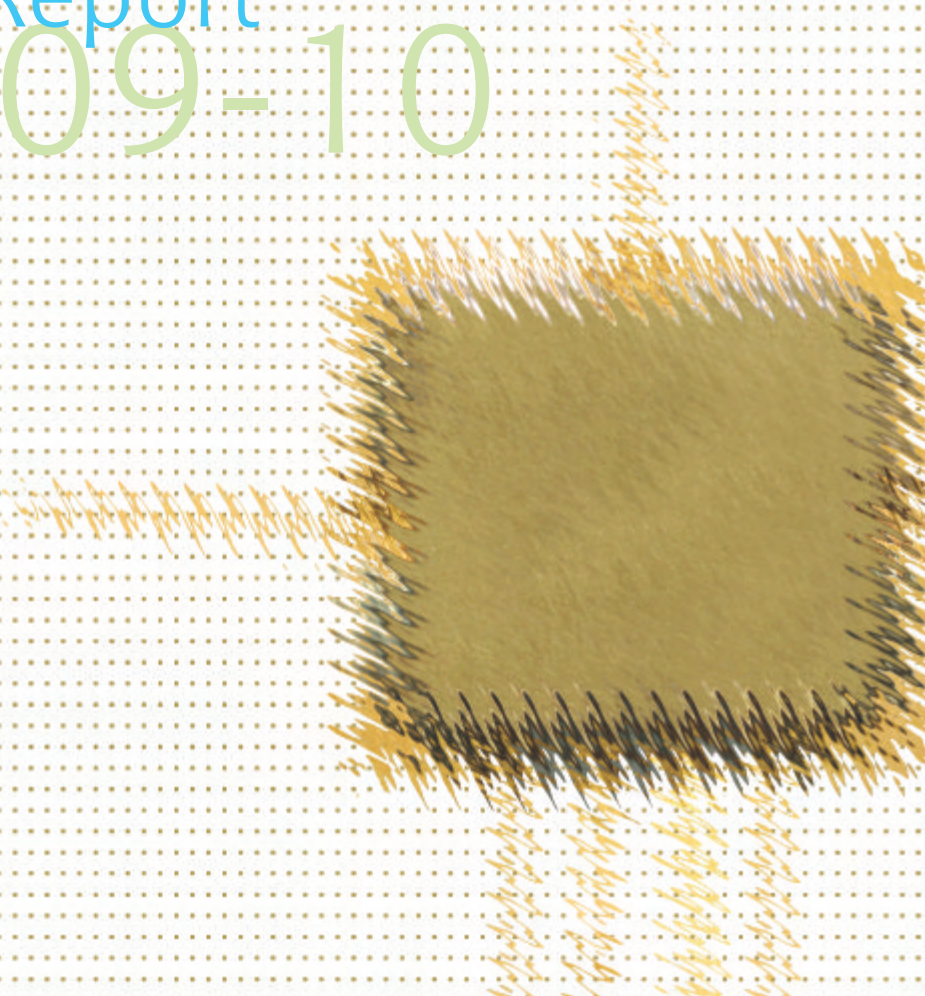




Astra Microwave Products Ltd

Annual Report  
2009-10





# 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.

Disclaimer: The information and opinions contained in this document do not constitute an offer to buy any of Astra Microwave Products Limited's securities, businesses, products, or services. The document might contain forward-looking statements qualified by words such as 'expect', 'plan', 'estimate', 'believe', 'project', 'intends', 'exploit', and 'anticipates', that we believe to be true at the time of the preparation of the document. The actual events may differ from those anticipated in these statements because of risk, and uncertainty of the validity of our assumptions. Astra Microwave Products Limited does not take on any obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.



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# QUICK INFORMATION

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Board of Directors	Dr Shibhan K Koul, Chairman Mr B Malla Reddy, Managing Director Mr P A Chitrakar, COO Mrs C Prameelamma, Director (Technical) Mr J Venkatadas Mr Atim Kabra
General Manager (F&A)	S Gurunatha Reddy
Company Secretary	T Anjaneyulu
Auditors	M/s Amar & Raju Chartered Accountants Road 3 Banjara Hills Hyderabad 500032
Bankers	Canara Bank, Prime Corporate Branch, Secunderabad HDFC Bank Ltd., Lakdi-ka-pul, Hyderabad State Bank of India, Overseas Branch, Hyderabad
Registered office and corporate office	Astra Towers Survey 12(P) Kothaguda Post Kondapur Hitech City Hyderabad 500084 Phone: 040-30618000 / 8001 Website: <a href="http://www.astramwp.com">www.astramwp.com</a>

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## Factories

### Unit I

#12 ANRICH Industrial Estate Miyapur  
IDA Bollarum Medak (District) 502325 AP

### Unit II

#56A 56B and 57A ANRICH Industrial Estate  
Miyapur IDA Bollarum Medak (District) 502325 AP

### Unit III

Survey #1/1 Imarat Kancha Raviryala Village  
Maheswaram Mandal Rangareddy (District) 500010 AP

### Unit IV

#18, 19, 20 & 21 (Part) Hardware Park  
Survey #1/1 Imarat Kancha of Ravirayal village  
Maheswaram Mandal Rangareddy (District) 500010 AP

## Registrars

Purva Sharegistry (India) Pvt. Ltd.  
Shiv Shakti Industrial Estate Unit 9  
Ground Floor 7B JR Boricha Marg  
Lower Parel Mumbai 400011  
Phone: +91 22 23016761  
Email: busicomp@vsnl.com

## Listing

The Bombay Stock Exchange Ltd.  
The National Stock Exchange of India Ltd.



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Astra Microwave Products Limited

Annual Report 2009-10

AGM Notice

# Astra Microwave Products Limited

## Notice of annual general meeting

NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting of the Members of Astra Microwave Products Limited will be held at Bhaskara Auditorium, BM Birla Museum, Adarsh Nagar, Hyderabad – 500 063, on Thursday, the 30th September, 2010 at 12.30 P.M for the transaction of the following business.

- 1 To receive, consider and adopt the audited Balance Sheet as at March 31, 2010, 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 Mrs C Prameelamma, Director who retires by rotation and being eligible offers herself for reappointment.
- 4 To appoint a Director in place of Mr J Venkatas, 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.

By order of the Board  
For Astra Microwave Products Limited

Place Hyderabad  
Date 30 April 2010

B MALLA REDDY  
Managing Director

### NOTES

- 1 A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and, on a poll, to vote instead of him or her. A proxy need not be a member of the Company. Instruments of proxy in order to be effective, must be received by the Company, not less than 48 hours before the commencement of the meeting. Completion and return of the form of proxy will not prevent a member attending the meeting and voting in person if he or she so wishes. A form of proxy is given at the end of the annual Report.
- 2 The register of members and share transfer books of the Company will remain closed from 23 September, 2010 to 30 September, 2010 (both days inclusive).
- 3 A brief profile of each of the Directors proposed to be appointed / reappointed is mentioned elsewhere in the "Report on Corporate Governance".
- 4 The dividend of Rs.0.50/- per share for the year ended March 31, 2010 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 30 September, 2010. 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.
- 5 Those members who have so far not encashed their dividend warrants for the below mentioned financial years, may claim or approach the Company for the payment thereof as the same will be transferred to the Investor Education and Protection Fund of the Central Government, pursuant to Section 205C of the Companies Act, 1956 on the respective dates mentioned there against. Kindly note that after such date, the members will lose their right to claim such dividend.





<b>Financial year ended</b>	<b>Due date of transfer</b>
31-03-2003	28-07-2010
31-03-2004	29-07-2011
31-03-2005	25-07-2012
31-03-2006	26-07-2013
31-03-2007	03-08-2014
31-03-2008	28-09-2015
31-03-2009	30-07-2016

- 6 SEBI has made it mandatory for all Companies to use bank account details furnished by the Depositories for distributing dividends. Shareholders who are holding the shares in physical form are requested to inform the Company's Share Transfer Agents, M/s. Purva Shareregistry (India) Pvt. Ltd., Shiv Shakti Industrial Estate, Unit No.9, Ground Floor, 7 B J R Boricha Marg, Lower Parel, Mumbai - 400 011, their Bank Account particulars for printing on the dividend warrants in respect of payment of dividend, if any, declared by the Company.
- 7 Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for deletion of / change in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend directly to their Depository Participants.
- 8 While members holding shares in physical form, may write to the Registrar and Transfer Agent for any change in their addresses, members having shares in electronic form may inform the same to their depository participants immediately so as to enable the Company to dispatch dividend warrants at their correct addresses.
- 9 Members/proxies are requested to bring duly filled in attendance slips sent herewith for attending the meeting.

## REQUEST TO THE MEMBERS

- 1 Members desiring any relevant information on the accounts at the Annual General Meeting are requested to write to the Company at least seven days in advance at its Registered office, so as to enable the Company to keep the information ready.
- 2 Members are requested to bring their copy of the Annual Report while attending the Annual General Meeting.

Place Hyderabad  
Date 30 April 2010

By order of the Board  
For ASTRA MICROWAVE PRODUCTS LIMITED  
B MALLA REDDY  
Managing Director



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Astra Microwave Products Limited

Annual Report 2009-10

Directors' report

# Astra Microwave Products Limited

## Directors' report

To

The Members,

Your Directors take great pleasure in presenting their report along with the Audited Accounts for the year ended March 31, 2010.

### FINANCIAL PERFORMANCE

PARTICULARS	2009-10	(in Rs lacs)
		2008-09
Sales	<b>10678</b>	11682
Profit before depreciation	<b>2221</b>	2799
Depreciation	<b>1119</b>	847
Profit before tax	<b>1102</b>	1952
Provision for taxation	<b>286</b>	500
Profit after tax	<b>816</b>	1452
Dividend (in percentage)	<b>25</b>	25
EPS (in Rs)	<b>1.32</b>	2.68
Paid up Equity Share capital	<b>1083</b>	1081
Reserves	<b>11723</b>	11262

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 Rs.0.50/- per equity share of Rs.2/- for the financial year 2009-10. 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 September, 2010.

### TRANSFER TO RESERVES

Your Directors have proposed to transfer Rs 75 lacs to the General Reserve retaining Rs 320 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

During the year Dr Shibani K Koul has been elected as Chairman of the Company.

In accordance with the provisions of the Companies Act, 1956, Mrs C Prameelamma, and Mr J Venkatadas 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;



## Directors' Report

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 audited accounts of Komoline Electronics Private Limited, subsidiary of the company, along with the statement required under Section 212 of the Companies Act, 1956 is annexed.

### 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.

### EMPLOYEE STOCK OPTION SCHEME

During the year, 4,06,800 options were exercised and equivalent number of Equity shares were issued and allotted under the Scheme.

The disclosures as required under Clause 12 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are given in Annexure II to this 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 III to the Directors' Report.

### EMPLOYEE RELATIONS

Employee relations were cordial during the year and the Board would like to place on 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.

Date 30 April 2010  
Place Hyderabad

For and on behalf of the Board of Directors  
B MALLA REDDY                      PA CHITRAKAR  
Managing Director                      COO

# Astra Microwave Products Limited

## Annexure to the directors' report

### ANNEXURE (I)

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.

The R&D wing of the Company has during the year developed innovative designs useful for manufacture of cost effective products. The research and development efforts of the Company are customer or order 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.

In the coming years also apart from customer or order based R&D which is a continuous and part of regular operations of the Company, the Company works in designing and development of new products to meet the market demands and also to become more cost effective.

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

Particulars	(in Rs lakh)	
	2009-10	2008-09
a Capital	<b>116</b>	105
b Recurring	<b>455</b>	439
c Total	<b>571</b>	544
d Total R&D expenditure as a percentage of total turnover	<b>5.35%</b>	4.63%

#### 3 Technology Absorption, Adoption and Innovation

During the year the Company has successfully absorbed and adopted technology for producing sub-systems and components for critical defence applications.

Through the technology absorption the Company was able to produce import substitutes products and were made cost effective. The Company has not imported any technology.

#### 4 Particulars of foreign exchange earnings and outgo

The Company has not made significant efforts during the year for export market promotion as it has concentrated more in developing new products for the domestic market.

Foreign Exchange outgo and earnings

Particulars	(in Rs lakh)	
	2009-10	2008-09
Foreign Exchange outgo		
On account of capital goods&Tools	<b>770</b>	152
On account of raw materials	<b>3641</b>	2347
On account of revenue expenses	<b>40</b>	49
On account of equity dividend	<b>1.00</b>	0.62
Total	<b>4452</b>	2549
Foreign Exchange Earnings	<b>580</b>	222

## Annexure to the directors' report

### ANNEXURE (II) TO THE DIRECTORS' REPORT

Disclosures as required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

#### AMPL ESOP SCHEME – 2005

<b>Sl.No.</b>	<b>Description</b>	<b>ESOP Scheme – 2005</b>
1	Options Granted	20,00,000 (Post split and Post bonus)
2	The Pricing formula	Options would be granted at a discount of 25% to the six months' average closing market price of the equity shares on The Stock Exchange, Mumbai as on the date (i.e 24.01.2005) of recommendation of the scheme by the Board of Directors for the approval of shareholders.
3	Options vested	640600
4	The total number of shares arising as a result of exercise of option	406800
5	Options lapsed	562300
6	Variation of terms of options	Nil
7	Money realized by exercise of options	Rs.1,46,85,480/-
8	Total number of options in force	Nil
9	Employee-wise details of options granted to	
	i Senior managerial personnel	Nil
	ii any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	Nil
	iii Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil
10	Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with (Accounting Standard AS-20 Earnings Per Share).	Rs.1.32 (For share application money received under ESOP Scheme – 2005)
11	The difference between the employee compensation cost computed under Intrinsic Value method and the employee compensation cost that shall have been recognized if the company had used the Fair value method and its impact on profits and on EPS of the Company.	NA
12	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted-average exercise price – Rs.36.1 The weighted-average fair value of option – Rs.62.91

# Astra Microwave Products Limited

## Annexure to the directors' report

13	Description of the method and significant assumption used during the year to estimate the fair values of options, including the following weighted average information :	The fair value has been calculated using the Black Scholes Option Pricing model. The Assumptions used in the model are as follows:
a	Risk-free interest rate	7%
b	Expected life	1 Years
c	Expected volatility	0.75%
d	Expected dividends; and	0.34%
e	The price of the underlying share in market at the time of option grant.	Rs.700/-

Date 30 April 2010  
Place Hyderabad

For and on behalf of the Board of Directors  
B MALLA REDDY                      PA CHITRAKAR  
Managing Director                      COO

### ANNEXURE (III) 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 employee	Age	Designation	Gross Remuneration Rupees	Qualification	Experience in years	Date of Commencement in employment	Particulars of last employment
MR B MALLA REDDY	63	CEO & M.D	4070264	M.E (Automation)	26	13.09.1991	Head (R&D) OMC Computers Ltd
MRS C PRAMEELAMMA	61	Director (Technical)	4006500	M.E (Instrumentation & Control Systems)	20	13.09.1991	Scientist "C" DRDO Labs, Hyderabad
MR PA CHITRAKAR	59	Chief Operating Officer	4110390	M.Tec (Advanced Electronics)	24	01.09.1994	Scientist `E` Defense Electronics Research Laboratory, Hyderabad

Date 30 April 2010  
Place Hyderabad

For and on behalf of the Board of Directors  
B MALLA REDDY                      PA CHITRAKAR  
Managing Director                      COO





# Report on corporate governance

Astra Microwave Product 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, 2010

Name of the Director	Category	Designation	Other Directorships	Committee Memberships	Chairmanship in Committees
DR SHIBAN K KOUL	Independent Director	Chairman	-	1	1
MR B MALLA REDDY	Promoter and Executive Director	Managing Director	-	1	-
MR PA CHITRAKAR	Promoter and Executive Director	Chief Operating Officer	-	1	-
MRS C PRAMEELAMMA	Promoter and Executive Director	Director (Technical)	-	-	-
MR J VENKATADAS	Independent Director	Director	2	4	1
MR ATIM KABRA	Non-Executive Director	Director	7	3	1

### Shareholding in the Company

Table 2 gives details of the shares held by each of the Directors as on March 31, 2010.

Table 2: Shares held by Directors in the Company

Name of the Director	No. of shares held
Dr Shiban K Koul	8000
Mr B Malla Reddy	2145700
Mr PA Chitrakar	907603
Mrs C Prameelamma	1205850
Mr J Venkatadas	28200
Mr Atim Kabra	308000

### Meetings

The Company prepares the tentative annual calendar and the schedule of the Board and Board committee meetings to assist the Directors in scheduling their program well in advance.

As per the listing agreement, the Board of Directors must meet at least four times a year, with a maximum time gap of four months between any two meetings.

AMPL's Board met 6 times during the year under review on April 3, 2009, April 29, 2009, July 31, 2009, September 2, 2009, October 12, 2009 and January 29, 2010.

# Astra Microwave Products Limited

The Company held one Board meeting in each quarter as required under the Companies Act, 1956. The Company is in compliance with the provisions in the listing agreement on the gap between two Board meetings. Details of Directors and their attendance in Board meetings and Annual General Meeting are given in Table 3.

Table 3 Directors attendance in Board Meeting and AGM.

<b>Name of the Director</b>	<b>Meetings held in Director's tenure</b>	<b>Number of Board meetings attended</b>	<b>Attendance in last AGM on July 31, 2009</b>
DR SHIBAN K KOUL	6	5	No
MR B MALLA REDDY	6	6	Present
MR PA CHITRAKAR	6	6	Present
MRS C PRAMEELAMMA	6	6	Present
MR J VENKATADAS	6	4	No
MR ATIM KABRA	6	1	No

## Information given to the Board

Necessary information as mentioned in Annexure IA to Clause 49 of the Listing Agreements 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 2009-10 is given in Table 4 below:

Table 4: Remuneration paid to the Directors for the financial year.

		(in Rs)				
<b>S.No.</b>	<b>Name</b>	<b>Sitting Fee (includes for committee meetings)</b>	<b>Salary &amp; Perks</b>	<b>Performance allowance &amp; commission</b>	<b>Total amount paid</b>	<b>Total Eligible amount</b>
1	Dr Shibhan K Koul	20,000	0	5,00,000	5,20,000	5,79,531
2	Mr B Malla Reddy	0	18,87,764	21,82,500	40,70,264	57,95,307
3	Mr PA Chitrakar	0	19,27,890	21,82,500	41,10,390	57,95,307
4	Mrs C Prameelamma	0	18,24,000	21,82,500	40,06,500	57,95,307
5	Mr J Venkatadas	15,000	0	5,00,000	5,15,000	5,79,531
6	Mr Atim Kabra	5,000	0	5,00,000	5,05,000	5,79,530

## 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 2009-10 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 four 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 29, 2009, July 31, 2009, October 12, 2009 and January 29, 2010. Table 5 gives the composition and attendance record of Audit Committee.

Table 5 Audit Committee attendance during the financial year 2009-10.

Name of the Director	Position held	Number of Meetings attended
MR J VENKATA DAS	Chairman	4
DR SHIBAN K KOUL	Member	4
MR ATIM KABRA	Member	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.

### e Disclosure requirements

The committee shall disclose in the Company's Annual Report whether or not, with respect to the concerned financial year.

- 1 The management has reviewed the audited financial statements with the committee, including a discussion of the quality of the accounting principles as applied, and significant judgments affecting the Company's financial statements.
- 2 The committee, in reliance on the review and discussions conducted with the management and the independent auditor pursuant to the requirements above, believes that the company's financial statements are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP) in all material respects, and.
- 3 The committee has satisfied its responsibilities in compliance with its charter.

## B Compensation 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 an independent Director and Chairman of the Board.

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	Numbers of Meetings attended
MR ATIM KABRA	Chairman	1
MR J VENKATA DAS	Member	3

# Astra Microwave Products Limited

MR B MALLA REDDY	Member	4
MR PA 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, MD as the Chairman of the Committee and Mr S Gurunatha Reddy, GM (F&A) as the member. The Share Transfer Committee is normally met twice a month on a fortnightly basis and the Committee met 3 times during the financial year 2009-10. The Attendance of the members of the Share Transfer Committee recorded is as under:

Name of the Person	Position held	Numbers of Meetings attended
MR B MALLA REDDY	Chairman	3
MR S GURUNATHA REDDY	Member	3

## III Disclosures

### i Disclosures on materially significant related party transactions.

There were no materially significant related party transactions i.e., transactions material in nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc., having potential conflict with the interests of the Company at large. Related party transactions have been disclosed in the Notes to Accounts in the financial statements as at March 31, 2010.

### 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.

The Company has complied with all mandatory requirements of Corporate Governance, as required by the Listing Agreement with the Stock Exchanges.

### 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

Clause 49 of the Listing Agreement states that the non-mandatory requirements may be implemented as per our discretion. However, the disclosers of compliance with mandatory requirements and adoption (and compliance)/ on-adoption of the non-mandatory requirements shall be made in the section on Corporate governance in the Annual Report. We comply with the following non-mandatory requirements:

#### 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.

#### b Remuneration committee

We have instituted a compensation committee/remuneration committee.

## IV Shareholders

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

Directors retiring by rotation:

#### i Mrs C Prameelamma, Director

Mrs C Prameelamma is a Post Graduate in Engineering (Instrumentation and Control Systems) who was with Electronics Research and Development Establishment, and later with Defence Electronics Research Laboratories (DLRL) for a period in excess of 20 years. She had considerable exposure in the use of Computer Aided Design work Stations, in the manufacturing processes and testing of microwave components.

- ii Mr J Venkatadas, Director  
Mr J Venkatadas is a technocrat, distinguished banker and freelance financial adviser. He was with Canara Bank and Canbank Venture Capital Fund before starting his own advisory services.

## 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.astramwp.com](http://www.astramwp.com) wherein other related information is available. Information can be communicated through e-mail at [info@astramwp.com](mailto:info@astramwp.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 the 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.

Mail id for all investor grievances: [secretarial@astramwp.com](mailto:secretarial@astramwp.com).

## D CEO/CFO certification

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

## E Auditors' certification on corporate governance

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

## V 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
2007	Bhaskara Auditorium BM Birla Museum Hyderabad 500063	Saturday 4 August 2007	3.00 P.M
2008	Bhaskara Auditorium BM Birla Museum Hyderabad 500063	Monday 29 September 2008	12.30 P.M
2009	Bhaskara Auditorium BM Birla Museum Hyderabad 500063	Friday 31 July 2009	3.30 P.M

#### Postal Ballot

The approval of the shareholders / members was sought through postal ballot voting vide Notice dated 2 September, 2009 to put a ceiling for overall investment for FII's and NRIs / PIOs etc., to 26% of paid up share capital of the company. The company has appointed Mr L D Reddy, Practising Company Secretary, as Scrutinizer for conducting the Postal Ballot Voting in a fair and transparent manner. The Special Resolution as set out in the Notice was approved by the shareholders / members with an overwhelming majority of 99.99%. The result of the postal ballot was declared on 12 October, 2009 and the same was displayed at the Registered Office and website of the Company besides being communicated to the Stock Exchange where the securities of the Company are listed.

### 2 Annual General Meeting.

Day, Date and time	30 September 2010; 12.30 P.M.
Venue	Bhaskara Auditorium, BM Birla Museum, Adarsh Nagar, Hyderabad 500063

# Astra Microwave Products Limited

## 3 Financial Calendar

Indicative calendar of events for the year 2010-11 (financial year) excluding Extra Ordinary General Meeting(s), if any, is as under

19th Annual General Meeting	30 September, 2010
First Quarter financial results	31 July, 2010
Second Quarter financial results	31 October, 2010
Third Quarter financial results	31 January, 2011
Fourth Quarter & Annual results of financial year 2010-11	30 April, 2011

## 4 Book Closure

The Company's Register of Members and Share Transfer books will remain closed for the purpose of payment of dividend. 23 September, 2010 to 30 September, 2010 (Both days inclusive)

## 5 Dividend Payment Date

On or Before 29 October, 2010.

## 6 Listing on Stock Exchanges

The Company's equity shares are listed on the following stock Exchanges

The National Stock Exchange of India

The Bombay Stock Exchange Limited

Listing Fee

The Stock Code of the Company

The ISIN for Company's Equity Shares in Demat Form  
Depositories Connectivity

Address of the Stock Exchanges

Exchange Plaza, Bandra-Kurla Complex,  
Bandra (E), Mumbai-400 051.

Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai-400 001.

The Company has paid till date listing fee of  
all the above Exchanges.

ASTRAMICRO (NSE)  
532493 (BSE)

INE386C01029  
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		Volume (Nos)
	High(Rs)	Low(Rs)	
April'09	62	45	2638096
May'09	86	47	8210651
June'09	97	72	5163949
July'09	76	81	9235121
Aug'09	74	86	13820466
Sept'09	83	95	26779018
Oct'09	89	90	7653487
Nov,09	67	75	3741805
Dec'09	67	74	3499279
Jan'10	71	88	11470928
Feb'10	77	82	5566536
Mar'10	73	76	2540953

## 8 Stock performance in comparison to BSE Sensex

<b>MONTH</b>	<b>ASTRA CLOSING PRICE (Rs)</b>	<b>BSE Sensex (closing)</b>
April'09	49	11403
May'09	84	14625
June'09	78	14493
July'09	73	15670
Aug'09	81	15666
Sept'09	89	17126
Oct'09	65	15896
Nov,09	66	16926
Dec'09	71	17464
Jan'10	75	16357
Feb'10	72	16429
Mar'10	67	17527

## 9 Registrar and Transfer Agent

M/s Purva Sharegistry (India) Pvt Ltd.,  
 Shiv Shakti Industrial Estate, Unit No.9 , Ground Floor,  
 7B JR Boricha Marg, Lower Parel, Mumbai 400011  
 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 01.04.2009 To 31.03.2010.

<b>Sl.No.</b>	<b>Name of the Complaint</b>	<b>Received</b>	<b>Disposed</b>	<b>Pending</b>
1	Non receipt of dividend warrants	Nil	Nil	Nil
2	Deletion/inclusion of joint name, transfer and transmission	12	12	Nil
3	Demat	39	37	2
4	Others	4	4	Nil
5	Change of Address	1	1	Nil

## 11 Distribution of shareholding and shareholding pattern as on 31.03.2010

Distribution of shareholding

<b>No. of shares held</b>	<b>No. of shareholders</b>
Upto - 5,000	28630
5,001 - 10,000	506
10,001 - 20,000	251
20,001 - 30,000	64
30,001 - 40,000	42
40,001 - 50,000	28
50,001 - 1,00,000	62
1,00,001 And Above	81
<b>TOTAL</b>	<b>29664</b>

# Astra Microwave Products Limited

## Shareholding pattern

Category	No. of shares	% shareholding
Promoters	10304119	19.03
Individuals	15639416	28.89
FII/NRI/OCBs	10785678	19.92
Bodies corporate	11978214	22.12
Trusts	1193400	2.20
Financial Institutions/ Banks/Mutual funds	4242523	7.84
Total	54143350	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, 2010 equity shares representing 89% have been dematerialized with the following depositories:

Description	ISIN	Depositories
Equity shares	INE386C01029	NSDL & CDSL

## 13 Outstanding GDRs / ADRs / Warrants or any Convertible Instruments,

The Company has not issued any GDRs / ADRs. There were no outstanding convertible warrants as on March 31, 2010

## 14 Plant Locations.

Unit-I	Plot No: 12, ANRICH Industrial Estate, Miyapur, IDA Bollaram, Medak (District)-502 325. Andhra Pradesh. Tele: 040-30618100 / 01
Unit-II	Plot.no: 56A,ANRICH Industrial Estate, Miyapur, IDA Bollaram, 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 S Gurunatha Reddy, GM (F&A) 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, 2010 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.

Place Hyderabad  
Date 30 April 2010

For AMAR & RAJU  
Chartered Accountants  
(G AMARANATHA REDDY)  
Partner

## 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 2009-10.

Place Hyderabad  
Date 30 April 2010

For ASTRA MICROWAVE PRODUCTS LIMITED  
B MALLA REDDY  
Managing Director

# Astra Microwave Products Limited

## Management's Discussion and Analysis of results of operations and financial condition.

### Overview

AMPL 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.

The Company has been able to carve a niche for itself and build strong relationship with its customers by getting associated with them right at the conception stage of new product development. The company expects business volumes for some of its products to grow significantly as they move from development phase into production phase.

### 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

The top line has gone down by 9% as compared with previous years as the Company faced last minute hurdles in delivery of some sub-systems whose sale value was close to Rs.30 cr. As these sub-systems were intended for certain strategic applications they have to go through certain specific quality clearances which have delayed the delivery. We hope to come over these hurdles and make-up more than delayed business in the year 2010-11. Since we have missed about Rs.30 cr in top-line, the profitability ratios were also hit which otherwise does not reflect the potential margins, which the Company normally enjoys. We hope to be back to our normal profitable business again in the year 2010-11.

Though the Company faced difficulties in achieving top line growth, it has done well in order booking which gives long term visibility comfort and performance stability.

The Company's order book position at the end of the year is as follows.

Business segment	(in Rs lakh)		
	At the beginning of the year	Booked during the year	At the end of the year
Defence	7241	19234	<b>19200</b>
Space	3124	458	<b>3082</b>
Metrology	3034	382	<b>663</b>
Telecom	109	673	<b>65</b>
Exports	5840	1113	<b>4630</b>
Total	19348	21860	<b>27640</b>

## b Performance analysis

Business segment-wise sales (gross) for the last two years is as follows

Business Segment	FY 09-10		FY 08-09	
	in Rs lakh	%	in Rs lakh	%
Defense	<b>6831</b>	<b>65</b>	5,690	51
Space	<b>621</b>	<b>68</b>	2,610	23
Metrology	<b>1753</b>	<b>16</b>	2,212	20
Civil Telecom	<b>590</b>	<b>56</b>	499	04
Exports	<b>575</b>	<b>6</b>	45	2
Total	<b>10397</b>	<b>100</b>	11,900	100

Defence segment is the major contributor with more than half of the total revenues coming in from this market. Within Defence, Radar sub-systems have contributed for significant volume of business and the trend is likely to continue.

Space segment has shown negative growth as it has completed major projects during the last financial year and is waiting for new projects to take off. The Company has bagged good orders during the year which will be converted into revenue in the coming year which will make this segment positive growth area again.

Metrology sector has done exceedingly well during the current year as it has completed full supply (outstanding order) of AWS to Indian Metrology Department apart from regular supplies to M/s Antrix.

The Company started exports under Defence Offsets during the year, it is ' first of its kind' in Indian private sector Industry.

## c Major Product development (R&D) Analysis

### Defence applications

Company's focus for the Defense market continues to be in the area of supply of sub-systems for Radar Electronics, Missile Electronics, EW Applications apart from Telemetry components. Some of the projects/products on which the Company has worked during the year are outlined below.

S-band Active Aperture Array of 1244 elements using 100W TR modules was developed. State-of-the-art configuration, solid state technology, modular architecture are the highlights. Specially designed cold plates for liquid cooling of the modules was designed and fabricated.

Various RF systems are developed and qualified for Primary and Secondary Radars of DRDO labs. Major systems are Array Beam forming units, Monopulse comparator & Calibration networks for Primary Radar and monopulse Receivers and Beam Control Units modules for Secondary Radar for the array. In addition, Central unit which is a heart of the Primary Radar was developed. Antenna Switching Unit, Direction Finding Systems and Signal Conditioning Unit for ESM System for this programme are also developed at AMPL.

To further enhance the performance of already successfully proved C-Band Weapon Locating Radar, Central unit was designed and developed. Features like DDS based fast switching Radar frequency, large no. of spots, Programmable Waveforms and duty, Ethernet based control was introduced.

Wide Band Tuners and Demodulators (0.5 – 18GHz) are developed and qualified for various programmes of DRDO and Defence PSUs. Modular, and Compact designs for both on-board aircrafts and for masts of the ship are successfully developed with state-of-the-art technologies.

1.5 GHz Digital Receiver and DRFM boards using high end Vertex -5 FPGAs are developed for Dual and Quad Channel receivers of Tuners for Various EW programmes of DRDO and Defence PSUs. Boards of this kind were imported at extremely high cost for various DRDO programmes earlier. AMPL has brought break through in this area making the EW systems more sensitive and accurate.

# Astra Microwave Products Limited

AMPL has developed Radio Proximity fuses in X and KU bands using High end digital signal processing techniques. These design were targeted for accurate measurements using Range correlators and Doppler measurements algorithms on high speed FPGAs and Processors.

At EW (R&D) Department, we developed Ultra Wide Band, High Speed, Clocked DIFM (Digital Instantaneous Frequency Measurement) Receiver for European Defence requirements. Based on this development, Astra bagged order for few DIFMs with high end features. This has opened a new horizon for several DIFM family products. EW (R&D) Department also developed Low Cost, Miniature DLVAs for Indian and Export market requirements. Both the products are expected to give potential business in export segment.

Apart from these, the development has also taken place for custom built EDLVA for domestic needs. Efforts have also gone for Indigenous Design and Supply of Ultra Wide Band (1-18GHz), Non Reflective, High Isolation Switches with extremely high speed (8nSec) switching performance.

## MMIC Design Centre

MMIC Design Centre established in April 2004, till now designed and developed more than 105 MMICs. These MMIC's include Low Noise Amplifiers, Wide band Amplifiers, High Power & Medium power Amplifiers, Wide band Mixers, SPDT & SPST Switches, Digital Phase shifters, Digital Attenuators, Voltage variable Attenuators, Variable slope, variable gain equalizers, Power Limiters in various frequency ranges from DC-40GHz.

AMPL has been actively engaged in various TR Module programmes for Defence and space requirements. AMPL MMIC Design Centre has been given the mandate to design and develop the TRM chip sets in the frequency ranges of S-band, C-band & X-bands, to ensure the continuous supply of these chips with out any embargo issues.

During 2009-2010, the MMIC Design Centre has been engaged with the following activities:

The main focus was to design and develop components which were required for both internal customers and foreign clients. While the internal supplies result in BOM savings and also ensure the sure supply of these strategic parts, the external supplies resulted in providing a stiff competition to the giants in the market. The major event during the financial year was the break through of the team in exporting T/R control related MMIC components to places like, Germany, Israel, Finland, Argentina, Ukraine, France, Russia, Australia, Korea and England.

During the year, the team has developed one single phase shifter solution for the complete EW frequency band of 6 to 18 GHz which very few companies have succeeded in. The performance of this MMIC has received commendation from all the quarters.

During the year the centre worked on developing packaged MMICs for the T/R Modules rather than supplying bare MMICs. During this process many critical components were indigenously packaged so as to make the organisation self sufficient and to decrease the turn around time in importing these sensitive parts from different vendors.

The team has also started working on system design and has successfully completed prototyping a system, "Dual Band Command & Video T/R" for helicopter based applications. Most of the critical MMIC components used in this system have been designed and developed by the team internally.

As a next step in the exploring the cutting edge technologies, the team has now started working in the domains of Micro-Electro-Mechanical Systems (MEMS) technology and Low Temperature Co-fired Ceramic (LTCC) technology.

In the coming year the team is working towards providing one single chip solution for the T/R control component and is aiming towards achieving multi functional chipsets in various frequency bands.

## SPACE APPLICATIONS:

The Company carried-out development works for the space applications both for ground base and Satellite applications during the year. The Company develops sub-systems to support various systems designed and developed at ISRO establishments like Space Application Centre,ISTRAC,Antrix etc., Some of the development works are as follows.

The 5W Out Door Unit is part of Ka band VSAT terminal being developed at Space applications centre. The unit accepts signals at L band from the indoor unit. These signals Up Converted to Ka Band and amplified to 5W before passing to Antenna for transmission. The received signals are amplified and Down Converted to L band. These signals are passed to indoor unit for further processing.

The Integration Block is part of RISAT Payload being developed at Space Applications Centre. The unit consists of Power Divider networks and RF Switches to route the RF signal at different ports based on the commands received from the controller. The unit plays major role in calibration and check out of the Payload and is in 1:1 redundant configuration to enhance system reliability.

The Ku band phase locked Source is a Standard subsystem in communication Satellites having Ku-Band Transponder, used for the purpose of tracking and atmosphere characterization. The Beacon Source consists of a basic Temperature compensated Crystal Oscillator followed by a frequency Multiplier. Suitable filtering and Amplification is provided at various stages as required in order to get a stable final output.

The TR control unit is basically a digital control circuit. It controls the TR module phase and amplitude. It provides required logic commands to TRM. It can store the phase and amplitude data of each TRM.

The X band QPSK Transmitter is a part of IRS Payload being developed at ISAC, Bangalore. The unit consists of Power supply section, Data section, Modulator sections. Programmable PLL based synthesized source is used for carrier generation in the frequency range of 8 to 8.4GHz. An MMIC IQ mixer is used to modulate the (up to 200MBPS) LVDS data on to the carrier.

The S band QPSK Transmitter is a developed Antrix Corporation, Bangalore. The unit consists of Power supply & Data sections, Modulator sections. Programmable PLL based synthesized source is used for carrier generation at spot frequency of 2.280GHz with 5W.

The S band BPSK Transmitter is a part of Megatronics Payload being developed at ISAC, Bangalore. The unit consists of Power supply & Data section, Modulator sections. Programmable PLL based synthesized source is used for carrier generation at spot frequency of 2.280GHz with 2W. A Double Balanced mixer is used to modulate the (up to 10 MBPS) LVDS data on to the carrier.

#### d Expansion plans

The Company has no major expansion plans during the year. It has created required physical infrastructure to meet future growth plans.

#### 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 recognisable 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.

# Astra Microwave Products Limited

## 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 had gone up to Rs.10.83 cr due to exercise of ESOPs by employees.

### 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 not taken any long terms loans during the year. The capital expenditure for the year was funded from internal accruals. Following are the details of secured loans maintenance during the year

Particulars	As of March 31	
	2010	2009
<b>Working capital loans</b>		
Open cash credit		
Sanctioned amount	<b>40,00,00,000</b>	30,00,00,000
Outstanding amount	<b>29,52,99,047</b>	14,56,28,051
Short-term loan	-	-
<b>Long term loans:</b>		
Outstanding at the beginning of the year	<b>21,37,96,715</b>	28,90,62,500
Addition during year	-	5,28,00,000
Repaid during the year	<b>7,74,98,881</b>	12,80,65,785
Amount outstanding at the end of the year	<b>13,62,97,834</b>	21,37,96,715
<b>Hire purchase loans:</b>		
Outstanding at the beginning of the year	<b>13,36,848</b>	10,17,422
Addition during year	<b>19,24,942</b>	10,53,684
Repaid during the year	<b>6,72,327</b>	7,34,258
Amount outstanding at the end of the year	<b>25,89,463</b>	13,36,848

Unsecured loan pertains to the sales tax deferment availed by the company for products manufactured at Unit-II. The liability position and repayment schedule of the same at the end of each year from the year of availment is shown below.

Deferment availed during the year	Amount (Rs)	Payable during the year
1998	3,57,651	2011
1999	6,55,446	2012
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
<b>Total</b>	<b>2,23,63,757</b>	

### 4 Deferred tax

The company has accounted for full tax liability.

## 5 Fixed Assets

Particulars	As of March 31 (in Rs)	
	2010	2009
Original cost		
Land	<b>8,56,74,397</b>	8,27,60,197
Buildings	<b>47,39,46,755</b>	36,47,35,814
Plant & machinery	<b>71,89,37,705</b>	63,02,60,379
Electrical installation	<b>3,17,80,027</b>	2,88,36,986
Air conditioners	<b>4,60,03,031</b>	3,06,22,749
Office equipment	<b>78,81,984</b>	54,14,374
Furniture and fixtures	<b>4,05,52,688</b>	3,66,82,607
Computers	<b>6,82,58,770</b>	5,10,61,198
Vehicles	<b>1,90,12,346</b>	1,88,49,756
Total	<b>149,20,47,703</b>	124,92,24,060
Less: Accumulated depreciation	<b>54,46,59,537</b>	43,50,07,982
Net block	<b>94,73,88,166</b>	81,42,16,079
Net fixed assets	<b>94,73,88,166</b>	81,42,16,079
Depreciation as % of total revenue	<b>10.49</b>	7.02
Accumulated depreciation as a % of gross block	<b>36.50</b>	34.82

During the year the company added assets (net) worth Rs.15 cr to the gross block. The opening capital work in progress of Rs.9 cr representing cost incurred on the new building that has come up at the Hardware Technology Park was also converted into Fixed Asset as the building works got completed during the year. Most of the plant and machinery additions pertain to cost of Test equipments, Environmental chambers for increasing production and R&D capacities.

The company has further capital expenditure commitment of Rs.10 crores during the year which will be met out of the cash accruals and borrowed funds.

## 6 Investments

Investments represents amount invested in equity share capital of its wholly owned subsidiary. The decrease is due to sale of investments in SBI Mutual Fund.

## 7 Sundry Debtors

Sundry debtors amounts to Rs.83 cr at the end of the year as compared to Rs.62 cr for the previous year. They are at 72% of revenue for the year as compared to 51% for the previous year representing an outstanding of 273 days and 187 days of revenues for the respective years. Following is the age profile of outstanding receivables.

Sl.No.	Period in days	Amount (Rs.cr)	% to total
1	0-30	25	30
2	31-60	13	15
3	61-90	6	7
4	91-120	2	3
5	More than 120	37	45
<b>Total</b>		<b>83</b>	<b>100</b>

The company has the policy of writing off debts as bad after the review and recommendation by the management review committee. The committee before recommending considers various factors including the collectability of specific dues, risk perception of the industry and the customer's ability to settle.

## 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.

# Astra Microwave Products Limited

<b>Particulars</b>	<b>2010</b>	<b>2009</b>
Cash and cash equivalents as a % of total assets	1.55	5.34
Cash and cash equivalents as a % of revenues	2.54	7.43

## 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 unavailed modvat 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.

The amount shown under share application pending allotment with the subsidiary companies represents the amount spent on the wholly owned subsidiary during the current year and which was not capitalized.

## 10 Current liabilities

Sundry creditors for capital works, supplies represents the amount due at the end of the year for the capital good 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.0.50 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 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

(in Rupees)

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
Net Sales	1,049,757,017	1,035,562,928	1,238,905,103	1,168,168,971	<b>1,067,754,147</b>
Other income including accretion to stock	71,070,155	55,333,210	92,274,809	-34,955,401	<b>66,281,740</b>
Expenditure	531,672,152	601,401,874	903,939,363	822,731,374	<b>875,417,621</b>
Operating Profit (EBDIT)	589,155,020	489,494,264	427,240,549	310,482,196	<b>258,618,266</b>
Interest	18,427,304	22,059,360	42,446,084	30,585,109	<b>36,434,580</b>
Profit before depreciation and tax(PBDT)	570,727,716	467,434,904	384,794,465	279,897,087	<b>222,183,686</b>
Depreciation	56,412,481	60,106,859	73,850,001	84,698,013	<b>111,952,319</b>
Profit before tax(PBT)	514,315,235	407,328,045	310,944,464	195,199,074	<b>110,231,367</b>
Tax	142,320,042	122,311,131	102,019,538	49,961,902	<b>28,627,820</b>
Net Profit	371,995,193	285,016,914	208,924,926	145,237,172	<b>81,603,547</b>
Equity	106,224,900	106,893,500	107,511,700	108,091,900	<b>108,286,700</b>
No.of shares	53,112,450	53,446,750	53,755,850	54,045,950	<b>54,143,350</b>
Fixed Assets	654,608,791	690,397,915	949,211,525	1,249,224,060	<b>1,492,047,703</b>
Net Fixed Assets	451,962,886	428,040,516	614,544,751	814,216,079	<b>947,388,166</b>
Raw material consumed	295,880,023	331,803,275	553,626,386	483,574,567	<b>523,858,026</b>
Man power cost	130,557,256	147,133,147	194,051,120	181,973,094	<b>180,556,475</b>
Sundry debtors	208,032,118	629,966,475	761,150,298	615,052,338	<b>825,860,230</b>
Networth	689,539,626	933,675,951	1,147,647,257	1,237,843,534	<b>1,291,218,988</b>
Capital Employed	887,789,742	1,061,287,885	1,536,651,472	1,561,141,819	<b>1,781,661,622</b>
EBDIT to Sales(%)	56.12	47.27	34.49	26.58	<b>24.22</b>
EBDT to Sales(%)	54.37	45.14	31.06	23.96	<b>20.81</b>
PBT to Sales(%)	48.99	39.33	25.10	16.71	<b>10.32</b>
PAT to Sales(%)	35.44	27.52	16.86	12.43	<b>7.64</b>
Tax to Profits(%)	27.67	30.03	32.81	25.60	<b>25.97</b>
Sales to Net fixed Assets	2.32	2.42	2.02	1.43	<b>1.13</b>
Raw materials to Sales(%)	28.19	32.04	44.69	41.40	<b>49.06</b>
Man power cost to Sales(%)	12.44	14.21	15.66	15.58	<b>16.91</b>
Sundry debtors to Sales(%)	17.13	54.83	56.79	45.89	<b>61.62</b>
Return on Networth(%)	53.95	30.53	18.20	11.73	<b>6.32</b>
Return on Capital Employed(%)	41.90	26.86	13.60	9.30	<b>4.58</b>
Cash Earnings per share(CEPS)	10.75	8.75	7.16	5.18	<b>4.10</b>
Earnings per share(EPS)	7.00	5.33	3.89	2.69	<b>1.51</b>
Book value of the share	12.98	17.47	21.35	22.90	<b>23.85</b>



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Astra Microwave Products Limited

Annual Report 2009-10

Accounts - Standalone

# Astra Microwave Products Limited

## Auditors' report to the members of Astra Microwave Products Limited

We have audited the attached Balance Sheet of **M/s ASTRA MICROWAVE PRODUCTS LIMITED**, as at 31st March, 2010 and also the Profit and Loss Account for the year ended on that date annexed thereto and the cash flow statement for the period ended on that date. 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 misstatements. 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 a The Company has maintained proper records, showing full particulars, including quantitative details and situation of fixed assets.
  - b The management has conducted the physical verification of fixed assets during the year under audit, 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 verification.
  - c The company has not disposed substantial part of the fixed assets during the year under audit.
  - ii a The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b 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 is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
  - iii 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 transactions covered under 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 The company has not accepted any deposits from the public.
  - vii In our opinion the company has an internal audit system commensurate with the size and nature of its business.
  - viii According to the information and explanations given to us, maintenance of cost records U/Sec. 209(1) (d) the Companies Act, 1956 has not been prescribed by the Central Government for the company.
  - ix 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, Customs Duty, Excise Duty, Service Tax, 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, Customs Duty, Excise Duty, Service Tax and Cess were in arrears, as at 31st March 2010 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 provisions of clause 4(x) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company, since the company has no accumulated losses at the end of the financial year.
  - xi In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institutions and banks.
  - xii The company has not granted any loans and advances 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 or a Nidhi/Mutual Benefit Fund/ Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  - xiv In our opinion, the company has maintained proper records of the transactions and contracts in respect of investments in shares and units and timely entries have been made therein and the shares and units have been held by the company in its own name.
  - xv In our opinion, the terms and conditions on which the company has given guarantees for loans taken by subsidiary companies from banks are not prejudicial to the interest of the company.
  - xvi In our opinion, the term loans 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 report that funds raised on short-term basis to the extent of Rs.2.55 crores have been used for long-term investment.
  - xviii According to the information and explanations given to us, the company has not made any preferential allotment of shares to the parties and companies covered in the register maintained U/Sec.301 of the Companies Act, 1956.
  - xix The company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
  - xx The company has not raised any money by way of public issue during the year under audit. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 regarding disclosure of the end use of money raised by public issue are not applicable to the company.
  - xxi According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.
- 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 and the Profit & Loss Account referred to in this report are in agreement with the books of account.
  - iv In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply 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, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as Director in terms of clause (g) of sub-section (1) Section 274 of the Companies Act, 1956.

# Astra Microwave Products Limited

- vi In our opinion and to the best of our information and according to the explanations given to us, the said Accounts 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, 2010 and
  - b In the case of the Profit & Loss Account, of the Profit for the year ended on that date and
  - c In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

Place     Hyderabad  
Date     30 April 2010

For AMAR & RAJU  
Chartered Accountants  
Firm Registration Number 0000925  
P VENKATA RAMANA  
Partner  
Membership No: 203346



## Balance sheet as at 31 March 2010

(in Rupees)

	Schedule Reference	As At 31 March 2010	As At 31 March 2009
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	A	108,286,700	108,091,900
Reserves & Surplus	B	1,172,344,158	1,126,235,494
ESOP Share Application Money		10,588,130	3,516,140
Employee Stock Option Outstanding		21,716,340	25,018,200
Less: Deferred employee Compensation Expense		(21,716,340)	(25,018,200)
		<b>1,291,218,988</b>	1,237,843,534
<b>Loan Funds</b>			
Secured Loans	C	434,186,344	360,761,614
Unsecured Loans	D	22,363,757	22,363,757
		<b>456,550,101</b>	383,125,371
<b>Other Liabilities</b>			
Deferred Tax Liability		55,650,033	58,080,547
<b>TOTAL</b>		<b>1,803,419,122</b>	<b>1,679,049,452</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	E	1,492,047,703	1,249,224,060
Less: Depreciation		544,659,537	435,007,982
Net Block		947,388,166	814,216,078
Capital Work-in-progress		-	93,325,134
		<b>947,388,166</b>	907,541,212
<b>Investments</b>			
	F	21,757,500	24,582,500
<b>Current Assets Loans and Advances</b>			
a Inventories	G	460,326,856	338,053,584
b Sundry Debtors		825,860,230	615,052,338
c Cash and Bank Balances		215,542,650	174,708,894
d Other Current Assets		-	-
e Loans and Advances		125,488,177	135,198,318
		<b>1,627,217,913</b>	1,263,013,134
<b>Less: Current Liabilities and Provisions</b>			
a Current Liabilities	H	738,264,177	464,037,586
b Provisions		54,680,280	52,049,808
		<b>792,944,457</b>	516,087,394
<b>Net Current Assets</b>		<b>834,273,456</b>	746,925,740
<b>TOTAL</b>		<b>1,803,419,122</b>	<b>1,679,049,452</b>

### NOTES TO ACCOUNTS

P

As per our report of even date.

For AMAR & RAJU  
Chartered Accountants

Firm Registration No. 000092S

P VENKATA RAMANA  
Partner

Membership Number 203346

Place Hyderabad  
Date 30 April 2010

For and on behalf of the Board

SHIBAN K KOUL  
Chairman

B MALLA REDDY  
Managing Director

P A CHITRAKAR  
Chief Operating Officer

C PRAMEELAMMA  
Director - Tech

J VENKATADAS  
Director

S GURUNATHA REDDY  
GM - F&A

T ANJANEYULU  
Company Secretary

# Astra Microwave Products Limited

## Profit and loss account for the year ended 31 March 2010

(in Rupees)

	Schedule Reference	Year ended 31 March 2010	Year ended 31 March 2009
<b>INCOME</b>			
Sales less returns		<b>1,036,991,033</b>	1,173,673,023
Less: Excise Duty		<b>35,212,024</b>	38,527,992
Service charges		<b>65,975,138</b>	33,023,940
Other income	I	<b>16,676,676</b>	13,226,140
Accretion to stock	J	<b>(49,605,064)</b>	48,181,541
<b>TOTAL</b>		<b>1,134,035,887</b>	1,133,213,570
<b>EXPENDITURE</b>			
Raw material consumed	K	<b>523,858,026</b>	483,574,567
Expenditure on personnel	L	<b>180,556,475</b>	181,973,094
Manufacturing, administrative and selling expenditure	M	<b>166,548,004</b>	148,321,051
Financial charges	N	<b>36,434,580</b>	30,585,109
Depreciation	E	<b>111,952,319</b>	84,698,013
Bad debts written off		<b>4,455,116</b>	6,687,662
Provision on investment in SBI MF Units		-	2,175,000
<b>TOTAL</b>		<b>1,023,804,520</b>	938,014,496
Profit before tax		<b>110,231,367</b>	195,199,074
Provision for taxation		<b>(31,058,334)</b>	(51,752,893)
Deferred tax liability		<b>2,430,514</b>	3,033,532
		<b>(28,627,820)</b>	(48,719,361)
Fringe benefit tax		-	(1,242,541)
		<b>(28,627,820)</b>	(49,961,902)
Profit after tax		<b>81,603,547</b>	145,237,172
Prior period adjustments		<b>(10,207,609)</b>	(285,351)
Profit available for appropriation		<b>71,395,938</b>	144,951,821
<b>APPROPRIATIONS</b>			
Transferred to General Reserve		<b>7,500,000</b>	15,000,000
Proposed dividend		<b>27,275,075</b>	27,071,675
Corporate dividend tax		<b>4,635,399</b>	4,600,831
Surplus carried to Balance Sheet		<b>31,985,464</b>	98,279,315
<b>TOTAL</b>		<b>71,395,938</b>	144,951,821
Earnings per share (Basic) (Face value Rs.2)		<b>1.32</b>	2.68
Earnings per share (Diluted) (Face value Rs.2)		<b>1.32</b>	2.68

### NOTES TO ACCOUNTS

P

As per our report of even date.

For AMAR & RAJU  
Chartered Accountants  
Firm Registration No. 000092S  
P VENKATA RAMANA  
Partner  
Membership Number 203346

Place Hyderabad  
Date 30 April 2010

For and on behalf of the Board

SHIBAN K KOUL  
Chairman

B MALLA REDDY  
Managing Director

P A CHITRAKAR  
Chief Operating Officer

C PRAMEELAMMA  
Director - Tech

J VENKATADAS  
Director

S GURUNATHA REDDY  
GM - F&A

T ANJANEYULU  
Company Secretary





## Schedules forming part of the balance sheet as at 31 March 2010

(in Rupees)

	As at 31 March 2010	As at 31 March 2009
<b>SCHEDULE A: SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
10,00,00,000 Equity Shares of Rs 2/- each	<u>200,000,000</u>	<u>200,000,000</u>
<b>ISSUED SUBSCRIBED AND PAIDUP</b>		
5,41,43,350 (5,40,45,950) Equity Shares of Rs 2/- each fully paid up	<u>108,286,700</u>	<u>108,091,900</u>
<b>TOTAL</b>	<u>108,286,700</u>	<u>108,091,900</u>
<b>SCHEDULE B: RESERVES AND SURPLUS</b>		
1 General Reserve		
Opening Balance	229,779,695	214,779,695
Add: Transferred from Profit and Loss Account	<u>7,500,000</u>	<u>15,000,000</u>
	<b>237,279,695</b>	229,779,695
2 Profit & Loss Account		
Opening balance	825,741,107	763,967,560
Less: Transferred / adjusted on amalgamation	-	(36,505,768)
Add: Transferred from Profit and Loss Account	<u>31,985,464</u>	<u>98,279,315</u>
	<b>857,726,571</b>	825,741,107
3 Share Premium		
Opening Balance	70,714,692	50,987,892
Less: Capitalised during the year	(97,400)	(290,100)
Add: Additions during the year	<u>6,720,600</u>	<u>20,016,900</u>
	<b>77,337,892</b>	70,714,692
<b>TOTAL</b>	<u>1,172,344,158</u>	<u>1,126,235,494</u>

# Astra Microwave Products Limited

## Schedules forming part of the balance sheet as at 31 March 2010

(in Rupees)

	As at 31 March 2010	As at 31 March 2009
<b>SCHEDULE C: SECURED LOANS</b>		
1 Working Capital Finance from Canara bank	<b>46,560,646</b>	75,940,754
2 Working Capital Finance from HDFC Bank Limited	<b>47,378,896</b>	741,643
3 Working Capital Finance from SBI	-	68,945,654
4 Short Term Working Capital Loan from State Bank of India (Repayable with in one year Rs 2,00,00,000/-) Add: Interest accrued and due	<b>200,000,000</b> <b>1,359,505</b>	- -
	<b>201,359,505</b>	-
5 Term Loan from SBI (Repayable with in one year Rs 6,37,50,000/- (Rs 6,37,50,000/-)) Add: Interest accrued and due	<b>95,625,000</b> <b>1,072,834</b>	159,375,000 1,621,715
	<b>96,697,834</b>	160,996,715
6 Term Loan from ICICI Bank (Repayable with in one year Rs 1,32,00,000/- (Rs 1,32,00,000/-))	<b>39,600,000</b>	52,800,000
7 Hire Purchase Finance (Repayable with in one year Rs 10,01,590/- (Rs 5,51,866/-))	<b>2,589,463</b>	1,336,848
<b>TOTAL</b>	<b>434,186,344</b>	360,761,614
<b>SCHEDULE D: UNSECURED LOANS</b>		
Interest free sales tax loan from Government of Andhra Pradesh	<b>22,363,757</b>	22,363,757
<b>TOTAL</b>	<b>22,363,757</b>	22,363,757

## Schedules forming part of the balance sheet as at 31 March 2010

### SCHEDULE E: FIXED ASSETS

(in Rupees)

Description	Rate of Dep.	Gross Block				Depreciation				Net Block			
		As on 31 March 2009	Transfer on Amalgamation	Additions	Deletions	As on 31 March 2010	Upto 31 March 2009	Transfer on Amalgamation	For the Period	Deletions	Upto 31 March 2010	As on 31 March 2010	As on 31 March 2009
LAND	0%	82,760,197	-	2,914,200	-	85,674,397	-	-	-	-	-	85,674,397	82,760,197
BUILDINGS	10%	364,735,814	-	109,210,941	-	473,946,755	43,640,194	-	29,991,464	-	73,631,658	400,315,097	321,095,620
PLANT & MACHINERY	15%	630,260,379	-	88,677,326	-	718,937,705	310,550,071	-	52,442,639	-	362,992,710	355,944,995	319,710,308
ELECTRICAL INSTALLATIONS	15%	28,836,986	-	2,943,041	-	31,780,027	6,688,181	-	3,485,693	-	10,173,874	21,606,153	22,148,805
AIR CONDITIONERS	15%	30,622,749	-	15,380,282	-	46,003,031	8,164,070	-	3,484,840	-	11,648,910	34,354,121	22,458,679
OFFICE EQUIPMENT	15%	5,414,374	-	2,529,323	61,713	7,881,984	2,253,187	-	693,140	16,222	2,930,105	4,951,879	3,161,187
FURNITURE & FIXTURES	18.10%	36,682,607	-	3,870,081	-	40,552,688	14,583,652	-	5,027,197	-	19,610,849	20,941,839	22,098,955
COMPUTERS	60%	51,061,198	-	17,370,649	173,077	68,258,770	36,826,971	-	14,726,929	160,132	51,393,768	16,865,002	14,234,227
VEHICLES	25.89%	18,849,756	-	2,602,848	2,440,258	19,012,346	12,301,656	-	2,100,417	2,124,410	12,277,663	6,734,683	6,548,100
<b>TOTAL</b>		1,249,224,060	-	245,498,691	2,675,048	1,492,047,703	435,007,982	-	111,952,319	2,300,764	544,659,537	947,388,166	814,216,078
<b>PRE., YEAR TOTAL</b>		949,211,525	46,333,524	254,385,922	706,911	1,249,224,060	334,666,774	16,020,245	84,698,013	377,050	435,007,982	814,216,078	614,544,751



# Astra Microwave Products Limited

## Schedules forming part of the balance sheet as at 31 March 2010

(in Rupees)

	As at 31 March 2010	As at 31 March 2009
<b>SCHEDULE F: INVESTMENTS</b>		
A Long-Term-At Cost-Unquoted In Subsidiary Company		
1,62,450 Equity shares of Rs 100/- each fully paid up in M/s Komoline Electronics Private Limited	<b>21,757,500</b>	21,757,500
B Current Investments		
Investment in Units of SBI Mutual Fund (cost or market value which ever is lower)	-	5,000,000
Less Provision for diminution in value of investments	-	<u>2,175,000</u>
	-	2,825,000
<b>TOTAL</b>	<b><u>21,757,500</u></b>	<b><u>24,582,500</u></b>
Aggregate amount of quoted investments	-	5,000,000
Market value of quoted investments	-	2,825,000
Aggregate amount of unquoted investments	<b>21,757,500</b>	21,757,500



## Schedules forming part of the balance sheet as at 31 March 2010

(in Rupees)

	As at 31 March 2010	As at 31 March 2009
<b>SCHEDULE G: CURRENT ASSETS LOANS &amp; ADVANCES</b>		
<b>Current Assets</b>		
<b>A Stock-in-trade</b>		
a Raw materials	271,267,996	198,655,658
b Packing materials	279,469	223,599
c Finished goods	2,060,735	8,760,534
d Semi-finished goods	186,718,656	130,413,793
	<b>460,326,856</b>	338,053,584
<b>B Sundry Debtors</b> (Unsecured considered good)		
a Outstanding for more than six months	342,748,375	143,197,179
b Others	483,111,855	471,855,159
	<b>825,860,230</b>	615,052,338
<b>C Cash and Bank balances</b>		
a Cash on hand	79,307	116,828
b Balance with Scheduled Banks:		
1 In Current account	14,663,280	3,793,137
2 In EEFC account	13,274,002	87,751,760
3 In Dividend warrant account	2,887,751	2,508,780
4 As Margin money	181,033,323	79,535,864
5 Interest receivable	3,604,987	1,002,525
	<b>215,542,650</b>	174,708,894
	<b>1,501,729,736</b>	1,127,814,816
<b>D Loans &amp; Advances</b> (Unsecured considered good)		
a Advance for supplies	23,267,335	26,684,266
b Advance for services & expenses	8,287,973	3,480,858
c Prepaid Excise duty (Cenvat Credit)	46,426,077	44,833,663
d Prepaid expenses	20,528,491	12,385,664
e Income tax refund due	20,726,220	12,603,747
f Deposits	3,919,892	3,788,632
g Advance for capital works	1,999,565	31,220,558
h Unmatured Finance charges	332,627	200,930
	<b>125,488,177</b>	135,198,318
<b>TOTAL</b>	<b>1,627,217,913</b>	1,263,013,134

# Astra Microwave Products Limited

## Schedules forming part of the balance sheet as at 31 March 2010

(in Rupees)

	As at 31 March 2010	As at 31 March 2009
<b>SCHEDULE H: CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>A Current Liabilities</b>		
a Creditors for capital works	<b>17,531,269</b>	31,305,842
b Creditors for supplies	<b>84,708,875</b>	58,606,907
c Creditors for services & expenses	<b>35,274,563</b>	68,175,216
d Amounts due to subsidiary company for supply of goods and services	<b>3,707,917</b>	13,715,768
e Investor Education & Protection Fund (Unclaimed dividend)	<b>2,886,751</b>	2,506,942
f Creditors for others	<b>5,998,015</b>	6,034,115
g Advances from customers	<b>587,863,855</b>	283,302,221
h Interest accrued but not due on ICICI Bank Term Loan	<b>292,932</b>	390,575
	<b>738,264,177</b>	464,037,586
<b>B Provisions</b>		
a Provision for taxation	<b>7,160</b>	211,249
b Provision for proposed dividend	<b>27,275,075</b>	27,071,675
c Corporate dividend tax	<b>4,635,399</b>	4,600,831
d Provision for gratuity & leave encashment	<b>22,762,646</b>	20,166,053
	<b>54,680,280</b>	52,049,808
<b>TOTAL</b>	<b>792,944,457</b>	516,087,394



## Schedules forming part of the profit and loss account as at 31 March 2010

(in Rupees)

	Year ended 31 March 2010	Year ended 31 March 2009
<b>SCHEDULE I: OTHER INCOME</b>		
a Interest received	9,850,617	8,743,706
b Miscellaneous receipts	566,046	1,775,283
c Insurance claims received	212,376	59,765
d Customs duty refund	3,690,920	2,647,386
e Profit on Disposal of Assets	41,717	-
f Profit on sale of MF Units	140,000	-
g Provision on MF Units Reversed	2,175,000	-
<b>TOTAL</b>	<b>16,676,676</b>	<b>13,226,140</b>
<b>SCHEDULE J: ACCRETION TO STOCK</b>		
Semi-finished & fishished goods at the end of the period	188,779,391	139,174,327
Less Semi-finished & Finished goods at the beginning of the year	139,174,327	187,355,868
Increase / (decrease) in stock-in-trade	49,605,064	(48,181,541)
<b>SCHEDULE K: RAW MATERIAL CONSUMED</b>		
<b>A Indigenous Raw Material</b>		
Opening stock of raw material	40,585,457	27,952,226
Add: purchases during the year	194,209,205	196,125,329
	<b>234,794,662</b>	<b>224,077,555</b>
Less Closing stock of raw material	42,380,495	40,585,457
Raw Material consumed	192,414,167	183,492,098
<b>B Imported Raw Material</b>		
Opening stock of raw material	158,070,202	167,260,589
Add purchases during the year	402,261,158	290,892,082
	<b>560,331,360</b>	<b>458,152,671</b>
Less Closing stock of raw material	228,887,501	158,070,202
Raw material consumed	331,443,859	300,082,469
Total raw material consumed	523,858,026	483,574,567
<b>SCHEDULE L: EXPENDITURE ON PERSONNEL</b>		
Salaries, wages & other benefits	142,367,140	138,302,880
PF & ESI company contribution	7,573,228	7,979,899
Directors remuneration	13,687,154	14,515,917
Staff welfare expenditure	9,072,677	8,111,885
Security charges	1,685,173	1,418,008
Gratuity	1,954,707	1,156,075
Staff recruitment & training	914,536	654,040
Employee compensation expenses written off (Under ESOP Scheme)	3,301,860	9,834,390
<b>TOTAL</b>	<b>180,556,475</b>	<b>181,973,094</b>

# Astra Microwave Products Limited

## Schedules forming part of the profit and loss account as at 31 March 2010

(in Rupees)

	Year ended 31 March 2010	Year ended 31 March 2009	
<b>SCHEDULE M: MANUFACTURING ADMINISTRATIVE AND SELLING EXPENDITURE</b>			
<b>a Manufacturing Expenditure</b>			
Machinery maintenance	18,544,285	13,363,004	
Power and fuel	9,789,171	7,607,404	
Excise duty (Includes Difference between excise duty on opening & closing stock of FG)	2,422,231	(3,993,674)	
Testing charges	2,375,610	3,981,722	
Carriage in wards	838,327	971,341	
Installation & Commissioning of AWS	9,206,501	3,817,472	
	<b>43,176,125</b>	<b>25,747,269</b>	
<b>b Administrative Expenditure</b>			
Travelling and conveyance	11,908,016	10,139,557	
Printing and stationery	3,939,240	3,018,875	
Communication costs	3,290,533	3,151,663	
Rent	20,000	-	
Insurance	3,389,830	4,199,056	
Rates, taxes and fees	4,777,302	3,264,197	
Auditors remuneration	551,500	551,500	
Legal & professional charges	7,144,691	5,497,514	
Building Repairs & Maintenance	2,421,394	389,716	
Computer & Software maintenance	5,170,610	6,269,097	
Vehicle Maintenance	1,107,667	1,216,861	
Factory & Garden Maintenance	4,783,976	2,556,922	
Office maintenance & electricity charges	1,068,361	1,034,669	
Repairs & maintenance of other assets	2,422,547	2,237,876	
Vehicle hire charges	5,571,482	4,057,488	
General expenses	1,330,555	661,179	
Donations	1,130,000	20,000	
Sitting fee & meeting expenses	61,037	84,302	
Books, periodicals & subscriptions	217,625	368,958	
Conference & Seminar Expenses	70,332	469,836	
Advertisement	2,703,445	2,088,830	
Sponsorship Expenses	635,483	1,525,000	
Entertainment & business promotion	2,504,495	624,461	
	<b>66,220,122</b>	<b>53,427,557</b>	
<b>c Selling Expenditure</b>			
Carriage out wards	3,726,053	1,713,652	
Packing material	2,081,426	1,586,787	
Sales Tax	32,271,039	40,983,119	
Service Tax	6,176,452	3,405,582	
Late delivery charges	7,386,057	18,297,850	
Order Booking Commission	2,025,540	-	
Foreign Travel and Exhibition expenses	3,485,191	3,159,235	
	<b>57,151,758</b>	<b>69,146,225</b>	
<b>TOTAL</b>	<b>166,548,004</b>	<b>148,321,051</b>	





## Schedules forming part of the profit and loss account as at 31 March 2010

	Year ended 31 March 2010	(in Rupees) Year ended 31 March 2009
<b>SCHEDULE N: FINANCIAL CHARGES</b>		
Interest on term loans	<b>8,309,194</b>	5,590,534
Interest on borrowings from bank	<b>17,960,526</b>	14,591,346
Hire Purchase Finance Charges	<b>268,372</b>	77,776
Bank charges and Commission	<b>9,896,488</b>	10,325,453
<b>TOTAL</b>	<b>36,434,580</b>	30,585,109

## SCHEDULE O: RESEARCH & DEVELOPMENT EXPENDITURE (Schedule not forming part of the Balance Sheet & Profit and Loss Account)

Raw Material Consumed	<b>32,243,182</b>	34,008,663
Personnel Cost	<b>12,490,106</b>	8,991,807
Other Overheads	<b>768,406</b>	871,635
Capital expenditure	<b>11,633,501</b>	10,539,589
<b>TOTAL R&amp;D Expenditure</b>	<b>57,135,195</b>	54,411,694

# Astra Microwave Products Limited

## Schedules forming part of the balance sheet and profit and loss account as at 31 March 2010

### SCHEDULE P: NOTES TO ACCOUNTS

	As at 31 March 2010		As at 31 March 2009	
1 Licensed and installed capacities	N. A.		N. A.	
2 Actual production	<b>Qty in Nos</b>		Qty in Nos	
Microwave Components and Sub-systems	<b>27,784</b>		19,537	
3 Percentage of raw materials consumed	<b>%</b>	<b>Value in Rs</b>	<b>%</b>	<b>Value in Rs</b>
a Indigenous	<b>36.73%</b>	<b>19,24,14,167</b>	37.94%	18,34,92,098
b Imported	<b>63.27%</b>	<b>33,14,43,859</b>	62.06%	30,00,82,469
<b>TOTAL</b>	<b>100.00%</b>	<b>52,38,58,026</b>	<b>100.00%</b>	<b>48,35,74,567</b>
4 Raw material consumed	<b>Qty in Nos</b>	<b>Value in Rs</b>	Qty in Nos	Value in Rs
a Semi conductor devices	<b>42,30,707</b>	<b>35,73,69,673</b>	27,52,249	42,56,84,376
b Other materials	-	<b>16,64,88,353</b>	-	5,78,90,191
<b>TOTAL</b>	<b>42,30,707</b>	<b>52,38,58,026</b>	<b>27,52,249</b>	<b>48,35,74,567</b>
5 Turnover	<b>Qty in Nos</b>	<b>Value in Rs</b>	Qty in Nos	Value in Rs
Microwave Components and Sub-Systems	<b>27,783</b>	<b>103,69,91,033</b>	21,001	117,36,73,023
<b>TOTAL</b>	<b>27,783</b>	<b>103,69,91,033</b>	<b>21,001</b>	<b>117,36,73,023</b>
6 Opening Stock-in-Trade	<b>Qty in Nos</b>	<b>Value in Rs</b>	Qty in Nos	Value in Rs
a Finished Goods				
Microwave Components and Sub-Systems	<b>970</b>	<b>87,60,534</b>	2,434	4,08,98,705
b Semi-finished	-	<b>13,04,13,793</b>	-	14,64,57,163
<b>TOTAL</b>	<b>970</b>	<b>13,91,74,327</b>	<b>2,434</b>	<b>18,73,55,868</b>
Closing Stock-in-Trade	<b>Qty in Nos</b>	<b>Value in Rs</b>	Qty in Nos	Value in Rs
a Finished Goods				
Microwave Components and Sub-Systems	<b>971</b>	<b>20,60,735</b>	970	87,60,534
b Semi-finished	-	<b>18,67,18,656</b>	-	13,04,13,793
<b>TOTAL</b>	<b>971</b>	<b>18,87,79,391</b>	<b>970</b>	<b>13,91,74,327</b>

### 7 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 and 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.

## Schedules forming part of the balance sheet and profit and loss account as at 31 March 2010

### **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**

- i Sale is recognized on dispatch of products and is inclusive of Excise Duty, Sales Tax and Packing and forwarding charges.
- ii Service Charges are recognized as income as and when the services are performed and inclusive of service tax.
- iii Interest income is recognized on accrual basis.
- iv Dividend income is recognized as and when the right to receive the amount is established.
- v Insurance claims are accounted on receipt basis.

### **f Foreign Exchange transactions**

- i All foreign currency transactions were initially recognized at the rate on the date of transaction.
- ii Exchange differences arising on the settlement of monetary items were recognized as income/expense.
- iii Monetary items and contingent liabilities as on the date of Balance Sheet are stated at the closing rate/realistic rate.

### **g Retirement Benefits**

- i Contributions to Government Provident/Pension funds are accounted on actual liability basis.
- ii Liability in respect of Gratuity and Leave Encashment is provided based on actuarial valuation.

### **h Investments**

Un-quoted long term Investments are valued at cost.

### **i R & D Expenditure**

- i Capital expenditure is included in the fixed assets and depreciated as per Company's policy.
- ii Revenue expenditure is charged to profit & loss account 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 as at 31 March 2010 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.

### **l Accounting for Taxes on Income**

- i 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.
- ii Deferred Tax: Deferred income tax is recognized, on timing differences, being the difference between taxable

# Astra Microwave Products Limited

## Schedules forming part of the balance sheet and profit and loss account as at 31 March 2010

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 Employee Stock Option Scheme**

The company has granted 16,71,500 (after restructuring the Stock Options due to split in share and bonus issue) Stock Options to the employees of the company. In respect of the stock options granted pursuant to the company's Stock Option Scheme, the intrinsic value of the Options (excess of market price of the share over the exercise price of the Option) is treated as discount and accounted as Employee Compensation Cost. The Employee compensation cost amounted to Rs. 5,66,63,850/- will be amortised over the vesting period of 5 years i.e. from the financial year 2006-2007 as per SEBI Guidelines.

### **n 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.

### **o 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.

## 8 Secured Loans

- a** Working Capital Finance from Canara Bank is secured by Pari passu first charge on Stocks and book debts (book debts not older than 120 days) and other chargeable current assets and Pari passu second charge on Fixed Assets of the Company and Personal Guarantee of Promoter Directors.
- b** Working capital finance from HDFC Bank Limited is secured by Pari passu first charge on stocks and book debts (book debts not older than 90 days) and other chargeable current assets and Pari passu second charge on Fixed Assets of the Company and personal guarantee of promoter Directors.
- c** Working Capital finance from State Bank of India is secured by Pari passu first charge on stocks and book debts (not older than 120 days) and other chargeable current assets and: Pari passu second charge on Fixed Assets of the Company and Personal Guarantee of Promoter Directors.
- d** Rupee Term Loan from State Bank of India is secured by first charge on Fixed Assets of the Company and Pari passu second charge on all chargeable current assets and Personal Guarantee of Promoter Directors.
- e** Term loan from ICICI Bank under TDC Programme of USAID Reflows is secured by an exclusive hypothecation of assets bought under this programme
- f** Hire purchase finance is secured by hypothecation of specified assets acquired under Hire Purchase Agreement.

## 9 Research & Development Expenses

During the year the company has incurred revenue expenditure pertaining to Research and Development of Rs.4,55,01,694/- (Rs.4,38,72,105/-). Revenue expenditure is shown under respective heads of expenditure. The Company has also incurred capital expenditure on Research and Development of Rs.1,16,33,501/- (Rs.1,05,39,589/-). Capital expenditure is shown in respective fixed assets.

## 10 Employee Stock Option Scheme

During the year 48,700 (1,45,050) shares of Rs.2/- each for cash and 48,700 (1,45,050) shares of Rs.2/- each

## Schedules forming part of the balance sheet and profit and loss account as at 31 March 2010

by way of bonus shares by capitalizing share premium were allotted as fully paid up shares to employees under ESOP Scheme. As per the above stated accounting policy during the year the company has charged Rs.33,01,860/- (Rs.98,34,390/-) as employee compensation cost to the Profit and Loss Account.

### 11 Sales Tax Deferment

The sales tax deferment liability amounting to Rs.2,23,63,757/- shown under unsecured loans due for repayment from the year 2011 onwards. The Government of Andhra Pradesh has granted Sales Tax Deferment of Rs.2,36,05,320/- for a period of 14 years from 05 November 1997 to 04 November 2011.

### 12 Share capital

#### Paid up share capital includes

- a 17,600 shares of Rs.10/- each were allotted as fully paidup for consideration other than cash.
- b 3,03,325 shares of Rs.10/- each were allotted as fully paid up by way of bonus shares by capitalizing reserves and surplus.
- c 150 shares of Rs.10/- each were allotted as fully paid up pursuant to scheme of amalgamation without payment being received in cash.
- d 1,41,700 shares of Rs.10/- each were allotted as fully paidup for cash to AMPL ESOP Trust under Employees Stock Option Scheme.
- e 18,00,000 shares of Rs.10/- each were allotted as fully paid up by way of bonus shares by capitalizing share premium.
- f 2,65,56,225 shares of Rs.2/- each were allotted as fully paid up by way of bonus shares by capitalizing share premium.
- g 5,15,450 shares of Rs.2/- each for cash and 5,15,450 shares of Rs.2/- each by way of bonus shares by capitalizing share premium were allotted as fully paid up shares to employees under ESOP Scheme.

### 13 Foreign Exchange Transactions

	<b>31 March 2010</b>	31 March 2009
	<b>in Rupees</b>	in Rupees
a Value of imported raw-materials on CIF basis	<b>36,41,41,500</b>	23,47,51,838
b Value of imported capital goods on CIF basis	<b>7,69,93,577</b>	1,51,88,311
c CIF value of other imports	<b>26,62,398</b>	35,30,033
d Expenditure in foreign currency on account of		
Travel	<b>13,55,437</b>	13,48,390
Exhibitions	<b>1,26,972</b>	0
Order booking commission	<b>9,25,784</b>	0
e Earnings in foreign currency		
FOB value of exports	<b>5,79,58,420</b>	2,22,10,644
f Remittances in foreign currency		
On account of Dividend		
Amount remitted Rs	<b>1,00,000</b>	62,500
No. of Non-Resident Share Holders	<b>1</b>	1
No. of Shares held by them	<b>2,00,000</b>	2,50,000
Year of Dividend	<b>2008-2009</b>	2007-2008

# Astra Microwave Products Limited

## Schedules forming part of the balance sheet and profit and loss account as at 31 March 2010

14 Managerial Remuneration	<b>31 March 2010</b> in Rupees	31 March 2009 in Rupees
<b>a Dr RP SHENOY, Chairman</b>		
Commission	<u>0</u>	<u>5,00,000</u>
<b>b Mr B MALLA REDDY, Managing Director</b>		
Salary	<b>12,00,000</b>	12,00,000
Perquisites and other benefits	<b>6,87,764</b>	6,34,000
Performance allowance	<b>21,82,500</b>	21,82,500
<b>Total</b>	<b><u>40,70,264</u></b>	<b><u>40,16,500</u></b>
<b>c Mrs C PRAMEELAMMA, Director (Technical)</b>		
Salary	<b>12,00,000</b>	12,00,000
Perquisites and other benefits	<b>6,24,000</b>	8,94,000
Performance allowance	<b>21,82,500</b>	21,82,500
<b>Total</b>	<b><u>40,06,500</u></b>	<b><u>42,76,500</u></b>
<b>d Mr PA CHITRAKAR, Chief Operating Officer</b>		
Salary	<b>12,00,000</b>	12,00,000
Perquisites and other benefits	<b>7,27,890</b>	8,40,417
Performance allowance	<b>21,82,500</b>	21,82,500
<b>Total</b>	<b><u>41,10,390</u></b>	<b><u>42,22,917</u></b>
<b>e Mr J VENKATADAS, Director</b>		
Commission	<u>5,00,000</u>	<u>5,00,000</u>
<b>f Dr SHIBAN K KOUL, Director</b>		
Commission	<u>5,00,000</u>	<u>5,00,000</u>
<b>g Mr ATIM KABRA, Director</b>		
Commission	<u>5,00,000</u>	<u>5,00,000</u>

The above figures do not include Sitting fee paid and provision for gratuity and leave encashment.

## 15 Computation of Net Profit in accordance with Section 198(1) of the Companies Act, 1956 for the calculation of the Commission and overall remuneration payable to the Directors.

	<b>31 March 2010</b> in Rupees	31 March 2009 in Rupees
Profit before taxation	<b>11,02,31,367</b>	19,51,99,074
Add		
1 Managerial Remuneration (including commission) paid/provided	<b>1,36,87,154</b>	1,45,15,917
2 Directors sitting fee	<b>40,000</b>	55,000
3 Depreciation provided	<b>11,19,52,319</b>	8,46,98,013
4 Provision on investments	<b>0</b>	21,75,000
<b>TOTAL</b>	<b><u>12,56,79,473</u></b>	<b><u>29,66,43,004</u></b>
Less: Depreciation as per Schedule XIV	<b>5,96,94,917</b>	4,73,80,965
Provision on investments	<b>21,75,000</b>	0
Profit on disposal of assets	<b>41,717</b>	0
Profit on disposal of investments	<b>1,45,000</b>	0
Net Profit as per Sec.198(1)/349 of the Act	<b><u>17,38,59,206</u></b>	<b><u>24,92,62,039</u></b>
Eligible Performance Allowance to three Executive Directors @ 1.5% per Director	<b>78,23,664</b>	1,12,16,792
Actual Performance Allowance paid / provided	<b>65,47,500</b>	65,47,500
Eligible Commission to Non-Executive Directors @ 1%	<b>17,38,592</b>	24,92,620
Actual Commission paid / provided	<b>15,00,000</b>	20,00,000
Over all eligible remuneration to Directors @ 11%	<b>1,91,24,513</b>	2,74,18,824
Actual Remuneration paid / provided	<b>1,36,87,154</b>	1,45,15,917



## Schedules forming part of the balance sheet and profit and loss account as at 31 March 2010

	<b>31 March 2010</b>	31 March 2009
	<b>in Rupees</b>	in Rupees
<b>16 Remuneration to Auditors</b>		
Audit Fee	<b>3,00,000</b>	3,00,000
Tax Audit Fee	<b>50,000</b>	50,000
For certification, taxation and other matters	<b>1,50,000</b>	1,50,000
Service Tax	<b>51,500</b>	51,500
<b>TOTAL</b>	<b><u>5,51,500</u></b>	<u>5,51,500</u>
<b>17 Contingent Liabilities</b>		
a Letter of Credit inland	<b>0</b>	0
b Foreign letter of credit	<b>12,71,585</b>	0
c Bank Guarantees		
1 Performance Guarantees	<b>15,39,21,583</b>	17,22,80,524
2 Advance payment Guarantees	<b>93,46,47,783</b>	56,87,38,047
3 Guarantee in lieu of EMD/Security Deposit	<b>1,72,95,394</b>	94,81,934
4 Guarantee for materials	<b>4,86,500</b>	31,97,797
5 Corporate Guarantee on behalf of Subsidiary Companies for loans taken from banks	<b>4,72,00,000</b>	4,47,00,000
<b>18 Deferred Tax</b>		
In Conformity with the Accounting Standard 22 on Accounting for Taxes on income issued by Institute of Chartered Accountants of India, during the year the Company has provided for the Net Deferred Tax Liability / Asset in the books of account.		
Deferred Tax Liability	<b>6,33,87,057</b>	6,49,34,988
Deferred Tax Asset	<b>77,37,024</b>	68,54,441
Net Deferred Tax Liability	<b><u>5,56,50,033</u></b>	<u>5,80,80,547</u>
Net Deferred Tax Liability as on 31-03-2010	<b>5,56,50,033</b>	5,80,80,547
Less: Deferred Tax Liability as on 31-03-2009	<b>5,80,80,547</b>	6,11,14,079
Effect on Profit and Loss Account	<b><u>(24,30,514)</u></b>	<u>(30,33,532)</u>
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.		
Deferred tax liability represents timing differences in depreciation on fixed assets.		
<b>19 Earnings per Share</b>	<b>31 March 2010</b>	31 March 2009
<b>I BASIC EARNINGS PER SHARE</b>		
a Number of equity shares outstanding at the beginning of the year	<b>5,40,45,950</b>	5,37,55,850
b Number of equity shares issued during the year under ESOP	<b>48,700</b>	1,45,050
c Number of Bonus shares issued under ESOP	<b>48,700</b>	1,45,050
d Total number of shares outstanding at the end of the year (used for denominator for calculating EPS)	<b>5,41,43,350</b>	5,40,45,950
e Profit available to share holders	<b>7,13,95,938</b>	14,49,51,821
f Basic earnings per share (Face Value Rs.2/-)	<b>Rs.1.32</b>	Rs.2.68
<b>II DILUTED EARNINGS PER SHARE</b>		
a Number of shares outstanding as per Point number (d) above	<b>5,41,43,350</b>	5,40,45,950
b Weighted average number of Potential Equity Shares on account of Employee Stock Option Share Application Money received under the ESOP Scheme.	<b>24,442</b>	8,117
c Weighted Average Number of Shares Outstanding (used for denominator for calculating EPS)	<b>5,41,67,792</b>	5,40,54,067
d Profit available to share holders	<b>7,13,95,938</b>	14,49,51,821
e Diluted Earnings per Share (Face Value Rs.2/-)	<b>Rs.1.32</b>	Rs.2.68

# Astra Microwave Products Limited

## Schedules forming part of the balance sheet and profit and loss account as at 31 March 2010

20 Related Party Transactions	<b>31 March 2010</b> in Rupees	31 March 2009 in Rupees
1 Astra Infonets Limited (AINL) [relatives of Promoters are interested in AINL]		
Expenses incurred on behalf of AINL	0	18,67,338
Balance recoverable in respect of above	0	6,07,338
Intercorporate loan given to AINL	0	3,10,00,000
Interest received on loan	0	8,61,096
Loan outstanding	0	0
2 Subsidiary Company: Komoline Electronics Private Limited		
Services received from Subsidiary	<b>32,78,700</b>	99,36,492
Purchase of materials from Subsidiary	<b>3,81,04,537</b>	6,09,70,780
Services rendered from Subsidiary	<b>27,00,000</b>	60,00,000
Amounts payable to Subsidiary	<b>37,07,917</b>	1,37,15,768
3 Ocimum Constructions Private Limited (Ocimum) [relatives of Promoters are interested in Ocimum]		
Services received	0	52,05,548
Balance payable / (recoverable)	0	0
4 Sanjay Attara (Director of Subsidiary Co.)		
Services received (Services rendered by Sanjay Attara in his personal capacity)	<b>26,95,267</b>	50,00,000
Amounts payable	0	44,33,500
5 The remuneration paid to key managerial personnel is disclosed under Note No.14 above.		

### 21 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.

### 22 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

The Management is currently in the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of Micro, Medium and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly the disclosure in respect of the amount payable to such medium and small enterprises as at 31-03-2010 has not been made in the financial statements. However, in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act, is not expected to be material.

### 23 Disclosure under Borrowing Costs

Borrowing cost capitalized during the period was Rs.99,29,081/- (Rs.2,21,36,672/-)

### 24 Retirement benefit plans

#### a Defined Contribution Plan

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.



## Schedules forming part of the balance sheet and profit and loss account as at 31 March 2010

The company recognized Rs.68,50,426/- (previous year Rs.64,17,000/-) for provident fund contributions in the profit and loss account. The contributions payable to this plan by the company are at rates specified in the rules of the scheme.

### b Defined benefit plan

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 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.

The following table sets out the status of the defined benefit obligation and the amounts recognized in the Company's financial statements as at 31st March, 2010.

	<b>31 March 2010</b>	31 March 2009
a Change in benefit obligations		
Present value of the obligation as at the beginning of the year	<b>1,25,28,326</b>	1,23,54,522
Interest cost	<b>10,02,266</b>	9,88,362
Current Service Cost	<b>16,45,344</b>	24,92,076
Benefits Paid	<b>(3,09,363)</b>	(9,82,270)
Actuarial (gain) / loss on obligations	<b>(6,92,903)</b>	(23,24,364)
Present value of obligation as at the end of the year	<b><u>1,41,73,670</u></b>	<u>1,25,28,326</u>
b Change in plan assets		
The company has not invested in / contributed to any Fund, Plan, and Scheme in respect of the amount payable towards gratuity. Hence the information could not be provided.		
c Net gratuity cost for the year		
Current Service cost	<b>16,45,344</b>	24,92,076
Interest cost	<b>10,02,266</b>	9,88,362
Net actuarial (gain) / loss recognized in the year	<b>(6,92,903)</b>	(23,24,364)
Net gratuity cost	<b><u>19,54,707</u></b>	<u>11,56,074</u>
d Assumptions used in accounting		
Discount rate	<b>8%</b>	8%
Salary escalation rate	<b>4%</b>	6%

### 25 Disclosure under Clause 32 of the Listing Agreement

a Loans and advances in the nature of loans to Subsidiary Company	NIL
b Loans and advances in the nature of loans to Associate Company	NIL
c Loans and advances in the nature of loans where there is	
I No repayment schedule or repayment beyond seven years	NIL
II No Interest or interest below Sec. 372A of Companies Act	NIL
d Loans and advances in the nature of loans to firms/companies in which Directors are interested	NIL
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	NIL

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

# Astra Microwave Products Limited

## Schedules forming part of the balance sheet and profit and loss account as at 31 March 2010

- 27 Certain items in the comparative figures have been reclassified to conform to the current year's classification.
- 28 The figures have been rounded off to the nearest rupee.
- 29 Prior period tax adjustments debited to profit and loss account represents income tax paid relating to earlier years as per the Income Tax Orders.



## Schedules forming part of the balance sheet and profit and loss account as at 31 March 2010

### 30 Balance sheet abstract and Company's general business profile

#### i Registration Details

Registration Number	L29309AP1991PLC013203
State Code	01
Balance Sheet date	31-03-2010

#### ii Capital raised during the year

Public Issue	NIL
Rights Issue	NIL
Bonus Issue Under ESOP	97,400
Private Placement under ESOP	97,400

#### iii Position of mobilization and deployment of funds

Total Liabilities	259,63,63,579
Total Assets	259,63,63,579

##### Sources of Funds

Paid up Capital	10,82,86,700
Share application money	1,05,88,130
Reserves & Surplus	117,23,44,158
Secured Loans	43,41,86,344
Unsecured Loans	2,23,63,757
Deferred Tax Liability	0

##### Application of Funds

Net fixed assets	94,73,88,166
Investments	2,17,57,500
Net current assets	83,42,73,456
Miscellaneous Expenditure	0
Accumulated Losses	0

#### iv Performance of the Company

Turnover	103,69,91,033
Total Income	113,40,35,887
Total Expenditure	102,38,04,520
Profit before Tax	11,02,31,367
Profit after Tax	8,16,03,547
Earning per share	Rs.1.32
Dividend Rate (per share)	Rs.0.50

#### v Generic names of three principal products/services of the Company (as per monetary terms)

-

Signatures to Schedules 'A' to 'P'  
As per our report of even date.

For AMAR & RAJU  
Chartered Accountants  
Firm Registration Number 000925

P VENKATA RAMANA  
Partner

Membership Number 203346

Place Hyderabad  
Date 30 April 2010

For and on behalf of the Board

SHIBAN K KOUL  
Chairman

PA CHITRAKAR  
Chief Operating Officer

J VENKATADAS  
Director

T ANJANEYULU  
Company Secretary

B MALLA REDDY  
Managing Director

C PRAMEELAMMA  
Director - Tech

S GURUNATHA REDDY  
GM - F&A

# Astra Microwave Products Limited

## Cash flow statement for the year ended 31 March 2010

(in Rupees)

	Year ended 31 March 2010	Year ended 31 March 2009
<b>A Cash flow from operating activities</b>		
Net Profit before tax & extra-ordinary items	<b>110,231,367</b>	195,199,074
Adjustments for		
Depreciation	<b>111,952,319</b>	84,698,013
Interest paid	<b>26,538,092</b>	20,259,655
Provision on investments in MF units	<b>(2,175,000)</b>	2,175,000
Bad debts written off	<b>4,455,116</b>	6,687,662
interest received on deposits	<b>(9,850,617)</b>	(8,743,706)
Profit on disposal of assets	<b>(41,717)</b>	-
Profit on disposal of MF Units	<b>(140,000)</b>	-
Employee compensation expenses written off	<b>3,301,860</b>	9,834,390
Income tax paid	<b>(49,592,505)</b>	(93,348,694)
	<b>84,447,548</b>	21,562,320
Operating profit before working capital changes	<b>194,678,915</b>	216,761,394
Adjustments for		
Trade & other receivables	<b>(328,017,149)</b>	154,691,229
Trade payable	<b>290,315,592</b>	78,276,485
Inventories	<b>(122,273,272)</b>	60,544,804
	<b>(159,974,829)</b>	293,512,518
Net cash from operating activities	<b>34,704,086</b>	510,273,912
<b>B Cash flow from investing activities</b>		
Purchase of Fixed assets (Includes movements of Capital work in progress)	<b>(136,727,136)</b>	(97,552,233)
Proceeds from disposal of SBI Mutual Fund Units	<b>5,140,000</b>	-
Interest received on deposits	<b>7,248,155</b>	12,647,803
Proceeds from disposal of assets	<b>416,000</b>	329,861
Net cash used in investing activities	<b>(123,922,981)</b>	(84,574,569)
<b>C Cash flow from financing activities</b>		
Working capital borrowings from banks	<b>148,311,490</b>	(139,995,683)
Term Loans taken from Bank	-	-
Hire purchase finance taken	<b>2,124,000</b>	950,000
Term Loans repaid to Banks	<b>(76,950,000)</b>	(142,887,500)
Hire purchase finance repaid	<b>(1,271,453)</b>	(848,054)
ESOP Share Application money received	<b>10,588,130</b>	3,588,340
Interest paid	<b>(25,556,739)</b>	(43,544,441)
Dividend paid	<b>(27,070,837)</b>	(13,511,063)
Dividend tax paid	<b>(4,600,831)</b>	(2,296,277)
Net cash used in financing activities	<b>25,573,760</b>	(338,544,678)
Net increase in cash & cash equivalents (A-B-C)	<b>(63,645,135)</b>	87,154,665
Cash & cash equivalents at the beginning		
Cash on hand	<b>116,828</b>	78,556
Balance with Scheduled Banks in Current Account	<b>91,544,897</b>	2,507,080
Cash & cash equivalents at the end		
Cash on hand	<b>79,307</b>	116,647
Balance with Scheduled Banks in Current Account	<b>27,937,282</b>	89,623,654

For and on behalf of the Board

For AMAR & RAJU  
Chartered Accountants  
Firm Registration Number 00092S

P VENKATA RAMANA  
Partner  
Membership Number 203346

Place Hyderabad  
Date 30 April 2010

SHIBAN K KOUL  
Chairman

PA CHITRAKAR  
Chief Operating Officer

J VENKATADAS  
Director

T ANJANEYULU  
Company Secretary

B MALLA REDDY  
Managing Director

C PRAMEELAMMA  
Director - Tech

S GURUNATHA REDDY  
GM - F&A



## Statement pursuant to Section 212 of the Companies Act, 1956, relating to the subsidiary company

A	Name of the Subsidiary	KOMOLINE ELECTRONICS PRIVATE LIMITED		
B	Financial year of the subsidiary ended on	31 March 2010		
C	The Company's interest in the subsidiary On the aforesaid date			
	a	Number of shares held	1,62,450	
	b	Face value per share	Rs.100/-	
	c	Extent of Holding	86.64% ( Previous year 99.36% )	
D	The net aggregate of the Profits / (Losses) Of the subsidiary so far it concerns the Members of the company.			
	a	Not dealt with in the accounts of the Company amounted to		
		1	For the Subsidiary's financial year ended as in "B" above.	Rs.(15,94,500)
		2	For the previous financial years of the subsidiary since it became the company's subsidiary.	Rs.1,17,82,384/-
	b	Dealt with in the accounts of the Company amounted to		
		1	For the Subsidiary's financial year ended as in "B" above.	Nil
		2	For the previous financial years of the subsidiary since it became the company's subsidiary.	Nil

For and on behalf of the Board of Directors

Place Hyderabad  
Date 30 April 2010

MR B MALLA REDDY  
Managing Director



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Astra Microwave Products Limited

Annual Report 2009-10

Accounts - Subsidiary



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## Board of Directors

Sanjay Attara  
Director

SG Reddy  
Director

MV Reddy  
Director

## Auditors

M/s Amara & Raju  
Chartered Accountants  
Road 3  
Banjara Hills  
Hyderabad

## Bankers

HDFC Bank Limited

## Registered Office

Astra Towers Survey 12(P)  
Kothaguda Post Kondapur  
Hitech City Hyderabad 500084

# Komoline Electronics Private Limited

## Directors' report

Dear Shareholders

Your Directors have pleasure in presenting the 19th Annual Report of the Company along with the Audited Statement of Accounts for the year ended 31 March 2010.

### FINANCIAL RESULTS

Particulars	(in Rs lakh)	
	Year ended 31 March 2010	Year ended 31 March 2009
Sales	546	813
Profit / Loss before tax	(27)	180
Profit / Loss after Tax	(16)	119
Balance Carried Forward	(18)	118
EPS (Basic & Diluted) (Face Value Rs.100/-)	(11)	73

Year 2009-2010 remained to be focused on execution of existing orders, new product development and socializing with the community for building the brand. These activities will give leverage in next few years. It will keep ourselves outstanding against increasing competition.

Various factors had knocked the sales and performance compared to continuous growth in past few years. Most of the new AWS proposals got slipped or lost due to external factors. Space business remained sluggish due to delays in getting the orders and failure of GSAT4. Ka Band indoor terminals business will be delayed till next launch of compatible payload. This year we took Two Transfer of Technology from ISRO. First one is "Distress Alert Transmitter" for fishermen and second one is "MSS Type D terminals" for satellite voice and data communication. It will generate consistent business in next few years. GSAT-6 Satellite is planned to launch in December 2010 dedicatedly for Satellite based voice and data communication application.

Our Global radiation sensor KDS-051 and Pyranometric Global Radiation Sensor KDS-501 got calibrated at IMD. Ultrasonic Wind Speed and Direction sensor is expected to get calibrated in next visit. Water level sensor for hydrological and marine application is developed and planned to send for NIST calibration at USA. Highend Weather Monitoring Dataloggers as well as extremely low end AWS are planned to launch to cover complete market segment. First five Dataloggers for Snow and Avalanche Study Establishment is delivered and rest seventeen numbers are under production.

Our Space Qualified Cleanroom-II got recertified this for next two year. We will be carrying On-Board PCB assembly fabrication under rate contract from ISRO. ISRO continues other contract with same terms along with new 24X7 maintenance contract added from Bopal Earth station.

GSAT-7 UHF-VHF Payload Subsystems order is expected any time and planned to be delivered by October 2010. ISRO-AWS 100 Station installation is about to complete. We are expecting good orders from Hydrological and Marine weather observations this year.

### DIVIDEND

The Board was not recommended any dividend for the year.

### FIXED DEPOSIT

The company has not accepted deposits from the public within meaning of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 as amended up to date.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibilities Statement, it is hereby confirmed,

- i that in the preparation of the annual accounts for the financial year ended 31 March 2010 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review;
- iii that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv that the directors had prepared the accounts for the financial year ended 31 March 2010 on a 'going concern' basis.

## DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Mr S Gurnatha Reddy, Director retire by rotation and being eligible, offer themselves for re-appointment.

## CONSERVATION OF ENERGY/TECHNOLOGY ABSORPTION/RESEARCH AND DEVELOPMENT & FOREIGN EXCHANGE EARNING AND OUTGOINGS

### FORM A

Form for disclosure of particulars with respect to conservation of energy: -NA-

### FORM B

## RESEARCH & DEVELOPMENT

The company will continue to do research and development in precision meteorological instruments. This year following research and development efforts were exercised.

- a RadioSonde and DropSonde prototype is completed and going for Pilot production.
- b Waterlevel recorder prototyping is also completed.
- c Pyranometric Global Radiation Sensor is also got certified.
- d Wireless Sensor network for meteorological applications.
- e L-Band Satellite Communication Modem.

## TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Company has taken following two transfer of technology from Indian Space Research organization.

- a MSS Type D terminals for portable satellite based voice and data communication terminals.
- b Satellite based handheld Distress Alert Transmitter for Fishermen.

Mass production optimization like field testing, cost optimization, package design, automated testing etc. is undergoing for longer product life cycle.

## FOREIGN EXCHANGE EARNING AND OUTGO

There is no earning of foreign exchange but Company has made expenditure as under

	<b>31 March 2010</b>	31 March 2009
	<b>Rupees</b>	Rupees
CIF value of Raw Materials	<b>65,51,506</b>	1,12,42,160
CIF value of Capital Goods	<b>5,64,454</b>	25,03,242
Other Imports	<b>5,62,793</b>	5,27,372
On account of foreign travel	<b>95,052</b>	17,420

## INSURANCE

Company's assets have been adequately insured against perceived perils.

## EMPLOYEES

The particulars of the employee is not given as there was no information to be given as per Section 217(2A) of the companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975 as amended up to date.

## AUDITOR'S REPORT

The notes on the statement of Accounts referred to in the Auditor's Report have been suitably explained by way of notes to the Accounts.

## AUDITORS

M/s Amar & Raju, Chartered Accountants, Hyderabad, the statutory auditors of the company retire at this Meeting and being eligible offer themselves for reappointment till the conclusion of the next Annual General Meeting.

## COMPLIANCE CERTIFICATE

Compliance certificate under the provisions of Section 383A of the Companies Act, 1956 for the financial year ending 31 March 2010 issued by M/s.L.D.Reddy & Co, Company Secretaries, Hyderabad is enclosed and forms part of this report.

## ACKNOWLEDGMENTS

The Board expresses its gratitude for the timely and valuable assistance and support received from AMPL, the holding company, its Board and employees.

### BY ORDER OF THE BOARD

Date 26 April 2010  
Place Hyderabad

SG REDDY  
Director

SANJAY ATTARA  
Director

# Komoline Electronics Private Limited

## COMPLIANCE CERTIFICATE

To  
The Members

Company	Regn No 01 62701
Nominal Capital	Rs 190.00 Lakhs
Paid-up Capital	Rs 187.50 Lakhs
CIN	<b>U31909AP1991PTC062701</b>

M/s KOMOLINE ELECTRONICS PRIVATE LIMITED

Regd Off: 'ASTRA TOWERS'

Survey No:12 (P), Kothaguda Post,  
Kondapur, Hitech City, Hyderabad 500084.

We have examined the registers, records, books and papers of M/s KOMOLINE ELECTRONICS PRIVATE LIMITED (the Company) as required to be maintained under the Companies Act, 1956 (the act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31 March 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents. We certify that in respect of the aforesaid financial year.

- 1 The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
- 2 The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
- 3 The company being private limited company has the minimum prescribed paid up capital and its maximum numbers of members during the said financial year was 2 excluding its present and past employees and the company during the year under scrutiny:
  - i has not invited public to subscribe for its shares or debentures; and
  - ii has not invited or accepted any deposits from persons other than its members, directors or their relatives.
- 4 The Board of Directors duly met 6 times on 10.04.2009, 29.04.2009, 04.05.2009, 04.08.2009, 04.12.2009 and 31.03.2010, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
- 5 The company was not required to close its Register of Members during the year.
- 6 The annual general meeting for the financial year ended on 31.03.2009 was held on 30.07.2009 after giving due notice to the members of the company and the resolutions passed thereafter were duly recorded in Minutes Book maintained for the purpose.
- 7 No extra ordinary general meeting was held during the financial year under view.
- 8 The Provisions of Section 295 of the Companies Act, 1956 were not attracted during the financial year under review.
- 9 The company has not entered into any contracts to which the provisions of section 297 of the Companies Act, 1956 are applicable
- 10 The Company was not required to make any entries in the register under section 301 of the Companies Act, 1956.
- 11 The provisions of section 314 of the Companies Act, 1956 has not been attracted and therefore no approvals were required to be taken.
- 12 The Company has not issued any duplicate share certificates during the financial year under review.
- 13 The Company has
  - i Delivered all the share certificate on allotment of equity shares in accordance with the provisions of the Act.
  - ii No dividend/interim dividend declared during the year.
  - iii Duly complied the provisions of section 217 of the Companies Act, 1956.
- 14 The Board of Directors of the company was duly constituted and no appointment of directors, additional directors, alternate directors and directors to fill casual vacancies has been made during the year.
- 15 The Company has not appointed any Managing Director/ Whole Time Director/Manager during the financial year.

- 16 No sole-selling agents appointed during the year.
- 17 During the year the company was not required to obtain any approval from Central Government, company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Companies Act, 1956.
- 18 The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
- 19 The company has issued 24,000 equity shares of Rs. 100/- each (face value) in accordance with the provisions of the Act, during the financial year.
- 20 The company has not bought back any securities during the financial year ending 31.03.2010.
- 21 The company has not issued any redeemable preference shares/debentures.
- 22 There were no transactions necessitating the company to keep in abeyance rights to dividend, right shares and bonus shares pending registration of transfer of shares.
- 23 The company has not invited/accepted any deposits with in the provisions of sections 58A and 58AA read with companies (Acceptance of Deposit) Rules, 1975 during the year.
- 24 The amount borrowed by the company from banks and others during the financial year ending 31.03.2010 are within the borrowing limits of the company and that necessary resolutions as per Section 293(1)(d) of the Act have been passed in duly convened extraordinary general meeting.
- 25 The company has not made loans and investments, nor given guarantees nor provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
- 26 The company has not altered the provisions of the memorandum with respect to situation to the company's registered office from one state to another during the year.
- 27 The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
- 28 The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
- 29 The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
- 30 The company has not altered its articles of association during the financial year under review.
- 31 There was no prosecution initiated against or shows cause notices received by the company during the year for offences under the Companies Act, 1956.
- 32 The company has not received any security deposits from its employees during the year under the provisions of Section 417(1) of the Act.
- 33 The provisions of Section 418 of the Act are not applicable to the company.

Date 26 April 2010  
Place Hyderabad

For LD REDDY & Co.,  
Company Secretaries  
L Dhananjaya Reddy  
Proprietor

# Komoline Electronics Private Limited

## ANNEXURE 'A'

### REGISTERS MAINTAINED BY THE COMPANY

- 1 Register of Members u/s 150 of the Companies Act, 1956.
- 2 Register of Transfers.
- 3 Register of Directors.
- 4 Register of Director's Shareholdings.
- 5 Minutes of Board Meetings and General Meeting of Shareholders.
- 6 Allotment Register
- 7 Register of Charges
- 8 Register of Contracts
- 9 Dividend Register

## ANNEXURE 'B'

### FORMS AND RETURNS AS FILED BY THE COMPANY, DURING THE FINANCIAL YEAR ENDED 31 MARCH 2010

S.NO	FORM NO/RETURN	FILED U/S	DATE OF FILING	WHETHER FILED IN TIME Y/N	ADDITIONAL FEE PAID Y/N
1	Annual Return (Form 20B)	159	13.08.2009	Y	NA
2	Balance Sheet as on 31.03.2009 (Form 23AC)	220	13.08.2009	Y	NA
3	Form No.66	383A	13.08.2009	Y	NA
4	Form No.8	125	25.08.2009	Y	NA
5	Form No.2	75(1)	14.12.2009	Y	NA

Date 26 April 2010  
Place Hyderabad

For LD REDDY & CO.  
Company Secretaries  
L DHANANJAYA REDDY  
Proprietor

# Auditors' report to the members of M/s Komoline Electronics Private Limited

We have audited the attached Balance Sheet of M/s KOMOLINE ELECTRONICS PRIVATE LIMITED, as at 31st March, 2010 and also the Profit and Loss Account for the year ended on that date annexed thereto and the cash flow statement for the period ended on that date. 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 misstatements. 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 a The Company has maintained proper records, showing full particulars, including quantitative details and situation of fixed assets.
  - b The management has conducted the physical verification of fixed assets during the year under audit, 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 verification.
  - c The company has not disposed substantial part of the fixed assets during the year under audit.
  - ii a The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b 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 is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
  - iii 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 transactions covered under 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 The company has not accepted any deposits from the public.
  - vii In our opinion the company has an internal audit system commensurate with the size and nature of its business.
  - viii According to the information and explanations given to us, maintenance of cost records U/Sec. 209(1) (d) the Companies Act, 1956 has not been prescribed by the Central Government for the company.
  - ix a The company is regular in depositing with appropriate authorities undisputed statutory dues, including Provident Fund, Employees State Insurance Income Tax, Sales Tax, Excise Duty, Customs Duty, Service Tax 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, Employees State Insurance Income Tax, Sales Tax, Excise Duty, Customs Duty, Service Tax and other statutory dues applicable to it were in arrears, as at 31st march 2010 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,

# Komoline Electronics Private Limited

Service Tax, Customs Duty and other statutory dues applicable to it, which have not been deposited on account of any dispute.

- x The provisions of clause 4(x) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company, since the company has no accumulated losses at the end of the financial year.
  - xi In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institutions and banks.
  - xii The company has not granted any loans and advances 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 or a Nidhi/Mutual Benefit Fund/ Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  - xiv In our opinion, the company has maintained proper records of the transactions and contracts in respect of investments in shares and timely entries have been made therein and the shares have been held by the company in its own name.
  - xv In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
  - xvi In our opinion, the term loans 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 report that the no funds raised on short-term basis to the extent of Rs 1.08 crores have been used for long-term investment.
  - xviii According to the information and explanations given to us, the company has not made any preferential allotment of shares to the parties and companies covered in the register maintained U/Sec.301 of the Companies Act, 1956.
  - xix The company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
  - xx The company has not raised any money by way of public issue. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 regarding disclosure of the end use of money raised by public issue are not applicable to the company.
  - xxi According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.
- 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 and the Profit & Loss Account referred to in this report are in agreement with the books of account.
  - iv In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply 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, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 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 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, 2010 and
    - b In the case of the Profit & Loss Account, of the Profit for the year ended on that date and
    - c In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For AMAR & RAJU  
Chartered Accountants  
Firm Registration No: 0000925  
(P VENKATA RAMANA)  
Partner  
Membership No: 203346

Place Hyderabad  
Date 26 April 2010





## Balance sheet as at 31 March 2010

(in Rupees)

	Schedule Reference	As At 31 March 2010	As At 31 March 2009
<b>Sources of Funds</b>			
<b>Shareholders' Funds</b>			
Share Capital	A	18,750,000	16,350,000
Reserves & Surplus	B	11,138,667	12,979,043
		<b>29,888,667</b>	29,329,043
<b>Loan Funds</b>			
Secured Loans	C	17,411,023	29,555,128
Unsecured Loans		-	-
		<b>17,411,023</b>	29,555,128
<b>Other Liabilities</b>			
Deferred Tax Liability		-	945,351
<b>TOTAL</b>		<b>47,299,691</b>	<b>59,829,522</b>
<b>Application Of Funds</b>			
<b>Fixed Assets</b>			
Gross Block	D	45,447,909	44,946,351
Less: Depreciation		21,347,237	17,068,936
Net Block		<b>24,100,672</b>	27,877,415
<b>Investments</b>	E	<b>137,500</b>	137,500
<b>Deferred Tax Asset</b>		<b>143,398</b>	-
<b>Current Assets, Loans &amp; Advances</b>			
a Inventories	F	10,818,234	10,455,459
b Sundry Debtors		8,583,133	19,679,805
c Cash and Bank Balances		3,559,361	3,963,461
d Other Current Assets		-	-
e Loans and Advances		3,939,959	5,613,227
		<b>26,900,687</b>	39,711,952
<b>Less: Current Liabilities &amp; Provisions</b>			
a Current Liabilities	G	1,935,079	5,867,469
b Provisions		2,047,487	2,029,876
		<b>3,982,566</b>	7,897,345
Net Current Assets		<b>22,918,121</b>	31,814,607
<b>TOTAL</b>		<b>47,299,691</b>	<b>59,829,522</b>

### NOTES TO ACCOUNTS

N

As per our report of even date

For AMAR & RAJU  
Chartered Accountants  
Firm Registration Number 000092S  
P VENKATA RAMANA  
Partner  
Membership Number 203346

For and on behalf of the Board  
SANJAY ATTARA  
Director  
S GURUNATHA REDDY  
Director  
MV REDDY  
Director

Place Hyderabad  
Date 26 April 2010

# Komoline Electronics Private Limited

## Profit and loss account for the year ended 31 March 2010

(in Rupees)

	Schedule Reference	Year ended 31 March 2010	Year ended 31 March 2009
<b>INCOME</b>			
Sales		<b>49,407,826</b>	71,625,437
Less: Excise Duty		<b>3,385,021</b>	5,452,716
		<b>46,022,805</b>	66,172,721
Service / Job work charges		<b>8,575,729</b>	15,097,043
Other Income	H	<b>409,025</b>	192,754
Accretion to stock	I	<b>(1,579,063)</b>	1,347,641
<b>TOTAL</b>		<b>53,428,496</b>	82,810,159
<b>EXPENDITURE</b>			
Raw material consumed	J	<b>23,401,033</b>	30,262,249
Expenditure on Personnel	K	<b>14,877,794</b>	16,533,239
Manufacturing, administrative & selling expenses	L	<b>10,112,390</b>	9,351,992
Financial charges	M	<b>2,901,494</b>	3,123,671
Depreciation	D	<b>4,638,625</b>	5,242,208
Bad debts written off		-	126,690
Advances / Investments written off		-	123,000
Loss on disposal of asset		<b>159,718</b>	19,080
<b>TOTAL</b>		<b>56,091,054</b>	64,782,129
Profit before tax		<b>(2,662,558)</b>	18,028,030
Provision for taxation		-	(6,444,890)
Deferred tax		<b>1,088,749</b>	419,168
		<b>1,088,749</b>	(6,025,722)
Fringe Benefit Tax		-	(126,115)
		<b>1,088,749</b>	(6,151,837)
Profit/Loss after tax		<b>(1,573,809)</b>	11,876,193
Prior period adjustments		<b>(266,566)</b>	(17,916)
Balance carried to Balance Sheet		<b>(1,840,375)</b>	11,858,277
Earnings per share (Basic & Diluted) (Face value Rs.100/-)		<b>(10.75)</b>	72.53

NOTES TO ACCOUNTS

N

As per our report of even date

For AMAR & RAJU

Chartered Accountants

Firm Registration Number 000092S

P VENKATA RAMANA

Partner

Membership Number 203346

Place Hyderabad

Date 26 April 2010

For and on behalf of the Board

SANJAY ATTARA

Director

S GURUNATHA REDDY

Director

MV REDDY

Director



## Schedules forming part of the balance sheet as at 31 March 2010

(in Rupees)

	As at 31 March 2010	As at 31 March 2009
<b>SCHEDULE A: SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
1,90,000 Equity shares of Rs.100/- each	<b>19,000,000</b>	19,000,000
<b>ISSUED, SUBSCRIBED PAID-UP</b>		
1,87,500 (1,63,500) Equity shares of Rs.100/- each fully paid up (of the above shares 1,62,450 shares are held by the Holding Company M/s Astra Microwave Products Ltd)	<b>18,750,000</b>	16,350,000
<b>TOTAL</b>	<b>18,750,000</b>	16,350,000
<b>SCHEDULE B: RESERVES &amp; SURPLUS</b>		
a Government Subsidy	<b>312,035</b>	312,035
b Profit and Loss Account		
Opening balance	<b>12,667,008</b>	808,731
Add Transferred from Profit and Loss Account	<b>(1,840,375)</b>	11,858,277
	<b>10,826,632</b>	12,667,008
<b>TOTAL</b>	<b>11,138,667</b>	12,979,043
<b>SCHEDULE C: SECURED LOANS</b>		
a Working Capital Finance from HDFC Bank Ltd.,	<b>13,143,791</b>	11,232,635
b Term Loan from HDFC Bank Limited	<b>4,228,004</b>	18,148,382
{Repayable with in one year Rs.(Rs.39,31,966/-)}		
Add Interest accrued and due	<b>39,228</b>	174,111
	<b>4,267,232</b>	18,322,493
<b>TOTAL</b>	<b>17,411,023</b>	29,555,128
<b>SCHEDULE E: INVESTMENTS</b>		
Long Term - At Cost - Non Trade - Unquoted:		
5,500 Equity shares of Rs.25/- each fully paid up in M/s The Kalupur Cooperative Bank Limited	<b>137,500</b>	137,500
<b>TOTAL</b>	<b>137,500</b>	137,500
Aggregate amount of unquoted investments	<b>137,500</b>	137,500

# Komoline Electronics Private Limited

## Schedules forming part of the accounts as at 31 March 2010 Schedule D: Fixed assets

Particulars	(in Rupees)									
	Gross Block			Depreciation			Net Block			
	As on 31 March 2009	Additions	Deletions	As on 31 March 2010	Upto 31 March 2009	Deletions	For the year	Upto 31 March 2010	As on 31 March 2010	As on 31 March 2009
Buildings	3,910,053	-	-	<b>3,910,053</b>	850,523	-	305,953	<b>1,156,476</b>	<b>2,753,577</b>	3,059,530
Plant & Machinery	33,036,827	842,893	162,460	<b>33,717,260</b>	10,535,184	52,172	3,448,283	<b>13,931,295</b>	<b>19,785,965</b>	22,501,643
Electrical Installations	491,268	9,300	-	<b>500,568</b>	358,677	-	29,189	<b>387,866</b>	<b>112,702</b>	132,591
Furniture & Fixtures	1,587,781	-	-	<b>1,587,781</b>	1,356,650	-	41,835	<b>1,398,485</b>	<b>189,296</b>	231,131
Office Equipment	728,691	43,304	18,009	<b>753,986</b>	213,638	11,022	79,563	<b>282,179</b>	<b>471,807</b>	515,053
Air Conditioner	404,403	2,760	-	<b>407,163</b>	200,456	-	33,352	<b>233,808</b>	<b>173,355</b>	203,947
Computers	3,929,846	133,295	299,532	<b>3,763,609</b>	3,009,604	251,248	619,992	<b>3,378,348</b>	<b>385,261</b>	920,242
Vehicles	857,482	-	49,993	<b>807,489</b>	544,204	45,881	80,458	<b>578,781</b>	<b>228,708</b>	313,278
<b>TOTAL</b>	<b>44,946,351</b>	<b>1,031,552</b>	<b>529,994</b>	<b>45,447,909</b>	<b>17,068,936</b>	<b>360,323</b>	<b>4,638,625</b>	<b>21,347,237</b>	<b>24,100,672</b>	<b>27,877,415</b>
Previous year total	40,965,125	4,124,647	143,421	<b>44,946,351</b>	11,942,069	115,341	5,242,208	<b>17,068,936</b>	<b>27,877,415</b>	29,023,056

## Schedules forming part of the balance sheet as at 31 March 2010

(in Rupees)

	As at 31 March 2010	As at 31 March 2009
<b>SCHEDULE F: CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>A CURRENT ASSETS</b>		
<b>1 Inventories</b>		
a Raw Materials	9,374,254	7,432,356
b Packing materials	-	60
c Finished goods	45,000	46,998
d Work-In-Progress	<u>1,398,980</u>	<u>2,976,045</u>
	<b>10,818,234</b>	10,455,459
<b>2 Sundry Debtors</b>		
(Unsecured considered good)		
a Out standing for more than six months	1,212,679	840,464
b Others (includes Rs.37,07,917/- (Rs.1,37,15,768/-) due from parent company)	<u>7,370,454</u>	<u>18,839,341</u>
	<b>8,583,133</b>	19,679,805
<b>3 Cash and Bank Balances</b>		
1 Cash on Hand	9,482	32,140
2 Balance with Scheduled Banks		
a In Current Account	170,257	26,605
b As Margin Money	3,294,929	3,763,628
c Interest receivable	<u>84,693</u>	<u>141,088</u>
	<b>3,559,361</b>	3,963,461
	<b>22,960,728</b>	34,098,725
<b>B LOANS AND ADVANCES</b>		
(Unsecured considered good recoverable in cash or in kind for the value to be received)		
a Deposits	277,976	1,155,570
b Income Tax refund due	2,307,015	1,122,012
c Advance for Services & Expenses	2,848	871,876
d Advance for supplies	188,715	1,827,080
e Advance for capital goods	124,472	25,369
f Prepaid expenses	764,797	137,447
g Prepaid excise duty (Cenvat credit)	<u>274,136</u>	<u>473,873</u>
	<b>3,939,959</b>	5,613,227
<b>TOTAL</b>	<b>26,900,687</b>	39,711,952
<b>SCHEDULE G: CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>A CURRENT LIABILITIES</b>		
a Creditors for Services & Expenses	1,833,839	3,679,642
b Creditors for Supplies	86,120	1,764,287
c Creditors for Capital works	15,120	98,540
d Advance from customers	-	325,000
	<b>1,935,079</b>	5,867,469
<b>B PROVISIONS</b>		
a Provision for Gratuity & leave Encashment	2,047,487	1,442,876
b Provision for taxation	-	587,000
	<b>2,047,487</b>	2,029,876
<b>TOTAL</b>	<b>3,982,566</b>	7,897,345

# Komoline Electronics Private Limited

## Schedules forming part of the profit and loss account as at 31 March 2010

	Year ended 31 March 2010	(in Rupees) Year ended 31 March 2009
<b>SCHEDULE H: OTHER INCOME</b>		
Interest received	387,025	136,156
Dividend received	16,500	16,500
Miscellaneous income	5,500	40,098
<b>TOTAL</b>	<b>409,025</b>	<b>192,754</b>
<b>SCHEDULE I: ACCRETION TO STOCK</b>		
Semi-finished and Fishished goods at the end of the period	1,443,980	3,023,043
Less Semi-finished and Finished goods at the beginning of the year	3,023,043	1,675,402
Increase / (Decrease) in stock-in-trade	<b>(1,579,063)</b>	<b>1,347,641</b>
<b>SCHEDULE J: RAW MATERIAL CONSUMED</b>		
<b>A Indigenous Raw Material</b>		
Opening stock of raw material	2,373,211	1,154,931
Add purchases during the year	17,925,436	21,383,605
	<b>20,298,647</b>	<b>22,538,536</b>
Less Closing Stock of raw material	2,582,721	2,373,211
Raw Material consumed	<b>17,715,926</b>	<b>20,165,325</b>
<b>B Imported Raw Material</b>		
Opening stock of raw material	5,059,145	2,523,611
Add Purchases during the year	7,417,495	12,632,458
	<b>12,476,640</b>	<b>15,156,069</b>
Less Closing Stock of raw material	6,791,533	5,059,145
Raw Material consumed	<b>5,685,107</b>	<b>10,096,924</b>
Total raw material consumed	<b>23,401,033</b>	<b>30,262,249</b>
<b>SCHEDULE K: EXPENDITURE ON PERSONNEL</b>		
Salaries, Wages and Other benefits	10,050,691	7,664,807
Manpower consultancy charges	2,700,000	6,000,000
Directors Remuneration	720,000	810,000
PF & ESI Company Contribution	959,697	738,534
Staff Welfare Expenses	135,712	193,178
Staff Training Expenses	27,465	520,370
Security charges	61,149	16,885
Gratuity	223,080	589,465
<b>TOTAL</b>	<b>14,877,794</b>	<b>16,533,239</b>

## Schedules forming part of the profit and loss account as at 31 March 2010

(in Rupees)

	Year ended 31 March 2010	Year ended 31 March 2009
<b>SCHEDULE L: MANUFACTURING ADMINISTRATIVE AND SELLING EXPENDITURE</b>		
<b>A MANUFACTURING EXPENDITURE</b>		
Electricity Charges	519,502	628,055
Machinery Maintenance	728,109	676,067
Freight charges	69,489	43,976
Installation & Commissioning of AWS	785,234	86,232
	<b>2,102,334</b>	1,434,330
<b>B ADMINISTRATIVE EXPENDITURE</b>		
Rates, Taxes & Fees	249,233	136,584
Rent	148,100	137,426
Insurance	77,979	151,552
Travelling & Conveyance	1,120,345	1,179,083
Printing & Stationery	437,856	237,789
Communication costs	881,396	1,204,923
Legal & Professional Charges	295,504	301,016
Auditors Remuneration	99,270	99,270
Building Repairs & Maintenance	11,013	32,325
Computer & Software maintenance	490,525	240,810
Vehicle Maintenance	71,392	33,039
Factory Maintenance	68,200	63,415
Office maintenance & electricity charges	48,012	78,324
Repairs & maintenance of other assets	65,198	62,931
Books, Periodicals & Subscriptions	2,432	7,553
General Expenses	226,416	283,420
Vehicle hire charges	30,378	30,596
Seminar Expenses	59,200	67,000
Advertisement expenses	22,000	43,099
Entertainment & Business Promotion expenses	434,667	374,459
	<b>4,839,116</b>	4,764,614
<b>C SELLING EXPENDITURE</b>		
Exhibition charges & Foreign travel expenses	997,112	73,884
Freight & Transport Charges	203,518	181,728
Sales tax	1,542,866	2,414,690
Service tax	399,289	455,396
Late delivery charges	17,400	11,575
Packing material	10,755	15,775
	<b>3,170,940</b>	3,153,048
<b>TOTAL</b>	<b>10,112,390</b>	9,351,992
<b>SCHEDULE M: FINANCIAL CHARGES</b>		
Interest on term loans	1,243,358	1,910,693
Interest on borrowings from bank	1,584,259	1,085,885
Bank charges and Commission	73,877	127,093
<b>TOTAL</b>	<b>2,901,494</b>	3,123,671

# Komoline Electronics Private Limited

## Schedules forming part of the balance sheet and profit and loss account as at 31 March 2010

### SCHEDULE N: NOTES TO ACCOUNTS

	2009-2010		2008-2009	
1 Licensed and installed capacities & actual production	<b>No. of Pieces</b>		<b>No. of Pieces</b>	
<b>Licensed and installed capacity</b>	<b>N. A.</b>		<b>N. A.</b>	
Actual production				
Sensors		<b>797</b>		2,373
Data Loggers		<b>258</b>		984
Automatic Weather Stations(AWS)		<b>101</b>		3
AWS Antenna Mast		<b>100</b>		-
Others		<b>1,25,377</b>		2,44,431
<b>TOTAL</b>		<b>1,26,633</b>		2,47,791
2 Raw Material Consumption	<b>2009-2010</b>		<b>2008-2009</b>	
	<b>Qty</b>	<b>Value</b>	<b>Qty</b>	<b>Value</b>
Semi Conductor devices	-	<b>2,34,01,033</b>	-	3,02,62,249
<b>TOTAL</b>	-	<b>2,34,01,033</b>	-	3,02,62,249
3 Percentage of Raw materials consumed	<b>%</b>	<b>Value in Rs</b>	<b>%</b>	<b>Value in Rs</b>
a Indigenous	<b>75.71%</b>	<b>1,77,15,926</b>	66.64%	2,01,65,325
b Imported	<b>24.29%</b>	<b>56,85,107</b>	33.36%	1,00,96,924
<b>TOTAL</b>	<b>100.00%</b>	<b>2,34,01,033</b>	<b>100.00%</b>	<b>3,02,62,249</b>
4 Sales	<b>Qty in Pieces</b>	<b>Value</b>	<b>Qty in Pieces</b>	<b>Value</b>
Sensors	<b>799</b>	<b>66,17,563</b>	2,371	2,50,94,973
Data Loggers	<b>258</b>	<b>85,22,386</b>	984	3,30,49,792
Automatic Weather Stations(AWS)	<b>101</b>	<b>1,67,42,888</b>	3	13,67,962
AWS Antenna Mast	<b>100</b>	<b>55,20,240</b>	-	-
Others	<b>1,25,377</b>	<b>1,20,04,749</b>	2,44,428	1,21,12,710
<b>TOTAL</b>	<b>1,26,635</b>	<b>4,94,07,826</b>	2,47,786	7,16,25,437
5 Opening Stock	<b>Qty in Pieces</b>	<b>Value</b>	<b>Qty in Pieces</b>	<b>Value</b>
Finished goods	<b>5</b>	<b>46,998</b>	-	0
Semi finished goods	-	<b>29,76,045</b>	-	16,75,402
<b>TOTAL</b>	<b>5</b>	<b>30,23,043</b>	-	16,75,402
6 Closing Stock	<b>Qty in Pieces</b>	<b>Value</b>	<b>Qty in Pieces</b>	<b>Value</b>
Finished goods (UHF Transmitter)	<b>3</b>	<b>45,000</b>	5	46,998
Semi finished goods	-	<b>13,98,980</b>	-	29,76,045
<b>TOTAL</b>	<b>3</b>	<b>14,43,980</b>	5	30,23,043

### 7 Accounting Policies

#### a Method of Accounting

The Financial Statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles and 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



## Schedules forming part of the balance sheet and profit and loss account as at 31 March 2010

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.

Dividend income is recognized as and when the right to receive the amount is established and Interest income is recognized on accrual basis.

**f Retirement Benefits**

Contributions to Government Provident / Pension funds are accounted on actual liability basis. Liability in respect of gratuity and Leave Encashment is provided based on actuarial valuation.

**g Investments**

Un-quoted long term Investments are valued at cost.

**h Cash Flow Statement**

The Cash Flow Statement has been compiled from and is based on the Balance Sheet as at 31st March, 2010 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.

**i 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.

**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 Accounting for Taxes on Income**

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.

Deferred tax asset in respect of carry forward losses are recognized only to the extent that there is virtual certainty that sufficient taxable income will be available to realize these assets.

**l 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.

**m 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.

# Komoline Electronics Private Limited

## Schedules forming part of the balance sheet and profit and loss account as at 31 March 2010

	2009-10	2008-09
8 Payment to Auditors		
As Auditors	75,000	75,000
For Tax Audit	15,000	15,000
For Service Tax	9,270	9,270
<b>TOTAL</b>	<b>99,270</b>	<b>99,270</b>
9 Director's Remuneration		
SANJAY B ATTARA, Director		
Salary	4,80,000	4,80,000
HRA, Conveyance & PF	2,97,600	3,04,800
Arrears Salary	0	90,000
<b>TOTAL</b>	<b>7,77,600</b>	<b>8,74,800</b>
10 Expenditure in Foreign Currency		
CIF value of Raw materials	65,51,506	1,12,42,160
CIF value of Capital goods	5,64,454	25,03,242
CIF value of Other imports	5,62,793	5,27,372
On account of foreign travel	95,052	17,420
On account of Exhibition	4,60,231	0
11 Contingent Liabilities		
Advance payment Guarantees	0	0
Performance Guarantees	23,24,250	26,89,250
BG against security deposit	0	9,750
BG for free issue of materials	4,20,000	7,30,000
Foreign letter of credit	0	0
12 Earning Per Share		
Total weighted average number of shares outstanding at the beginning of the year	1,63,500	1,63,500
Weighted average number of shares issued during the year	7,759	0
Total weighted average number of shares outstanding at the end of the year (used for denominator for calculating EPS)	1,71,259	1,63,500
Profit/Loss attributable to share holders	(18,40,375)	1,18,58,277
Basic/Diluted earnings per share (Face Value Rs 100) in Rs	(10.75)	72.53
13 Deferred Tax		
In Conformity with the Accounting Standard 22 on Accounting for Taxes on income issued by Institute of Chartered Accountants of India, during the year the Company has provided for the Net Deferred Tax Asset/Liability in the books of account.		
Deferred Tax Asset in respect of gratuity and leave encashment disallowed and carried forward losses	9,78,937	4,90,434

## Schedules forming part of the balance sheet and profit and loss account as at 31 March 2010

Less: Deferred Tax Liability in respect of timing differences in depreciation	<b>8,35,539</b>	14,35,785
Net Deferred Tax Asset/(Liability) at the end of the year	<b>1,43,398</b>	(9,45,351)
Less: Net Deferred Tax asset/(liability) at the beginning of the year	<b>(9,45,351)</b>	(13,64,519)
Effect on Profit and Loss Account	<b>10,88,749</b>	4,19,168
<b>14 Related Party Transactions</b>		
a Holding Company: M/s Astra Microwave Products Limited.		
Sale of materials to Holding Co.,	<b>3,81,04,537</b>	6,09,70,780
Services rendered to Holding Co.,	<b>32,78,700</b>	99,36,492
Services received from Holding Co.,	<b>27,00,000</b>	60,00,000
Balance due from Holding Company	<b>37,07,917</b>	1,37,15,768
b The remuneration paid to Directors is disclosed above.		
<b>15 Secured Loans</b>		
a Term Loan from HDFC Bank is secured by exclusive charge over fixed and current assets of the company, a corporate guarantee from its parent company M/s Astra Microwave Products Limited and personal guarantee of the Director.		
b Working Capital Loan from HDFC Bank Limited is secured by exclusive charge on current assets, exclusive charge over Fixed Assets of the company, Corporate guarantee of parent company M/s Astra Microwave Products Ltd., and personal guarantee of a Director.		
<b>16 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006</b>		
The Management is currently in the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of Micro, Medium and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly the disclosure in respect of the amount payable to such medium and small enterprises as at 31-03-2010 has not been made in the financial statements. However, in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.		
<b>17 Disclosure under Clause 32 of the Listing Agreement</b>		
a Loans and advances in the nature of loans to Subsidiary Company		NIL
b Loans and advances in the nature of loans to Associate Company		NIL
c Loans and advances in the nature of loans where there is		
I No repayment schedule or repayment beyond seven years		NIL
II No Interest or interest below Sec. 372A of Companies Act		NIL
d Loans and advances in the nature of loans to firms/companies in which Directors are interested		NIL
<b>18 Balances under sundry debtors, sundry creditors, deposits, loans and advances payable / receivable are subject to confirmation and reconciliation.</b>		
<b>19 Certain items in the comparative figures have been reclassified to conform to the current year's classification.</b>		
<b>20 The figures have been rounded off to the nearest rupee.</b>		

# Komoline Electronics Private Limited

## 21 Balance sheet abstract and Company's general business profile

### i Registration Details

Registration Number	U31909AP1991PTC062701
State Code	01
Balance Sheet date	31-03-2010

### ii Capital raised during the year

Public Issue	0
Rights Issue	0
Bonus Issue	0
Private Placement	24,00,000

### iii Position of mobilization and deployment of funds (Amount in Rupees)

Total Liabilities	5,12,82,256
Total Assets	5,12,82,256

### iv Sources of Funds (Amount in Rupees)

Paid up Capital	1,87,50,000
Share application money	0
Reserves & Surplus	1,11,38,668
Secured Loans	1,74,11,023
Unsecured Loans	0
Deferred Tax Liability	0

### v Application of Funds (Amount in Rupees)

Net fixed assets	2,41,00,672
Investments	1,37,500
Differed Tax assets	1,43,398
Net current assets	2,29,18,121
Miscellaneous Expenditure	0
Accumulated Losses	0

### vi Performance of the Company (Amount in Rupees)

Turnover	4,94,07,826
Total Income	5,34,28,496
Total Expenditure	5,60,91,054
Profit before Tax	(26,62,558)
Profit after Tax	(15,73,809)
Earning per share (basic) Rs	(10.75)
Dividend Rate (per share)	N A

### vii Generic names of three principal products/services of the Company (as per monetary terms)

N A

Signatures to schedule 'A' to 'N'

For AMAR & RAJU

Chartered Accountants

Firm Registration Number 000092S

P VENKATA RAMANA

Partner

Membership Number 203346

Place Hyderabad

Date 26 April 2010

For and on behalf of the Board

SANJAY ATTARA

Director

S GURUNATHA REDDY

Director

MV REDDY

Director



## Cash flow statement for the year ended 31 March 2010

(in Rupees)

Particulars	Year ended 31 March 2010	Year ended 31 March 2009
<b>A Cash flows from operating activities</b>		
Net Profit before tax & extra-ordinary items	<b>(2,662,558)</b>	18,028,030
Adjustments for		
Depreciation	<b>4,638,625</b>	5,242,208
Interest paid	<b>2,827,617</b>	2,996,577
Advances / investments writtenoff	-	123,000
Bad debts written off	-	126,690
interest received on deposits	<b>(387,025)</b>	(136,156)
Prior period adjustments	-	(17,916)
Loss on disposal of assets	<b>159,718</b>	19,080
Dividends received	<b>(16,500)</b>	(16,500)
Income tax paid	<b>(2,038,569)</b>	(5,983,166)
	<b>5,183,866</b>	2,353,817
Operating profit before working capital changes	<b>2,521,308</b>	20,381,847
Adjustments for		
Trade & other receivables	<b>14,522,745</b>	(11,478,116)
Trade payable	<b>(3,244,359)</b>	45,306
Inventories	<b>(362,775)</b>	(5,095,768)
	<b>10,915,611</b>	(16,528,578)
Net cash from operating activities	<b>13,436,919</b>	3,853,269
<b>B Cash flow from investing activities</b>		
Purchase of Fixed assets (includes CWIP)	<b>(1,214,075)</b>	(3,049,379)
Interest received	<b>443,420</b>	92,580
Dividend received on investments	<b>16,500</b>	16,500
Proceeds from sale of assets	<b>9,953</b>	9,000
Proceeds from Fixed Deposits	-	72,393
Net cash used in investing activities	<b>(744,202)</b>	(2,858,906)
<b>C Cash flow from financing activities</b>		
Share Capital received	<b>2,400,000</b>	-
Term Loans repaid to Banks	<b>(13,920,378)</b>	(3,142,249)
Working capital borrowings from bank	<b>1,911,156</b>	5,169,236
Interest paid	<b>(2,962,500)</b>	(3,001,420)
Net cash used in financing activities	<b>(12,571,723)</b>	(974,433)
Net increase in cash & cash equivalents (A-B-C)	<b>120,994</b>	19,930
Cash & cash equivalents at the beginning		
Cash on hand	<b>32,140</b>	11,810
Balance with Scheduled Banks in Current Account	<b>26,605</b>	27,005
Cash & cash equivalents at the end		
Cash on hand	<b>9,482</b>	32,140
Balance with Scheduled Banks in Current Account	<b>170,257</b>	26,605

For AMAR & RAJU  
Chartered Accountants  
Firm Registration Number 0000925  
P VENKATA RAMANA  
Partner  
Membership Number 203346

Place Hyderabad  
Date 26 April 2010

For and on behalf of the Board  
SANJAY ATTARA  
Director  
S GURUNATHA REDDY  
Director  
MV REDDY  
Director



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Astra Microwave Products Limited

Annual Report 2009-10

Accounts - Consolidated

# Consolidated

## To The Board of Directors Astra Microwave Products Limited

We have audited the attached Consolidated Balance Sheet of ASTRA MICROWAVE PRODUCTS LIMITED (Parent Company) and its Subsidiary companies, as at 31st March, 2010, and also the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed there to. These financial statements are the responsibility of the ASTRA MICROWAVE PRODUCTS LIMITED management. Our responsibility is to express an opinion on this financial statement 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 misstatements. 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.

We report that the Consolidated Financial Statements have been prepared by the ASTRA MICROWAVE PRODUCTS LIMITED in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of ASTRA MICROWAVE PRODUCTS LIMITED and its subsidiary companies included in the Consolidated Financial Statements.

On the basis of the information given to us and on the consideration of the separate audit reports on individual Audited Financial Statements of ASTRA MICROWAVE PRODUCTS LIMITED and its subsidiary companies, in our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a in the case of the Consolidated Balance Sheet, of the state of affairs of the Astra Microwave Products Limited and its subsidiary companies as at 31st March, 2010
- b in the case of the Consolidated Profit & Loss Account, of the profit for the year ended on that date and
- c in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For AMAR & RAJU  
Chartered Accountants  
Firm Registration Number 000092S  
(P VENKATA RAMANA)  
Partner  
Membership Number 203346

Place Hyderabad  
Date 30 April 2010





## Consolidated balance sheet as at 31 March 2010

(in Rupees)

	Schedule Reference	As At 31 March 2010	As At 31 March 2009
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	A	108,286,700	108,091,900
Reserves & Surplus	B	1,183,651,619	1,139,137,454
ESOP Share Application Money		10,588,130	3,516,140
Employee Stock Option Outstanding		21,716,340	25,018,200
Less: Deferred employee Compensation Expense		(21,716,340)	(25,018,200)
		<b>1,302,526,449</b>	1,250,745,494
Minority Interest		2,339,007	184,881
<b>Loan Funds</b>			
Secured Loans	C	450,597,367	390,316,742
Unsecured Loans	D	22,363,757	22,363,757
		<b>473,961,124</b>	412,680,499
<b>Other Liabilities</b>			
Deferred Tax Liability		55,506,635	59,025,898
<b>TOTAL</b>		<b>1,834,333,215</b>	<b>1,722,636,772</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	E	1,537,495,611	1,294,170,410
Less: Depreciation		566,006,777	452,076,920
Net Block		971,488,834	842,093,490
Capital Work-in-progress		-	93,325,134
		<b>971,488,834</b>	935,418,624
Goodwill ( On Consolidation):		5,515,300	5,515,300
<b>Investments</b>	F	137,500	2,962,500
Current Assets Loans and Advances:	G		
a Inventories		471,145,090	348,509,043
b Sundry Debtors		830,735,445	621,016,375
c Cash and Bank Balances		219,102,012	178,672,356
d Other Current Assets		-	-
e Loans and Advances		129,428,137	140,811,545
		<b>1,650,410,684</b>	1,289,009,319
Less: Current Liabilities and Provisions:	H		
a Current Liabilities		736,491,336	456,189,287
b Provisions		56,727,767	54,079,684
		<b>793,219,103</b>	510,268,971
Net Current Assets		<b>857,191,581</b>	778,740,348
<b>TOTAL</b>		<b>1,834,333,215</b>	<b>1,722,636,772</b>

### NOTES TO ACCOUNTS

O

As per our report of even date.

For and on behalf of the Board

For AMAR & RAJU  
Chartered Accountants  
Firm Registration Number 000925  
P VENKATA RAMANA  
Partner  
Membership Number 203346

SHIBAN K KOUL Chairman	B MALLA REDDY Managing Director
PA CHITRAKAR Chief Operating Officer	C PRAMEELAMMA Director - Tech
J VENKATADAS Director	S GURUNATHA REDDY GM - F&A
T ANJANEYULU Company Secretary	

Place Hyderabad  
Date 30 April 2010

# Consolidated

## Consolidated profit and loss account for the year ended 31 March 2010

(in Rupees)

	Schedule Reference	Year ended 31 March 2010	Year ended 31 March 2009
<b>INCOME</b>			
Sales less returns		<b>1,048,294,322</b>	1,184,327,680
Less: Excise Duty		<b>38,597,045</b>	43,980,708
Service charges		<b>71,272,167</b>	38,184,492
Other income	I	<b>17,085,701</b>	13,418,894
Accretion to stock	J	<b>48,026,001</b>	(46,833,900)
<b>TOTAL</b>		<b>1,146,081,146</b>	1,145,116,458
<b>EXPENDITURE</b>			
Raw material consumed	K	<b>507,649,421</b>	443,208,197
Expenditure on personnel	L	<b>192,734,268</b>	192,506,333
Manufacturing, Administrative and Selling expenditure	M	<b>177,586,793</b>	163,394,391
Financial charges	N	<b>39,336,074</b>	33,708,779
Depreciation	E	<b>116,590,944</b>	89,940,223
Bad debts written off		<b>4,455,116</b>	6,814,351
Advances / Investments written off		-	123,000
Provision on investment in SBI MF Units		-	2,175,000
Loss on disposal of assets		<b>159,718</b>	19,080
<b>TOTAL</b>		<b>1,038,512,335</b>	931,889,354
Profit before tax		<b>107,568,811</b>	213,227,104
Provision for taxation		<b>(31,058,334)</b>	(58,197,783)
Deferred tax liability		<b>3,519,263</b>	3,452,700
		<b>(27,539,071)</b>	(54,745,083)
Fringe benefit tax		-	(1,368,656)
Profit after tax		<b>80,029,740</b>	(56,113,739)
Prior period adjustments		<b>(10,474,175)</b>	157,113,365
Minority Interest		<b>245,874</b>	(303,267)
Profit available for appropriation		<b>69,801,439</b>	(75,893)
			156,734,205
<b>APPROPRIATIONS</b>			
Transferred to General Reserve		<b>7,500,000</b>	15,000,000
Proposed dividend		<b>27,275,075</b>	27,071,675
Corporate dividend tax		<b>4,635,399</b>	4,600,831
Surplus carried to Balance Sheet		<b>30,390,965</b>	110,061,699
<b>TOTAL</b>		<b>69,801,439</b>	156,734,205
Earnings per share (Basic)(Face Value Rs 2)		<b>1.29</b>	2.90
Earnings per share (Diluted)(Face Value Rs 2)		<b>1.29</b>	2.90

NOTES TO ACCOUNTS O

As per our report of even date.

For AMAR & RAJU  
Chartered Accountants  
Firm Registration Number 000925  
P VENKATA RAMANA  
Partner  
Membership Number 203346

Place Hyderabad  
Date 30 April 2010

For and on behalf of the Board

SHIBAN K KOUL  
Chairman  
PA CHITRAKAR  
Chief Operating Officer  
J VENKATADAS  
Director  
T ANJANEYULU  
Company Secretary

B MALLA REDDY  
Managing Director  
C PRAMEELAMMA  
Director - Tech  
S GURUNATHA REDDY  
GM - F&A



## Consolidated schedules forming part of the balance sheet as at 31 March 2010

(in Rupees)

	As at 31 March 2010	As at 31 March 2009
<b>SCHEDULE A: SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
10,00,00,000 Equity Shares of Rs.2 each	<u>200,000,000</u>	<u>200,000,000</u>
<b>ISSUED SUBSCRIBED AND PAIDUP</b>		
5,41,43,350 (5,40,45,950) Equity Shares of Rs.2 each fully paid up	<u>108,286,700</u>	<u>108,091,900</u>
<b>TOTAL</b>	<u>108,286,700</u>	<u>108,091,900</u>
<b>SCHEDULE B: RESERVES AND SURPLUS</b>		
1 General Reserve		
Opening Balance	229,779,695	214,779,695
Add: Transferred from Profit and Loss Account	<u>7,500,000</u>	<u>15,000,000</u>
	<b>237,279,695</b>	229,779,695
2 Profit & Loss Account		
Opening balance	838,331,032	740,553,047
Less: Transferred / adjusted on amalgamation	-	(12,283,714)
Add: Transferred from Profit and Loss Account	<u>30,390,965</u>	<u>110,061,699</u>
	<b>868,721,997</b>	838,331,032
3 Share Premium		
Opening Balance	70,714,692	50,987,892
Less: Capitalised during the year	(97,400)	(290,100)
Add: Additions during the year	<u>6,720,600</u>	<u>20,016,900</u>
	<b>77,337,892</b>	70,714,692
4 Government Subsidy	<u>312,035</u>	312,035
<b>TOTAL</b>	<u>1,183,651,619</u>	<u>1,139,137,454</u>

# Consolidated

## Consolidated schedules forming part of the balance sheet as at 31 March 2010

(in Rupees)

	As at 31 March 2010	As at 31 March 2009
<b>SCHEDULE C: SECURED LOANS</b>		
1 Working Capital Finance from Canara bank	<b>45,560,646</b>	75,940,754
2 Working Capital Finance from HDFC Bank Limited	<b>60,522,687</b>	11,974,278
3 Working Capital Finance from SBI	-	68,945,654
4 Term Loan from HDFC Bank Ltd (Repayable with in one year Rs 39,31,966/-) Add: Interest accrued and due	<b>4,228,004</b>  <b>39,228</b>	18,148,382  174,111
5 Term Loan from SBI (Repayable with in one year Rs 6,37,50,000 (Rs 6,37,50,000)) Add: Interest accrued and due	<b>95,625,000</b>  <b>1,072,834</b>	159,375,000  1,621,715
6 Hire Purchase Finance (Repayable with in one year Rs 10,01,590 (Rs 5,51,866/-))	<b>96,697,834</b> <b>2,589,463</b>	160,996,715 1,336,848
7 Term Loan from ICICI Bank (Repayable with in one year Rs 1,32,00,000 (Rs 1,32,00,000))	<b>39,600,000</b>	52,800,000
8 Short Term Working Capital Loan from State Bank of india (Repayable with in one year Rs.2,00,00,000/-) Add: Interest accrued and due	<b>200,000,000</b>  <b>1,359,505</b>	-  -
	<b>201,359,505</b>	-
<b>TOTAL</b>	<b>450,597,367</b>	390,316,742
<b>SCHEDULE D: UNSECURED LOANS</b>		
Interest free sales tax loan from Government of Andhra Pradesh	<b>22,363,757</b>	22,363,757
<b>TOTAL</b>	<b>22,363,757</b>	22,363,757

## Consolidated schedules forming part of the balance sheet as at 31 March 2010

### SCHEDULE E: FIXED ASSETS

Description	Rate of Dep.	(in Rupees)											
		Gross Block					Depreciation					Net Block	
		As on 1 April 2009	Transfer on Amalgamation	Additions	Deletions	As on 31 March 2010	Upto 1 April 2009	Transfer on Amalgamation	For the year	Deletions	Upto 31 March 2010	As on 31 March 2010	As on 31 March 2009
LAND	0%	82,760,197	-	2,914,200	-	<b>85,674,397</b>	-	-	-	-	<b>85,674,397</b>	82,760,197	
BUILDINGS	10%	368,645,867	-	109,210,941	-	<b>477,856,808</b>	44,490,717	-	30,297,417	-	<b>403,068,674</b>	324,155,150	
PLANT & MACHINERY	15%	663,297,206	-	89,520,219	162,460	<b>752,654,965</b>	321,085,255	-	55,890,922	52,172	<b>376,924,005</b>	342,211,951	
ELECTRICAL INSTALLATIONS	15%	29,328,254	-	2,952,341	-	<b>32,280,595</b>	7,046,858	-	3,514,882	-	<b>21,718,855</b>	22,281,396	
AIR CONDITIONERS	15%	31,027,151	-	15,383,042	-	<b>46,410,193</b>	8,427,627	-	3,518,192	-	<b>34,464,374</b>	22,599,524	
OFFICE EQUIPMENT	15%	6,143,065	-	2,572,627	79,722	<b>8,635,970</b>	2,466,825	-	772,703	27,244	<b>5,423,686</b>	3,676,240	
FURNITURE & FIXTURES	18.10%	38,270,388	-	3,870,081	-	<b>42,140,469</b>	15,940,302	-	5,069,032	-	<b>21,131,135</b>	22,330,086	
COMPUTERS	60%	54,991,044	-	17,503,944	472,609	<b>72,022,379</b>	39,836,575	-	15,346,921	411,380	<b>17,250,263</b>	15,154,469	
VEHICLES	25.89%	19,707,238	-	2,602,848	2,490,251	<b>19,819,835</b>	12,782,761	-	2,180,875	2,170,291	<b>7,026,490</b>	6,924,477	
<b>TOTAL</b>		1,294,170,410	-	246,530,243	3,205,042	<b>1,537,495,611</b>	452,076,920	-	116,590,944	2,661,087	<b>566,006,777</b>	842,093,490	
<b>PREVIOUS YEAR TOTAL</b>		990,176,650	46,333,524	258,510,568	850,332	<b>1,294,170,410</b>	346,608,843	16,020,245	89,940,223	492,391	<b>842,093,490</b>	643,567,807	



# Consolidated

## Consolidated schedules forming part of the balance sheet as at 31 March 2010

(in Rupees)

	As at 31 March 2010	As at 31 March 2009
<b>SCHEDULE F: INVESTMENTS</b>		
A Long Term - At Cost - Non Trade - Un quoted		
5,500 Equity shares of Rs.25/- each fully paid up in M/s The Kalupur Cooperative Bank Limited	<b>137,500</b>	137,500
B Current Investments		
Investment in Units of SBI Mutual Fund (cost or market value which ever is lower)	-	5,000,000
Less: Provision for diminution in value of investments	-	<u>2,175,000</u>
	-	2,825,000
<b>TOTAL</b>	<b><u>137,500</u></b>	<u>2,962,500</u>
Aggregate amount of quoted investments	-	5,000,000
Market value of quoted investments	-	2,825,000
Aggregate amount of unquoted investments	<b>137,500</b>	137,500



Consolidated schedules forming part of the balance sheet  
as at 31 March 2010

(in Rupees)

	As at 31 March 2010	As at 31 March 2009
<b>SCHEDULE G: CURRENT ASSETS LOANS &amp; ADVANCES</b>		
<b>CURRENT ASSETS</b>		
<b>A Stock-in-trade</b>		
a Raw materials	<b>280,642,250</b>	206,088,014
b Packing materials	<b>279,469</b>	223,659
c Finished goods	<b>2,105,735</b>	8,807,532
d Semi-finished goods	<b>188,117,636</b>	133,389,838
	<b>471,145,090</b>	348,509,043
<b>B Sundry Debtors</b> (Unsecured considered good)		
a Outstanding for more than six months	<b>343,961,054</b>	144,037,643
b Others	<b>486,774,391</b>	476,978,732
	<b>830,735,445</b>	621,016,375
<b>C Cash and Bank balances</b>		
a Cash on hand	<b>88,789</b>	148,969
b Balance with Scheduled Banks		
1 In Current account	<b>14,833,538</b>	3,819,742
2 In EEFC account	<b>13,274,002</b>	87,751,760
3 In Dividend warrant account	<b>2,887,751</b>	2,508,780
4 As Margin money	<b>184,328,252</b>	83,299,492
5 Interest receivable	<b>3,689,680</b>	1,143,613
	<b>219,102,012</b>	178,672,356
	<b>1,520,982,547</b>	1,148,197,774
<b>D Loans &amp; Advances</b> (Unsecured considered good)		
a Advance for supplies	<b>23,456,050</b>	28,511,346
b Advance for services & expenses	<b>8,290,821</b>	4,352,734
c Prepaid Excise duty (Cenvat Credit)	<b>46,700,213</b>	45,307,537
d Prepaid expenses	<b>21,293,287</b>	12,523,111
e Income tax refund due	<b>23,033,235</b>	13,725,759
f Deposits	<b>4,197,867</b>	4,944,202
g Advance for capital works	<b>2,124,036</b>	31,245,926
h Unmatured Finance charges	<b>332,627</b>	200,930
	<b>129,428,136</b>	140,811,545
<b>TOTAL</b>	<b>1,650,410,683</b>	1,289,009,319

# Consolidated

## Consolidated schedules forming part of the balance sheet as at 31 March 2010

(in Rupees)

	As at 31 March 2010	As at 31 March 2009
<b>SCHEDULE H: CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>A Current Liabilities</b>		
a Creditors for capital works	<b>17,546,389</b>	31,404,382
b Creditors for supplies	<b>84,794,995</b>	60,371,194
c Creditors for services & expenses	<b>37,108,398</b>	71,854,858
d Investor Education & Protection Fund (Unclaimed dividend)	<b>2,886,751</b>	2,506,942
e creditors for others	<b>5,998,015</b>	6,034,115
f Advances from customers	<b>587,863,856</b>	283,627,221
g Interest accrued but not due	<b>292,932</b>	390,575
	<b>736,491,336</b>	456,189,287
<b>B Provisions</b>		
a Provision for taxation	<b>7,160</b>	798,249
b Provision for proposed dividend	<b>27,275,075</b>	27,071,675
c Corporate dividend tax	<b>4,635,399</b>	4,600,831
d Provision for gratuity & leave encashment	<b>24,810,133</b>	21,608,929
	<b>56,727,767</b>	54,079,684
<b>TOTAL</b>	<b>793,219,103</b>	510,268,971





## Consolidated schedules forming part of the profit and loss account as at 31 March 2010

	Year ended 31 March 2010	Year ended 31 March 2009
(in Rupees)		
<b>SCHEDULE I: OTHER INCOME</b>		
a Interest received	10,237,642	8,879,862
b Miscellaneous receipts	571,546	1,815,381
c Dividend received	16,500	16,500
d Insurance claims received	212,376	59,765
e Customs duty refund	3,690,920	2,647,386
f Profit on Disposal of Assets	41,717	-
g Profit on sale of MF Units	140,000	-
h Provision on MF Units Reversed	2,175,000	-
<b>TOTAL</b>	<b>17,085,701</b>	<b>13,418,894</b>
<b>SCHEDULE J: ACCRETION TO STOCK</b>		
Semi-finished & Fishished goods at the end of the period	190,223,371	142,197,370
Less Semi-finished & Finised goods at the beginning of the year	142,197,370	189,031,270
Increase / (decrease) in stock-in-trade	<b>48,026,001</b>	<b>(46,833,900)</b>
<b>SCHEDULE K: RAW MATERIAL CONSUMED</b>		
<b>A Indigenous Raw Material</b>		
Opening stock of raw material	42,958,668	29,107,157
Add purchases during the year	172,525,004	146,880,314
	<b>215,483,672</b>	<b>175,987,471</b>
Less Closing Stock of raw material	44,963,216	42,958,668
Raw Material consumed	<b>170,520,456</b>	<b>133,028,803</b>
<b>B Imported Raw Material</b>		
Opening stock of raw material	163,129,347	169,784,200
Add purchases during the year	409,678,652	303,524,540
	<b>572,807,999</b>	<b>473,308,740</b>
Less Closing Stock of raw material	235,679,034	163,129,346
Raw Material consumed	<b>337,128,965</b>	<b>310,179,394</b>
Total raw material consumed	<b>507,649,421</b>	<b>443,208,197</b>
<b>SCHEDULE L: EXPENDITURE ON PERSONNEL</b>		
Salaries wages & other benefits	152,417,831	145,967,687
PF & ESI company contribution	8,532,925	8,718,433
Directors remuneration	14,407,154	15,325,917
Staff welfare expenditure	9,208,388	8,305,063
Security charges	1,746,322	1,434,893
Gratuity	2,177,787	1,745,540
Staff recruitment & training	942,001	1,174,410
Employee compensation expenses written off (under ESOP Scheme)	3,301,860	9,834,390
<b>TOTAL</b>	<b>192,734,268</b>	<b>192,506,333</b>

# Consolidated

## Consolidated schedules forming part of the profit and loss account as at 31 March 2010

(in Rupees)

	Year ended 31 March 2010	Year ended 31 March 2009	
<b>SCHEDULE M: MANUFACTURING ADMINISTRATIVE AND SELLING EXPENDITURE</b>			
<b>a Manufacturing Expenditure</b>			
Machinery maintenance	19,272,394	14,039,071	
Power and fuel	10,308,673	8,235,459	
Excise duty (Includes Difference between excise duty on opening & closing stock of FG)	2,422,231	(3,993,674)	
Testing charges	2,375,610	3,981,722	
Carriage in wards	907,816	1,015,317	
Installation & Commissioning of AWS	8,218,135	3,625,052	
	<b>43,504,859</b>	<b>26,902,947</b>	
<b>b Administrative Expenditure</b>			
Travelling and conveyance	13,028,361	11,318,640	
Printing and stationery	4,377,096	3,256,664	
Communication costs	4,171,929	4,356,586	
Rent	168,100	137,426	
Insurance	3,467,808	4,350,608	
Rates, taxes and fees	5,026,535	3,400,781	
Auditors remuneration	650,770	650,770	
Legal & professional charges	10,140,195	11,798,530	
Building Repairs & Maintenance	2,432,407	422,041	
Computer & Software maintenance	5,661,135	6,509,907	
Vehicle Maintenance	1,179,059	1,249,900	
Factory & Garden Maintenance	4,852,176	2,620,337	
Office maintenance & electricity charges	1,116,373	1,112,993	
Repairs & maintenance of other assets	2,487,745	2,300,807	
Vehicle hire charges	5,601,860	4,088,084	
General expenses	1,556,971	964,599	
Donations	1,130,000	-	
Sitting fee & meeting expenses	61,037	84,302	
Books, periodicals & subscriptions	220,057	376,511	
Conference & Seminar Expenses	129,532	536,836	
Advertisement	2,725,445	2,131,929	
Sponsorship Expenses	635,483	1,525,000	
Entertainment & business promotion	2,939,162	998,920	
	<b>73,759,236</b>	<b>64,192,171</b>	
<b>c Selling Expenditure</b>			
Carriage out wards	3,929,571	1,895,380	
Packing material	2,092,181	1,602,562	
Sales Tax	33,813,905	43,397,809	
Service Tax	6,575,741	3,860,978	
Late delivery charges	7,403,457	18,309,425	
Order Booking Commission	2,025,540	-	
Foreign Travel and Exhibition expenses	4,482,303	3,233,119	
	<b>60,322,698</b>	<b>72,299,273</b>	
<b>TOTAL</b>	<b>177,586,793</b>	<b>163,394,391</b>	



Consolidated schedules forming part of the profit and loss account  
as at 31 March 2010

(in Rupees)

	Year ended 31 March 2010	Year ended 31 March 2009
<b>SCHEDULE N: FINANCIAL CHARGES</b>		
Interest on term loans	<b>9,552,552</b>	7,501,226
Interest on borrowings from bank	<b>19,544,786</b>	15,677,231
Hire Purchase Finance Charges	<b>268,372</b>	77,776
Bank charges and Commission	<b>9,970,364</b>	10,452,546
<b>TOTAL</b>	<b><u>39,336,074</u></b>	<u>33,708,779</u>

# Consolidated

## Consolidated schedules forming part of the balance sheet and profit and loss account as at 31 March 2010

### SCHEDULE O: NOTES TO CONSOLIDATED ACCOUNTS

#### 1 Principles of Consolidation

- a The Consolidated Financial Statements have been prepared under historical cost convention in accordance with generally accepted accounting principles applicable in India and in accordance with the Accounting Standard (AS-21) "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- b The financial statements of the Company and its subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions resulting in unrealized profits or losses.
- c The list of Subsidiaries included in the Consolidated Financial Statements are as under:

<b>Name of the Subsidiary Company</b>	<b>Country of Incorporation</b>	<b>% of Shareholding of M/s Astra Microwave Products Limited as at 31 March 2010</b>
KOMOLINE ELECTRONICS PRIVATE LIMITED	INDIA	86.64%

- d The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company.
- e The excess of cost to the Company of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates, on which the investments in the subsidiary companies are made, is recognized as 'Goodwill' being an asset in the consolidated financial statements.
- f Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the company in the subsidiary companies and further movement in their share in the equity, subsequent to the date of investment.
- g As far as possible, the consolidated financial statements are prepared using uniform accounting policies and are presented in the same manner as the Company's separate financial statements.
- h Figures pertaining to the Subsidiary Companies have been recast / reclassified wherever necessary to bring them in line with the parent Company's financial statements.
- i The notes and significant accounting policies to the Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the companies. In this respect the Company has disclosed such notes and policies which fairly present the needed disclosures. And such other notes and statutory information disclosed in the financial statements of the parent and subsidiary companies which are not having any effect on the true and fair view of the Consolidated financial Statements are excluded.

#### 2 Employee Stock Option Scheme

The parent company has granted 16,71,500 (after restructuring the Stock Options due to split in share and bonus issue) Stock Options to the employees. In respect of the stock options granted pursuant to the parent company's Stock Option Scheme, the intrinsic value of the Options (excess of market price of the share over the exercise price of the Option) is treated as discount and accounted as Employee Compensation Cost. The Employee compensation cost amounted to Rs.5,66,63,850/- will be amortized over the vesting period of 5 years i.e. from the financial year 2006-2007 as per SEBI Guidelines.

During the year 48,700 (1,45,050) shares of Rs.2/- each for cash and 48,700 (1,45,050) shares of Rs.2/- each by way of bonus shares by capitalizing share premium were allotted as fully paid up shares to employees under ESOP Scheme.

As per the above stated accounting policy during the year the parent company has charged Rs. 33,01,860/- (Rs.98,34,390/-) as employee compensation cost to the Profit and Loss Account.

## Consolidated schedule forming part of the balance sheet and profit and loss account as at 31 March 2010

3 Deferred Tax	<b>31 March 2010</b>	31 March 2009
Deferred Tax Liability	<b>6,42,22,596</b>	6,63,70,773
Deferred Tax Asset	<b>87,15,961</b>	73,44,875
Net Deferred Tax Liability	<b>5,55,06,635</b>	5,90,25,898
Net Deferred Tax Liability as on 31-03-2010	<b>5,55,06,635</b>	5,90,25,898
Less: Net Deferred Tax Liability as on 31-03-2009	<b>5,90,25,898</b>	6,24,78,598
Effect on the profit and loss account	<b>35,19,263</b>	34,52,700

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 and carried forward loss.

### 4 Earnings per Share

I BASIC EARNINGS PER SHARE	<b>31 March 2010</b>	31 March 2009
a No. of equity shares outstanding at the beginning of the year	<b>5,40,45,950</b>	5,37,55,850
b Weighted average No. of equity shares issued during the year under ESOP	<b>48,700</b>	1,45,050
c Weighted average Number of Bonus shares issued under ESOP	<b>48,700</b>	1,45,050
d Total number of shares outstanding at the end of the year (used for denominator for calculating EPS)	<b>5,41,43,350</b>	5,40,45,950
e Profit available to share holders	<b>6,98,01,439</b>	15,67,34,205
f Basic earnings per share (Face Value Rs.2/-)	<b>1.29</b>	2.90
<b>II DILUTED EARNINGS PER SHARE</b>		
a Number of Shares outstanding as per Point (d) above	<b>5,41,43,350</b>	5,40,45,950
b Weighted average Number of Potential Equity Shares on account of Employee Stock Option Share Application Money received under the ESOP Scheme.	<b>24,442</b>	8,117
c Weighted Average Number of Shares Outstanding (used for denominator for calculating EPS)	<b>5,41,67,792</b>	5,40,54,067
d Profit available to share holders	<b>6,98,01,439</b>	15,67,34,205
e Diluted Earnings per Share (Face Value Rs.2/-)	<b>1.29</b>	2.90

### 5 Related Party Transactions

1 Astra Infonets Limited (AINL) {relatives of Promoters are interested in AINL}	<b>31 March 2010</b>	31 March 2009
Expenses incurred on behalf of AINL	<b>NIL</b>	18,67,338
Balance recoverable in respect of above	<b>NIL</b>	6,07,338
Intercorporate loan given to AINL	<b>NIL</b>	3,10,00,000
Interest received on loan	<b>NIL</b>	8,61,096
Loan outstanding	<b>NIL</b>	NIL

# Consolidated

## Consolidated schedule forming part of the balance sheet and profit and loss account as at 31 March 2010

2	Subsidiary Company Komoline Electronics Private Limited		
	Services received from Subsidiary	<b>32,78,700</b>	99,36,492
	Purchase of materials from Subsidiary	<b>3,81,04,537</b>	6,09,70,780
	Services rendered to Subsidiary	<b>27,00,000</b>	60,00,000
	Amounts payable to Subsidiary	<b>37,07,917</b>	1,37,15,768
3	Ocimum Constructions Private Limited (Ocimum) {relatives of Promoters are interested in Ocimum}		
	Services received	<b>NIL</b>	52,05,548
	Balance payable / (recoverable)	<b>NIL</b>	NIL
4	Sanjay Attara (Director of Subsidiary Co..)		
	Services rendered to parent company	<b>26,95,267</b>	50,00,000
	Amounts payable	<b>NIL</b>	44,33,500
5	Remuneration paid to Director in M/s. Komoline Electronics Private Limited Sanjay B. Attara, Director	<b>7,77,600</b>	8,74,800
6	The remuneration paid to Directors of parent company was disclosed in the notes to accounts of parent company.	<b>1,36,87,154</b>	1,45,15,917
6	Contingent Liabilities	<b>31 March 2010</b>	31 March 2009
a	Letter of Credit inland	<b>NIL</b>	NIL
b	Foreign letter of credit	<b>12,71,585</b>	NIL
c	Bank Guarantees		
1	Performance Guarantees	<b>15,62,45,833</b>	17,49,69,774
2	Advance payment Guarantees	<b>93,46,47,783</b>	56,87,38,047
3	Guarantee in lieu of EMD/Security Deposit	<b>1,72,95,394</b>	94,91,684
4	Guarantee for materials	<b>9,06,500</b>	39,27,797
5	Corporate Guarantee on behalf of Subsidiary Companies for loans taken from banks	<b>4,72,00,000</b>	4,47,00,000
7	Foreign Exchange Transactions	<b>31 March 2010</b>	31 March 2009
a	Value of imported raw-materials on CIF basis	<b>37,06,93,006</b>	24,59,93,998
b	Value of imported capital goods on CIF basis	<b>7,75,58,031</b>	1,76,91,553
c	CIF value of other imports	<b>32,25,191</b>	40,57,405
d	Expenditure in foreign currency on account of		
	Travel	<b>14,50,489</b>	13,65,810
	Exhibitions	<b>5,87,203</b>	NIL
	Order Booking commission	<b>9,25,784</b>	NIL
e	Earnings in foreign currency		
	FOB value of exports	<b>5,79,58,420</b>	2,22,10,644
f	Remittances in foreign currency		
	On account of Dividend		
	Amount remitted Rs.	<b>1,00,000</b>	62,500



## Consolidated schedule forming part of the balance sheet and profit and loss account as at 31 March 2010

No. of Non-Resident Share Holders	<b>1</b>	1
No. of Shares held by them	<b>2,00,000</b>	2,50,000
Year of Dividend	<b>2008-2009</b>	2007-2008

8 The figures have been rounded off to the nearest rupee.

Signatures to Schedules 'A' to 'O'

As per our report of even date.

For AMAR & RAJU  
Chartered Accountants  
Firm Registration Number 00092S  
P VENKATA RAMANA  
Partner  
Membership Number 203346

Place Hyderabad  
Date 30 April 2010

For and on behalf of the Board

SHIBAN K KOUL Chairman	B MALLA REDDY Managing Director
PA CHITRAKAR Chief Operating Officer	C PRAMEELAMMA Director - Tech
J VENKATADAS Director	S GURUNATHA REDDY GM - F&A
T ANJANEYULU Company Secretary	

# Consolidated

## Cash flow statement for the year ended 31 March 2010

(in Rupees)

Particulars	Year ended 31 March 2010	Year ended 31 March 2009	
<b>A Cash flows from operating activities</b>			
Net Profit before tax & extra-ordinary items	<b>107,568,811</b>		213,227,104
Adjustments for			
Depreciation	<b>116,590,944</b>	89,940,223	
Interest paid	<b>29,365,709</b>	23,256,233	
Bad debts / written off	<b>4,455,116</b>	6,814,351	
Advances / investments written off	-	123,000	
Provision on investments	<b>(2,175,000)</b>	2,175,000	
interest received on deposits	<b>(10,237,642)</b>	(8,879,862)	
Loss on disposal of assets	<b>159,718</b>	19,080	
Dividend received	<b>(16,500)</b>	(16,500)	
Profit on disposal of MF Units	<b>(140,000)</b>	-	
Employee compensation expenses written off	<b>3,301,860</b>	9,834,390	
Profit on disposal of assets	<b>(41,717)</b>	-	
Income tax paid	<b>(51,631,074)</b>	(99,349,775)	
	<b>89,631,414</b>		23,916,140
Operating profit before working capital changes	<b>197,200,225</b>		237,143,244
Adjustments for			
Trade & other receivables	<b>(323,502,255)</b>	139,137,997	
Trade payable	<b>297,079,080</b>	82,381,902	
Inventories	<b>(122,636,047)</b>	55,449,036	
	<b>(149,059,222)</b>		276,968,935
Net cash from operating activities	<b>48,141,003</b>		514,112,179
<b>B Cash flow from investing activities</b>			
Purchase of Fixed assets (Includes movements of Capital work in progress)	<b>(137,941,212)</b>	(100,601,611)	
Proceeds from disposal of SBI Mutual Fund Units	<b>5,140,000</b>	-	
Proceeds from Fixed Deposits	-	87,393	
Interest received on deposits	<b>7,691,575</b>	12,740,384	
Dividend received	<b>16,500</b>	16,500	
Proceeds from disposal of assets	<b>425,954</b>	338,861	
Net cash used in investing activities	<b>(124,667,183)</b>		(87,418,473)
<b>C Cash flow from financing activities</b>			
Working capital borrowings from banks	<b>150,222,646</b>	(134,826,444)	
Term Loans taken from Bank	-	-	
Hire purchase finance taken	<b>2,124,000</b>	950,000	
Term Loans repaid to Banks	<b>(90,870,378)</b>	(146,029,749)	
Hire purchase finance repaid	<b>(1,271,453)</b>	(848,054)	
ESOP Share Application money received	<b>10,588,130</b>	3,588,340	
Increase in Minority Interest	<b>2,400,000</b>	-	
Interest paid	<b>(28,519,240)</b>	(46,545,862)	
Dividend paid	<b>(27,070,837)</b>	(13,511,063)	
Dividend tax paid	<b>(4,600,831)</b>	(2,296,277)	
Net cash used in financing activities	<b>13,002,037</b>		(339,519,109)
Net increase in cash & cash equivalents (A-B-C)	<b>(63,524,143)</b>		87,174,597
Cash & cash equivalents as at the beginning			
Cash on hand	<b>148,969</b>	90,547	
Balance with Scheduled Banks in Current Account	<b>91,571,502</b>	4,455,327	4,545,874
Cash & cash equivalents as at the end			
Cash on hand	<b>88,789</b>	148,969	
Balance with Scheduled Banks in Current Account	<b>28,107,539</b>	91,571,502	91,720,471

For AMAR & RAJU  
Chartered Accountants  
Firm Registration Number 00092S  
P VENKATA RAMANA  
Partner  
Membership Number 203346

Place Hyderabad  
Date 30 April 2010

For and on behalf of the Board  
SHIBAN K KOUL  
Chairman  
PA CHITRAKAR  
Chief Operating Officer  
J VENKATADAS  
Director  
T ANJANEYULU  
Company Secretary  
B MALLA REDDY  
Managing Director  
C PRAMEELAMMA  
Director - Tech  
S GURUNATHA REDDY  
GM - F&A





# Astra Microwave Products Limited

Registered Office: ASTRA TOWERS, Survey 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 Nineteenth Annual General Meeting of the Company to be held on Thursday the 30th September, 2010 at 12.30 p.m Bhaskara Auditorium, BM Birla Museum, Adarsh Nagar, Hyderabad 500063 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010

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 12 (P), Kothaguda Post, Kondapur, Hitech City, Hyderabad 500084. at least 48 hours before the time fixed for meeting.

# Astra Microwave Products Limited

Registered Office: ASTRA TOWERS, Survey 12 (P), Kothaguda Post, Kondapur, Hitech City, Hyderabad 500084.

## Attendance slip

I hereby record my presence at the Nineteenth Annual General Meeting of the Company at Bhaskara Auditorium, BM Birla Museum Adarsh Nagar Hyderabad 500063 on Thursday the 30th September, 2010 at 12.30 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)

Number 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.

Please cut here



Astra Microwave Products Limited  
Astra Towers, Survey 12(P)  
Kondapur, Hitech City, Hyderabad 500084

[info@astramp.com](mailto:info@astramp.com)