16.86	12.43	7.64	11.54	16.30
Tax to Profits(%)	32.81	25.60	25.97	23.70	24.22
Sales to Net fixed Assets	2.02	1.43	1.13	1.78	2.28
Raw materials to Sales(%)	44.69	41.40	49.06	48.45	43.22
Man power cost to Sales(%)	15.66	15.58	16.91	15.04	13.40
Sundry debtors to Sales(%)	58.98	50.97	74.88	49.42	41.59
Return on Networth(%)	18.20	11.73	6.32	12.85	19.38
Return on Capital Employed(%)	13.60	9.30	4.58	10.28	17.37
Cash Earnings per share(CEPS)(Rs.)	7.16	5.18	4.10	4.50	6.88
Earnings per share(EPS)*	3.89	2.69	1.51	2.27	4.06
Book value of the share(Rs.)#	21.35	22.90	23.85	17.69	20.93

*Face value Rs.2 from 10-11 onwards.

No.of shares gone up due to Bonus issue (1:2)in 10-11

AUDITOR'S REPORT

TO THE MEMBERS OF M/s. ASTRA MICROWAVE PRODUCTS LIMITED

We have audited the attached Balance Sheet of M/s. **ASTRA MICROWAVE PRODUCTS LIMITED**, as at 31st March, 2012, the Profit and Loss Statement and the Cash Flow Statement for the year ended on that date annexed thereto and the cash flow statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

I. As required by the Companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we report that:

i) In respect of its fixed assets:

- a) The Company has maintained proper records, showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- c) In our opinion, the company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the company is not affected.

ii) In respect of its inventories:

- a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c) The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.

iii) In respect of loans, secured or unsecured, granted or taken by the company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:

The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained U/Sec.301 of the Act. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained U/Sec.301 of the Act. Hence the provisions of clause (b), (c), (d), (f) and (g) of paragraph 4(iii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

- iv)** In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

- v) In respect of the contracts or arrangements referred to in section 301 of the Companies Act, 1956:

In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements that needed to be entered into in the register maintained under section 301 of the Companies Act, 1956.

- vi) According to the information and explanations given to us, the company has not accepted any deposits from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.

- vii) In our opinion the company has an internal audit system commensurate with the size and nature of its business.

- viii) The Central Government has prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the same.

ix) In respect of statutory dues:

- a) The company is regular in depositing with appropriate authorities undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it.

- b) According to the information and explanations given to us no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Cess were in arrears, as at 31st March 2012 for a period of more than six months from the date they became payable.

- c) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess, which have not been deposited on account of any dispute.

- x) The Company does not have accumulated losses at the end of the financial year. The company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.

- xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to a financial institutions, banks and debenture holders.

- xii) In our opinion and according to the explanations given to us and based on the information available no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.

- xiii) In our opinion, the Company is not a Chit Fund / Nidhi / Mutual Benefit Fund / Society.

Therefore, the provisions of Clause 4(xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

- xiv) In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of Clause 4(xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

- xv) The Company has not given any guarantee for loans taken by others from banks and financial institutions. Therefore, the provisions of Clause 4(xv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xvi) The company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purpose for which they were raised.
- Xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
- xviii) The company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) The company has not issued any debentures. Therefore, the provisions of Clause 4(xix) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xx) The company has not raised any monies by way of public issue during the year.
- xxi) In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

II. Subject to above comments and notes forming part of accounts we further state that:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii) In our opinion, proper books of account as required by Law have been kept by the Company, so far as appears from our examination of such books.
- iii) The Balance Sheet, the Profit & Loss Statement and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- iv) In our opinion, the Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- v) On the basis of written representations received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as Director in terms of clause (g) of sub-section (1) Section 274 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with the Significant Accounting Policies and notes thereon give the information required by the Companies Act, 1956 in the manner so required, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - b) In the case of the Profit & Loss Statement, of the Profit for the year ended on that date; and
 - c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Place: Hyderabad
Date: 26-04-2012

For **AMAR & RAJU**
CHARTERED ACCOUNTANTS
Firm Registration No: 000092S

P. VENKATA RAMANA
Partner
Membership No: 203346

BALANCE SHEET AS AT 31st MARCH, 2012

₹ in lakhs

Particulars	Note No	As at 31-03-2012		As at 31-03-2011	
I. EQUITY AND LIABILITIES					
1. Shareholder's Funds					
a. Share Capital	2.1	1,636.50		1,636.50	
b. Reserves and Surplus	2.2	15,494.00	17,130.50	12,839.59	14,476.09
2. Non-Current Liabilities					
a. Long-term Borrowings	2.3	1,806.84		676.24	
b. Deferred Tax Liabilities (Net)	2.4	482.16		437.13	
c. Long-term Provisions	2.5	169.93	2,458.93	308.95	1,422.32
3. Current Liabilities					
a. Short-term Borrowings	2.6	3,584.71		2,077.80	
b. Trade Payables	2.7	4,816.28		6,580.43	
c. Other Current Liabilities	2.8	1,366.60		1,405.09	
d. Short-term Provisions	2.9	1,289.08	11,056.67	542.10	10,605.42
Total			30,646.10		26,503.83
II. ASSETS					
1. Non-Current Assets					
a. Fixed Assets					
Tangible Assets	2.10	8,932.53		9,031.68	
b. Non-Current Investments	2.11	-		217.58	
c. Long-term Loans and Advances	2.12	476.28		140.36	
d. Other Non-Current Assets	2.13	3.32	9,412.13	1.37	9,390.99
2. Current Assets					
a. Inventories	2.14	7,465.72		5,303.84	
b. Trade Receivables	2.15	8,753.09		8,149.10	
c. Cash and Cash Equivalents	2.16	3,445.47		1,903.09	
d. Short-term Loans and Advances	2.17	1,507.58		1,729.96	
e. Other Current Assets	2.18	62.11	21,233.97	26.85	17,112.84
Total			30,646.10		26,503.83
Significant Accounting Policies	1				
Notes on Accounts	2				

As per our report of even date

For **AMAR & RAJU**
CHARTERED ACCOUNTANTS
 Firm Registration No: 000092S

P. VENKATA RAMANA
 Partner
 Membership No: 203346

Place : HYDERABAD
 Date : 26.04.2012

For and on behalf of the Board

Dr. SHIBAN K. KOUL
 Chairman

P. A. CHITRAKAR
 Chief Operating Officer

J. VENKATA DAS
 Director

S. GURUNATHA REDDY
 Sr. General Manager (F & A)

B. MALLA REDDY
 Managing Director

C. PRAMEELAMMA
 Director (Technical)

ATIM KABRA
 Director

T. ANJANEYULU
 Company Secretary

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

₹ in lakhs, except per share data

Particulars	Note No	Year ended 31-03-2012	Year ended 31-03-2011
I. Revenue from Operations	2.19	21,048.32	16,496.34
Less: Excise Duty		(673.24)	(376.51)
		20,375.08	16,119.83
II. Other Income	2.20	148.18	193.86
III. Total Revenue (I + II)		20,523.26	16,313.69
IV. Expenses:			
a. Cost of Materials Consumed	2.21	8,807.04	7,778.02
b. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	2.22	(1,355.25)	(311.19)
c. Employee Benefit Expense	2.23	2,730.62	2,379.12
d. Financial Costs	2.24	544.64	460.59
e. Depreciation and Amortization Expense	2.10	1,244.53	1,241.70
f. Other Expenses	2.25	4,386.93	2,322.64
Total Expenses		16,358.51	13,870.88
V. Profit Before Exceptional and Extraordinary Items and Tax (III - IV)		4,164.75	2,442.81
VI. Exceptional Items	2.26	(29.10)	(4.67)
VII. Profit Before Extraordinary Items and Tax (V - VI)		4,135.65	2,438.14
VIII. Extraordinary Items	2.27	245.46	-
IX. Profit Before Tax (VII - VIII)		4,381.11	2,438.14
X. Tax Expense:			
1. Current Tax		(1,015.97)	(696.99)
2. Deferred Tax	2.4	(45.03)	119.37
XI. Profit / (Loss) for the Period from Continuing Operations (IX - X)		3,320.11	1,860.52
XVI. EPS: (In Rupees) (Face Value Rs.2/-)	2.28		
Basic and Diluted before extraordinary items		3.76	2.27
Basic and Diluted after extraordinary items		4.06	2.27
Significant Accounting Policies	1		
Notes on Accounts	2		

As per our report of even date

For **AMAR & RAJU**
CHARTERED ACCOUNTANTS
 Firm Registration No: 000092S

P. VENKATA RAMANA
 Partner
 Membership No: 203346

For and on behalf of the Board

Dr. SHIBAN K. KOUL
 Chairman

P. A. CHITRAKAR
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 Director

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 Sr. General Manager (F & A)

B. MALLA REDDY
 Managing Director

C. PRAMEELAMMA
 Director (Technical)

ATIM KABRA
 Director

T. ANJANEYULU
 Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

₹ in lakhs

Particulars	31-03-2012		31-03-2011	
	₹	₹	₹	₹
A. Cash Flow from Operating Activities:				
Net Profit Before Tax & Extra-ordinary Items		4,135.65		2,437.08
Adjustments for:				
- Depreciation	1,244.53		1,241.70	
- Interest Paid	542.91		460.58	
- Profit / Loss on Disposal of Assets	(0.40)		5.72	
- Miscellaneous Income	-		(19.01)	
- Employee Compensation				
Expenses Written off	-		137.91	
- Income Tax Paid	(896.13)		(626.89)	
		890.91		1,200.01
Operating Profit Before Working Capital Changes		5,026.56		3,637.09
Adjustments for:				
- Trade & Other Receivables	(543.43)		46.97	
- Trade Payable	(1,417.91)		(29.40)	
- Inventories	(2,161.88)		(700.56)	
		(4,123.22)		(682.99)
Net Cash from Operating Activities		903.34		2,954.10
B. Cash Flow from Investing Activities:				
- Purchase of Fixed Assets	(1,498.72)		(677.68)	
- Proceeds from Disposal of Assets	4.55		6.71	
- Proceeds from Disposal of investments	500.00		-	
- Net Cash Used in Investing Activities		(994.17)		(670.97)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

₹ in lakhs

Particulars	31-03-2012		31-03-2011	
	₹	₹	₹	₹
C) Cash Flow from Financing Activities:				
- Working Capital Borrowings from Banks	1,506.91		(861.59)	
- Term Loans Taken during the year	1,640.46		315.33	
- Borrowings through commercial paper	972.43		966.98	
- Repayment of commercial paper borrowings	(1,000.00)		(1,000.00)	
- Hire Purchase Finance Taken	32.56		17.36	
- Term Loans Repaid to Banks	(609.43)		(610.82)	
- Hire Purchase Finance Repaid	(19.87)		(12.87)	
- Interest Paid	(497.53)		(437.56)	
- Dividend Paid	(409.13)		(272.75)	
- Dividend Tax Paid	(66.37)		(45.30)	
- Net Cash Used in Financing Activities		1,550.02		(1,941.22)
Net Increase in Cash & Cash Equivalents (A-B-C)		1,459.19		341.91
Cash & Cash Equivalents at the Beginning				
- Cash on Hand	1.20		0.79	
- Balance with Sch., Banks in CA / EEFC Accounts	620.87	622.07	279.37	280.16
Cash & Cash Equivalents at the End				
- Cash on Hand	1.94		1.20	
- Balance with Sch., Banks in CA / EEFC Accounts	2,079.32	2,081.26	620.87	622.07

As per our report of even date

For AMAR & RAJU
CHARTERED ACCOUNTANTS
Firm Registration No: 000092S

P. VENKATA RAMANA
Partner
Membership No: 203346

Place : HYDERABAD
Date : 26.04.2012

For and on behalf of the Board

Dr. SHIBAN K. KOUL
Chairman

P. A. CHITRAKAR
Chief Operating Officer

J. VENKATA DAS
Director

S. GURUNATHA REDDY
Sr. General Manager (F & A)

B. MALLA REDDY
Managing Director

C. PRAMEELAMMA
Director (Technical)

ATIM KABRA
Director

T. ANJANEYULU
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS STATEMENT FOR THE YEAR ENDING 31st MARCH, 2012

1. SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of preparation of Financial Statements:

The Financial Statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India and comply in all material aspects with the applicable Accounting Standards notified under section 211 (3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956 as adopted consistently by the Company.

Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles followed by the Company.

b) Fixed Assets:

Fixed Assets are valued at historical cost less depreciation. Attributable costs (excluding CENVAT & VAT) and expenses including borrowing costs for bringing the respective assets to working condition for their intended use are capitalized.

c) Depreciation:

Depreciation is provided on written down value method as per the rates prescribed under Schedule XIV of the Companies Act, 1956. However, where rates prescribed under Income Tax Act 1961, are higher than the rates prescribed by the Companies Act, then depreciation has been provided as per Income Tax rates. However 100% depreciation has been provided in respect of assets costing Rs.5,000/-and below.

d) Valuation of Inventories:

Closing stock of raw materials, finished and semi-finished goods are valued at lower of cost and net realisable value. Cost has been ascertained on Weighted Average basis.

e) Revenue Recognition:

Sale is recognized on dispatch of products and is inclusive of Excise Duty, Sales Tax and Packing & forwarding charges

Service Charges are recognized as income as and when the services are performed and inclusive of service tax.

Interest income is recognized on accrual basis.

f) Foreign Exchange transactions:

All foreign currency transactions were initially recognized at the rate on the date of transaction.

Exchange differences arising on the settlement of monetary items were recognized as income/expense.

Monetary items and contingent liabilities as on the date of Balance Sheet are stated at the closing rate/realistic rate.

g) Employee Benefits:

Short-term employee benefits are recognised as a expense at the undiscounted amount in the Profit and Loss Statement of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognised as an expense in the Profit and Loss Statement for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss Statement.

In respect of employee stock options, the excess of fair price on the date of grant over the exercise price is recognised as deferred compensation cost amortised over the vesting period.

h) Investments:

Un-quoted long term Investments are valued at cost.

i) R & D Expenditure:

Capital expenditure is included in the fixed assets and depreciated as per Company's policy.

Research costs are charged to profit & loss statement of the year in which they are incurred and is included in the respective heads of expenditure.

j) Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalized as part of cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

k) Cash Flow Statement:

The Cash Flow Statement has been compiled from and is based on the Balance Sheet and the related Profit and Loss Account for the year ended on that date. The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow Statement issued by ICAI.

Cash and cash equivalents in the cash flow statement comprise cash at bank, cash/cheques in hand and short term investments with an original maturity of three months or less.

l) Accounting for Taxes on Income:

Current Tax: Provision for Current Income Tax is made on the basis of the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax: Deferred income tax is recognized, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The tax effect is calculated on the accumulated timing differences at the year end based on tax rates and laws, enacted or substantially enacted as of the Balance Sheet date.

m) Impairment of Assets:

The Management assesses using external and internal sources whether there is any indication that an asset may be impaired. Impairment of an asset occurs where the carrying value exceeds the present value of cash flow expected to arise from the continuing use of the asset and its eventual disposal. The provision for impairment loss is made when recoverable amount of the asset is lower than the carrying amount.

n) Provisions and Contingent Liabilities and Contingent Assets:

Provisions in respect of present obligations arising out of past events are made in the accounts when reliable estimate can be made of the amount of obligations and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but if material, are disclosed in the notes to accounts. Contingent assets are not recognized or disclosed in the financial statements.

o) Operating Lease:

Operating Lease payments are recognized as an expense in the Profit and Loss Account of the year to which they relate.

p) Earnings Per Share:

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

q) Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

2. NOTES ON ACCOUNTS

2.1 SHARE CAPITAL

₹ in lakhs except as other wise stated

Particulars	As At 31-03-2012	As At 31-03-2011
A) Authorised Share Capital:		
- Equity Shares, 2/- Par Value 10,00,00,000 Equity Shares	2,000.00	2,000.00
B) Issued, Subscribed and Fully Paid-up Share Capital:		
- Equity Shares, 2/- Par Value 8,18,25,225 (8,18,25,225) Equity Shares fully paid-up	1,636.50	1,636.50
Total	1,636.50	1,636.50
Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule VI to the Companies Act, 1956		
Reconciliation of the Number of Shares Outstanding:		
Shares outstanding at the beginning of the year	81,825,225	54,143,350
Add: Shares Issued during the year	-	-
Add: Shares Issued on Exercise of Employee Stock Options	-	406,800
Add: Bonus Shares Issued	-	27,275,075
Less: Shares bought back during the year	-	-
Shares outstanding at the end of the year	81,825,225	81,825,225

Disclosure pursuant to Note no. 6(A)(e) of Part I of Schedule VI to the Companies Act, 1956

The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital;

- The Company has only one class of shares referred to as equity shares having a par value of Rs.2/-. Each holder of equity shares is entitled to one vote per share.
- The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956

Shares in the Company held by each Share Holder holding more than 5% shares

	As At	
	31-03-2012 No of shares %	31-03-2011 No of shares %
1. Strategic Ventures Fund (Mauritius)	12,586,740 15.38%	12,586,740 15.38%
2. L & T Capital Company Limited	7,950,045 9.72%	7,950,045 9.72%
3. Skanda Aerospace Private Limited	5,781,360 7.07%	5,032,814 6.15%
Disclosure pursuant to Note no. 6(A)(h) of Part I of Schedule VI to the Companies Act, 1956 Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment;	NIL	NIL
Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956		
a) Aggregate number of equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash in the last five years immediately preceeding the Balance Sheet date	NIL	NIL
b) Aggregate number of bonus shares (Equity) issued in the last five years immediately preceeding the Balance Sheet date	27,826,775	27,993,925
c) Aggregate number of equity shares bought back in the last five years immediately preceeding the Balance Sheet date	NIL	NIL
Disclosure pursuant to Note no. 6(A)(j) of Part I of Schedule VI to the Companies Act, 1956		
Securities convertible into equity / preference shares issued	NIL	NIL

2.2 RESERVES & SURPLUS

Particulars	As At 31-03-2012	As At 31-03-2011
A. General Reserve:		
- Opening balance	2,572.80	2,372.80
- Add: Transferred from Profit and Loss Account	350.00	200.00
- Balance in General Reserve (A)	<u>2,922.80</u>	<u>2,572.80</u>
B. Securities Premium Reserve:		
- Opening balance	504.50	773.38
- Add: On Exercise of Employee Stock Options	-	280.69
- Less: Capitalised during the year	-	(549.57)
- Balance in Securities Premium Reserve (B)	<u>504.50</u>	<u>504.50</u>
C. Surplus:		
- Opening balance	9,762.29	8,577.27
- Add / (Less): Net Profit / (Loss) after Tax transferred from Statement of Profit & Loss	3,320.11	1,860.52
- Amount Available for Appropriation	<u>13,082.40</u>	<u>10,437.79</u>
- Less: Appropriations		
Amount Transferred to General Reserve	(350.00)	(200.00)
Proposed Dividend	(572.78)	(409.13)
Dividend Tax	(92.92)	(66.37)
- Balance in Profit & Loss Account (.C)	<u>12,066.70</u>	<u>9,762.29</u>
D. Deferred Employee Compensation Expense:		
- Opening balance	-	(217.16)
- Less: Transferred to Statement of Profit & Loss	-	137.91
- Less: Reversed during the year	-	79.25
- Balance of Deferred Employee Compensation Expense (D)	-	-
E. Employee Stock Options Outstanding:		
- Opening balance	-	217.16
- Less: Transferred to Securities Premium account	-	(137.91)
- Less: Reversed during the year	-	(79.25)
- Balance of Employee Stock Options Outstanding (E)	-	-
Total (A+B+C+D+E)	15,494.00	12,839.59

2.3 LONG-TERM BORROWINGS

in lakhs except as other wise stated

Particulars	As At 31-03-2012	As At 31-03-2011
A. Secured Long-Term Borrowings:		
1. Term Loans: From Banks:		
a. Term Loan from Canara Bank	575.80	315.33
Repayable on or before: Dec., 2014		
Number of installments due as on 31/03/12: 11 #		
Installment (quarterly) amount: ₹ 95,00,000/-		
Rate of interest: 13.75%		
Nature of security:		
Exclusive charge on the Machinery / equipments to be purchased out of the Term loan and Pari-passu second charge on the remaining Fixed Assets of the company present and future excluding vehicles and including capital work in progress along with SBI and personal guarantee of the Managing Director and the Chief Operating Officer		
b. Term Loan from ICICI Bank	-	132.00
Repayable on or before: Feb., 2013		
Number of installments due as on 31/03/12: 4 #		
Installment (quarterly) amount: ₹ 33,00,000/-		
Rate of interest: 6%		
Nature of security:		
Term loan from ICICI Bank under TDC Programme of USAID Reflows is secured by an exclusive hypothecation of assets bought under this Programme		
c. Vehicle Loan from HDFC Bank	35.89	15.40
Repayable in EMI as per the specific agreement.		
Hire purchase finance is secured by hypothecation of specified assets acquired under Hire Purchase Agreement.		
2. Other Long-Term Borrowings:		
Long-Term Working Capital Facility from M/s. L&T Finance Limited	1,000.00	-
Repayable on or before: Nov., 2014		
Number of installments: Single payment		
Rate of interest: 12.50%		

Particulars	As At 31-03-2012	As At 31-03-2011
Nature of security: Subservient charge on entire movable fixed and current assets of the company and personal guarantee of Managing Director of the company		
Total Secured Long-Term Borrowings (A)	1,611.69	462.73
Aggregate amount of loans Guaranteed by Managing Director and - Chief Operating Officer	2,087.80	579.33
Amount of continuing default as on the balance sheet date in repayment of loans and interest there on	NIL	NIL
# Amount repayable with in next one year is shown separately under the head "Other Current Liabilities" (Note No: 2.9)		
B. Unsecured Long-Term Borrowings:		
Deferred Payment Liabilities:		
Sales Tax Loan from Government of AP	195.15	213.51
Repayable on or before: March 2018		
Number of installments (yearly) due as on 31/03/2012: 6 #		
Rate of interest: Interest free		
Total Unsecured Long-Term Borrowings (B)	195.15	213.51
Aggregate amount of loans Guaranteed by Promoter Directors	NIL	NIL
Amount of continuing default as on the balance sheet date in repayment of loans and interest there on	NIL	NIL
# Amount repayable with in next one year is shown separately under the head "Other Current Liabilities" (Note No: 2.9)		
Total Long-Term Borrowings (A + B)	1,806.84	676.24

2.4 DEFERRED TAX LIABILITIES (NET)

Particulars	As At 31-03-2012	As At 31-03-2011
Deferred Tax Liability	537.30	539.76
Less: Deferred tax Asset	(55.14)	(102.63)
Closing balance of Net Deferred Tax Liability	482.16	437.13
Less: Opening balance of Net Deferred Tax Liability	437.13	556.50
Effect on Profit and Loss Statement	(45.03)	119.37
Deferred Tax Liability represents timing differences in depreciation on fixed assets		
Deferred Tax Assets represents Provision for Gratuity and Leave Encashment, which are allowed on payment basis as per the provisions of the Income Tax Act		

2.5 LONG TERM PROVISIONS

Particulars	As At 31-03-2012	As At 31-03-2011
Provision for Employee Benefits:		
- Unavailed Leave	80.54	76.68
- Gratuity Obligation	89.39	232.27
Total	169.93	308.95

2.6 SHORT TERM BORROWINGS

Particulars	As At 31-03-2012	As At 31-03-2011
A. Secured Short-Term Borrowings:		
Repayable on Demand		
- From Banks:		
a. Working Capital Finance from Canara Bank	998.12	-
Nature of security: Pari passu first charge on stocks and book debts (book debts not older than 120days) and other chargeable current assets and Pari-passu first charge on Fixed Assets of the Company excluding those assets financed by other term lenders and Personal Guarantee of the Managing Director and Chief Operating Officer.		
b. Working Capital Finance from HDFC Bank Limited	-	44.96
Nature of security: Pari passu first charge on stocks and book debts (book debts not older than 120 days) and other chargeable current assets and Pari-passu first charge on Fixed Assets of the Company excluding those assets financed by other term lenders and Personal Guarantee of the Managing Director and Chief Operating Officer.		
c. Short Term Working Capital Loan from State Bank of India		
Nature of security: Pari passu first charge on stocks and book debts (not older than 120 days) and other chargeable current assets and Pari-passu first charge on Fixed Assets of the Company excluding those assets financed by other term lenders and Personal Guarantee of the Managing Director and Chief Operating Officer.		
	2,500.00	2,000.00
Total Secured Short-Term Borrowings (A)	3,498.12	2,044.96
Aggregate amount of loans Guaranteed by Managing Director and Chief Operating Officer	3,498.12	2,044.96
Amount of default as on the balance sheet date in repayment of loans and interest there on	NIL	NIL

Particulars	As At 31-03-2012	As At 31-03-2011
B. Unsecured Short-Term Borrowings:		
Repayable on Demand		
- From Banks:		
Bills Discounting facility with SIDBI	86.59	32.84
Total Unsecured Short-Term Borrowings (B)	86.59	32.84
Aggregate amount of loans Guaranteed by Promoter Directors	NIL	NIL
Amount of default as on the balance sheet date in repayment of loans and interest there on	NIL	NIL
Total Short-Term Borrowings (A + B)	3,584.71	2,077.80

2.7 TRADE PAYABLES

Particulars	As At 31-03-2012	As At 31-03-2011
Accrued Salaries and other benefits		
- Salaries	281.81	215.92
For Other Liabilities		
- For Supplies	1,086.90	880.32
- Advances from Customers	3,447.57	5,484.19
Total	4,816.28	6,580.43

2.8 OTHER CURRENT LIABILITIES

Particulars	As At 31-03-2012	As At 31-03-2011
Current maturities of long term borrowings	547.56	633.92
Interest accrued but not due on borrowings	3.07	1.95
Interest accrued and due on borrowings	26.63	12.85
Unpaid dividends	36.86	33.93
For Services & Expenses	140.26	145.51
PF & ESI payable	17.07	15.28
Withholding and Other Taxes Payable	269.89	200.58
Creditors for capital goods/works	325.26	361.07
Total	1,366.60	1,405.09

2.9 SHORT-TERM PROVISIONS

Particulars	As At 31-03-2012	As At 31-03-2011
a. Provision for Employee Benefits:		
Bonus and Incentives	550.00	66.60
b. Others:		
Proposed Dividend	572.78	409.13
Provision for		
Tax on Dividend	92.92	66.37
Income Taxes	73.38	-
Total	1,289.08	542.10

2.10 FIXED ASSETS

DESCRIPTION	Rate of Dep.,	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		AS ON 1/4/2011 Rs.	ADDITIONS Rs.	DELETIONS Rs.	AS ON 31/3/2012 RS.	UP TO 1/4/2011 Rs.	FOR THE PERIOD Rs.	DELETIONS Rs.	UP TO 31/03/2012 Rs.	AS ON 31/03/2012 Rs.	AS ON 31/03/2011 Rs.
TANGIBLE ASSETS											
LAND	0%	858.64	52.30	-	910.94	-	-	-	-	910.94	858.64
BUILDINGS	10%	4,758.84	59.09	-	4,817.93	364.71	-	1,502.10	3,315.83	3,315.83	3,621.45
PLANT & MACHINERY	15%	7,742.49	782.37	-	8,524.86	604.29	-	4,720.76	3,804.10	3,804.10	3,626.02
ELECTRICAL INSTALLATIONS	15%	319.17	3.82	1.99	321.00	28.52	1.61	161.78	159.22	159.22	184.30
AIR CONDITIONERS	15%	489.89	3.00	-	492.89	47.85	-	219.60	273.29	273.29	318.146
OFFICE EQUIPMENT	15%	87.34	6.23	-	93.57	8.06	-	44.33	49.24	49.24	51.07
FURNITURE & FIXTURES	18.10%	443.26	47.32	-	490.58	44.33	-	292.13	198.45	198.45	195.46
COMPUTERS	60%	746.25	155.85	-	902.10	128.28	-	765.04	137.06	137.06	109.49
VEHICLES	25.89%	188.46	39.55	17.59	210.42	18.49	13.82	126.02	84.40	84.40	67.11
TOTAL		15,634.34	1,149.53	19.58	16,764.29	1,244.53	15.43	7,831.76	8,932.53	8,932.53	9,031.68
PRE., YEAR TOTAL		14,920.48	811.92	98.05	15,634.34	1,241.70	85.63	6,602.67	9,031.68	9,031.68	9,473.88

2.11 NON-CURRENT INVESTMENTS

Particulars	As At 31-03-2012	As At 31-03-2011
Other Investments - Unquoted - At Cost		
- Investments in Equity Instruments		
- Investments in equity instruments of Subsidiaries		
1,62,450 Equity Shares of Rs.100/- each fully paid up in M/s. Komoline Electronics Private Limited	-	217.58
Total	-	217.58
Aggregate amount of unquoted investments	-	217.58

2.12 LONG-TERM LOANS AND ADVANCES

Particulars	As At 31-03-2012	As At 31-03-2011
Unsecured Considered Good		
Advances for capital goods/works	384.89	71.50
Security Deposits	36.64	35.82
Pre paid expenses	54.75	33.04
Total	476.28	140.36

2.13 OTHER NON-CURRENT ASSETS

Particulars	As At 31-03-2012	As At 31-03-2011
Others:		
- Unmatured Finance Charges	3.32	1.37
Total	3.32	1.37

2.14 INVENTORIES

Particulars	As At 31-03-2012	As At 31-03-2011
Raw Materials	3,898.21	3,099.28
Packing Material	8.32	5.57
Stores & Spares	4.95	-
Work-in-progress	3,533.60	2,182.57
Finished Goods	20.64	16.42
Total	7,465.72	5,303.84
Mode of valuation of Inventories:		
- Inventories are valued at lower of cost or net realisable value.		
- Cost has been arrived on weighted average basis		

2.15 TRADE RECEIVABLES

Particulars	As At 31-03-2012	As At 31-03-2011
Unsecured Considered Good		
- Outstanding for a period exceeding six months	1,363.81	2,818.48
- Others	7,389.28	5,330.62
Total	8,753.09	8,149.10
Others include due from Subsidiary Company	-	26.55

2.16 CASH AND BANK BALANCES

Particulars	As At 31-03-2012	As At 31-03-2011
A. Cash and Cash Equivalents:		
- Balances with Banks	2,079.32	620.87
- Cheques, Drafts on hand	-	-
- Cash on Hand	1.94	1.20
Total Cash and Cash Equivalents(A)	2,081.26	622.07
B. Other Bank Balances:		
- Balances with Banks	1,364.21	1,281.02
Total Other Bank Balances (B)	1,364.21	1,281.02
Total Cash and Bank Balances (A + B)	3,445.47	1,903.09
Other Bank Balances includes:		
a. Earmarked balances with banks (for unpaid dividend)	36.86	33.93
b. Deposit accounts with more than 12 months maturity	-	-
c. Held as margin money deposits against guarantees	1,327.35	1,247.09

2.17 SHORT TERM LOANS AND ADVANCES

Particulars	As At 31-03-2012	As At 31-03-2011
Unsecured Considered Good		
a. Loans and Advances to related parties:		
Advance to Subsidiary Co., for supply of goods & services	-	25.25
b. Others		
Advances for Supplies	894.09	731.82
Advances for Services and Expenses	94.75	83.15
Balance with Revenue Authorities (cenvat credit)	274.00	392.29
Income tax refund due	53.67	137.09
Prepaid Expenses	191.07	360.36
Total	1,507.58	1,729.96

2.18 OTHER CURRENT ASSETS

Particulars	As At 31-03-2012	As At 31-03-2011
Unmatured Finance Charges	4.67	2.46
- Interest accrued but not due on Margin Money Deposits	56.35	23.54
- Interest accrued and due on Deposits	1.09	0.85
Total	62.11	26.85

2.19 REVENUE FROM OPERATIONS

Particulars	Year Ended 31-03-2012	Year Ended 31-03-2011
From Sale of Products	19,581.58	16,168.68
From Sale of Services	1,466.74	327.66
Total	21,048.32	16,496.34

2.20 OTHER INCOME

Particulars	Year Ended 31-03-2012	Year Ended 31-03-2011
Interest Income	118.10	106.51
Miscellaneous Receipts	2.87	21.78
Customs Duty Refund	27.21	65.57
Total	148.18	193.86

2.21 COST OF MATERIALS CONSUMED

Particulars	Year Ended 31-03-2012	Year Ended 31-03-2011
A. Indigenous Raw Material:		
Opening stock of Raw Material	387.25	423.80
Add: Purchases during the year	2,711.40	2,089.88
	3,098.65	2,513.68
Less: Closing Stock of Raw Material	558.13	387.25
Raw Material consumed (A)	2,540.52	2,126.43
B. Imported Raw Material:		
Opening stock of raw material	2,712.03	2,288.88
Add: Purchases during the year	6,894.57	6,074.74
	9,606.60	8,363.62
Less: Closing Stock of Raw Material	3,340.08	2,712.03
Raw Material Consumed (B)	6,266.52	5,651.59
Total Raw Material Consumed (A + B)	8,807.04	7,778.02
Percentage of imported raw materials consumed to the total consumption	71.15	72.66
Percentage of indigenous raw materials consumed to the total consumption	28.85	27.34

2.22 CHANGES IN INVENTORIES

Particulars	Year Ended 31-03-2012	Year Ended 31-03-2011
Inventories at the end of the period		
- Finished Goods	20.64	16.42
- Work-in-progress	3,533.60	2,182.57
Total (A)	3,554.24	2,198.99
Inventories at the beginning of the period		
- Finished Goods	16.42	20.61
- Work-in-progress	2,182.57	1,867.19
Total (B)	2,198.99	1,887.80
Change in Inventories (A - B)	1,355.25	311.19

2.23 EMPLOYEE BENEFIT EXPENSES

Particulars	Year Ended 31-03-2012	Year Ended 31-03-2011
Salaries, Wages & Other Benefits	2,180.54	1,920.23
Directors Remuneration	349.81	125.31
Contribution to Provident Fund & ESI	101.91	94.86
Staff Welfare Expenses	98.36	100.81
Employee Compensation Expenses		
- Written Off (Under ESOP Scheme)	-	137.91
Total	2,730.62	2,379.12

2.24 FINANCIAL COSTS

Particulars	Year Ended 31-03-2012	Year Ended 31-03-2011
Interest on Term Loans	136.55	109.66
Interest on Working Capital borrowings	375.88	315.47
Interest on Vehicle Loan	2.91	2.44
Other Interest	1.73	-
Discount allowed on Borrowings through issuance of Commercial Paper	27.57	33.02
Total	544.64	460.59

2.25 OTHER EXPENSES

Particulars	Year Ended 31-03-2012	Year Ended 31-03-2011
- Repairs to Machinery	297.13	234.68
- Power and Fuel	153.88	121.13
- Excise Duty (Includes Difference between Excise Duty on Opening & Closing Stock of FG)	0.88	2.56
- Testing Charges	121.49	65.01
- Carriage Inwards	14.16	8.37
- Installation & Commissioning of AWS	52.58	48.60
- Travelling and Conveyance	186.48	142.79
- Printing and Stationery	49.67	54.47
- Communication Costs	27.72	30.14
- Rent	2.53	2.41
- Insurance	43.72	29.19
- Rates and Taxes excluding taxes on income	32.25	48.66
- Auditors Remuneration	7.25	6.18
- Legal & Professional Charges	211.07	87.62
- Technology Transfer Charges	635.30	-
- Repairs to Building	22.70	14.09
- Computer & Software Maintenance	63.66	41.40
- Vehicle Maintenance	17.78	14.90
- Factory & Garden Maintenance	44.21	45.95
- Office Electricity Charges	13.31	14.17
- Repairs & Maintenance of Other Assets	46.95	28.16
- Vehicle Hire Charges	103.16	74.87
- Miscellaneous Expenses	48.16	23.92
- Books, Periodicals & Subscriptions	1.86	1.33
- Conference & Seminar Expenses	1.03	3.49
- Advertisement	28.33	30.81
- Entertainment & Business Promotion	45.34	28.01
- Sponsorship Expenses	3.65	0.75
- Security Charges	30.78	21.74
- Staff Recruitment & Training	2.55	5.67
- Performance Allowance to Non-Whole Time Directors	16.00	17.00
- Bank Charges and Commission	246.61	231.69
- Carriage Outwards	17.86	20.07
- Packing Material	14.33	16.05
- Sales Tax / VAT	711.48	464.95
- Service Tax	135.34	41.78
- Foreign Exchange Fluctuations	29.42	35.25
- Late Delivery Charges	600.77	233.04
- Bad debts written off	263.14	-
- Order Booking Commission	4.20	-
- Foreign Travel and Exhibition Expenses	38.20	31.74
Total	4,386.93	2,322.64

2.26 EXCEPTIONAL ITEMS

Particulars	Year Ended 31-03-2012	Year Ended 31-03-2011
Profit / Loss on disposal of assets	0.40	(5.72)
Prior Period Adjustments	(29.50)	1.05
Total	(29.10)	(4.67)
Prior period tax adjustments represents income tax and other adjustments relating to earlier years.		

2.27 EXTRAORDINARY ITEMS

Particulars	Year Ended 31-03-2012	Year Ended 31-03-2011
Profit on disposal of shares of Subsidiary Company	282.43	-
Less: Tax there on	(36.97)	-
Total	245.46	-

2.28 EARNINGS PER SHARE

Particulars	Year Ended 31-03-2012	Year Ended 31-03-2011
No. of Equity Shares outstanding at the beginning of the year	81,825,225	54,143,350
No. of Equity Shares issued during the year under ESOP	-	406,800
Number of Bonus Shares issued	-	27,275,075
Total number of Shares outstanding at the end of the year (used as denominator for calculating EPS)	81,825,225	81,825,225
Profit before extraordinary items available to share holders (used as numerator for calculating EPS)	3,074.65	1,860.52
Profit after extraordinary items available to share holders (used as numerator for calculating EPS)	3,320.11	1,860.52
Basic & Diluted Earnings Per Share before extraordinary items in Rs. (Face Value Rs.2/-)	3.76	2.27
Basic & Diluted Earnings Per Share after extraordinary items in Rs. (Face Value Rs.2/-)	4.06	2.27

2.29 VALUE OF RAW MATERIAL CONSUMED, TURNOVER, OPENING & CLOSING STOCK-IN-TRADE:

Particulars	Year Ended 31-03-2012	Year Ended 31-03-2011
A. Raw-material consumed:		
- Semi Conductor devices and other materials	8,807.04	7,778.02
B. Turnover:		
a. Microwave components and sub systems	19,581.58	16,168.68
b. Installation charges	1,466.74	327.66
C. Opening Stock-in trade:		
- Microwave components and sub systems		
a. Finished goods	16.42	20.61
b. Work-in-progress	2,182.57	1,867.19
D. Closing Stock-in-trade:		
- Microwave components and sub systems		
a. Finished goods	20.64	16.42
b. Work-in-progress	3,533.60	2,182.57

2.30 RESEARCH AND DEVELOPMENT EXPENSES

Particulars	Year Ended 31-03-2012	Year Ended 31-03-2011
Revenue Expenditure	711.31	399.01
Capital Expenditure	162.82	-
Total	874.13	399.01
Revenue expenditure is shown under respective heads of expenditure. Capital expenditure is shown in respective Fixed Assets.		

2.31 BORROWING COSTS

Particulars	Year Ended 31-03-2012	Year Ended 31-03-2011
Borrowing cost capitalized during the period	-	-

2.32 FOREIGN EXCHANGE FLUCTUATIONS

Particulars	Year Ended 31-03-2012	Year Ended 31-03-2011
As per the accounting policy, the amount of Foreign Exchange Fluctuations (debited) / credited to Profit and Loss Account during the period	(29.42)	(35.25)

2.33 AUDITORS REMUNERATION

Particulars	Year Ended 31-03-2012	Year Ended 31-03-2011
Audit Fee	4.25	3.60
Tax Audit Fee	0.70	0.50
For Certification, Taxation and other matters	1.50	1.50
Service Tax	0.80	0.58
Total	7.25	6.18

2.34 FOREIGN EXCHANGE TRANSACTIONS

Particulars	Year Ended 31-03-2012	Year Ended 31-03-2011
Value of imported raw-materials on CIF basis	6446.32	5,762.23
Value of imported capital goods on CIF basis	599.50	499.93
CIF value of other imports	34.56	23.25
Expenditure in foreign currency on account of:		
- Travel	12.47	11.57
- Technology Transfer Charges	383.90	86.07
- Exhibitions & Conferences	-	0.24
- Order Booking Commission	3.78	-
Earnings in foreign currency:		
- FOB Value of Exports	1,523.00	3,427.49
- For Services Rendered	42.11	-
Remittances in foreign currency:		
- On account of Dividend:		
- Amount Remitted	1.50	1.00
- No. of Non-Resident Share Holders	1	1
- No. of Shares held by them	300,000	200,000
- Year of Dividend	2010-2011	2009-2010

2.35 CONTINGENT LIABILITIES

Particulars	Year Ended 31-03-2012	Year Ended 31-03-2011
Foreign letter of credit	66.76	91.89
Guarantees to Banks		
1. Performance Guarantees	2639.62	1,692.01
2. Advance payment Guarantees	7708.87	8,489.46
3. Guarantee in lieu of EMD/Security Deposit	401.76	461.41
4. Guarantee for Materials	40.87	2.00
5. Corporate Guarantee on behalf of Subsidiary Company for loans taken from banks	NIL	471.00

2.36 Disclosure under Clause 32 of the Listing Agreement

Particulars	Year Ended 31-03-2012	Year Ended 31-03-2011
a. Loans and advances in the nature of loans to Subsidiary Company:	-	-
b. Loans and advances in the nature of loans to Associate Company:	-	-
c. Loans and advances in the nature of loans where there is:		
I. No repayment schedule or repayment beyond seven years:	-	-
II. No Interest or interest below Sec. 372A of Companies Act:	-	-
d. Loans and advances in the nature of loans to firms/companies in which Directors are interested:	-	-
e. Investments by the loanee in the shares of the parent company and subsidiary company, when the company has made a loan or advance in the nature of loan	-	-

2.37 RELATED PARTY TRANSACTIONS

Particulars	Year Ended 31-03-2012	Year Ended 31-03-2011
a. Subsidiary Company: Komoline Electronics Pvt Ltd #		
- Services received from Subsidiary	-	15.52
- Purchase of materials from Subsidiary	-	128.62
- Sale of materials to Subsidiary	-	24.12
- Balance receivable from Subsidiary	-	51.80
- # During the year the company has disposed off the investments in the subsidiary company	-	
b. Remuneration paid to Directors:		
Mr. B. Malla Reddy, Managing Director	118.88	41.17
Mr. P.A. Chitrakar, Chief Operating Officer	116.72	43.88
Mrs. C. Prameelamma, Director (Technical)	116.27	43.57
Mr. J. Venkata Das, Director	6.00	6.00
Mr. Atim Kabra, Director	4.00	5.00
Dr. Shiban K. Koul, Director	6.00	6.00

2.38 RETIREMENT BENEFIT PLANS

Particulars	Year Ended 31-03-2012	Year Ended 31-03-2011
<p>A. Defined Contribution Plan:</p> <p>The Company makes contributions towards Provident Fund to a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is operated by the Regional Provident fund Commissioner. Under the scheme the company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. The contributions payable to this plan by the company are at rates specified in the rules of the scheme.</p> <p>Employer's Contribution to Provident fund recognised in the Profit & Loss Statement</p>	<hr/> 91.22	<hr/> 85.14.
<p>B. Defined benefit plan:</p> <p>As per the Payment of Gratuity Act lump sum payment has to be made to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part there of in excess of six months. Vesting occurs upon completion of five years of service. The employee's gratuity fund scheme is managed by a Trust (LIC).</p> <p>Leave encashment is payable as per the Rules of the Company. (Unfunded).</p> <p>The present value of the defined benefit obligation and the related current service cost were measured using Projected Unit Credit Method with actuarial valuations being carried out at each Balance Sheet date.</p> <p>The following table sets out the status of the defined benefit obligation and the amounts recognized in the Company's financial statements.</p>		

Particulars	Year Ended 31-03-2012	Year Ended 31-03-2011
A. Change in benefit obligations:		
- Present value of the obligation as at beginning of year	308.95	227.63
- Interest cost	24.72	18.21
- Current Service Cost	34.62	50.70
- Benefits Paid	(51.86)	(57.10)
- Actuarial (gain) / loss on obligations	20.35	69.51
Present value of obligation at year end	336.78	308.95
B. Change in plan assets:		
- Fair value of plan assets at beginning of year	-	-
- Expected return on plan assets	0.62	-
- Employer contribution	166.22	-
- Benefits paid	-	-
- Actuarial gain / (loss) on plan assets	-	-
Fair value of plan assets at year end	166.84	-
C. Reconciliation of fair value of assets and obligations:		
- Fair value of plan assets	336.78	308.95
- Present value of obligation	166.84	-
Amount recognised in Balance Sheet	169.94	308.95
D. Expenses recognized during the year:		
- Current Service cost	34.62	50.70
- Interest cost	24.72	18.21
- Expected return on plan assets	(0.62)	-
- Net actuarial (gain) / loss recognized in the year	20.35	69.51
Net cost	79.07	138.42
E. Actuarial Assumptions used in accounting:		
Discount rate (per annum)	8.65%	8%
Salary escalation rate (per annum)	5%	5%

2.39 SEGMENT REPORTING

As the Company's business activities falls within single segment viz., Microwave Products the disclosure requirement of Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.

2.40 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:

There are no Micro, Small and Medium Enterprise, to whom the company owes dues, which are outstanding for more than 45 days as at 31st March, 2012. This information as required to be disclosed under the Micro, Small Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

2.41 The previous year's figures have been reworked / regrouped / rearranged / reclassified, where ever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

2.42 Balances under sundry debtors, sundry creditors, deposits, loans and advances payable / receivable are subject to confirmation and reconciliation.

As per our report of even date

For **AMAR & RAJU**
CHARTERED ACCOUNTANTS
Firm Registration No: 000092S

P. VENKATA RAMANA
Partner
Membership No: 203346

Place : HYDERABAD
Date : 26.04.2012

For and on behalf of the Board

Dr. SHIBAN K. KOUL
Chairman

P. A. CHITRAKAR
Chief Operating Officer

J. VENKATA DAS
Director

S. GURUNATHA REDDY
Sr. General Manager (F & A)

B. MALLA REDDY
Managing Director

C. PRAMEELAMMA
Director (Technical)

ATIM KABRA
Director

T. ANJANEYULU
Company Secretary



ASTRA MICROWAVE PRODUCTS LIMITED

Regd. Office: 'ASTRA TOWERS', Survey No:12 (P), Kothaguda Post, Kondapur, Hitech City, Hyderabad – 500084.

FORM OF PROXY

I/we _____ of _____ in the district of _____
being a Member/Members of the above named Company, hereby appoint _____
of _____ in the district of _____ as my/our Proxy
to vote for me/us on my/our behalf at the Twenty First Annual General Meeting of the Company to be held on Monday
the 30th July, 2012 at 3.00 p.m at Hotel Daspalla, Road No:37, Jubilee Hills, Hyderabad – 500 033 and at any
adjournment thereof.

Signed this _____ day of _____ 2012

Folio No./DP ID & Client ID: _____ No. of Shares held _____

Signature (s) of Member (s)

Affix Revenue
Stamp of
Fifteen paise

- NOTE: (A) The Proxy need not be a member.
 (B) The Proxy form duly signed across the Revenue Stamp
 should reach the Company at 'ASTRA TOWERS',
 Survey No:12 (P), Kothaguda Post, Kondapur, Hitech City,
 Hyderabad – 500084. at least 48 hours before the time fixed for meeting.

ASTRA MICROWAVE PRODUCTS LIMITED

Regd. Office: 'ASTRA TOWERS', Survey No:12 (P), Kothaguda Post, Kondapur, Hitech City, Hyderabad – 500084.

ATTENDANCE SLIP

I hereby record my presence at the Twenty First Annual General Meeting of the Company at Hotel Daspalla, Road No:37, Jubilee Hills, Hyderabad – 500 033 on Monday the 30th July, 2012 at 3.00 p.m.

Name of the Attending Member (in Block Letters) _____

Member's Folio No./DP ID & Client ID _____

Name of Proxy _____
(in block letters to be filled in if the Proxy attends instead of Member)

No. of shares held _____

Member's / Proxy Signature*

NOTE: Shareholder/Proxy holder wishing to attend the meeting must bring this Attendance slip to the meeting and hand over the same at the entrance duly signed.



ASTRA MICROWAVE PRODUCTS LIMITED

ASTRA TOWERS, Survey No. 12(P), Kothaguda Post,
Hi-Tech City, Hyderabad - 500 084.

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