

**ASTRA MICROWAVE PRODUCTS LIMITED**

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CIN : L29309TG1991PLC013203

August 21, 2019

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

To
The Vice President,
Listing Department
**The National Stock Exchange of
India Limited**
Exchange Plaza
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051

Scrip code: 532493

Scrip code: ASTRAMICRO

Dear sir,

Sub: Conference call transcript.

We are sending herewith Conference call transcript held with analysts on 19th August, 2019.

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

Thanking you,

Yours faithfully,
For Astra Microwave Products Ltd

T. Anjaneyulu

T. Anjaneyulu
Dy.G.M - Company Secretary



Works :
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Astra Microwave Products Ltd.

Leaders in RF and Microwave Technologies

CIN: L29309TG1991PLC013203

“Astra Microwave Products Limited Q1 FY-20 Earnings Conference Call”

August 19, 2019



Astra Microwave Products Ltd.

Leaders in RF and Microwave Technologies

CIN: L29309TG1991PLC013203



**MANAGEMENT: MR. S. GURUNATHA REDDY – MANAGING DIRECTOR,
ASTRA MICROWAVE PRODUCTS LIMITED
MR. M.V. REDDY – JOINT MANAGING DIRECTOR,
ASTRA MICROWAVE PRODUCTS LIMITED**



Moderator:

Ladies and gentlemen good day and welcome to the Astra Microwave Products Limited Q1 FY20 Earnings Conference Call. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing ‘*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. S Gurunatha Reddy – Managing Director, Astra Microwave Products Limited. Thank you and over to you.

S. Gurunatha Reddy: Thank you. Good morning ladies and gentlemen and welcome you to this first quarter conference call. I am with Mr. M.V. Reddy – Joint Managing Director.

We have already shared the brief financial results along with the invitation to the call. However for the benefit of all of us again I visit some of the numbers. Gross revenues from operations for the quarter is about 25 crores after adjusting various line items as per the Ind-A Standard, net sales are about 25 crores and other operating revenue is about 5 crores. Overall it is about 30 crores for the quarter. Gross margin is about 17 crores which gives the ratio of close to about 70% for the quarter. Remaining cost they are all standard cost like employee cost, depreciation etc. We have ended with a negative operating profit for the quarter which is about 9.75 crores which results in a PBT of about -10.70



crores. These are the broad numbers in terms of financial performance of the company during the first quarter.

Some of the balance sheet items which I would like to share with you is that cash and cash equivalents is about 12 lakh at the end of first quarter, long-term debt is about 11 crores, out of that 9 crores is maturing in the current year and 2 crores will go into the next year. Working capital borrowings at the end of the quarter is about 17 crores. Investment in mutual funds and investment in joint ventures is close to about 35 crores, receivables are close to about 140 crores. With this broad financial details now I will open this discussion for question and answers.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of BV Bajaj from Bajaj Shares & Securities.

BV Bajaj: Q1 FY20, it is unexpected and almost revenue fallen to 57% compared to Q1 FY19 and margin also has gone negative almost 8 crores, so I would like to know two things. One is interest is up by 39% in this quarter and second one is order booked as on 31st March, 2019, it shows 1167 crores on hand and booked 1002 crores as on March 31st, 2019 and this quarter again order book is 1190 only and 50 crores is booked. So though we have order on hand is it some delay in supplies or delay in raw material or order is being canceled or preponed or postponed? That is one thing. Second thing is interest cost, is there any CAPEXes going on?



S. Gurunatha Reddy: Yes, regarding the performance of the company there is nothing to worry. We will recover in the next three quarters and we should be able to deliver what was promised should be around 450 to 500 crores by the end of the year. That is for sure. The drop in the sales for the quarter is largely because of the delay in execution of the export orders which we have projected in the last quarter con-call. The delay is again not due to the internal issues, it is largely because of supply of certain critical raw material and also at the customer end some research and development is still going on in closing his overall system requirement as a result we have not received the go ahead for the production. So these are the two reasons why there is a drop in revenues. We are sure we are going to pick up in the balance three quarters; nothing to worry on that front. Then regarding the interest cost going up, it is only because of the bank guarantee commission. In the second quarter we have received some advances from the export customers close to about 120 crores. For that we have to give advance bank guarantee to them where there is a good amount of bank guarantee commission charged by the bankers so the processing was done in the first quarter. Therefore that element of expenditure has come in. but otherwise we were able to maintain the working capital borrowings at a very minimum level.

BV Bajaj: One thing my worry is if you see the last 4 years annual turnover as you have just mentioned that remaining three



quarters by that you may be coping up to 500 crores gross revenue. But if you go by 2016 onwards it is less than 500 crores, maybe around 400 crores and it is come to 286 crores in the latest financial year ending 31st March. So what is your confidence level and how much of the supply you are being executed in this financial, not 12 months to 24 years?

S. Gurunatha Reddy: In this financial year we are confident to execute anywhere between 450 to 500 crores. Absolutely there is no doubt in that. We have the orders in hand to back up whatever the numbers we are projecting and we are sure that we are going to deliver in the current year.

BV Bajaj: Is there any technical hit from your buyer or export supply?

S. Gurunatha Reddy: No, there is no technical hit. In exports largely what we do is conversion job. This is a production job basing on the BOM and work flow given by the customer. They are the people who have to give you the final bill of material and also they have to define the scope of works and all. So unless they are sure about their final specifications they cannot give go ahead for starting the production. So the delay has happened in that front, slowly those clearances are coming to us and we should be able to pick up in the balance three quarters.

BV Bajaj: Is it a dedicated buyer from you, over the years or is it new buyer of export order?



S. Gurunatha Reddy: In fact he's an existing customer to us, in the 2014-15 and 15-16 we have done close to about 1000 crores business with the same customer. In fact the product that is being supplied is also for the same radar for which we have supplied earlier. Expecting that it is an existing product we have projected that we should be able to start the production immediately but basing on the feedback whatever they have received from their first supplies, certain corrections are to be made where the R&D work is going on from there end and hence there is a delay in starting the production from our end.

Moderator: The next question is from the line of Ankit Gupta from India Nivesh.

Ankit Gupta: Our gross margins as you said are 70% this quarter which were earlier 40%-45%, is it because of delay in export orders?

S. Gurunatha Reddy: Yes if you look at the sales for the first quarter, the Defence and the space has given close to about 23 crores whereas export is about 25 lakh. So that is the reason why you are seeing improved margins but these things are going to get corrected as the mix of sales is likely to change.

Ankit Gupta: Can you give me the breakup of your order book into Defence, space, metrology? Earlier it was given for every quarter.



MV Reddy: As on 1st July '19, we have 1169 crores order book, total order, so in that Defence is about 133 crores and space 299 crores, exports 722 crores and metrology and others put together about 15 crores.

Moderator: The next question is from the line of Vaibhav Jhunjunwala, an Individual Investor.

Vaibhav Jhunjunwala: My first question is that in the last con call you had said that you are looking for some infusion of funds by some financial partners or investors coming on board, so can you say where are we on that?

S. Gurunatha Reddy: It is still under process. As of today not much of progress was made on that as and when the development happens will be able to share with you.

Vaibhav Jhunjunwala: My second question is that right now what I can understand looking at the shareholding and everything that the current promoters have lost control of the board, is that true and is someone looking to acquire the company or kind of hostile takeover because I don't think the current the current promoters have been influential in making board decisions?

S. Gurunatha Reddy: No, in fact the current founders they have taken a backseat and that is the reason we came forward and we are managing the affairs of the company. These developments are already shared with you in the last con-call.



Vaibhav Jhunjunwala: Do we expect like an open offer or something because again as you all have come forward I understand there is a change in control in the board?

S. Gurunatha Reddy: You have to wait and watch for these developments.

Moderator: The next question is from the line of Hari Shiyad, an Individual Investor.

Harish Shiyad: Can you just share the expected margin on the export order of 722 crores?

S. Gurunatha Reddy: Generally the export orders carry the gross margin of 8%.

Harish Shiyad: Can you give the breakup of the expected turnover of 500 crores in the terms of the Defence, space, export like that?

S. Gurunatha Reddy: You mean for the year-end?

Harish Shiyad: Yes, you're expecting 450 to 500 crores of....

MV Reddy: Overall by year end export front we may book revenue of 200 to 250 crores and domestic front 250 to 275.

Harish Shiyad: What is the blended margin for the year?

S. Gurunatha Reddy: Blended margin maybe around 45% to 48% or just around that.

Moderator: The next question is from the line of Kirti Jain from Sundaram Mutual Fund.



Kirti Jain: When you highlighted about the blended margin you meant gross margins, right?

S. Gurunatha Reddy: Yes.

Kirti Jain: Also on the order flow front, what are the key orders we are expecting and what is the quantum of the order flow we are expecting for the FY20?

MV Reddy: FY20 we are expecting about—in Q1 we booked orders about 84.60 and Q2 we are expecting orders—close to 200 crores and in Q3 and Q4 put together around 200 crores. So total overall this year we have given guidelines of 500 crores order book. We will be in the position to book these orders.

Kirti Jain: What would be the mix of order flow between domestic and exports?

MV Reddy: For Q2 Defence we are around 60 crores and space we are around 83 crores and exports 45 and others about 25.

Kirti Jain: Then you order got canceled or anything during the quarter, a scope change happened because when we see the order flow last quarter the order book was 1167 crores and this quarter its 1190 whereas when we see the execution it is 30 crores only. There is a big gap actually between the actual recorded intake and the implied intake within the revenue and adjustment.

S. Gurunatha Reddy: Some adjustments would have happened because of the exchange rate fluctuation because the exports being



randomly valued at the existing rates. But otherwise I think we have started 14, 2019 at 1167 crores, orders booked in the first quarter is about 80 crores, executed in the current quarter is about 25 crores and the closing value is close to about 1202 kind of thing whereas 1190 is what we have projected. I think when we gave the initial 1167 crores we have included our subsidiary BEPL, probably that could be the reason why there is a difference coming up but otherwise broadly these are the numbers.

Kirti Jain: Tax rate what we should see for the full year, we will get the tax rate concession because the government...

S. Gurunatha Reddy: Of course if the turnover is going to be below 400 crores, yes but we will be crossing that therefore the special this thing is not going to be applicable to us. So therefore we will be paying a full tax subject to the availing deduction available for R&D expenditure, what we keep spending every year. Therefore the average tax rate on PBT maybe around 28% that is what I feel.

Kirti Jain: But FY18 our turnover was 360 crores and FY18 our turnover is below the threshold limit.

S. Gurunatha Reddy: Am talking about for the 19-20 financial year.

Kirti Jain: Correct but the base year which the government will take will be for FY18, right?



S. Gurunatha Reddy: No I don't think that will continue. I think it is year based kind of thing, I don't think once you are below 400, continuously the same rate will apply, at least that is what is my understanding of the provision. If it is otherwise everyone is going to get benefited. We will check from our side, you can also check from your side and we can share.

Moderator: The next question is from the line of Harish Shiyad, and Individual Investor.

Harish Shiyad: I was just looking at your numbers, the other expenses for the current quarter are around 20 crores which is slightly on the higher side if you compare it with March or June quarter, so any one-off item sitting in to this quarter expenses?

S. Gurunatha Reddy: No not really, nothing the extraordinary has happened. In fact as of now I don't have the breakup to really see it but no extraordinary event has happened.

Harish Shiyad: Coming back to your sales, you said that 5 crores is the other income and the 25 crores is the sales book, so what is these 5 crores is made up of and what was the figure for the whole year?

S. Gurunatha Reddy: The 5 crores the major portion of that is about the revenue generated from our wind turbine. We get about 3 crores per quarter that is the one. Then maybe the services and other part is the balance 2 crores. On yearly basis the wind generation will give us close to about 12 crores of revenues.



Harish Shiyad: I would appreciate if this information is given in the result itself as a breakup so that people understand what that income is made of.

S. Gurunatha Reddy: Yes we will do that from next quarter onwards.

Harish Shiyad: We are expected to do a turnover of 450 to 500 crores for the current year, any ballpark figure for the first half and the second half because your March is very heavy, around 40% is March? First half and second half ballpark figure.

S. Gurunatha Reddy: First half means anyway what I will do in the Q2 is one, probably we will be doing about 100 crores in the Q2, the balance will be coming in the next Q3 and Q4.

Moderator: The next question is from the line of BV Bajaj from Bajaj Shares & Securities.

BV Bajaj: One simple question on the management, a follow-up of earlier question put to you that the promoter group has slowly come out of holding since 2015 and it is in the public hand around 80% to 85%. So is there any confidence level on the board or board is not able to execute the required performance which it was holding it or there is some other technical issue so that the confidence level of the board is not up to the mark, can you highlight?

S. Gurunatha Reddy: In fact if you see the comfort level of the organization, probably this is the first time where the company is carrying order book of in excess of 1000 crores and also we are



sharing with you in a very transparent way why the delays are happening in terms of the execution. Therefore internally either in terms of the management or technical capabilities nothing to worry about that. As we said we are going to recover and come back to the normal level by the end of the year and going forward the order book itself is an indication that there will be a consistent performance at least for next 2 years. So I don't call for any reservation in terms of either the internal management of the company or in terms of management skills and deliverable capacities of the company, nothing to worry on that.

BV Bajaj:

No question on technical capabilities. The thing is old promoter group are Malla Reddy Garu, Chitrakar, Prameelamma and those people are slowly going out of promoter group listing. Recent board meeting also has approved that so who are the new promoters who are taking that charge of this as a guidance of carrying to the new goals whatever we are going to execute. One more thing is in 31st March, 2019 though order book was 1167 but during the year you booked 1002 crores, so same year it was booked and same year it is closing by 1167, so that gives the confidence level that certainly 1002 crores are added during the year and now they are not fruitful to our first quarter results.

S. Gurunatha Reddy: The founders continue to be the promoters of the company. All the three names whatever you have mentioned



they have not exited from the promoters. They continue to be the promoters of the company. Only thing is they have taken off from the day-to-day affairs of the company. They are very much the advisors of the company and myself and Mr. M.V. Reddy were tasked with the responsibilities of managing the affairs of the company. Therefore the three people continues to be very much promoters of the company. They have not exited to the promoters.

Moderator: The next question is from the line of Vaibhav Jhunjunwala, an Individual Investor.

Vaibhav Jhunjunwala: You had indicated that out of the current order book 700 crores is exports on which gross margin is about 8%, so my question is that if majority of your order book 70% or 65% of your order book is exports on which the gross margin is on the lower end which is 8% how did you say on the last con-call that will get a PBT of around 70 crores?

S. Gurunatha Reddy: I think this was answered many times; there is a good mix of domestic along with export orders. The domestic orders carry much better gross margins than what was achieved in the previous year, so that is going to mark that reasonably high gross margin is going to mark up the lower margin on exports which results in a comfortable overall gross margin and which can give you a profitability of whatever we have stated to you. We stand by that.



Vaibhav Jhunjhunwala: Just on a confidence booster level like we as investors understand just looking at the shareholding and the way the things are preceding right now the current promoters are losing control and the first quarter has been so subdued because you had said in the last con call you will do about 450 to 500 crores which you are maintaining again this year. But since you have not done close to even 100 crores this year on revenue front I think we as investors are losing a lot of confidence just because there is no control on the company of a particular person or particular group and the current promoters are not too interested in having that stake in the company as what they used to have with last 1 year or 2-3 or 4 years before. Somewhere I think we are losing confidence because the first quarter has been very subdued.

S. Gurunatha Reddy: First quarter original number what we gave you is around 50 crores therefore the performance is about 50% of what was projected. Secondly what all I can say is that you have to wait for maybe Q2 and Q3 then probably we can take a call about the deliverable capacity of the company. So beyond that whatever I say is going to be just words therefore we to have to wait and see. We are telling that we have a very good order book and we have explained why there are delays in performance of the company which is going to recover in the next three quarters therefore you have to wait for that thing to happen.



Vaibhav Jhunjunwala: The doubt is not on the order book, the order book is very good, it is very healthy but the doubt is on the execution and on the promoter front. If the promoters are not involved hands down in managing the company I think execution will be a big problem.

S. Gurunatha Reddy: Day to day affairs of the company are being managed by both of us not only now; even for the last 3 to 4 years therefore their absence from the board is not hampering the deliverable or day-to-day operations for the company. The only reason why there is a delay in taking off is whatever we have explained in the beginning which is going to recover and you can watch for the performance in the coming quarters.

Vaibhav Jhunjunwala: Can you throw some light on the two to three JVs that you were supposed to entered, anything on that front?

S. Gurunatha Reddy: There is only one JV what we have today; that is a JV with Rafael, Israel which got closed and there is a formal inauguration of that is happening on 27th of August. It has already got an order worth about 30 million from Rafael that is a JV partner....

Vaibhav Jhunjunwala: 30 million USD?

S. Gurunatha Reddy: Yes where the execution is going to happen in the next 24 months. Apart from that the other JVs are just we are in



discussions. I don't think we have talked about any further JV other than this.

Vaibhav Jhunjunwala: Rafael JV is a 50%-50% JV?

S. Gurunatha Reddy: Yes, we own 51 and they own 49.

Vaibhav Jhunjunwala: What is the gross margin on this roughly?

S. Gurunatha Reddy: Gross margins may be about 15%.

Moderator: The next question is from the line of Kirti Jain from Sundaram Mutual Fund.

Kirti Jain: With regard to other expenses this quarter the quantum was little higher. Any front loaded expenses were there like benefits which should be accruing in the second and third quarter which we have booked in this current quarter?

S. Gurunatha Reddy: No, nothing of that sort, nothing abnormal also. Earlier also there was a caller who asked me this question. Immediately I don't have the numbers to really get into the details but anyway I will share with you pre-earnings but otherwise there is no extraordinary event.

Kirti Jain: Just to highlight last year first quarter it was 9.2, previous four quarter average is 8.9 crores, this year despite the lower turnover it is 12.2 crores.



S. Gurunatha Reddy: That's what I will get back to you because immediately I will not be able to say because I don't have the breakup or line by line items with me now.

Kirti Jain: Any impact of Ind-AS 116 happens to our company?

S. Gurunatha Reddy: Yes, there are a couple of accounting standards which are applicable, one is ECL the Estimated Credit Loss provision what we have to make and of course Leasing Accounting Standard is also applicable but its impact is very negligible.

Kirti Jain: The ECL impact, what is the impact anything which you will like to quantify?

S. Gurunatha Reddy: The current quarter it is about 1.8 crores.

Kirti Jain: So we took an incremental provisioning of 1.8 crores?

S. Gurunatha Reddy: No that was entirely charged, we don't have any option of incremental.

Kirti Jain: Earlier nothing provision was setting, balance was zero?

S. Gurunatha Reddy: It has started from the last year onwards. I'm talking about net number only. This accounting standard was applicable even from last year '18-19 financial year whereas leasing accounting standard has become applicable from the current quarter.



Kirti Jain: In terms of receivables how is the thing or receivables starting to come off?

M.V. Reddy: Receivables out of 140 crores what we have today and most of the receivables which are long pending above 180 days is about close to 45 crores which hopefully we will collect it before October-November and other the balance like the amount also by February, by March we should be in a position to collect all these receivables. We don't have any issues with any bad debts kind of a thing, only maybe we are expecting about 4 to 5 crores kind of early probably we may have to see it by the end of the year.

Kirti Jain: We will continue to be a debt free company or how would the thing would be, just working capital?

S. Gurunatha Reddy: Immediately we don't have any major CAPEX plans therefore the long-term debt is going to be like what it is today. Of course, working capital borrowings, it is a very dynamic thing, it keeps varying depending on the requirement. But otherwise in terms of the long-term debt I would say that immediately yes, we don't have any plans to raise the money.

Moderator: The next question is from the line of Harish Shiyad, an Individual Investor.

Harish Shiyad: I was also looking at your shareholding pattern, I see the Texmaco Group, Saroj Poddar Group is holding around 4% equity stake into our company. They have recently acquired



in last 1.5 years from April '18 onwards they have started acquiring the shares. Can you throw some light on this?

S. Gurunatha Reddy: No I have nothing to throw light on this. In fact they have declared—along with the Texmaco Group another two entities, they have declared—to SEBI that they will be acting as a group, they will be acting as a concert. Beyond that I don't have any information to share as of today.

Harish Shiyad: So as a concert what is your actual holding by them, as a PAC?

S. Gurunatha Reddy: I think they are holding close to about 14%.

Harish Shiyad: 14% that's a very major chunk. Any talk going on between the management and them you know the 14% is quite a big chunk and have they asked for any director seat or anything like that?

S. Gurunatha Reddy: As I said as of today, I don't have anything to share.

Moderator: The next question is from the line of Subrata Sarkar from Mount Infra Finance.

Subrata Sarkar: As we have discussed we are planning to have some equity infusion or fund infusion, so any plan regarding that, how would we be utilizing that?

S. Gurunatha Reddy: As I shared with you in the last con-call or couple of con-calls earlier we are looking for inorganic growth apart from the organic growth. Inorganic growth largely through



formation of joint venture companies, may be some business relationship with some foreign suppliers of Defence equipment. So the discussions are going on; if we are able to close some of these discussions favorably then we will be in need of raising some capital resources, so at that point of time probably we will come out with more details and that was the time where we will be raising some resources.

Moderator: The next question is from the line of Jonas Bhutta from Phillip Capital.

Jonas Bhutta: My question is more on the pipeline of orders that the company is targeting may be over the next 2 to 3 years. So over and above the Akash 7 Squadron order can you highlight the kind of pipeline that you have built that can come as prospect list in the next may be 2 to 3 years with high probability?

MV Reddy: For the projects which we have completed development we are expecting orders, for one is that MPR that is Arudhra Radar which BEL is likely to get Arudhra radar, is the one major order which we are banking on. Apart from that AWACS Phase-2 which is also now started. They are taking time for approval and also getting financial approval prototypes, so that I think we will take from next year onwards. That is another major project which will give us the sufficient revenues for the next 2 to 3 years and similarly this repeat orders for WLR and also there is the other orders like on the missile front as well as on the radar front we are



hopeful of getting these orders from QR-SAM and also Akash NG and then Akash 1S from the Army project. So these are all orders which are in the pipeline for next 2 to 3 years from in the domestic front. Also in the Space the orders the way we booked for the RF programs which are likely to repeat again after a year or so in the same frequency so these are all again we are hopeful of getting this repeat orders in FY21 onwards. On the Meteorology also we participated in many programs and we are likely to get some of the orders in next financial year is of the order of 150 to 200 crores. So these are all orders which on the domestic front; of course on the export front it all depends like an offsets the way the customers we get orders from the Indian government so they are likely to place orders. One company in Israel we are in discussion with them for a offset order worth of close to \$50 million so that will likely to happen by this year-end or by first quarter of the next year. So these are all some of the orders which I highlighted for next 2 to 3 years but otherwise as I said next year we are likely to book order worth of 550 crores, it is that the FY21 and FY22 also we have a project with high probability to book orders close to 600 crores. So 550 to 600 crores next year and next to next year that is FY20 and FY21.

Jonas Bhutta: So basically this 1100 crores cumulative order inflow in '21 and '22 would capture all the opportunities that you just mentioned MPR, AWAAC, WLR, QR-SAM Akash 1S and



Aakash-NG; also are you in any way involved in the MR-SAM program which BDL or BEL would sort of...?

MV Reddy: In MR-SAM we have product but not in a significant contribution. There is only a small portion of it. We are executing one RF board as the part of the T/R Module unit. This is the only contribution for MR-SAM.

Jonas Bhutta: In the Aakash 1S and NG you are supplying the entire T/R Module board?

MV Reddy: Yes we have RF and microwave boards in that.

Jonas Bhutta: But you have nothing to do with the Seeker in those two missiles?

MV Reddy: Seekers also we are parallelly we are developing as we mentioned in the previous con-call, so the seekers what we have taken up in an active seekers which are in the almost final stage of development and we are likely to see some orders before this year end. There is a prototype order but in the limited quantity for 5 to 10, so that I think by year end we should be in a position to book those orders.

Moderator: The next question is from the line of Vaibhav Jhunjunwala, an Individual Investor.

Vaibhav Jhunjunwala: You said that the Texmaco Group along with other two entities are acting as PCAs and they are holding 14% have they been given any board representations?



S. Gurunatha Reddy: No as of today nothing. That is what I said they have only declared to SEBI that they are acting and consult.

Vaibhav Jhunjunwala: But I believe that there is a director called Kiran Dhingra who's been appointed on the board who is also on the board of directors of the group companies of the shareholders?

S. Gurunatha Reddy: Maybe but she is an Independent Director who is appointed in the last board meeting.

Vaibhav Jhunjunwala: But again as investors we need confirmation of who is controlling the company because it is very distorted. We really don't understand as of today who is running the show because see there is a clear sequence of events that advent the Texmaco Group acquired stake, the promoters exited and the board changes that has happened. So these are like precursors to an open offer, right?

S. Gurunatha Reddy: I do not want to comment on these things. As far as running the company as of today it is me and Mr. M. V. Reddy are running. There is a board which is...

Vaibhav Jhunjunwala: But we as minority shareholders should get an option to exit the company if there is a change in control so I need clarity on that front. I hope that you all come out with some announcement soon on this front because it will be an issue out of this.



S. Gurunatha Reddy: Yes if there is any development definitely we will. We are known for corporate governance definitely we will come out.

Moderator: As there are no further questions, I would now like to hand the conference over to the management for closing comments.

S. Gurunatha Reddy: Thank you for your participation ladies and gentlemen and look forward to talk to you again at the end of second quarter. Thank you.

Moderator: Thank you. Ladies and gentlemen on behalf of Astra Microwave Products Limited that concludes this conference.

Thank you for joining us and you may now disconnect your lines.