



Astra Microwave Products Limited
On A Winning Wavelength

Annual Report 2013-14

Towards new frontiers
EXPLORE • INNOVATE • INVENT

www.astramwp.com

EXPLORE
INNOVATE
INVENT



Astra Microwave Products Limited

RF & Microwave Solutions for Strategic Applications

Vision

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

Investing in technologies that can lead to leadership.

Employing the finest talent to reach the top through excellence.

INDEX

Contents	Page No.
Quick Information	4
Notice	6
Directors' Report	17
Auditor's Report	40
Balance Sheet	43
Profit & Loss Account	44
Cash Flow Statement	45
Significant Accounting Policies	47
Consolidated Financial Statements of Astra Microwave Products Limited	73

QUICK INFORMATION

- Board of Directors** :
- Dr. Shibban K Koul, Chairman
 - Mr. B. Malla Reddy, CEO and Managing Director
 - Mr. P.A. Chitrakar, COO
 - Mrs. C. Prameelamma, Director (Technical)
 - Mr. Atim Kabra
 - Mr. J. Venkatadas
 - Mr. S. Gurunatha Reddy, CFO and Whole Time Director
 - Mr. M. Venkateshwar Reddy, Director – (Mktg & Operations)
 - Mr. T. Ramachandru, IAS (w.e.f. 30.10.2013)
 - Mr. U.K. Kalyanaramudu (w.e.f. 28.04.2014)
- Company Secretary** :
- Mr.T. Anjaneyulu
- Auditors** :
- M/s. Amar & Raju
 - Chartered Accountants
 - Flat No: 201, KOR Residency,
 - H.No:8-3-966/16, Road No:3,
 - Nagarjuna Nagar, Srinagar Colony, Hyderabad – 500 073.
- Bankers** :
- Canara Bank, Prime Corporate Branch,
Secunderabad
 - HDFC Bank Ltd.,
Lakdikapul, Hyderabad.
 - State Bank of India
Overseas Branch, Hyderabad.
 - ICICI Bank Ltd.,
Gachibowli, Hyderabad.
 - Axis Bank Ltd.,
G. Pullareddy Bldg. Green Lands,
Hyderabad - 500 016
- Registered Office** :
- ASTRA Towers, Survey No.12(P),
Kothaguda Post, Kondapur,
Hitechcity,
Hyderabad – 500 084.
Phone: 040-30618000 / 8001
Website: www.astramwp.com
CIN: L29309AP1991PLC013203

Factories

: **Unit I**
Plot No.12, ANRICH Industrial Estate,
Miyapur, IDA Bollarum,
Medak (District) – 502 325 A.P.

Unit II
Plot No.56A, 56B and 57A,
ANRICH Industrial Estate,
Miyapur, IDA Bollarum,
Medak (District) – 502 325 A.P.

Unit III
Survey No.1/1, Imarat Kancha,
Raviryala Village,
Maheswaram Mandal,
Rangareddy (District) – 500 010 A.P.

Unit IV
Plot no: 18, 19, 20 & 21 (Part)
Hardware Park, Sy.No: 1/1,
Imarat Kancha of Ravirayal Village,
Maheswaram Mandal,
R.R.Dist.

Registrars

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

Listing

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Third Annual General Meeting of the Members of **Astra Microwave Products Limited** will be held at Swagath-De-Royal Hotel, 2-36, Kothaguda X Roads, Kondapur, Hyderabad on Thursday, the 31st July, 2014 at 12.30 P.M for the transaction of the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2014 including audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr.B.Malla Reddy (holding DIN 00003154), who retires by rotation and being eligible offers himself for reappointment.
4. To appoint M/s Amar & Raju, Chartered Accountants (Registration No.000092S), the retiring Auditors of the Company, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
 “RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of Listing Agreement, Dr. Shibani K Koul (holding DIN 00003360), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to March 31, 2019.”
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
 “RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of Listing Agreement, Mr. J. Venkatadas (holding DIN 00003227), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to March 31, 2019.”
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
 “RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of Listing Agreement, Mr.T.Ramachandru (holding DIN 02000451), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 30th October, 2013, in terms of Section 260 of the Companies Act, 1956 (corresponding to Section 161(1) of the Companies Act, 2013) and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to March 31, 2019.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**
- “RESOLVED that Mr.U.K.Kalyanaramudu (holding DIN 05227194) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 28th April, 2014, in terms of Section 161 (1) of the Companies Act, 2013 and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation.”
9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**
- “RESOLVED that pursuant to Sections 197 and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Company be and is hereby accorded for the payment of remuneration by way of commission to Non Executive Directors, who are not in the whole time employment of the Company in such amounts or proportion or in such manner as may be decided by the Board of Directors in accordance with policy approved by Nomination and Remuneration committee of the company from time to time for a further period of five years with effect from 01.04.2014 to 31.03.2019, which shall not exceed 1% of Net Profits of the Company (profits computed as per the provisions of Section 198 of the Companies Act, 2013) in any financial year.”
10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**
- “RESOLVED THAT, in modification of the resolution, limiting the borrowing powers of the Board of Directors of the Company upto Rs. 500 crores (Rupees Five hundred crores only) in excess of the aggregate of the paid up capital of the company and its free reserves, passed by the company at the 21st Annual General Meeting of the Company held on 30th July, 2012, the Board of Directors of the Company be and is hereby authorized under Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 to borrow from time to time all such sums of money as they may deem requisite for the purpose of the business of the Company provided that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the company’s bankers in the ordinary course of business) shall not exceed the aggregate of the paid up capital and free reserves by more than Rs. 1000 crores (Rupees One thousand crores only).”
11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**
- “RESOLVED THAT, in modification of the resolution passed at the 21st Annual General Meeting held on 30th July, 2012, the consent of the Company be and is hereby accorded to the Board of Directors pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, read with Article 32 of the Articles of Association of the Company, for the creation of such mortgages, charges and hypothecations, on all immovable and movable properties of the company, both present and future, up to an amount not exceeding the aggregate of the paid up capital and free reserves by more than Rs. 1000 crores (Rupees One thousand crores only) in favour of lending Financial Institution (s) / Corporate Body (s) / person (s) / Corporation (s) / Government (s) / Lenders (s) / Bank (s) for moneys borrowed or to be borrowed.”
- FURTHER RESOLVED THAT the Board of Directors of the company be and are hereby authorized to finalise the terms and conditions for creating the aforesaid mortgages and / or charges and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to this resolution.”
12. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**
- “RESOLVED that pursuant to Section 61, 64 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof) and the rules framed there under, the Authorised Share Capital of the Company be and is hereby authorized to be increased from Rs.20,00,00,000 (Rupees Twenty crores only) divided into 10,00,00,000 (Ten crores) Equity shares of

Rs.2/- each to Rs.30,00,00,000 (Rupees Thirty crores only) divided into 15,00,00,000 (Fifteen crores) Equity shares of Rs.2/- each by creation of additional 5,00,00,000 (Five crores) Equity Shares of Rs.2/- each, ranking pari-passu in all respects with the existing Equity Shares of the Company”.

13. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**
- “RESOLVED that pursuant to the provisions of Section 13 and 61 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under the consent of the Members be and is hereby accorded for substituting clause IV of the Memorandum of Association of the Company with the following clause:
- IV. "The Authorized Share Capital of the Company is Rs.30,00,00,000/- (Rupees Thirty crores only) divided in to 15,00,00,000 (Fifteen crores only) Equity shares of Rs.2/- (Rupees Two only) each with a power to increase or reduce the Capital and divide the shares in the capital in accordance with the Company's regulations and legislative provisions for the time being in force in that behalf with the powers to divide the share capital, whether original increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such a manner as may for the time being be provided by the Regulations of the Company and allowed by law".
14. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**
- “RESOLVED that pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under the consent of the Members be and is hereby accorded for substituting clause 4 of the Articles of Association of the Company with the following clause:
4. “ The Authorized Share Capital of the Company is Rs.30,00,00,000/- (Rupees Thirty crores only) divided in to 15,00,00,000 (Fifteen crores only) Equity shares of Rs.2/- (Rupees Two only) each with a power to increase or reduce the Capital and divide the shares in the capital in accordance with the Company's regulations and legislative provisions for the time being in force in that behalf with the powers to divide the share capital, whether original increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such a manner as may for the time being be provided by the Regulations of the Company and allowed by law.
15. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**
- "RESOLVED that pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under the consent of the Members be and is hereby accorded for deleting article nos: 8, 15, 19.2 to 19.5 and 19.7 to 19.8 of the Articles of Association of the Company".
- “RESOLVED further that Mr.B.Malla Reddy, Managing Director be and is hereby authorized to sign and submit such forms as are required to be filed with any statutory authority / ies and to do such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this Resolution.”
16. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**
- “RESOLVED that the decision to pay a Remuneration of Rs.90,000/- (Rupees Ninety thousand only) to M/s. G.S. & Associates, the Cost Auditors of the Company for the year 2014-15, as recommended by the Audit Committee and approved by the Board of Directors, be and is hereby ratified.”
- “RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By order of the Board
For Astra Microwave Products Limited

Place: Hyderabad
 Date: 28.04.2014

B. Malla Reddy
 Managing Director

NOTES

1. A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in the meeting and the proxy need not be a member of the Company.
2. The instrument appointing the proxy must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
3. Members / proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
4. The Authorised Representatives of the Corporate Members are requested to bring a certified true copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 duly authorizing them to attend and vote at the Annual General Meeting.
5. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the special business to be transacted at the meeting is annexed hereto.
6. The register of members and share transfer books of the Company will remain closed from 24.07.2014 to 31.07.2014 (both days inclusive).
7. The dividend of Rs.1.10/- per share for the year ended March 31, 2014 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 31st July, 2014. 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.
8. Members whose shareholding is in the electronic mode are requested to inform change of address and updates of savings bank account details to their respective depository participants. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends. While members holding shares in physical form, may write to the Registrar and Transfer Agent for any change in their addresses immediately so as to enable the Company to dispatch dividend warrants at their correct addresses.
9. Members wishing to claim dividends, which remain unclaimed are requested to correspond with the Company Secretary, at the Company's registered office. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.
10. Members are requested to send their queries, if any, on the accounts and operations of the Company, to the Company Secretary at least 7 days before the meeting.
11. A Member or his/her proxy is requested to bring the annual report to the meeting as extra copies will not be distributed.
12. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices etc., from the Company electronically.
13. Pursuant to the provisions of Section 107 and 108, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the option of E-Voting facility to all the members of the Company. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting. The Members who wish to attend Annual General Meeting can vote at the Meeting. The Company has appointed Mr. L. D. Reddy, Practising Company Secretary as Scrutinizer.

The procedure and instructions for e-voting are as under:

- i) Open your web browser during the voting period and log on to the e-voting website **www.evotingindia.com**.
- ii) Now click on "Shareholders" to cast your votes.
- iii) Now, select the Electronic Voting Sequence Number - "EVSN" along with "ASTRA MICROWAVE PRODUCTS LIMITED" from the drop down menu and click on "SUBMIT"
- iv) Now, fill up the following details in the appropriate boxes:

User -ID	For Members holding shares in Demat Form:- a) For NSDL:- 8 Character DP ID followed by 8 digits Client ID b) For CDSL:- 16 digits beneficiary ID For Members holding shares in Physical Form:- • Folio Number registered with the Company
Password	Your Unique password allocated by the Company
PAN*	Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

* Members who have not updated their PAN with the Company / Depository participant are requested to use default number 'ABCDE1234F' in the field.

- v) After entering these details appropriately, click on "SUBMIT" tab.
- vi) Members holding shares in Physical form will then reach directly to the voting screen.
- vii) Members holding shares in Demat form will now reach Password Change menu wherein they are required to mandatorily change their login password in the New password field. The new password has to be minimum eight characters consisting of atleast one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password is also to be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- viii) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- ix) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing login id and password are to be used.
- x) For Members holding shares in physicals form, the password and default number can be used only for e-voting on the resolutions contained in this Notice.
- xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Enter the number of share (which represents number of votes) under YES/NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding.
- xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv) Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at I.d.reddy@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.
- xv) In case you have any queries or issues regarding e-voting, please contact helpdesk.evoting@cdslindia.com.
- xvi) The e-voting period commences on 25th July, 2014 and ends on 27th July, 2014.

By order of the Board
For Astra Microwave Products Limited

Place: Hyderabad
Date: 28.04.2014

B. Malla Reddy
Managing Director

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item Nos. 5 and 6

Dr.Shiban K Koul and Mr.J.Venkatadas are Independent Directors of the Company and have held the positions as such for more than 5 (five) years.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement *inter alia* stipulating the conditions for the appointment of Independent Directors by a listed company.

It is proposed to appoint Dr.Shiban K Koul and Mr.J.Venkatadas as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (Five) consecutive years for a term up to March 31, 2019.

Dr.Shiban K Koul and Mr.J.Venkatadas are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Dr.Shiban K Koul and Mr.J.Venkatadas for the office of Directors of the Company.

The Company has also received declarations from Dr.Shiban K Koul and Mr.J.Venkatadas that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Dr.Shiban K Koul and Mr.J.Venkatadas fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Dr.Shiban K Koul and Mr.J.Venkatadas are independent of the management.

Copy of the draft letters for respective appointments of Dr.Shiban K Koul and Mr.J.Venkatadas as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Except Dr.Shiban K Koul and Mr.J.Venkatadas, none of the other Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in the resolution set out at item Nos.5 and 6.

The Board commends the Ordinary Resolution set out at item Nos.5 and 6 of the Notice for approval by the members.

Item: 7

The Board of Directors have co-opted, Mr. T. Ramachandru as an Additional Director of the Company on 30th October, 2013. Under Section 161(1) of the Companies Act, 2013 (corresponding to Section 260 of the Companies Act, 1956), the above said Additional Director holds office only upto the date of this Annual General Meeting of the Company. A notice has been received from a member proposing Mr. T. Ramachandru as a candidate for the office of Director of the Company.

Section 149 of the Act *inter alia* stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. T. Ramachandru that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Mr. T. Ramachandru possesses appropriate skills, experience and knowledge, *inter alia*, in the field of finance.

In the opinion of the Board, Mr. T. Ramachandru fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. T. Ramachandru is independent of the management.

Keeping in view his vast experience and knowledge, it will be in the interest of the Company that Mr. T. Ramachandru is appointed as an Independent Director.

Copy of the draft letter for appointment of Mr.T.Ramachandru as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Except Mr.T.Ramachandru, none of the other Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in the resolution set out at item No.7.

The Board commends the Ordinary Resolution set out at item No.7 of the Notice for approval by the shareholders.

Item: 8

The Board of Directors have co-opted, Mr. U.K.Kalyanaramudu as an Additional Director of the Company on 28th April, 2014. Under Section 161(1) of the Companies Act, 2013 (corresponding to Section 260 of the Companies Act, 1956), the above said Additional Director holds office only upto the date of this Annual General Meeting of the Company. A notice has been received from a member proposing Mr.U.K.Kalyanaramudu as a candidate for the office of Director of the Company.

The Board considers that the appointment of Mr. U.K.Kalyanaramudu as a Director of the Company would be of immense benefit to the Company. Accordingly, the Board of Directors recommends his appointment as a Director of the Company whose period of office is liable to determination by retirement of directors by rotation.

Except Mr.U.K.Kalyanaramudu, none of the other Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in the resolution set out at item No.8.

Item:9

Non-Executive Directors are putting in significant amount of time and efforts in shaping the future of the Company. Keeping in view their contributions and value additions brought in to the Company, the Board of Directors recommend for payment of commission based on the profits derived by the Company for a further period of five years from financial year 2014-15.

Section 197 of the Companies Act, 2013 provides that a Director who is neither in the whole time employment of the Company nor a Managing Director may be paid remuneration by way of commission if the company by special resolution authorizes such payment. Members are requested to accord their consent for the proposed resolution as set out in item no:9.

All Non-Executive Directors may be deemed to be concerned or interested in passing of the resolution. None of the other Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this item.

Item:10

The Board of Directors of the Company were authorized by the Members of the Company under section 293(1)(d) of the Companies Act, 1956 at the 21st Annual General Meeting held on 30th July, 2012 to borrow funds upto Rs. 500 crores (Rupees Five hundred crores only) in excess of the aggregate of the paid up capital and free reserves (other than temporary loans obtained from the company's bankers in the ordinary course of business).

In order to meet the increased long term fund requirements and for financing the present and future projects of the Company, the Board of Directors request the members to accord their consent to borrow funds upto Rs. 1000 crores (Rupees One thousand crores only) in excess of the aggregate of the Company's paid up capital and free reserves in terms of Section 180(1)(c) of the Companies Act, 2013.

The Directors recommends the resolution for members' approval as a **Special Resolution**.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

Item:11

As per the existing limits, the Board of Directors have powers to create charge on the movable and immovable assets of the company up to an amount of Rs. 500 crores (Rupees Five hundred crores only) in excess of the aggregate of the paid up capital and free reserves in favour of lending Financial Institution (s) / Bank (s) etc.,

To meet the increasing requirements of the funds, the Board of Directors are required to borrow funds from time to time, for which mortgages / charges / hypothecations are to be created on the movable and immovable assets of the company and hence it is considered necessary to enhance the said limit upto Rs. 1000 crores (Rupees One thousand crores only) in excess of the aggregate of the Company's paid up capital and free reserves.

The Directors recommends the resolution for members' approval as a **Special Resolution** pursuant to Section 180(1)(a) of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

Item Nos: 12, 13 and 14

The present authorised share capital of the Company is Rs.20 crores and the present paid up capital of the Company is Rs.16.36 crores. In order to meet the growing requirements of the business / to issue bonus shares / to allot shares to any investors, the present authorised capital of the Company is not sufficient to issue and make any further allotments. Hence it is proposed to increase the authorised share capital from Rs.20 crores to Rs.30 crores. As a consequence of such increase in the authorised share capital it would be necessary to amend Clause IV of the Memorandum of Association of the Company and Clause 4 of the Articles of Association of the Company.

The Board commends the Special Resolution set out at item Nos. 12 to 14 of the Notice for approval by the members.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

A copy of the Memorandum of Association together with the proposed amendments is available for inspection by the members of the Company at the Registered Office between 11.00 a.m to 1.00 p.m on all working days from the date hereof upto the date of the Meeting.

Item: 15

The Company had entered into a Share Subscription Agreement with Strategic Ventures Fund (Mauritius) Limited on 08-12-2001. As per the agreement "Strategic" shall have certain exclusive rights till they hold 5% of shareholding in our company and to facilitate the same the above Articles were introduced.

As M/s. Strategic Ventures Fund (Mauritius) Limited holding has come down below 5%, the above Articles are no more valid and hence we propose to delete the same.

The Directors recommends the resolution for members' approval as a Special Resolution pursuant to Section 14 of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

A copy of the Articles of Association together with the proposed amendments is available for inspection by the members of the Company at the Registered Office between 11.00 a.m to 1.00 p.m on all working day from the date hereof upto the date of the Meeting.

Item: 16

At the Board Meeting held on the 28th April, 2014, after considering the recommendation of the Audit Committee, the Director have appointed M/s. G.S. & Associates, as the Cost Auditors of the Company for the year 2014-15 on a remuneration of Rs.90,000/- (Rupees Ninety thousand only). Pursuant to the provisions of Section 148 read with the Companies (Audit and Auditors) Rules, 2014, the aforesaid remuneration approved by the Board of Directors is required to be ratified by the Shareholders.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

The Board commends the Ordinary Resolution set out at item No.16 of the Notice for approval by the members.

By order of the Board
For Astra Microwave Products Limited

B. Malla Reddy
Managing Director

Place: Hyderabad
Date: 28.04.2014

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT
AT THE ANNUAL GENERAL MEETING PURSUANT
TO CLAUSE 49 OF THE LISTING AGREEMENT**

I. Name of Director	Dr. Shibhan K Koul
Date of Birth	10.01.1954
Qualification	M.Tech, PHD in Microwave Engineering
Expertise	He is a Professor and Head of the Department of Centre for Applied Research in Electronics at Indian Institute of Technology (IIT), New Delhi.
Name(s) of other Companies in which Directorships held	Electronics Sector Skills Council of India
Name(s) of other Companies in which Committee Membership(s)/Chairmanship(s) held	Nil
Total shares held by him in the Company	82,639
Relationship with other directors	Dr. Shibhan K Koul is not related to any Director of the Company.
II. Name of Director	Mr. J. Venkatadas
Date of Birth	27.04.1942
Qualification	B.E (Mechanical)
Expertise	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.
Name(s) of other Companies in which Directorships held	KRISHNA SAA FABS (P) Ltd.,
Name(s) of other Companies in which Committee Membership(s)/Chairmanship(s) held	Nil
Total shares held by him in the Company	42,600 equity shares of Rs.2/- each
Relationship with other directors	Mr. J. Venkatadas is not related to any Director of the Company
III. Name of Director	Mr. B. Malla Reddy
Date of Birth	01.08.1947
Qualification	ME (Automation)
Expertise	Mr. B. Malla Reddy is a Post Graduate in Engineering (Automation) from Indian Institute of Science, Bangalore with over 30 years experience in Defence Research and Development Laboratory as Scientist (Grades B, C&D) and in private sector industries.

Name(s) of other Companies in which Directorships held	Nil
Name(s) of other Companies in which Committee Membership(s)/Chairmanship(s) held	Nil
Total shares held by him in the Company	23,83,966
Relationship with other directors	Mr. B. Malla Reddy is not related to any Director of the Company.
IV. Name of Director	Mr. T. Ramachandru, IAS
Date of Birth	03.04.1953
Qualification	B.Tech, PGDBA (IIM-Ahmedabad), Diploma in Public Administration from Syracuse University, NY, USA (2007)
Expertise	He worked for IBM-CMC (1978-83) before joining IPS (1983) and then IAS in 1984. He has vast corporate and administrative experience, both at Odisha State and Government of India, spanning over a period of 35 years. Administrative experience during various assignments, inter alia, includes Collector and District Magistrate, Divisional Commissioner for ten Districts, General Manager DIC, Additional Director of Industries, Director of Industries, Director of Technical Education and Training, Director of Textiles and Handlooms, Additional Secretary Industries, Principal Secretary Industries, Secretary to the Chief Minister Odisha, Secretary to Governor Odisha., Director International Cooperation in Defence, Joint Secretary for Ordnance Factories and Missiles Production in Ministry of Defence.
Name(s) of other Companies in which Directorships held	Nil
Name(s) of other Companies in which Committee Membership(s)/Chairmanship(s) held	Nil
Total shares held by him in the Company	Nil
Relationship with other directors	Mr. T. Ramachandru is not related to any Director of the Company.

V. Name of Director	Mr. U. K. Kalyanaramudu
Date of Birth	07.12.1953
Qualification	M.Tech in Communication Engineering & Radar (IIT-Madras)
Expertise	<p>Mr. U.K.Kalyana Ramudu is a M.Tech in Communication Engineering & Radar from the Indian Institute of Technology, Madras (1978) and a B.E.(Hons) in Electronics and Communication Engineering from Madurai University (1976).</p> <p>He has total of more than 35 years of rich experience in Military Systems Design, Development and production. Currently he is working as Vice President heading the Strategic Electronics Center of Defence & Aerospace of Larsen & Toubro Heavy Engineering, Bangalore. In L&T he is focusing in the area of C4I Systems, Military Communications, Avionics and Electronics Warfare. Prior to joining L&T, he has worked in Bharat Electronics Bangalore for 27 years involving in many Developmental programs – Surveillance and Tracking Radars, Naval Fire Control Systems, EW Systems, Command and Control Systems for Artillery.</p> <p>He has closely worked with many DRDO Labs as part of Integrated Guided Missile Program and he is presently working with many DRDO labs in joint partnership mode for import substitution and indigenous development. He has visited many of the foreign Military Systems Suppliers across Europe, Israel and USA and is closely working with some of them in a collaborative mode.</p>
Name(s) of other Companies in which Directorships held	Nil
Name(s) of other Companies in which Committee Membership(s)/ Chairmanship(s) held	Nil
Total shares held by him in the Company	Nil
Relationship with other directors	Mr. U. K. Kalyanaramudu is not related to any Director of the Company.

By order of the Board
For Astra Microwave Products Limited

Place: Hyderabad
Date: 28.04.2014

B. Malla Reddy
Managing Director

DIRECTORS' REPORT

To the members,

We are delighted to present the report on our business and operations for the year ended March 31, 2014.

FINANCIAL PERFORMANCE

Particulars	Amount in ₹	
	2013-14	2012-13
Net Sales	5,311,630,572	2,274,712,034
Profit before depreciation	845,463,268	637,927,498
Depreciation	147,953,095	133,548,063
Profit before tax	697,510,173	504,379,435
Provision for taxation	188,239,359	132,524,427
Profit after tax	509,270,814	371,855,008
EPS	6.22	4.54
Paid up Equity Share capital	163,650,450	163,650,450
Reserves	2,249,139,530	1,845,173,280
Dividend (in percentage)	55	40

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. 1.10/- per equity share of Rs.2/- for the financial year 2013-14. 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 31st July, 2014.

TRANSFER TO RESERVES

As stipulated under the provisions of the Companies Act, 1956 read with Companies (Transfer to Reserves) Rules, 1975, your Directors have proposed to transfer Rs. 510 lacs to the General Reserve out of the profits earned by the Company. A sum of Rs. 3530 lacs is proposed to be retained as surplus.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 205A read with Section 205C of the Companies Act, 1956, an amount of Rs. 5,97,398/- being unclaimed dividend pertaining to the financial year 2005-06 was transferred to the Investor Education and Protection fund (IEPF) on August 10, 2013.

FIXED DEPOSITS

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

AWARDS AND RECOGNITIONS

Your company was awarded for Outstanding Achievements in "Quality/Above Rs.20 Cr" for the year 2012-13 from Electronic Industries Association of India, New Delhi (ELCINA).

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As per Clause 49 of the Listing Agreement entered into with the Stock Exchanges, Corporate Governance Report with auditor's certificate thereon and a management discussion and Analysis Report are attached and forms part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- In the preparation of Annual Accounts for the financial year 2013-14, the applicable accounting standards have been followed and there are no material departures;
- They have 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 of the Company for the financial year;
- They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- They have prepared the annual accounts on a going concern basis.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Dr. Shibani K Koul, Mr. J. Venkatadas and Mr. B.Malla Reddy, Directors retire by rotation and being eligible, offer themselves for re-appointment. The Company has received requisite notices in writing from Members proposing Dr. Shibani K Koul and Mr. J. Venkatadas for appointment as Independent Directors.

The Board of Directors have co-opted, Mr. T. Ramachandru as an Additional Director designated as Independent Director of the Company on 30th October, 2013 and Mr. U.K. Kalyanaramudu as an Additional Director of the Company on 28th April, 2014.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

PARTICULARS REGARDING SUBSIDIARY COMPANY

M/s.Bhavyabhanu Electronics Private Limited, floated as wholly owned subsidiary to render high end EMS services for captive consumption. These services hitherto outsourced from outside are required for executing offset related defence export business. The Company has potential to explore business opportunities specially in the export market on its own independent of captive consumption requirements. During the Financial Year 2015 it is expected to do around Rs. 200 crores of business, entirely for captive consumption.

In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance sheet, Statement of Profit and Loss account and other documents of the subsidiary are not being attached with the Balance sheet of the Company. However, the financial information of the subsidiary company is disclosed in the Annual Report in compliance with the said circular. The Company will provide a copy of separate annual accounts in respect of subsidiary company to any shareholder of the Company who asks for it and the said annual accounts will also be kept open for inspection at the Registered Office of the company and that of the subsidiary company.

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.

"Cost audit is applicable to the Company in terms of Central Government order F.No.52/26/CAB -2010 dated 24th January, 2012. Accordingly, the Board of Directors have appointed M/s. G.S. & Associates, Cost Accountants as Cost auditors of the Company for auditing costing records maintained by the Company for the financial year 2013-14."

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.

PARTICULARS OF EMPLOYEES

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

EMPLOYEE RELATIONS

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

ACKNOWLEDGMENTS

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

For and on behalf of the Board of Directors

B. Malla Reddy
Managing Director

Mr. P. A.Chitrakar
COO

Place: Hyderabad
Date: 28.04.2014

ANNEXURE (I) TO THE DIRECTORS' REPORT

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

1. Details of Conservation of Energy

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

2. Research & Development (R&D)

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

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

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

Particulars	Amount in ₹	
	2013-14	2012-13
a. Capital	46,088,201	23,887,590
b. Recurring	108,339,734	73,276,832
Total	154,427,935	97,164,422
Total R&D expenditure as percentage of total turnover	2.84%	4.07%

3. Technology Absorption, Adoption and Innovation

The Company works on in house technology. However, the company has one contract for Technology, Transfer, Absorption and adoption with a foreign company for a specific program which enables us to supply sub-systems for a Radar program of DRDO labs.

4. Particulars of foreign exchange earnings and outgo

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

Foreign Exchange outgo and earnings

Particulars	Amount in ₹	
	2013-14	2012-13
Foreign Exchange outgo	1,133,455,715	601,984,849
Foreign Exchange Earnings	3,419,420,846	541,288,694

For and on behalf of the Board of Directors

B. Malla Reddy
Managing Director

Mr. P. A.Chitrakar
COO

Place: Hyderabad
Date: 28.04.2014

ANNEXURE (II) TO THE DIRECTORS' REPORT

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

Name of the Employee	Age	Designation	Gross Remuneration ₹	Qualification	Experience in years	Date of Commencement in employment]	Particulars of last employment
Mr.B.Malla Reddy	67	CEO & M.D	11736000	M.E (Automation)	44	13.09.1991	Head (R&D) OMC Computers Ltd
Mrs.C.Prameelamma	65	Director (Technical)	11958602	M.E (Instrumentation & Control Systems)	42	13.09.1991	Scientist "C" DRDO Labs, Hyderabad
Mr.PA.Chitrakar	63	Chief Operating Officer	11939947	M.Tec (Advanced Electronics)	42	01.09.1994	Scientist `E` Defense Electronics Research Laboratory, Hyderabad
Mr.S.Gurunatha Reddy	55	CFO & Whole Time Director	7341311	BSc, FCA	27	25.04.1993	Accounts Manager in Era Software Systems Limited
Mr.M.V.Reddy	47	Director (Mktg. & Operations)	7537752	B.E (Electronics), MBA	23	23.02.1998	Deputy Manager in ARM Limited

For and on behalf of the Board of Directors

B. Malla Reddy
Managing Director

Mr. P. A. Chitrakar
COO

Place: Hyderabad
Date: 28.04.2014

REPORT ON CORPORATE GOVERNANCE

The detailed report on Corporate Governance, for the Financial Year 1st April, 2013 to 31st March, 2014 as per the format prescribed by SEBI and incorporated in clause 49 of the Listing Agreement is set out below:

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, External Directors and professional Independent Directors. Presently the Board has nine 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, 2014

Number of the Director	Category	Designation	No. of Director Ships in other public companies	Committee Memberships in other public companies	Chairmanship in Committees in other public companies
Dr. Shiban K Koul	Independent Director	Chairman	Nil	Nil	Nil
Mr. B. Malla Reddy	Promoter and Executive Director	Managing Director	Nil	Nil	Nil
Mr. P.A. Chitrakar	Promoter and Executive Director	Chief Operating Officer	Nil	Nil	Nil
Mrs. C. Prameelamma	Promoter and Executive Director	Director (Technical)	Nil	Nil	Nil
Mr. J. Venkatadas	Independent Director	Director	Nil	Nil	Nil
Mr. Atim Kabra	Non-Executive Director	Director	4	Nil	Nil
Mr. S. Gurunatha Reddy	Executive Director	CFO & Whole Time Director	Nil	Nil	Nil
Mr. M. Venkateshwar Reddy	Executive Director	Director (Mktg & Operations)	Nil	Nil	Nil
Mr. T. Ramachandru, IAS	Independent Director	Additional Director	Nil	Nil	Nil

Shareholding in the Company

Table 2 gives details of the shares held by each of the Directors as on March 31, 2014.

Table 2: Shares held by Directors in the Company

Name of the Director	No. of shares held
Dr. Shibban K Koul	82,639
Mr. B. Malla Reddy	23,83,966
Mr. P.A. Chitrakar	14,14,386
Mrs. C. Prameelamma	15,90,561
Mr. J. Venkatadas	42,600
Mr. Atim Kabra	33,21,211
Mr. S. Gurunatha Reddy	1,58,890
Mr. M. Venkateshwar Reddy	83,850
Mr. T. Ramachandru, IAS	Nil

Meetings

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

During the year five Board meetings were held respectively on April 29, 2013, July 24, 2013, September 29, 2013, October 30, 2013 and January 27, 2014.

The attendance of the Directors at the Board Meeting and the Annual General Meeting held during the financial year 2013-14 was as follows:

Name of the Director	Meetings held in Director's tenure	Number of Board meetings attended	Attendance in last AGM on Sept. 30, 2013
Dr. Shibban K Koul	5	5	Present
Mr. B. Malla Reddy	5	5	Present
Mr. P.A. Chitrakar	5	5	Present
Mrs. C. Prameelamma	5	5	Present
Mr. J. Venkatadas	5	5	Present
Mr. Atim Kabra	5	5	Present
Mr. S. Gurunatha Reddy	4	4	Present
Mr. M. Venkateshwar Reddy	4	4	Present
Mr. T. Ramachandru, IAS	1	1	N.A

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 2013-14 is given in Table 3 below:

Table 3: Remuneration paid to the Directors for the financial year 2013-14

Amount in Rs.

Name	Sitting Fee (includes for committee meetings)	Salary, Perks and performance Bonus Commission ₹	Total amount paid ₹
Dr. Shibban K Koul	25,000	13,00,000	13,25,000
Mr. B. Malla Reddy	0	1,17,36,000	1,17,36,000
Mr. P.A.Chitrakar	0	1,19,39,947	1,19,39,947
Mrs. C. Prameelamma	0	1,19,58,602	1,19,58,602
Mr. J. Venkatadas	25,000	13,00,000	13,25,000
Mr. Atim Kabra	25,000	13,00,000	13,25,000
Mr. S. Gurunatha Reddy	0	73,41,311	73,41,311
Mr. M. Venkateshwar Reddy	0	75,37,752	75,37,752
Mr. T. Ramachandru, IAS	5,000	6,50,000	6,55,000

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 2013-14 forms part of this report.

II. Committees of the Board

The Company has four Committees, namely:

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

A) Audit Committee:

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

a) Audit Committee charter:

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

b) Meetings:

The Audit Committee met four times during the year under review on April 29, 2013, July 24, 2013, October 30, 2013 and January 27, 2014. Table 4 gives the composition and attendance record of Audit Committee.

Table 4 Audit Committee attendance during the financial year 2013-14.

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

c) Attendees:

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

d) The Terms of Reference of the Audit Committee :

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

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

B. Compensation Committee / Remuneration Committee.

The Committee has met one time during the year. All the members present at the meeting.

C. Investor Grievance Committee:

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

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

Name of the Director	Position held	No.of Meetings attended
Mr.Atim Kabra	Chairman	4
Mr.J.Venkata Das	Member	4
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, M.D as the Chairman of the Committee and Mr.S.Gurunatha Reddy, CFO and Whole Time Director as the member. The Committee has met 2 times during the year.

III. Disclosures**i) Related party transactions:**

There were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. The transactions with related parties are disclosed in the Notes on Accounts in the financial statements as at March 31, 2014.

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

(iii) Risk management

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

(iv) Management's discussion and analysis

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

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

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

We comply with the non-mandatory requirement:

a. The Board

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

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

IV. Shareholders**A. 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 Business Line, Business Standard and The Vaartha (Telugu).

(ii) Other Information

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

B. Investor grievances and share transfer

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

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

Designated e-mail address for investor services:

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

V. CEO/CFO certification

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

VI. Auditors' certification on corporate governance

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

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

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

For the year	Venue	Day & Date	Time
2011	Bhaskara Auditorium BM Birla Museum, Hyderabad – 500 063	Thursday, 28th July, 2011	3.30 P.M
2012	Hotel Daspalla, Jubilee Hills, Hyderabad – 500 033	Monday 30th July, 2012	3.00 P.M
2013	Swagath-De-Royal Hotel, Kondapur, Hyderabad	Monday 30th September, 2013	11.30 A.M

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

2. Annual General Meeting.

Day, Date and time	31st July, 2014 at 12.30 P.M.
Venue	Swagath-De-Royal Hotel, Kondapur, Hyderabad

3. Financial Calendar

Indicative calendar of events for the year 2014-15 (financial year) excluding Extra Ordinary General Meeting(s), if any, is as under

23rd Annual General Meeting	31st July, 2014
First Quarter financial results	31st July, 2014
Second Quarter financial results	31st October, 2014
Third Quarter financial results	31st January, 2015
Fourth Quarter & Annual results of financial year 2014-15	30th April, 2015

4. Book Closure

The Company's Register of Members and Share Transfer books will remain closed for the purpose of payment of dividend.	24th July, 2014 to 31st July, 2014 (Both days inclusive)
---	---

5. Dividend Payment Date

On or Before 15th August, 2014.

6. Listing on Stock Exchanges

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

7. Stock Market Data

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

Month	BSE		
	High(Rs.)	Low(Rs.)	Volume (Nos.)
April'13	45.00	39.20	11,44,791
May'13	47.40	38.05	34,31,493
June'13	42.20	35.00	17,38,046
July'13	43.40	33.90	8,15,238
Aug'13	36.50	30.20	7,05,962
Sept'13	37.45	33.00	3,71,901
Oct'13	45.75	33.50	13,30,762
Nov,13	51.70	40.75	19,52,792
Dec'13	63.40	46.30	38,95,632
Jan'14	63.40	48.50	41,54,831
Feb'14	53.10	46.40	9,95,609
Mar'14	52.70	46.85	18,10,591

8. Registrar and Transfer Agent

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

9. 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 01.04.2013 To 31.03.2014.

Name of the Complaint	Received	Disposed	Pending
Non receipt of dividend warrants	25	25	Nil
Deletion/inclusion of joint name, transfer and transmission	Nil	Nil	Nil
Demat Nil	Nil	Nil	
Others Nil	Nil	Nil	
Change of Address	Nil	Nil	Nil

10. Distribution of shareholding and shareholding pattern as on 31.03.2014**Distribution of shareholding**

No. of shares held	No. of shareholders
Upto - 5,000	24,566
5,001 - 10,000	738
10,001 - 20,000	343
20,001 - 30,000	99
30,001 - 40,000	30
40,001 - 50,000	34
50,001 - 1,00,000	75
1,00,001 And Above	124
TOTAL	23,576

Shareholding pattern

Category	No. of shares	% shareholding
Promoters	1,78,94,805	21.87
Individuals	2,43,53,245	29.76
FIIIs/NRIs/OCBs	1,27,33,731	15.56
Bodies corporate	2,13,64,071	26.11
Trusts	17,69,100	2.16
Financial Institutions/ Banks/Mutual funds	37,10,273	4.54
Total	81825225	100

11. Dematerialisation of shares and liquidity.

Trading of the Company's shares is compulsorily in dematerialized form for all investors. As of March 31, 2014 equity shares representing 98.10% have been dematerialized with the following depositories:

Description	ISIN	Depositories
Equity shares	INE386C01029	NSDL & CDSL

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

The Company has not issued any GDRs / ADRs. There were no outstanding convertible warrants as on March 31, 2014.

13. Plant Locations.

<p>Unit-I Plot No:12,ANRICH Industrial Estate, Miyapur,IDA Bollarum, Medak(District)-502 325. Andhra Pradesh. Tele:040-30618100 / 01</p>	<p>Unit-II Plot No:56A,ANRICH Industrial Estate, Miyapur,IDA Bollarum, Medak(District)-502 325. Andhra Pradesh. Tele:040-30618200 / 01</p>
<p>Unit-III Survey No:1/1,Imarat Kancha, Raviryala Village, Maheswaram Mandal, Rangareddy (District)-500 010. Andhra Pradesh. Tele:040-30618300 / 01</p>	<p>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</p>

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

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

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

To

The Members of ASTRA MICROWAVE PRODUCTS LIMITED,

We have examined the compliance of conditions of Corporate Governance by M/s. ASTRA MICROWAVE PRODUCTS LIMITED., ("the Company") for the year ended on March 31, 2014 as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchange(s).

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

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

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

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

(G. AMARANATHA REDDY)
Partner
Membership No: 019711

Place: Hyderabad
Date: 28.04.2014

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 2013-14.

For **Astra Microwave Products Limited**

Place: Hyderabad
Date: 28.04.2014

B. Malla Reddy
Managing Director

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

Overview

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

A. Financial Analysis

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

a) Operational performance:

This year's performance was dominated by exports business under Defence offset requirement thereby recording more than 130% growth in top line(Sales) with significant addition at the bottom line (Profitability) for the year.

The Company continues to do well in bagging export orders under Defence offset provisions. The Company's long standing credibility in terms of quality and timely supply is driving this business.

b) Order book

At the end of the year the order book position is healthy with a good mix of domestic and export business. Most of these orders are executable in the next 18 months period.

Sector	₹ lacs
Defence / Public Sector Products	42,653
Space	5,216
Meteorological&Telecom Products	1,158
Exports	48,137
Total	97,164

c) Sales performance:

Sector wise sales are as follows

Business Segment	FY 13-14		FY 12-13	
	₹ Lacs	%	₹ Lacs	%
Defense	14,207	26	17,168	72
Space	5,515	10	736	3
Metrology/Civil Telecom	508	1	512	2
Exports	34,194	63	5,413	23
Total	54,424	100	23,829	100

Defense segment both domestic and exports put together is the major contributor of sales with more than 90% of total revenues coming in from this market. While Production programs in Missiles and Radar sub-systems are driving the domestic business, defence offset requirements is driving the export business. The business potential from this segment is likely to improve further in the coming years.

As indicated in the previous year, the Space segment has made a turnaround during the year. It will continue the momentum during FY 15 also.

Other business comprising of metrology and communication sector has performed creditably considering the existing product profile of the Company.

d) Expansion plans

There are no major expansion plans during the year. The Company has budgeted to spend about Rs. 12cr during the year to augment Development and Production functions. The budgeted amount will be met out of internal accruals and term loans.

e) Risks & Concerns

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

Defence export business driven by offset provisions of Govt., of India is controlled by export regulations where time delays could happen in granting necessary permissions. This export business is also high precision and skilled job involving specialised inputs from across the globe which has a bearing on timely execution and uniform billing.

B. Financial Condition:

1. Share Capital

At present, the company has only one class of shares-equity shares of Rs.2 each, par value. The paid up capital as on 31.03.2014 is Rs.16.36 cr.

2. Reserves and surplus

The change in reserves and surplus represents transfers from the profits derived during the year after making provisions for taxation and equity dividend.

3. Loan Funds

The company has taken long terms loans during the year to implement its capital expenditure budget. Following are the details of secured loans maintenance during the year

Particulars	As of March 31 (Amount. ₹)	
	2014	2013
Working capital loans:		
Open cash credit		
Sanctioned amount	103,00,00,000	65,00,00,000
Outstanding amount	3,67,55,000	-
Short-term loan	-	-
PCFC Loan:		
Sanctioned amount	59,74,93,890	40,00,00,000
Outstanding amount		
Long term loans:	22,00,00,000	27,20,00,000
Outstanding at the beginning of the year	15,73,35,817	10,98,96,151
Additions during year	22,42,11,257	15,62,19,239
Repaid during the year	5,18,54,986	10,87,79,573
Amount outstanding at the end of the year	32,96,92,088	15,73,35,817
Hire purchase loans:		
Outstanding at the beginning of the year	68,16,347	53,08,940
Addition during year	-	46,24,200
Repaid during the year	34,82,740	31,16,793
Amount outstanding at the end of the year	33,33,607	68,16,347

Unsecured loan pertains to the sales tax deferment availed by the company. During the year the Company repaid ₹10,12,027/- which pertains to the deferment availed in the year 1999. The liability position and repayment schedule for the remaining periods is shown below.

Deferment availed during the year	Amount(₹)	Payable during during the year
2002	11,34,646	2015
2003	21,53,923	2016
2004	47,39,206	2017
2005	1,04,74,783	2018
Total	1,85,02,558	

4. Deferred tax

The deferred tax liability pertains to difference in the depreciation claimed in the books and tax purposes. Current year additions to this account has arisen due to accelerated depreciation availed for R&D equipment and solar plant.

5. Fixed Assets

Particulars	As of March 31 (Amount ₹)	
	2014	2013
Original cost		
Land	190,159,983	190,159,983
Buildings	501,251,722	495,725,345
Plant & machinery	1,239,648,079	1,032,587,164
Electrical installation	38,091,842	36,578,717
Air conditioners	51,275,019	49,583,885
Office equipment	11,343,322	9,903,913
Furniture and fixtures	61,703,878	54,449,540
Computers	115,438,747	98,548,179
Vehicles	20,779,997	20,469,024
Solar Power Generating System	82,248,354	-
Total	2,311,940,944	1,988,005,750
Less: Accumulated depreciation	1,055,403,158	908,830,379
Net block	1,256,537,786	107,91,75,371
Net fixed assets	1,256,537,786	107,91,75,371
Depreciation as % of total revenue	2.72	5.60
Accumulated depreciation as a % of gross block	45.65	45.72

During the year the company added assets (net) worth ₹32 crores to the gross block. Most of the additions pertain to cost of Test equipment's, EMI/EMC test facility and 1 MWp solar plant for captive consumption. Additions of these equipment and facilities have improved the productivity of the Company directly and indirectly.

The company has budgeted to spend ₹12 crores during the year towards capital expenditure which will be met out of internal cash accruals and borrowed funds.

6. Investments

Investments represents amount invested in equity share capital of its associate Company engaged in digital electronics.

7. Sundry Debtors

Sundry debtors amounts to ₹131.30cr at the end of the year as compared to ₹ 143.37cr for the previous year. They are at 24.12% of revenue for the year as compared to 60.16%for the previous year representing an outstanding of 88days and220days of revenues for the respective years. Since most of billing is skewed towards last part of fourth quarter, the debtors ratio with reference to total sales appears to be on higher side which is not true.

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 collect ability 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.

Particulars	2014	2013
Cash and cash equivalents as a % of total assets	10.09	32.02
Cash and cash equivalents as a % of revenues	4.28	26.72

9. Loans and Advances

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

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

10. Current liabilities

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

Advances from customers represent the amount received as per the terms of purchase orders from the Defence and Space establishments for the development orders and on offset related export 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 @ ₹ 1.10 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 treat human resource as the most valuable asset. We commit to improve the quality of work life and employee satisfaction, while aligning the individual aspirations with the company objectives. Towards creating a vibrant and performance-oriented culture in the organization, several interventions are initiated. Overall employee relations are cordial and productive.

Internal Control Systems & Adequacy

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

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

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

SELECT FINANCIAL DATA

Amount in Lacs

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Gross sales	11,030	16,490	21,048	23,829	54,424
Net Sales	10,678	16,114	20,375	22,747	53,116
Other income including accretion to stock	663	505	1,748	691	5,124
Expenditure	8,754	12,248	15,952	16,634	49,112
Operating Profit (EBDIT)	2,586	4,371	6,171	6,804	9,128
Interest	364	692	545	412	673
Profit before depreciation and tax(PBDT)	2,222	3,679	5,626	6,392	8,455
Depreciation	1,120	1,242	1,245	1,335	1,480
Profit before tax(PBT)	1,102	2,437	4,381	5,057	6,975
Tax including Deferred Tax	286	578	1,061	1,325	1,882
Profit after Tax(PAT)	816	1,859	3,320	3,732	5,093
Equity share Capital	1,083	16,366	16,366	16,366	16,366
No.of shares	54,143,350	81,825,225	81,825,225	81,825,225	81,825,225
Gross Fixed Assets	14,920	15,634	16,764	19,880	23,119
Net Fixed Assets	9,474	9,032	8,933	10,792	12,565
Raw material consumed	5,239	7,807	8,807	9,534	39,181
Man power cost	1,806	2,424	2,731	2,798	3,749
Sundry debtors	8,259	8,149	8,753	14,337	13,131
Networth	12,912	14,476	17,130	20,088	24,128
Capital Employed	17,817	18,096	19,110	21,895	27,081
EBDIT to Sales(%)	24.22	27.13	30.29	29.91	17.19
EBDT to Sales(%)	20.81	22.83	27.61	28.10	15.92
PBT to Sales(%)	10.32	15.12	21.50	22.23	13.13
PAT to Sales(%)	7.64	11.54	16.30	16.41	9.59
Sales to Net fixed Assets	1.13	1.78	2.28	2.11	4.23
Raw materials to Sales(%)	49.06	48.45	43.22	41.91	73.76
Man power cost to Sales(%)	16.91	15.04	13.40	12.30	7.06
Sundry debtors to Sales(%)	74.88	49.42	41.59	60.17	24.13
Return on Networth(%)	6.32	12.85	19.38	18.58	21.11
Return on Capital Employed(%)	4.58	10.28	17.37	17.04	18.81
Cash Earnings per share(CEPS)(Rs.)	4.10	4.50	6.88	7.81	10.33
Earnings per share(EPS)*(Rs.)	1.51	2.27	4.06	4.56	6.22
Book value of the share(Rs.)#	23.85	17.69	20.93	24.55	29.49

*Face value of Rs.2/- from 2005-06 onwards.

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

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO THE SUBSIDIARY COMPANY

A.	Name of the Subsidiary	M/S BHAVYABHANU ELECTRONICS PVT.LTD.,
B.	Financial year of the subsidiary ended on	March 31, 2014
C.	The Company's interest in the subsidiary On the aforesaid date	
	a. Number of shares held	99,998
	b. Face value per share	Rs.10/-
	c. Extent of Holding	99.998%
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. 9,06,324/-
	2. For the previous financial years of the subsidiary since it became the company's subsidiary.	This being the first year no previous year figures could be given
	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

INFORMATION PERTAINING TO SUBSIDIARY M/S BHAVYABHANU ELECTRONICS PVT.LTD., FOR THE FINANCIAL YEAR 2013-14

	2013-14
a) CAPITAL	1,000,000
b) RESERVES	(906,342)
c) TOTAL ASSETS	190,008,445
d) TOTAL LIABILITIES	190,008,445
e) DETAILS OF INVESTMENT	Nil
f) OTHER INCOME	89,458
g) PROFIT BEFORE TAXATION	(1,311,638)
h) DEFERED TAX	405,296
i) PROFIT AFTER TAXATION	(906,342)
j) PROPOSED DIVIDEND	Nil

For and on behalf of the Board of Directors

Hyderabad
28th April, 2014

Mr. B. Malla Reddy
CEO & Managing Director

Mr. P.A. Chitrakar
COO

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASTRA MICROWAVE PRODUCTS LIMITED

Report on the Financial Statements:

We have audited the accompanying financial statements of ASTRA MICROWAVE PRODUCTS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and 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 March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

- 1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2 As required by section 227(3) of the Act, we report that:
 - a We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b 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 those books
 - c The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place: Hyderabad

Date: 28.04.2014

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

(G. AMARANATHA REDDY)
 Partner
 Membership No: 019711

Annexure to Auditor's Report

ASTRA MICROWAVE PRODUCTS LIMITED

Referred to in Paragraph 1 of our report of even date

i) In respect of its fixed assets:

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

ii) In respect of its inventories:

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

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

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

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

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

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

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

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

viii) The Central Government has prescribed maintenance of cost records under Section 209 (1) (d) of the Companies act, 1956. We have broadly reviewed the accounts and records of the Company in this

connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the same.

ix) In respect of statutory dues:

- a) The Company is regular in depositing with appropriate authorities undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it.
 - b) According to the information and explanations given to us no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Cess were in arrears, as at 31st March 2014 for a period of more than six months from the date they became payable.
 - c) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess, which have not been deposited on account of any dispute.
- x)** The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year
- xi)** Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
- xii)** In our opinion and according to the explanations given to us and based on the information available no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii)** In our opinion, the Company is not a Chit Fund / Nidhi / Mutual Benefit Fund / Society.
Therefore, the provisions of Clause 4(xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv)** The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in Mutual funds and timely entries have been made therein. All the said investments have been held by the Company in its own name.
- xv)** The Company has not given any guarantee for loans taken by others from banks and financial institutions. Therefore, the provisions of Clause 4(xv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xvi)** The Company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purpose for which they were raised.
- xvii)** According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
- xviii)** The Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix)** The Company has not issued any debentures. Therefore, the provisions of Clause 4(xix) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xx)** The Company has not raised any monies by way of public issue during the year.
- xxi)** In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

(G. AMARANATHA REDDY)

Partner

Membership No: 019711

Place: Hyderabad
Date: 28.04.2014

BALANCE SHEET AS AT 31st MARCH, 2014

Amount in ₹

Particulars	Note No	As at 31-03-2014		As at 31-03-2013	
I. EQUITY AND LIABILITIES					
(1) Shareholder's Funds					
(a) Share Capital	2.1	163,650,450		163,650,450	
(b) Reserves and Surplus	2.2	2,249,139,530	2,412,789,980	1,845,173,281	2,008,823,731
(2) Non-Current Liabilities					
(a) Long-term Borrowings	2.3	261,508,748		135,206,111	
(b) Deferred Tax Liabilities (Net)	2.4	83,706,903		55,970,496	
(c) Long-term Provisions	2.5	24,129,440	369,345,091	22,064,559	213,241,166
(3) Current Liabilities					
(a) Short-term Borrowings	2.6	256,756,771		282,047,595	
(b) Trade Payables	2.7	2,208,330,220		2,193,834,948	
(c) Other Current Liabilities	2.8	198,408,364		161,141,673	
(d) Short-term Provisions	2.9	166,096,501	2,829,591,856	128,764,212	2,765,788,428
Total			5,611,726,927		4,987,853,325
II. Assets					
(1) Non-Current Assets					
(a) Fixed Assets					
Tangible Assets	2.10	1,256,537,784		1,079,175,370	
(b) Non-Current Investments	2.11	3,599,980		2,600,000	
(c) Long-term Loans and Advances	2.12	70,358,415	1,330,496,179	29,985,771	1,111,761,141
(2) Current Assets					
(a) Current investments	2.13	20,000,000		233,013,354	
(b) Inventories	2.14	1,464,942,284		738,350,012	
(c) Trade Receivables	2.15	1,313,078,353		1,433,725,574	
(d) Cash and Bank Balances	2.16	610,029,220		1,132,664,863	
(e) Short-term Loans and Advances	2.17	862,308,916		325,370,662	
(f) Other Current Assets	2.18	10,871,975	4,281,230,748	12,967,718	3,876,092,184
Total			5,611,726,927		4,987,853,325
Significant Accounting Policies	1				
Notes on Accounts	2				

As per our Report of even date

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

(G. AMARANATHA REDDY)
 Partner
 Membership No: 019711

Place : HYDERABAD
Date : 28-04-2014

For and on behalf of the Board

(Dr. SHIBAN K. KOUL)
 Chairman
(P. A. CHITRAKAR)
 Chief Operating Officer

(J. VENKATA DAS)
 Director
(T. RAMACHANDRU)
 Additional Director

(M.VENKATESHWAR REDDY)
 Director - Mktg.&Operations

(B. MALLA REDDY)
 CEO & Managing Director
(C. PRAMEELAMMA)
 Director (Technical)

(ATIM KABRA)
 Director
(S. GURUNATHA REDDY)
 CFO & Wholetime Director

(T. ANJANEYULU)
 Company Secretary

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

Amount in ₹

Particulars	Note No	Year ended 31-03-2014	Year ended 31-03-2013
I Revenue from Operations	2.19	5,442,448,542	2,382,903,392
Less: Excise Duty		(130,817,970)	(108,191,358)
		5,311,630,572	2,274,712,034
II Other Income	2.20	78,014,500	69,117,448
III Total Revenue (I + II)		5,389,645,072	2,343,829,482
IV Expenses:			
(a) Cost of Materials Consumed	2.21	3,918,065,833	953,353,358
(b) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	2.22	(434,383,240)	50,983,609
(c) Employee Benefit Expense	2.23	374,944,383	279,817,984
(d) Financial Costs	2.24	67,308,431	41,250,183
(e) Depreciation and Amortization Expense	2.10	147,953,095	133,548,063
(f) Other Expenses	2.25	615,849,784	379,178,455
Total Expenses		4,689,738,286	1,838,131,651
V Profit Before Exceptional and Extraordinary Items and Tax (III - IV)		699,906,786	505,697,830
VI Exceptional Items	2.26	(2,396,613)	(1,318,395)
VII Profit Before Extraordinary Items and Tax (V - VI)		697,510,173	504,379,435
VIII Extraordinary Items		-	-
IX Profit Before Tax (VII - VIII)		697,510,173	504,379,435
X Tax Expense:			
(1) Current Tax		(160,502,952)	(124,769,723)
(2) Deferred Tax	2.4	(27,736,407)	(7,754,704)
XI Profit / (Loss) for the Period from Continuing Operations (IX - X)		509,270,814	371,855,009
XII EPS: (In Rupees) (Face Value Rs.2/-)			
Basic and Diluted before extraordinary items	2.27	6.22	4.54
Basic and Diluted after extraordinary items		6.22	4.54
Significant Accounting Policies	1		
Notes on Accounts	2		

As per our Report of even date

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

(G. AMARANATHA REDDY)
 Partner
 Membership No: 019711

Place : HYDERABAD
Date : 28-04-2014

For and on behalf of the Board

(Dr. SHIBAN K. KOUL)
 Chairman
(P. A. CHITRAKAR)
 Chief Operating Officer

(J. VENKATA DAS)
 Director
(T. RAMACHANDRU)
 Additional Director

(M.VENKATESHWAR REDDY)
 Director - Mktg.&Operations

(B. MALLA REDDY)
 CEO & Managing Director
(C. PRAMEELAMMA)
 Director (Technical)

(ATIM KABRA)
 Director
(S. GURUNATHA REDDY)
 CFO & Wholetime Director

(T. ANJANEYULU)
 Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

Amount in ₹

Particulars	31-03-2014		31-03-2013	
	₹	₹	₹	₹
A) Cash Flow from Operating Activities:				
Net Profit Before Tax, Extra-ordinary & Exceptional Items		699,906,786		505,697,830
Adjustments for:				
Depreciation	147,953,095		133,548,063	
Interest Paid	67,308,431		41,250,183	
Prior Period adjustments	(59,987)		3,382	
Interest Received	(59,237,090)		(38,445,423)	
Dividend received on current investments	(2,834,918)		(3,019,565)	
Income Tax Paid	(156,241,770)		(114,339,995)	
		(3,112,239)		18,996,645
Operating Profit Before Working Capital Changes		696,794,547		524,694,475
Adjustments for:				
Trade & Other Receivables	(286,289,597)		(1,106,572,022)	
Trade Payable	26,145,731		1,711,745,950	
Inventories	(726,592,272)		8,221,889	
		(986,736,138)		613,395,817
Net Cash from Operating Activities		(289,941,591)		1,138,090,292
B) Cash Flow from Investing Activities:				
Purchase of Fixed Assets	(394,043,331)		(270,931,907)	
Proceeds from Disposal of Assets	441,439		1,780,536	
Investment in Equity Shares	(999,980)		(2,600,000)	
Investment in Mutual Funds	-		(233,019,564)	
Dividend received on Mutual Fund Units	2,834,918		3,019,565	
Interest received on deposits	61,332,833		31,221,977	
Proceeds from Disposal of MF Units	212,571,528		-	
Net Cash Used in Investing Activities		(117,862,593)		(470,529,394)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

Amount in ₹

Particulars	31-03-2014		31-03-2013	
	₹	₹	₹	₹
C) Cash Flow from Financing Activities:				
- Increase / (decrease) in Working Capital				
- Capital Borrowings	(25,290,825)		(76,423,736)	
- Term Loans Taken during the year	224,211,257		155,710,034	
- Hire Purchase Finance Taken	-		3,904,000	
- Term Loans Repaid	(51,241,230)		(210,615,648)	
- Hire Purchase Finance Repaid	(3,482,740)		(3,116,793)	
- Interest Paid	(63,050,229)		(41,892,805)	
- Dividend Paid	(65,460,180)		(57,277,158)	
- Dividend Tax Paid	(11,124,958)		(9,291,868)	
- Net Cash Used in Financing Activities		4,561,095		(239,003,974)
Net Increase in Cash & Cash Equivalents (A-B-C)		(403,243,089)		428,556,924
Cash & Cash Equivalents at the Beginning				
- Cash on Hand	218,027		193,641	
- Balance with Sch., Banks	636,464,760	636,682,787	207,932,222	208,125,863
- Cash & Cash Equivalents at the End				
- Cash on Hand	272,594		218,027	
- Balance with Sch., Banks	233,167,104	233,439,698	636,464,760	636,682,787

As per our Report of even date

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

(G. AMARANATHA REDDY)
 Partner
 Membership No: 019711

Place : HYDERABAD
Date : 28-04-2014

For and on behalf of the Board

(Dr. SHIBAN K. KOUL)
 Chairman

(P. A. CHITRAKAR)
 Chief Operating Officer

(J. VENKATA DAS)
 Director

(T. RAMACHANDRU)
 Additional Director

(M.VENKATESHWAR REDDY)
 Director - Mktg.&Operations

(B. MALLA REDDY)
 CEO & Managing Director

(C. PRAMEELAMMA)
 Director (Technical)

(ATIM KABRA)
 Director

(S. GURUNATHA REDDY)
 CFO & Wholetime Director

(T. ANJANEYULU)
 Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS STATEMENT FOR THE YEAR ENDING 31st MARCH, 2014

1. SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of preparation of Financial Statements:

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

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

b) Fixed Assets:

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

c) Depreciation:

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

d) Valuation of Inventories:

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

e) Revenue Recognition:

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

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

Interest income is recognized on accrual basis.

Dividend income is recognized when the right to receive is established

f) Foreign Exchange transactions:

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

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

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

g) Employee Benefits:

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

h) Investments:

Un-quoted long term Investments are valued at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

Current investments are carried at lower of cost and quoted/fair value, computed category wise.

i) R & D Expenditure:

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

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

j) Borrowing Costs:

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

k) Cash Flow Statement:

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

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

l) Accounting for Taxes on Income:

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

Deferred Tax: Deferred income tax is recognized, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The tax effect is calculated on the accumulated timing differences at the year end based on tax rates and laws, enacted or substantially enacted as of the Balance Sheet date. The deferred tax assets are recognized only to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

m) Impairment of Assets:

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

n) Provisions and Contingent Liabilities and Contingent Assets:

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

o) Operating Lease:

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

p) Earnings Per Share:

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

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

q) Use of Estimates:

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

2. NOTES ON ACCOUNTS:

2.1 SHARE CAPITAL

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
A) Authorised Share Capital:		
Equity Shares, Rs.2/- Par Value 10,00,00,000 Equity Shares	200,000,000	200,000,000
B) Issued, Subscribed and Fully Paid-up Share Capital:		
Equity Shares, Rs.2/- Par Value 8,18,25,225 Equity Shares fully paid-up	163,650,450	163,650,450
Total	163,650,450	163,650,450
Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule VI to the Companies Act, 1956		
Reconciliation of the Number of Shares Outstanding:	As At 31-03-2014	As At 31-03-2013
Shares outstanding at the beginning of the year	81,825,225	81,825,225
Add : Shares Issued during the year	-	-
Add : Shares Issued on Exercise of Employee Stock Options	-	-
Add : Bonus Shares Issued	-	-
Less : Shares bought back during the year	-	-
Shares outstanding at the end of the year	81,825,225	81,825,225

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

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

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

Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956
Shares in the Company held by each Share Holder holding more than 5% shares

	As at	
	31-03-2014 No. of shares %	31-03-2013 No. of shares %
1) Strategic Ventures Fund (Mauritius)	-	9,578,940 11.71%
2) Skanda Aerospace Private Limited	7,734,501 9.45%	7,381,417 9.02%
3) Larsen & Toubro Limited	7,950,045 9.72%	7,950,045 9.72%
Disclosure pursuant to Note no. 6(A)(h) of Part I of Schedule VI to the Companies Act, 1956		
Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment;	NIL	NIL
Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956		
a) Aggregate number of equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash in the last five years immediately preceding the Balance Sheet date	NIL	NIL
b) Aggregate number of bonus shares (Equity) issued in the last five years immediately preceding the Balance Sheet date	27,527,175	27,672,225
c) Aggregate number of equity shares bought back in the last five years immediately preceding the Balance Sheet date	NIL	NIL
Disclosure pursuant to Note no. 6(A)(j) of Part I of Schedule VI to the Companies Act, 1956		
Securities convertible into equity / preference shares issued	NIL	NIL

2.2 RESERVES & SURPLUS

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
A) General Reserve :		
Opening balance	332,279,695	292,279,695
- Add: Transferred from Profit and Loss Account	51,000,000	40,000,000
- Balance in General Reserve (A)	383,279,695	332,279,695
B) Securities Premium Reserve :		
Opening balance	50,450,142	50,450,142
- Add: Addition during the year		
- Less: Capitalised during the year		
- Balance in Securities Premium Reserve (B)	50,450,142	50,450,142
C) Surplus :		
- Opening balance	1,462,443,444	1,206,667,893
- Add / (Less): Net Profit / (Loss) after Tax transferred from Statement of Profit & Loss	509,270,814	371,855,009
- Amount Available for Appropriation	1,971,714,258	1,578,522,902
- Less: Appropriations		
- Amount Transferred to General Reserve	(51,000,000)	(40,000,000)
- Proposed Dividend	(90,007,748)	(65,460,180)
- Dividend Tax	(15,296,817)	(10,619,278)
- Balance in Profit & Loss Account (.C)	1,815,409,693	1,462,443,444
Total (A+B+C)	2,249,139,530	1,845,173,281

2.3 LONG-TERM BORROWINGS

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
A) Secured Long-Term Borrowings:		
1) Term Loans: From Banks:		
a) Term Loan from HDFC Bank (Partly Disbursed) #	243,547,332	114,187,358
Repayable on or before: Aug., 2018 11 Installments (quarterly) of Rs.1,35,82,424/- each and 17 Installments (quarterly) of Rs.1,06,05,020/- each Rate of interest: 12.20% Nature of security: Term loan from HDFC Bank is secured by First exclusive charge on the Fixed Assets funded by this term loan. Second pari passu charge on entire unencumbered fixed assets of the company alongwith term lenders.Pari Passu second charge on the current assets of the company alongwith other term lenders and personal guarantee of the Managing Director and Chief Operating Officer.		
b) Vehicle Loan from HDFC Bank #	502,332	2,149,177
Repayable in EMI as per the specific agreement. Hire purchase finance is secured by hypothecation of specified assets acquired under Hire Purchase Agreement.		
2) Other Long-Term Borrowings:		
Vehicle Loan from M/s. Kotak Mahindra Prime Ltd., #	91,172	367,018
Repayable in EMI as per the specific agreement. Hire purchase finance is secured by hypothecation of specified assets acquired under Hire Purchase Agreement.		
Total Secured Long-Term Borrowings (A)	244,140,836	116,703,553
Aggregate amount of loans Guaranteed by Managing Director and Chief Operating Officer	329,692,088	155,710,034
Amount of continuing default as on the balance sheet date in repayment of loans and interest there on	NIL	NIL
B) Unsecured Long-Term Borrowings:		
Deferred Payment Liabilities:		
Sales Tax Loan from Government of AP	17,367,912	18,502,558
Repayable on or before: March 2018 Number of installments (yearly) due as on 31/03/2014: 4 # Rate of interest: Interest free		
Total Unsecured Long-Term Borrowings (B)	17,367,912	18,502,558
Aggregate amount of loans Guaranteed by Directors	NIL	NIL
Amount of continuing default as on the balance sheet date in repayment of loans and interest there on	NIL	NIL
# Amount repayable within next one year is shown separately under the head "Other Current Liabilities" (Note No: 2.8)		
Total Long-Term Borrowings (A + B)	261,508,748	135,206,111

2.4 DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31-03-2014	As at 31-03-2013
Deferred Tax Liability	91,908,500	63,129,342
Less: Deferred tax Asset	(8,201,597)	(7,158,846)
Closing balance of Net Deferred Tax Liability	83,706,903	55,970,496
Less: Opening balance of Net Deferred Tax Liability	55,970,496	48,215,792
Effect on Profit and Loss Statement	(27,736,407)	(7,754,704)
Deferred Tax Liability represents timing differences in . depreciation on fixed assets Deferred Tax Assets represents Provision for Gratuity and . Leave Encashment, which are allowed on payment basis as per the provisions of the Income Tax Act		

2.5 LONG TERM PROVISIONS

Particulars	As at 31-03-2014	As at 31-03-2013
Provision for Employee Benefits:		
- Unavailed Leave	11,604,386	9,593,925
- Gratuity Obligation	12,525,054	12,470,634
Total	24,129,440	22,064,559

2.6 SHORT TERM BORROWINGS

Particulars	As at 31-03-2014	As at 31-03-2013
A) Secured Short-Term Borrowings:		
Repayable on Demand		
From Banks:		
a) Working Capital Finance from Canara Bank	415,621	-
Nature of security:		
Prime Security:		
Pari Passu first charge on stocks and receivables and other chargeable current assets of the Company along with other WC lenders.		
Collateral Security:		
Pari Passu first charge on entire unencumbered Fixed Assets of the company (other than those financed by term lenders) along with other WC lenders, including EM of company's properties offered as collateral security		
Pari Passu second charge on the fixed assets of the company funded by other term lenders.		
Personal Guarantee:		
Personal Guarantee of the Managing Director and Chief Operating officer		
b) Working Capital Finance from HDFC Bank Limited	11,869,706	-
Nature of security:		
Prime Security:		
Pari Passu first charge on stocks and receivables and other chargeable current assets of the Company along with other WC lenders		
Collateral Security:		
Pari Passu first charge on entire unencumbered Fixed Assets of the company (other than those financed by term lenders) alongwith other WC lenders,including EM of company's properties offered as collateral security		
Pari Passu second charge on the fixed assets of the company funded by other term lenders.		
Personal Guarantee:		
Personal Guarantee of the Managing Director and Chief Operating Officer		

Particulars	As at 31-03-2014	As at 31-03-2013
<p>c) Working Capital Finance from State Bank of India</p> <p>Nature of security:</p> <p>Prime Security:</p> <p>Pari Passu first charge on stocks and receivables and other chargeable current assets of the Company along with other WC lenders</p> <p>Collateral Security:</p> <p>Pari Passu first charge on entire unencumbered Fixed Assets of the company (other than those financed by term lenders) along with other WC lenders, including EM of company's properties offered as collateral security</p> <p>Pari Passu second charge on the fixed assets of the company funded by other term lenders.</p> <p>Personal Guarantee:</p> <p>Personal Guarantee of the Managing Director and Chief Operating Officer</p>	<p>220,000,000</p>	<p>272,000,000</p>
<p>d) Working Capital Finance from AXIS Bank Limited</p> <p>Nature of security:</p> <p>Prime Security:</p> <p>Pari Passu first charge on stocks and receivables and other chargeable current assets of the Company along with other WC lenders</p> <p>Collateral Security :</p> <p>Pari Passu first charge on entire unencumbered Fixed Assets of the company (other than those financed by term lenders) along with other WC lenders, including EM of company's properties offered as collateral security</p> <p>Pari Passu second charge on the fixed assets of the company funded by other term lenders.</p> <p>Personal Guarantee:</p> <p>Personal Guarantee of the Managing Director and Chief Operating Officer</p>	<p>24,471,444</p>	<p>-</p>

Particulars	As at 31-03-2013	As at 31-03-2012
e) Working Capital Finance from ICICI Bank Limited	-	-
Nature of security:		
Prime Security:		
Pari Passu first charge on stocks and receivables and other chargeable current assets of the Company along with other WC lenders		
Collateral Security:		
Pari Passu first charge on entire unencumbered Fixed Assets of the company (other than those financed by term lenders) along with other WC lenders, including EM of company's properties offered as collateral security		
Pari Passu second charge on the fixed assets of the company funded by other term lenders.		
Personal Guarantee:		
Personal Guarantee of the Managing Director and Chief Operating Officer		
Total Secured Short-Term Borrowings (A)	256,756,771	272,000,000
Aggregate amount of loans Guaranteed by Managing Director and Chief Operating Officer	256,756,771	272,000,000
Amount of default as on the balance sheet date in repayment of loans and interest there on	NIL	NIL
B) Unsecured Short-Term Borrowings:		
Repayable on Demand		
From Banks:		
Bills Discounting facility with SIDBI	-	10,047,595
Total Unsecured Short-Term Borrowings (B)	-	10,047,595
Aggregate amount of loans Guaranteed by Directors	NIL	NIL
Amount of default as on the balance sheet date in repayment of loans and interest there on	NIL	NIL
Total Short-Term Borrowings (A + B)	256,756,771	282,047,595

2.7 TRADE PAYABLES

Particulars	As at 31-03-2014	As at 31-03-2013
Accrued Salaries and other benefits		
- Salaries & Directors Remuneration	37,064,559	29,227,785
For Other Liabilities		
- For Supplies	184,748,178	302,769,707
- Advances from Customers	1,986,517,483	1,861,837,456
Total	2,208,330,220	2,193,834,948

2.8 OTHER CURRENT LIABILITIES

Particulars	As at 31-03-2014	As at 31-03-2013
Current maturities of long term borrowings	89,768,792	46,017,438
Interest accrued and due on borrowings	5,317,282	1,625,783
Unclaimed Dividends	5,132,538	4,178,521
For Services & Expenses	29,710,530	27,611,927
PF & ESI payable	2,558,076	2,309,614
Withholding and Other Taxes Payable	31,750,608	30,019,355
Creditors for capital goods/works	34,170,538	49,379,035
Total	198,408,364	161,141,673

2.9 SHORT-TERM PROVISIONS

Particulars	As at 31-03-2014	As at 31-03-2013
a) Provision for Employee Benefits:		
Bonus and Incentives	37,756,388	32,249,128
b) Others:		
Proposed Dividend	90,007,748	65,460,180
Provision for Tax on Dividend	15,296,817	10,619,278
Income Taxes	23,035,548	20,435,626
Total	166,096,501	128,764,212

2.10 FIXED ASSETS

DESCRIPTION	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	Rate of Dep.,	AS ON 4/1/2013 Rs.	ADDITIONS Rs.	DELETIONS Rs.	AS ON 31/03/2014 Rs.	UP TO 4/1/2013 Rs.	FOR THE PERIOD Rs.	DELETIONS Rs.	UP TO 31/03/2014 Rs.	AS ON 31/03/2014 Rs.	AS ON 31/03/2013 Rs.
Tangible Assets											
Land	0%	190,159,983	-	-	190,159,983	-	-	-	-	190,159,983	190,159,983
Buildings	10%	495,725,345	5,526,377	-	501,251,722	184,093,375	31,367,660	-	215,461,035	285,790,687	311,631,970
Plant & Machinery	15%	1,032,587,164	207,901,089	840,174	1,239,648,079	545,012,878	88,353,558	572,150	632,794,286	606,853,793	487,574,286
Electrical Installations	15%	36,578,717	1,814,604	301,479	38,091,842	19,052,893	2,731,095	233,114	21,550,874	16,540,968	17,525,823
Solar Power Plant	80%	-	82,248,354	-	82,248,354	-	540,811	-	540,811	81,707,543	-
Air Conditioners	15%	49,583,885	1,691,134	-	51,275,019	26,083,462	3,697,328	-	29,780,790	21,494,229	23,500,423
Office Equipment	15%	9,903,913	1,534,449	95,040	11,343,322	5,214,160	866,188	75,792	6,004,556	5,338,766	4,689,753
Furniture & Fixtures	18.10%	54,449,540	7,254,338	-	61,703,878	33,991,319	4,988,781	-	38,980,100	22,723,778	20,458,221
Computers	60%	98,548,179	16,890,568	-	115,438,748	87,467,867	12,006,068	-	99,473,935	15,964,812	11,080,312
Vehicles	25.89%	20,469,024	967,266	656,293	20,779,997	7,914,426	3,401,606	499,260	10,816,772	9,963,225	12,554,598
Total		1,988,005,750	325,828,180	1,892,986	2,311,940,944	908,830,380	147,953,095	1,380,316	1,055,403,158	1,256,537,784	1,079,175,370
Pre., Year Total		1,676,428,362	320,775,194	9,197,806	1,988,005,750	783,176,371	133,548,063	7,894,054	908,830,380	1,079,175,370	893,251,991

2.11 NON-CURRENT INVESTMENTS

Particulars	As at 31-03-2014	As at 31-03-2013
Other Investments - Unquoted - At Cost		
a) Investments in Equity Instruments		
- Investments in equity instruments of Associates		
- 2,60,000 Equity Shares of Rs.10/- each fully paid up in M/s. Traana Technologies Private Limited	2,600,000	2,600,000
b) Investments in equity instruments of Subsidiaries		
- 99,998 Equity Shares of Rs.10/- each fully paid up in M/s. Bhavyabhanu Electronics Private Limited	999,980	-
Total	3,599,980	2,600,000
Aggregate amount of unquoted investments	3,599,980	2,600,000

2.12 LONG-TERM LOANS AND ADVANCES

Particulars	As at 31-03-2014	As at 31-03-2013
Unsecured Considered Good		
Unsecured Considered Good		
Advances for capital goods/works	58,504,750	5,498,094
Security Deposits	8,367,202	6,616,136
Pre paid expenses	3,486,463	17,871,541
Total	70,358,415	29,985,771

2.13 CURRENT INVESTMENTS:

Particulars	As at 31-03-2014	As at 31-03-2013
Investments in Mutual funds:		
Valued at lower of cost and quoted value		
Investments in Mutual funds:		
Valued at lower of cost and quoted value		
a) 20,00,000 Units of SBI Debt Fund (Series - 1 and15) Growth	20,000,000	20,000,000
b) NIL (87,969) Units of SBI Magnum Monthly Income Plan - Growth	-	2,093,344
c) NIL (9,52,277) Units of SBI Short Term Debt Fund - Dividend Reinvest	-	10,046,674
d) NIL (6,90,214) Units of SBI Magnum Income Fund - Growth	-	20,000,000
e) NIL (1,80,284) Units of SBI Premier Liquid Fund - Direct Plan - Dividend Reinvest	-	180,870,238
f) NIL (3) Units of SBI Premier Liquid Fund - Regular Plan - Dividend Reinvest	-	3,098
Total	20,000,000	233,013,354
Aggregate amount of Quoted Investments	20,000,000	233,013,354
Market Value of Quoted Investments	21,982,700	233,278,315
Aggregate provision made for diminution in value of investments	-	6,211

2.14 INVENTORIES

Particulars	As at 31-03-2014	As at 31-03-2013
Raw Materials	721,752,469	431,892,579
Packing Material	4,074,026	1,521,789
Stores & Spares	292,343	495,438
Work-in-progress	734,143,240	300,249,610
Finished Goods	4,680,206	4,190,596
Total	1,464,942,284	738,350,012
Mode of valuation of Inventories:		
- Inventories are valued at lower of cost or net realisable value.		
- Cost has been arrived on weighted average basis		

2.15 TRADE RECEIVABLES

Particulars	As at 31-03-2014	As at 31-03-2013
Unsecured Considered Good		
Outstanding for a period exceeding six months	290,492,271	206,707,771
Others	1,022,586,082	1,227,017,803
Total	1,313,078,353	1,433,725,574

2.16 CASH AND BANK BALANCES

Particulars	As at 31-03-2014	As at 31-03-2013
A) Cash and Cash Equivalents:		
- Balances with Banks	233,167,104	636,464,760
- Cheques, Drafts on hand	-	-
- Cash on Hand	272,594	218,027
Total Cash and Cash Equivalents(A)	233,439,698	636,682,787
B) Other Bank Balances:		
Balances with Banks	376,589,522	495,982,076
Total Other Bank Balances (B)	376,589,522	495,982,076
Total Cash and Bank Balances (A + B)	610,029,220	1,132,664,863
Other Bank Balances includes:		
a) Earmarked balances with banks (for unclaimed dividend)	5,132,538	4,178,521
b) Deposit accounts with more than 12 months maturity	-	-
c) Held as margin money deposits against guarantees	371,456,984	491,803,555

2.17 SHORT TERM LOANS AND ADVANCES

Particulars	As at 31-03-2014	As at 31-03-2013
Unsecured Considered Good		
- Others		
- Advances for Supplies	608,098,654	246,857,585
- Advance for supplies to Subsidiary Company	153,979,413	-
- Advances for Services and Expenses	14,005,197	18,311,240
- Balance with Revenue Authorities (cenvat credit)	31,518,626	21,298,312
- Deposits	12,395,318	-
- Amount (refund) due from Revenue Authorities	8,972,204	9,784,297
- Prepaid Expenses	33,339,501	29,119,228
- Total	862,308,916	325,370,662

2.18 OTHER CURRENT ASSETS

Particulars	As at 31-03-2014	As at 31-03-2013
Interest accrued but not due on Deposits	10,871,975	12,967,718
Total	10,871,975	12,967,718

2.19 REVENUE FROM OPERATIONS

Particulars	As at 31-03-2014	As at 31-03-2013
From Sale of Products		
- Domestic	1,994,903,877	1,776,646,397
- Export	3,418,531,443	540,515,854
- TOTAL (A)	5,413,435,320	2,317,162,251
From Sale of Services		
- Domestic	28,123,819	64,968,301
- Export	889,403	772,840
- TOTAL (B)	29,013,222	65,741,141
TOTAL (A+B)	5,442,448,542	2,382,903,392

2.20 OTHER INCOME

Particulars	As at 31-03-2014	As at 31-03-2013
Interest Income	59,237,090	38,445,423
Miscellaneous Receipts	229,519	5,250
Customs Duty Refund	2,521,870	12,296,881
Export Incentives	13,191,103	4,067,338
Foreign Exchange Fluctuations	-	11,282,991
Dividend received on Current Investments (Mutual Fund)	2,834,918	3,019,565
Total	78,014,500	69,117,448

2.21 COST OF MATERIALS CONSUMED

Particulars	As at 31-03-2014	As at 31-03-2013
A) Indigenous Raw Material:		
Opening stock of Raw Material	108,821,872	55,813,323
Add: Purchases during the year	3,212,799,106	536,398,460
	3,321,620,978	592,211,783
Less: Closing Stock of Raw Material	125,140,874	108,821,872
Raw Material consumed (A)	3,196,480,104	483,389,911
B) Imported Raw Material:		
Opening stock of raw material	323,070,707	334,007,761
Add: Purchases during the year	995,126,617	459,026,393
	1,318,197,324	793,034,154
Less: Closing Stock of Raw Material	596,611,595	323,070,707
Raw Material Consumed (B)	721,585,729	469,963,447
Total Raw Material Consumed (A + B)	3,918,065,833	953,353,358
Percentage of imported raw materials consumed to the total consumption	18.42	49.30
Percentage of indigenous raw materials consumed to the total consumption	81.58	50.70

2.22 CHANGES IN INVENTORIES

Particulars	As at 31-03-2014	As at 31-03-2013
Inventories at the end of the period		
- Finished Goods	4,680,206	4,190,596
- Work-in-progress	734,143,240	300,249,610
Total (A)	738,823,446	304,440,206
Inventories at the beginning of the period		
- Finished Goods	4,190,596	2,063,515
- Work-in-progress	300,249,610	353,360,300
Total (B)	304,440,206	355,423,815
Change in Inventories (A - B)	(434,383,240)	50,983,609

2.23 EMPLOYEE BENEFIT EXPENSES

Particulars	As at 31-03-2014	As at 31-03-2013
Salaries, Wages & Other Benefits	294,634,526	217,415,882
Directors Remuneration	50,513,612	36,243,920
Contribution to Provident Fund & ESI	15,721,647	13,799,568
Staff Welfare Expenses	14,074,598	12,358,614
Total	374,944,383	279,817,984

2.24 FINANCIAL COSTS

Particulars	As at 31-03-2014	As at 31-03-2013
Interest on Term Loans	26,869,759	13,547,267
Interest on Working Capital borrowings	39,871,968	27,000,969
Interest on Vehicle Loan	566,704	701,947
Total	67,308,431	41,250,183

2.25 OTHER EXPENSES

Particulars	Year Ended 31-03-2014	Year Ended 31-03-2013
- Repairs to Machinery	38,665,055	36,508,385
- Power and Fuel	28,544,744	19,967,750
- Excise Duty (Includes Difference between Excise Duty on Opening & Closing Stock of FG)	709,910	767,729
- Testing Charges	10,101,480	15,132,207
- Carriage Inwards	1,375,121	1,452,208
- Installation & Commissioning of AWS	2,741,307	1,830,180
- Travelling and Conveyance	24,055,722	21,277,518
- Printing and Stationery	6,700,607	5,776,150
- Communication Costs	3,140,261	2,821,850
- Rent	277,150	265,000
- Insurance	7,513,766	5,404,527
- Rates and Taxes excluding taxes on income	3,736,457	2,970,781
- Auditors Remuneration	949,442	814,610
- Legal & Professional Charges	20,776,906	10,711,018
- Technology Transfer Charges	30,357,299	41,326,520
- Repairs to Building	6,869,911	6,295,420
- Computer & Software Maintenance	11,519,248	6,477,305
- Vehicle Maintenance	1,394,202	1,123,395
- Factory & Garden Maintenance	8,295,774	4,246,062
- Office Electricity Charges	2,136,290	1,530,811
- Repairs & Maintenance of Other Assets	6,140,705	4,882,368
- Vehicle Hire Charges	14,335,692	12,649,534
- Miscellaneous Expenses	10,499,361	8,300,609
- Books, Periodicals & Subscriptions	391,660	286,008
- Conference & Seminar Expenses	31,344	206,234
- Advertisement	1,585,895	2,238,965
- Entertainment & Business Promotion	7,636,812	4,891,821
- Sponsorship Expenses	1,533,070	533,710
- Donations and Contributions	600,000	610,000
- Security Charges	8,327,806	8,472,176
- Staff Recruitment & Training	765,455	390,527
- Performance Allowance to Non-Whole Time Directors	4,550,000	2,696,640
- Bank Charges and Commission	51,366,321	32,775,721
- Carriage Outwards	747,793	649,277
- Packing Material	10,304,577	3,054,539
- Sales Tax / VAT	75,777,251	65,372,696
- Service Tax	3,674,557	7,396,192

Particulars	Year Ended 31-03-2014	Year Ended 31-03-2013
- Late Delivery Charges	74,931,284	25,004,137
- Rebates and discounts	3,972,593	-
- Bad debts written off	-	2,556,698
- Order Booking Commission	221,887	-
- Foreign Travel and Exhibition Expenses	5,782,649	9,511,177
- Foreign Exchange Fluctuations	122,812,420	-
Total	615,849,784	379,178,455

2.26 EXCEPTIONAL ITEMS

Particulars	Year Ended 31-03-2014	Year Ended 31-03-2013
Profit / (Loss) on disposal of assets	(71,231)	476,784
Provision on Current Investments	-	(6,211)
Profit / (Loss) on disposal of investments	(441,826)	-
Prior Period Adjustments	(1,883,556)	(1,788,968)
Total	(2,396,613)	(1,318,395)
Prior period tax adjustments represents income tax and other adjustments relating to earlier years.		

2.27 EARNINGS PER SHARE

Particulars	Year Ended 31-03-2014	Year Ended 31-03-2013
No. of Equity Shares outstanding at the beginning of the year	81,825,225	81,825,225
No. of Equity Shares issued during the year	-	-
Number of Bonus Shares issued	-	-
Total number of Shares outstanding at the end of the year (used as denominator for calculating EPS)	81,825,225	81,825,225
Profit before extraordinary items available to share holders (used as numerator for calculating EPS)	509,270,814	371,855,009
Profit after extraordinary items available to share holders (used as numerator for calculating EPS)	509,270,814	371,855,009
Basic & Diluted Earnings Per Share before extraordinary items in Rs. (Face Value Rs.2/-)	6.22	4.54
Basic & Diluted Earnings Per Share after extraordinary items in Rs. (Face Value Rs.2/-)	6.22	4.54

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

Particulars	Year Ended 31-03-2014	Year Ended 31-03-2013
A) Raw-material consumed:		
Semi Conductor devices and other materials	3,918,065,833	953,353,358
B) Turnover:		
a) Microwave components and sub systems	5,413,435,320	2,317,162,251
b) Installation charges	29,013,222	65,741,141
C) Opening Stock-in trade:		
- Microwave components and sub systems		
a) Finished goods	4,190,596	2,063,515
b) Work-in-progress	300,249,610	353,360,300
D) Closing Stock-in-trade:		
- Microwave components and sub systems		
a) Finished goods	4,680,206	4,190,596
b) Work-in-progress	734,143,240	300,249,610

2.29 RESEARCH AND DEVELOPMENT EXPENSES

Particulars	Year Ended 31-03-2014	Year Ended 31-03-2013
Revenue Expenditure	108,339,734	73,276,832
Capital Expenditure	46,088,201	23,887,590
Total	154,427,935	97,164,422
Revenue expenditure is shown under respective heads of expenditure. Capital expenditure is shown in respective Fixed Assets.		

2.30 BORROWING COSTS

Particulars	Year Ended 31-03-2014	Year Ended 31-03-2013
Borrowing cost capitalized during the period	-	-

2.31 FOREIGN EXCHANGE FLUCTUATIONS

Particulars	Year Ended 31-03-2014	Year Ended 31-03-2013
As per the accounting policy, the amount of Foreign Exchange Fluctuations (debited) / credited to Profit and Loss Account during the period	(122,812,420)	11,282,991

2.32 AUDITORS REMUNERATION

Particulars	Year Ended 31-03-2014	Year Ended 31-03-2013
Audit Fee	575,000	475,000
Tax Audit Fee	120,000	100,000
For Certification, Taxation and other matters	150,000	150,000
Service Tax	104,442	89,610
Total	949,442	814,610

2.33 FOREIGN EXCHANGE TRANSACTIONS

Particulars	Year Ended 31-03-2014	Year Ended 31-03-2013
Value of imported raw-materials on CIF basis	915,231,875	404,128,558
Value of imported capital goods on CIF basis	180,873,721	156,913,222
CIF value of other imports	8,690,824	2,958,755
Expenditure in foreign currency on account of:		
Travel	2,627,438	3,881,748
Technology Transfer Charges	23,623,500	31,774,500
Advertisement	-	101,111
Exhibitions & Conferences	48,094	355,876
Order Booking Commission	221,887	-
Earnings in foreign currency:		
FOB Value of Exports	3,418,531,443	540,515,854
For Services Rendered	889,403	772,840
Remittances in foreign currency:		
On account of Dividend:		
Amount Remitted	2,138,376	1,871,079
No. of Non-Resident Share Holders	2	2
No. of Shares held by them	2,672,970	2,672,970
Year of Dividend	2012-2013	2011-2012

2.34 CONTINGENT LIABILITIES

Particulars	Year Ended 31-03-2014	Year Ended 31-03-2013
a) Letters of credit	-	-
b) Bank Guarantees:		
1) Performance Guarantees	642,030,708	483,003,526
2) Advance payment Guarantees	2,565,274,800	2,154,521,147
3) Guarantee in lieu of EMD/Security Deposit	75,610,496	53,327,578
4) Guarantee for Materials	17,419,600	4,007,000
c) Liabilities disputed and not provided for: Excise Duty - Under Appeal	12,395,319	-

2.35 DISCLOSURE UNDER CLAUSE 32 OF THE LISTING AGREEMENT

Particulars	Year Ended 31-03-2014	Year Ended 31-03-2013
a) Loans and advances in the nature of loans to Subsidiary Company:	-	-
b) Loans and advances in the nature of loans to Associate Company:	-	-
c) Loans and advances in the nature of loans where there is:		
I) No repayment schedule or repayment beyond seven years:	-	-
II) No Interest or interest below Sec. 372A of Companies Act:	-	-
d) Loans and advances in the nature of loans to firms/companies in which Directors are interested:	-	-
e) Investments by the loanee in the shares of the parent company and subsidiary company, when the company has made a loan or advance in the nature of loan	-	-

2.36 RELATED PARTY DISCLOSURES

Particulars	Year Ended 31-03-2014	Year Ended 31-03-2013
a) Associate Company: Traana Technologies Private Limited Services received from Associate Company	3,167,110	720,000
Balance payable to Associate Company	-	-
b) Subsidiary Company: Bhavyabhanu Electronics Private Limited Advance to subsidiary company for supply of materials	153,979,413	-
b) Remuneration paid to Directors:		
Executive Directors:		
Mr. B. Malla Reddy, CEO & Managing Director	11,736,000	12,028,360
Mr. P. A. Chitrakar, Chief Operating Officer	11,939,947	12,209,060
Mrs. C. Prameelamma, Director (Technical)	11,958,602	12,006,500
Mr. S. Gurunatha Reddy, CFO & Executive Director	7,341,311	-
Mr. M. Venkateshwar Reddy, Director - Marketing & Operations	7,537,752	-
Non-Executive Directors:		
Dr. Shibhan K. Koul, Chairman (Includes Sitting fee & Net of Service Tax)	1,325,000	815,000
Mr. J.Venkata Das, Director (Includes Sitting fee & Net of Service Tax)	1,325,000	820,000
Mr. Atim Kabra, Director (Includes Sitting fee & Net of Service Tax)	1,325,000	815,000
Mr. T. Ramachandru, Additional Director (Includes Sitting fee & Net of Service Tax)	655,000	-

2.37 RETIREMENT BENEFIT PLANS

Particulars	Year Ended 31-03-2014	Year Ended 31-03-2013
<p>A) Defined Contribution Plan:</p> <p>The Company makes contributions towards Provident Fund to a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is operated by the Regional Provident fund Commissioner. Under the scheme the company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. The contributions payable to this plan by the company are at rates specified in the rules of the scheme.</p> <p>Employer's Contribution to Provident fund recognised in the Profit & Loss Statement</p>	<hr/> 12,498,890	<hr/> 10,856,741
<p>B) Defined benefit plan:</p> <p>As per the Payment of Gratuity Act lump sum payment has to be made to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part there of in excess of six months. Vesting occurs upon completion of five years of service. The employee's gratuity fund scheme is managed by a Trust (LIC)</p> <p>Leave encashment is payable as per the Rules of the Company. (Unfunded)</p> <p>The present value of the defined benefit obligation and the related current service cost were measured using Projected Unit Credit Method with actuarial valuations being carried out at each Balance Sheet date.</p> <p>The following table sets out the status of the defined benefit obligation and the amounts recognized in the Company's financial statements.</p>		

Particulars	Year Ended 31-03-2013	Year Ended 31-03-2012
A) Change in benefit obligations:		
- Present value of the obligation as at beginning of year	42,228,944	33,678,365
- Interest cost	3,479,665	2,913,179
- Current Service Cost	6,318,191	5,570,404
- Benefits Paid	(5,251,552)	(2,617,491)
- Actuarial (gain) / loss on obligations	231,972	2,684,487
- Present value of obligation at year end	47,007,220	42,228,944
B) Change in plan assets:		
- Fair value of plan assets at beginning of year	20,164,385	16,684,460
- Prior period adjustment	-	681
- Expected return on plan assets	1,837,140	1,565,990
- Employer contribution	2,019,547	2,029,268
- Benefits paid	(1,143,289)	(116,014)
- Actuarial gain / (loss) on plan assets	-	-
- Fair value of plan assets at year end	22,877,783	20,164,385
C) Reconciliation of fair value of assets and obligations:		
- Fair value of plan assets	47,007,220	42,228,944
- Present value of obligation	22,877,783	20,164,385
- Amount recognised in Balance Sheet	24,129,437	22,064,559
C) Expenses recognized during the year:		
- Current Service cost	6,318,191	5,570,404
- Interest cost	3,479,665	2,913,179
- Expected return on plan assets	(1,837,140)	(1,565,990)
- Net actuarial (gain) / loss recognized in the year	231,972	2,684,487
- Net cost	8,192,688	9,602,080
D) Actuarial Assumptions used in accounting:		
- Discount rate (per annum)	9.00%	8.24%
- Salary escalation rate (per annum)	5.00%	5.00%

2.38 SEGMENT REPORTING:

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

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

There are no Micro, Small and Medium Enterprise, to whom the company owes dues, which are outstanding for more than 45 days as at 31st March, 2014. This information as required to be disclosed under the Micro, Small Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

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

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

As per our Report of even date

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

(G. AMARANATHA REDDY)
Partner
Membership No: 019711

Place : HYDERABAD
Date : 28-04-2014

For and on behalf of the Board

(Dr. SHIBAN K. KOUL)
Chairman

(P. A. CHITRAKAR)
Chief Operating Officer

(J. VENKATA DAS)
Director

(T. RAMACHANDRU)
Additional Director

(M.VENKATESHWAR REDDY)
Director - Mktg.&Operations

(B. MALLA REDDY)
CEO & Managing Director

(C. PRAMEELAMMA)
Director (Technical)

(ATIM KABRA)
Director

(S. GURUNATHA REDDY)
CFO & Wholetime Director

(T. ANJANEYULU)
Company Secretary

Consolidated Financial Statements of
Astra Microwave Products Limited

INDEX

Contents	Page No.
Independent Auditor's Report	75
Balance Sheet	76
Profit & Loss Account	77
Cash Flow Statement	78
Significant Accounting Policies	80

INDEPENDENT AUDITOR'S REPORT

To THE Board of Director of ASTRA MICROWAVE PRODUCTS LIMITED Report on Consolidated Financial Statements:

We have audited the accompanying Consolidated Financial Statements of Astra Microwave Products Limited ('the Company') and its Subsidiary (the Company and its subsidiary constitute 'the Group') which comprise of the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements:

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and 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 Group as at March 31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Place: Hyderabad
Date: 28.04.2014

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

(G. AMARANATHA REDDY)
Partner
Membership No: 019711

BALANCE SHEET AS AT 31st MARCH, 2014

Amount in ₹

Particulars	Note No	As at 31-03-2014		As at 31-03-2013	
I. EQUITY AND LIABILITIES					
(1) Shareholder's Funds					
(a) Share Capital	2.1	163,650,450		163,650,450	
(b) Reserves and Surplus	2.2	2,248,233,205	2,411,883,655	1,845,173,280	2,008,823,730
(2) Minority Interest					
(a) Share Capital		20		-	
(b) Reserves and Surplus		(18)	2	-	-
(3) Non-Current Liabilities					
(a) Long-term Borrowings	2.3	261,508,748		135,206,111	
(b) Deferred Tax Liabilities (Net)	2.4	83,301,606		55,970,496	
(c) Long-term Provisions	2.5	24,129,440	368,939,794	22,064,559	213,241,166
(4) Current Liabilities					
(a) Short-term Borrowings	2.6	256,756,770		282,047,595	
(b) Trade Payables	2.7	2,242,048,188		2,193,834,948	
(c) Other Current Liabilities	2.8	200,625,771		161,141,673	
(d) Short-term Provisions	2.9	166,096,502	2,865,527,231	128,764,212	2,765,788,428
Total			5,646,350,682		4,987,853,324
II. Assets					
(1) Non-Current Assets					
(a) Fixed Assets					
Tangible Assets	2.10	1,260,509,852		1,079,175,370	
(b) Non-Current Investments	2.11	2,600,000		2,600,000	
(c) Long-term Loans and Advances	2.12	86,929,261	1,350,039,113	29,985,771	1,111,761,141
(2) Current Assets					
(a) Current investments	2.13	20,000,000		233,013,354	
(b) Inventories	2.14	1,584,717,477		738,350,012	
(c) Trade Receivables	2.15	1,313,078,353		1,433,725,574	
(d) Cash and Bank Balances	2.16	636,718,568		1,132,664,863	
(e) Short-term Loans and Advances	2.17	730,844,683		325,370,662	
(f) Other Current Assets	2.18	10,952,488	4,296,311,569	12,967,718	3,876,092,183
Total			5,646,350,682		4,987,853,324
Significant Accounting Policies	1				
Notes on Accounts	2				

As per our Report of even date
For **AMAR & RAJU**
CHARTERED ACCOUNTANTS
Firm Registration No: 000092S

(G. AMARANATHA REDDY)
Partner
Membership No: 019711

Place : HYDERABAD
Date : 28-04-2014

For and on behalf of the Board

(Dr. SHIBAN K. KOUL)
Chairman
(P. A. CHITRAKAR)
Chief Operating Officer

(J. VENKATA DAS)
Director
(T. RAMACHANDRU)
Additional Director

(M.VENKATESHWAR REDDY)
Director - Mktg.&Operations

(B. MALLA REDDY)
CEO & Managing Director
(C. PRAMEELAMMA)
Director (Technical)

(ATIM KABRA)
Director
(S. GURUNATHA REDDY)
CFO & Wholetime Director

(T. ANJANEYULU)
Company Secretary

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

Amount in ₹

Particulars	Note No	Year ended 31-03-2014	Year ended 31-03-2013
I. Revenue from Operations	2.19	5,442,448,542	2,382,903,392
Less: Excise Duty		(130,817,970)	(108,191,358)
		5,311,630,572	2,274,712,034
II Other Income	2.20	78,103,958	69,117,448
III Total Revenue (I + II)		5,389,734,530	2,343,829,482
IV Expenses:			
(a) Cost of Materials Consumed	2.21	3,944,014,330	953,353,358
(b) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	2.22	(465,494,136)	50,983,609
(c) Employee Benefit Expense	2.23	377,603,735	279,817,984
(d) Financial Costs	2.24	67,308,431	41,250,183
(e) Depreciation and Amortization Expense	2.10	148,115,248	133,548,063
(f) Other Expenses	2.25	619,591,776	379,178,455
Total Expenses		4,691,139,384	1,838,131,652
V Profit Before Exceptional and Extraordinary Items and Tax (III - IV)		698,595,146	505,697,830
VI Exceptional Items	2.26	(2,396,613)	(1,318,395)
VII Profit Before Extraordinary Items and Tax (V - VI)		696,198,533	504,379,435
VIII Extraordinary Items		-	-
IX Profit Before Tax (VII - VIII)		696,198,533	504,379,435
X Tax Expense:			
(1) Current Tax		(160,502,952)	(124,769,723)
(2) Deferred Tax	2.4	(27,331,110)	(7,754,704)
XI Profit / (Loss) for the Period from Continuing Operations (IX - X) before Minority Interest		508,364,471	371,855,008
XII Minority share of loss for the current year Profit / (Loss) for the Period from Continuing Operations (XI - XII) after Minority Interest		18	-
XIII Operations (XI - XII) after Minority Interest		508,364,489	371,855,008
XIV EPS: (In Rupees) (Face Value Rs.2/-)			
Basic and Diluted before extraordinary items	2.27	6.21	4.54
Basic and Diluted after extraordinary items		6.21	4.54
Significant Accounting Policies	1		
Notes on Accounts	2		

As per our Report of even date

For and on behalf of the Board

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

(G. AMARANATHA REDDY)
 Partner
 Membership No: 019711

Place : HYDERABAD
Date : 28-04-2014

(Dr. SHIBAN K. KOUL)
 Chairman
(P. A. CHITRAKAR)
 Chief Operating Officer
(J. VENKATA DAS)
 Director
(T. RAMACHANDRU)
 Additional Director
(M.VENKATESHWAR REDDY)
 Director - Mktg.&Operations

(B. MALLA REDDY)
 CEO & Managing Director
(C. PRAMEELAMMA)
 Director (Technical)
(ATIM KABRA)
 Director
(S. GURUNATHA REDDY)
 CFO & Wholetime Director
(T. ANJANEYULU)
 Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

Amount in ₹

Particulars	31-03-2014		31-03-2013	
	₹	₹	₹	₹
A) Cash Flow from Operating Activities:				
Net Profit Before Tax, Extra-ordinary & Exceptional Items		698,595,146		505,697,830
Adjustments for:				
Depreciation	148,115,248		133,548,063	
Interest Paid	67,308,431		41,250,183	
Prior Period adjustments	(59,987)		3,382	
Interest Received	(59,326,548)		(38,445,423)	
Dividend received on current investments	(2,834,918)		(3,019,565)	
Income Tax Paid	(156,241,770)		(114,339,995)	
		(3,039,544)		18,996,645
Operating Profit Before Working Capital Changes		695,555,602		524,694,475
Adjustments for:				
Trade & Other Receivables	(166,473,465)		(1,106,572,022)	
Trade Payable	60,693,291		1,711,745,950	
Inventories	(846,367,465)		8,221,889	
		(952,147,639)		613,395,817
Net Cash from Operating Activities		(256,592,037)		1,138,090,292
B) Cash Flow from Investing Activities:				
Purchase of Fixed Assets	(413,360,083)		(270,931,907)	
Proceeds from Disposal of Assets	441,439		1,780,536	
Investment in Equity Shares	-		(2,600,000)	
Investment in Mutual Funds	-		(233,019,564)	
Dividend received on Mutual Fund Units	2,834,918		3,019,565	
Interest received on deposits	61,341,778		31,221,977	
Proceeds from Disposal of investments	212,571,528		-	
Net Cash Used in Investing Activities		(136,170,420)		(470,529,394)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

Amount in ₹

Particulars	31-03-2014		31-03-2013	
	₹	₹	₹	₹
C) Cash Flow from Financing Activities:				
Increase / (decrease) in Working Capital Borrowings	(25,290,825)		(76,423,736)	
Term Loans Taken during the year	224,211,257		155,710,034	
Hire Purchase Finance Taken	-		3,904,000	
Term Loans Repaid	(51,241,230)		(210,615,648)	
Hire Purchase Finance Repaid	(3,482,740)		(3,116,793)	
Proceeds from issue of shares	20			
Interest Paid	(63,050,229)		(41,892,805)	
Dividend Paid	(65,460,180)		(57,277,158)	
Dividend Tax Paid	(11,124,958)		(9,291,868)	
Net Cash Used in Financing Activities		4,561,115		(239,003,974)
Net Increase in Cash & Cash Equivalents (A-B-C)		(388,201,342)		428,556,924
Cash & Cash Equivalents at the Beginning				
Cash on Hand	218,027		193,641	
Balance with Sch., Banks	636,464,760	636,682,787	207,932,222	208,125,863
Cash & Cash Equivalents at the End				
Cash on Hand	380,280		218,027	
Balance with Sch., Banks	248,101,165	248,481,445	636,464,760	636,682,787

As per our Report of even date

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

(G. AMARANATHA REDDY)
Partner
Membership No: 019711

Place : HYDERABAD
Date : 28-04-2014

For and on behalf of the Board

(Dr. SHIBAN K. KOUL)
Chairman

(P. A. CHITRAKAR)
Chief Operating Officer

(J. VENKATA DAS)
Director

(T. RAMACHANDRU)
Additional Director

(M.VENKATESHWAR REDDY)
Director - Mktg.&Operations

(B. MALLA REDDY)
CEO & Managing Director

(C. PRAMEELAMMA)
Director (Technical)

(ATIM KABRA)
Director

(S. GURUNATHA REDDY)
CFO & Wholetime Director

(T. ANJANEYULU)
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

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 company 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:

Name of the Subsidiary Company	Country of Incorporation	% of Shareholding of M/s. Astra Microwave Products Limited as at 31-03-2014
BHAVYABHANU ELECTRONICS PRIVATE LIMITED	INDIA	99.998%

- d) The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as of the Company.
- e) Minority interest in the net assets of consolidated subsidiary 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 company and further movement in their share in the equity, subsequent to the date of investment.
- f) 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
- g) Figures pertaining to the Subsidiary Company have been recast / reclassified wherever necessary to bring them in line with the parent Company's financial statements.
- h) 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 company which are not having any effect on the true and fair view of the Consolidated financial Statements are excluded.

2. CONSOLIDATED NOTES ON ACCOUNTS:

2.1 SHARE CAPITAL

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
A) Authorised Share Capital:		
Equity Shares, Rs.2/- Par Value		
10,00,00,000 Equity Shares	200,000,000	200,000,000
B) Issued, Subscribed and Fully Paid-up Share Capital:		
Equity Shares, Rs.2/- Par Value		
8,18,25,225 Equity Shares fully paid-up	163,650,450	163,650,450
Total	163,650,450	163,650,450
Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule VI to the Companies Act, 1956		
Reconciliation of the Number of Shares Outstanding:	As At	As At
	31-03-2014	31-03-2013
Shares outstanding at the beginning of the year	81,825,225	81,825,225
Add: Shares Issued during the year	-	-
Add: Shares Issued on Exercise of Employee Stock Options	-	-
Add: Bonus Shares Issued	-	-
Less: Shares bought back during the year	-	-
Shares outstanding at the end of the year	81,825,225	81,825,225

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

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

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

Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956
Shares in the Company held by each Share Holder holding more than 5% shares

	As at	
	31-03-2014 No. of shares %	31-03-2013 No. of shares %
1) Strategic Ventures Fund (Mauritius)	-	9,578,940 11.71%
2) Skanda Aerospace Private Limited	7,734,501 9.45%	7,381,417 9.02%
3) Larsen & Toubro Limited	7,950,045 9.72%	7,950,045 9.72%
Disclosure pursuant to Note no. 6(A)(h) of Part I of Schedule VI to the Companies Act, 1956		
Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment;	NIL	NIL
Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956		
a) Aggregate number of equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash in the last five years immediately preceding the Balance Sheet date	NIL	NIL
b) Aggregate number of bonus shares (Equity) issued in the last five years immediately preceding the Balance Sheet date	27,527,175	27,672,225
c) Aggregate number of equity shares bought back in the last five years immediately preceding the Balance Sheet date	NIL	NIL
Disclosure pursuant to Note no. 6(A)(j) of Part I of Schedule VI to the Companies Act, 1956		
Securities convertible into equity / preference shares issued	NIL	NIL

2.2 RESERVES & SURPLUS

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
A) General Reserve:		
Opening balance	332,279,695	292,279,695
Add: Transferred from Profit and Loss Account	51,000,000	40,000,000
Balance in General Reserve (A)	383,279,695	332,279,695
B) Securities Premium Reserve:		
Opening balance	50,450,142	50,450,142
Add: Addition during the year	-	-
Less: Capitalised during the year	-	-
Balance in Securities Premium Reserve (B)	50,450,142	50,450,142
C) Surplus:		
Opening balance	1,462,443,444	1,206,667,893
Add / (Less): Net Profit / (Loss) after Tax transferred from Statement of Profit & Loss	508,364,489	371,855,008
Amount Available for Appropriation	1,970,807,934	1,578,522,901
Less: Appropriations Amount Transferred to General Reserve	(51,000,000)	(40,000,000)
Proposed Dividend	(90,007,748)	(65,460,180)
Dividend Tax	(15,296,817)	(10,619,278)
Balance in Profit & Loss Account (.C)	1,814,503,368	1,462,443,443
Total (A+B+C)	2,248,233,205	1,845,173,280

2.3 LONG-TERM BORROWINGS

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
A) Secured Long-Term Borrowings:		
1) Term Loans: From Banks:		
a) Term Loan from HDFC Bank (Partly Disbursed) #	243,547,332	114,187,358
Repayable on or before: Aug., 2018 11 Installments (quarterly) of Rs.1,35,82,424/- each and 17 Installments (quarterly) of Rs.1,06,05,020/- each Rate of interest: 12.20% Nature of security: Term loan from HDFC Bank is secured by First exclusive charge on the Fixed Assets funded by this term loan. Second pari passu charge on entire unencumbered fixed assets of the company alongwith term lenders.Pari Passu second charge on the current assets of the company alongwith other term lenders and personal guarantee of the Managing Director and Chief Operating Officer.		
b) Vehicle Loan from HDFC Bank #	502,332	2,149,177
Repayable in EMI as per the specific agreement. Hire purchase finance is secured by hypothecation of specified assets acquired under Hire Purchase Agreement.		
2) Other Long-Term Borrowings:		
Vehicle Loan from M/s. Kotak Mahindra Prime Ltd., #	91,172	367,018
Repayable in EMI as per the specific agreement. Hire purchase finance is secured by hypothecation of specified assets acquired under Hire Purchase Agreement.		
Total Secured Long-Term Borrowings (A)	244,140,836	116,703,553
Aggregate amount of loans Guaranteed by Managing Director and Chief Operating Officer	329,692,088	155,710,034
Amount of continuing default as on the balance sheet date in repayment of loans and interest there on NIL	NIL	
B) Unsecured Long-Term Borrowings:		
Deferred Payment Liabilities:		
Sales Tax Loan from Government of AP	17,367,912	18,502,558
Repayable on or before: March 2018 Number of installments (yearly) due as on 31/03/2014: 4 # Rate of interest: Interest free		
Total Unsecured Long-Term Borrowings (B)	17,367,912	18,502,558
Aggregate amount of loans Guaranteed by Directors	NIL	NIL
Amount of continuing default as on the balance sheet date in repayment of loans and interest there on # Amount repayable with in next one year is shown separately under the head "Other Current Liabilities" (Note No: 2.8)	NIL	NIL
Total Long-Term Borrowings (A + B)	261,508,748	135,206,111

2.4 DEFERRED TAX LIABILITIES (NET)

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
Deferred Tax Liability	91,973,933	63,129,342
Less: Deferred tax Asset	(8,672,326)	(7,158,846)
Closing balance of Net Deferred Tax Liability	83,301,606	55,970,496
Less: Opening balance of Net Deferred Tax Liability	55,970,496	48,215,792
Effect on Profit and Loss Statement	(27,331,110)	(7,754,704)
Deferred Tax Liability represents timing differences in depreciation on fixed assets		
Deferred Tax Assets represents Provision for Gratuity and Leave Encashment, which are allowed on payment basis as per the provisions of the Income Tax Act		

2.5 LONG TERM PROVISIONS

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
Provision for Employee Benefits:		
Unavailed Leave	11,604,386	9,593,925
Gratuity Obligation	12,525,054	12,470,634
Total	24,129,440	22,064,559

2.6 SHORT TERM BORROWINGS

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
A) Secured Short-Term Borrowings:		
Repayable on Demand		
From Banks:		
a) Working Capital Finance from Canara Bank	415,621	-
Nature of security:		
Prime Security:		
Pari Passu first charge on stocks and receivables and other chargeable current assets of the Company along with other WC lenders		
Collateral Security:		
Pari Passu first charge on entire unencumbered Fixed Assets of the company (other than those financed by term lenders) along with other WC lenders, including EM of company's properties offered as collateral security		
Pari Passu second charge on the fixed assets of the company funded by other term lenders.		

Particulars	As at 31-03-2014	As at 31-03-2013
<p>Personal Guarantee: Personal Guarantee of the Managing Director and Chief Operating officer</p>		
<p>b) Working Capital Finance from HDFC Bank Limited Nature of security: Prime Security: Pari Passu first charge on stocks and receivables and other chargeable current assets of the Company alongwith other WC lenders Collateral Security: Pari Passu first charge on entire unencumbered Fixed Assets of the company (other than those financed by term lenders) alongwith other WC lenders, including EM of company's properties offered as collateral security Pari Passu second charge on the fixed assets of the company funded by other term lenders. Personal Guarantee: Personal Guarantee of the Managing Director and Chief Operating Officer</p>	11,869,706	-
<p>c) Working Capital Finance from State Bank of India Nature of security: Prime Security: Pari Passu first charge on stocks and receivables and other chargeable current assets of the Company alongwith other WC lenders Collateral Security: Pari Passu first charge on entire unencumbered Fixed Assets of the company (other than those financed by term lenders) alongwith other WC lenders, including EM of company's properties offered as collateral security. Pari Passu second charge on the fixed assets of the company funded by other term lenders. Personal Guarantee: Personal Guarantee of the Managing Director and Chief Operating Officer</p>	220,000,000	272,000,000
<p>d) Working Capital Finance from AXIS Bank Limited Nature of security: Prime Security: Pari Passu first charge on stocks and receivables and other chargeable current assets of the Company along with other WC lenders. Collateral Security: Pari Passu first charge on entire unencumbered Fixed Assets of the company (other than those financed by term lenders) along with other WC lenders, including EM of company's properties offered as collateral security Pari Passu second charge on the fixed assets of the company funded by other term lenders.</p>	24,471,443	-

Particulars	As at 31-03-2014	As at 31-03-2013
<p>Personal Guarantee: Personal Guarantee of the Managing Director and Chief Operating Officer</p>		
<p>e) Working Capital Finance from ICICI Bank Limited Nature of security: Prime Security: Pari Passu first charge on stocks and receivables and other chargeable current assets of the Company along with other WC lenders Collateral Security: Pari Passu first charge on entire unencumbered Fixed Assets of the company (other than those financed by term lenders) alongwith other WC lenders,including EM of company's properties offered as collateral security Pari Passu second charge on the fixed assets of the company funded by other term lenders.</p>	-	-
<p>Personal Guarantee: Personal Guarantee of the Managing Director and Chief Operating Officer</p>		
<p>Total Secured Short-Term Borrowings (A) Aggregate amount of loans Guaranteed by Managing Director and Chief Operating Officer Amount of default as on the balance sheet date in repayment of loans and interest there on</p>	256,756,770	272,000,000
	256,756,770	272,000,000
	NIL	NIL
<p>B) Unsecured Short-Term Borrowings: Repayable on Demand From Banks: Bills Discounting facility with SIDBI</p>	-	10,047,595
<p>Total Unsecured Short-Term Borrowings (B) Aggregate amount of loans Guaranteed by Directors Amount of default as on the balance sheet date in repayment of loans and interest there on</p>	-	10,047,595
	NIL	NIL
	NIL	NIL
<p>Total Short-Term Borrowings (A + B)</p>	256,756,770	282,047,595

2.7 TRADE PAYABLES

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
Accrued Salaries and other benefits		
Salaries & Directors Remuneration	38,001,369	29,227,785
For Other Liabilities		
For Supplies	217,529,336	302,769,707
Advances from Customers	1,986,517,483	1,861,837,456
Total	2,242,048,188	2,193,834,948

2.8 OTHER CURRENT LIABILITIES

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
Current maturities of long term borrowings	89,768,792	46,017,438
Interest accrued and due on borrowings	5,317,282	1,625,783
Unclaimed Dividends	5,132,538	4,178,521
For Services & Expenses	30,359,477	27,611,927
PF & ESI payable	2,672,981	2,309,614
Withholding and Other Taxes Payable	31,816,347	30,019,355
Creditors for capital goods/works	35,558,354	49,379,035
Total	200,625,771	161,141,673

2.9 SHORT-TERM PROVISIONS

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
a) Provision for Employee Benefits:		
Bonus and Incentives	37,756,388	32,249,128
b) Others:		
Proposed Dividend	90,007,748	65,460,180
Provision for Tax on Dividend	15,296,817	10,619,278
Income Taxes	23,035,549	20,435,626
Total	166,096,502	128,764,212

2.10 CONSOLIDATED FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Rate of Dep.,	AS ON 4/1/2013 Rs.	ADDITIONS Rs.	DELETIONS Rs.	AS ON 31/03/2014 Rs.	UP TO 4/1/2013 Rs.	FOR THE PERIOD Rs.	DELETIONS Rs.	UP TO 31/03/2014 Rs.	AS ON 31/03/2014 Rs.	AS ON 31/03/2013 Rs.
Tangible Assets											
Land	0%	190,159,983	-	-	190,159,983	-	-	-	-	190,159,983	190,159,983
Buildings	10%	495,725,345	5,526,377	-	501,251,722	184,093,375	31,367,660	-	215,461,035	285,790,687	311,631,970
Plant & Machinery	15%	1,032,587,164	210,704,039	840,174	1,242,451,029	545,012,878	88,368,574	572,150	632,809,302	609,641,727	487,574,286
Electrical Installations	15%	36,578,717	1,814,604	301,479	38,091,842	19,052,893	2,731,095	233,114	21,550,874	16,540,968	17,525,824
Solar Power Plant	80%	-	82,248,354	-	82,248,354	-	540,811	-	540,811	81,707,543	-
Air Conditioners	15%	49,583,885	1,691,134	-	51,275,019	26,083,462	3,697,328	-	29,780,790	21,494,229	23,500,423
Office Equipment	15%	9,903,913	1,534,449	95,040	11,343,322	5,214,160	866,188	75,792	6,004,556	5,338,766	4,689,753
Furniture & Fixtures	18.10%	54,449,540	8,197,109	-	62,646,649	33,991,319	5,126,338	-	39,117,657	23,528,992	20,458,221
Computers	60%	98,548,179	17,279,068	-	115,827,247	87,467,867	12,015,648	-	99,483,515	16,343,732	11,080,312
Vehicles	25.89%	20,469,024	967,266	656,293	20,779,997	7,914,426	3,401,606	499,260	10,816,772	9,963,225	12,554,598
Total		1,988,005,750	329,962,400	1,892,986	2,316,075,164	908,830,380	148,115,248	1,380,316	1,055,565,312	1,260,509,852	1,079,175,370
Pre., Year Total		1,676,428,362	320,775,194	9,197,806	1,988,005,750	783,176,371	133,548,063	7,894,054	908,830,380	1,079,175,370	893,251,991

2.11 NON-CURRENT INVESTMENTS

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
Other Investments - Unquoted - At Cost		
Investments in Equity Instruments		
Investments in equity instruments of Associates		
2,60,000 Equity Shares of Rs.10/- each fully paid up in M/s. Traana Technologies Private Limited	2,600,000	2,600,000
Total	2,600,000	2,600,000
Aggregate amount of unquoted investments	2,600,000	2,600,000

2.12 LONG-TERM LOANS AND ADVANCES

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
Unsecured Considered Good		
Advances for capital goods/works	75,075,096	5,498,094
Security Deposits	8,367,702	6,616,136
Pre paid expenses	3,486,463	17,871,541
Total	86,929,261	29,985,771

2.13 CURRENT INVESTMENTS:

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
Investments in Mutual funds:		
Valued at lower of cost and quoted value		
a) 20,00,000 Units of SBI Debt Fund (Series - 1 and15) - Growth	20,000,000	20,000,000
b) NIL (87,969) Units of SBI Magnum Monthly Income Plan - Growth	-	2,093,344
c) NIL (9,52,277) Units of SBI Short Term Debt Fund - Dividend Reinvest	-	10,046,674
d) NIL (6,90,214) Units of SBI Magnum Income Fund - Growth	-	20,000,000
e) NIL (1,80,284) Units of SBI Premier Liquid Fund - Direct Plan - Dividend Reinvest	-	180,870,238
f) NIL (3) Units of SBI Premier Liquid Fund - Regular Plan - Dividend Reinvest	-	3,098
Total	20,000,000	233,013,354
Aggregate amount of Quoted Investments	20,000,000	233,013,354
Market Value of Quoted Investments	21,982,700	233,278,315
Aggregate provision made for diminution in value of investments	-	6,211

2.14 INVENTORIES

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
Raw Materials	810,416,766	431,892,579
Packing Material	4,074,026	1,521,789
Stores & Spares	292,343	495,438
Work-in-progress	765,254,136	300,249,610
Finished Goods	4,680,206	4,190,596
Total	1,584,717,477	738,350,012
Mode of valuation of Inventories: Inventories are valued at lower of cost or net realisable value. Cost has been arrived on weighted average basis		

2.15 TRADE RECEIVABLES

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
Unsecured Considered Good		
Outstanding for a period exceeding six months	290,492,271	206,707,771
Others	1,022,586,082	1,227,017,803
Total	1,313,078,353	1,433,725,574

2.16 CASH AND BANK BALANCES

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
A) Cash and Cash Equivalents:		
Balances with Banks	248,101,165	636,464,760
Cheques, Drafts on hand	-	-
Cash on Hand	380,280	218,027
Total Cash and Cash Equivalentents(A)	248,481,445	636,682,787
B) Other Bank Balances:		
Balances with Banks	388,237,123	495,982,076
Total Other Bank Balances (B)	388,237,123	495,982,076
Total Cash and Bank Balances (A + B)	636,718,568	1,132,664,863
Other Bank Balances includes:		
a) Earmarked balances with banks (for unclaimed dividend)	5,132,538	4,178,521
b) Deposit accounts with more than 12 months maturity	-	-
c) Held as margin money deposits against guarantees	383,104,585	491,803,555

2.17 SHORT TERM LOANS AND ADVANCES

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
Unsecured Considered Good		
Others Advances for Supplies	619,869,654	246,857,585
Advances for Services and Expenses	14,073,251	18,311,240
Balance with Revenue Authorities (cenvat credit)	41,516,351	21,298,312
Deposits	12,395,318	-
Amount (refund) due from Revenue Authorities	8,981,149	9,784,297
Prepaid Expenses	34,008,961	29,119,228
Total	730,844,683	325,370,662

2.18 OTHER CURRENT ASSETS

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
Interest accrued but not due on Deposits	10,952,488	12,967,718
Total	10,952,488	12,967,718

2.19 REVENUE FROM OPERATIONS

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
From Sale of Products		
Domestic	1,994,903,877	1,776,646,397
Export	3,418,531,443	540,515,854
TOTAL (A)	5,413,435,320	2,317,162,251
From Sale of Services		
Domestic	28,123,819	64,968,301
Export	889,403	772,840
TOTAL (B)	29,013,222	65,741,141
TOTAL (A+B)	5,442,448,542	2,382,903,392

2.20 OTHER INCOME

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
Interest Income	59,326,548	38,445,423
Miscellaneous Receipts	229,519	5,250
Customs Duty Refund	2,521,870	12,296,881
Export Incentives	13,191,103	4,067,338
Foreign Exchange Fluctuations	-	11,282,991
Dividend received on Current Investments (Mutual Fund)	2,834,918	3,019,565
Total	78,103,958	69,117,448

2.21 COST OF MATERIALS CONSUMED

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
A) Indigenous Raw Material:		
Opening stock of Raw Material	108,821,872	55,813,323
Add: Purchases during the year	3,213,115,176	536,398,460
	3,321,937,048	592,211,783
Less: Closing Stock of Raw Material	125,240,105	108,821,872
Raw Material consumed (A)	3,196,696,943	483,389,911
B) Imported Raw Material: Opening stock of raw material	323,070,707	334,007,761
Add: Purchases during the year	1,109,423,341	459,026,393
	1,432,494,048	793,034,154
Less: Closing Stock of Raw Material	685,176,661	323,070,707
Raw Material Consumed (B)	747,317,387	469,963,447
Total Raw Material Consumed (A + B)	3,944,014,330	953,353,358
Percentage of imported raw materials consumed to the total consumption	18.95	49.30
Percentage of indigenous raw materials consumed to the total consumption	81.05	50.70

2.22 CHANGES IN INVENTORIES

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
Inventories at the end of the period		
Finished Goods	4,680,206	4,190,596
Work-in-progress	765,254,136	300,249,610
Total (A)	769,934,342	304,440,206
Inventories at the beginning of the period		
Finished Goods	4,190,596	2,063,515
Work-in-progress	300,249,610	353,360,300
Total (B)	304,440,206	355,423,815
Change in Inventories (A - B)	(465,494,136)	50,983,609

2.23 EMPLOYEE BENEFIT EXPENSES

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
Salaries, Wages & Other Benefits	297,077,105	217,415,882
Directors Remuneration	50,513,612	36,243,920
Contribution to Provident Fund & ESI	15,882,986	13,799,568
Staff Welfare Expenses	14,130,032	12,358,614
Total	377,603,735	279,817,984

2.24 FINANCIAL COSTS

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
Interest on Term Loans	26,869,759	13,547,267
Interest on Working Capital borrowings	39,871,968	27,000,969
Interest on Vehicle Loan	566,704	701,947
Total	67,308,431	41,250,183

2.25 OTHER EXPENSES

Particulars	Year Ended 31-03-2014	Year Ended 31-03-2013
- Repairs to Machinery	38,665,055	36,508,385
- Power and Fuel	28,544,744	19,967,750
- Excise Duty (Includes Difference between Excise Duty on Opening & Closing Stock of FG)	709,910	767,729
- Testing Charges	10,101,480	15,132,207
- Carriage Inwards	1,375,121	1,452,208
- Installation & Commissioning of AWS	2,741,307	1,830,180
- Travelling and Conveyance	24,055,722	21,277,518
- Printing and Stationery	6,713,227	5,776,150
- Communication Costs	3,140,261	2,821,850
- Rent	277,150	265,000
- Insurance	7,513,766	5,404,527
- Rates and Taxes excluding taxes on income	3,802,199	2,970,781
- Auditors Remuneration	979,442	814,610
- Legal & Professional Charges	20,830,839	10,711,018
- Technology Transfer Charges	30,357,299	41,326,520
- Repairs to Building	6,869,911	6,295,420
- Computer & Software Maintenance	11,519,248	6,477,305
- Vehicle Maintenance	1,394,202	1,123,395
- Factory & Garden Maintenance	8,295,774	4,246,062
- Office Electricity Charges	2,136,290	1,530,811
- Repairs & Maintenance of Other Assets	6,140,705	4,882,368
- Vehicle Hire Charges	14,335,692	12,649,534
- Miscellaneous Expenses	10,643,821	8,300,609
- Books, Periodicals & Subscriptions	391,660	286,008
- Conference & Seminar Expenses	31,344	206,234
- Advertisement	1,585,895	2,238,965
- Entertainment & Business Promotion	7,636,812	4,891,821
- Sponsorship Expenses	1,533,070	533,710
- Donations and Contributions	600,000	610,000
- Security Charges	8,327,806	8,472,176
- Staff Recruitment & Training	765,455	390,527
- Performance Allowance to Non-Whole Time Directors	4,550,000	2,696,640
- Bank Charges and Commission	51,378,139	32,775,721
- Carriage Outwards	747,793	649,277
- Packing Material	10,304,577	3,054,539
- Sales Tax / VAT	75,777,251	65,372,696
- Service Tax	3,674,557	7,396,192
- Late Delivery Charges	74,931,284	25,004,137
- Rebates and discounts	3,972,593	-
- Bad debts written off	-	2,556,698
- Order Booking Commission	221,887	-
- Foreign Travel and Exhibition Expenses	5,782,649	9,511,177
- Foreign Exchange Fluctuations	126,187,507	-
- Preliminary expenses written off	48,332	-
Total	619,591,776	379,178,455

2.26 EXCEPTIONAL ITEMS

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
Profit / (Loss) on disposal of assets	(71,231)	476,784
Provision on Current Investments	-	(6,211)
Profit / (Loss) on disposal of investments	(441,826)	-
Prior Period Adjustments	(1,883,556)	(1,788,968)
Total	(2,396,613)	(1,318,395)
Prior period tax adjustments represents income tax and other adjustments relating to earlier years.		

2.27 EARNINGS PER SHARE

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
No. of Equity Shares outstanding at the beginning of the year	81,825,225	81,825,225
No. of Equity Shares issued during the year	-	-
Number of Bonus Shares issued	-	-
Total number of Shares outstanding at the end of the year (used as denominator for calculating EPS)	81,825,225	81,825,225
Profit before extraordinary items available to share holders (used as numerator for calculating EPS)	508,364,489	371,855,008
Profit after extraordinary items available to share holders (used as numerator for calculating EPS)	508,364,489	371,855,008
Basic & Diluted Earnings Per Share before extraordinary items in Rs. (Face Value Rs.2/-)	6.21	4.54
Basic & Diluted Earnings Per Share after extraordinary items in Rs. (Face Value Rs.2/-)	6.21	4.54

2.28 FOREIGN EXCHANGE TRANSACTIONS

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
Value of imported raw-materials on CIF basis	1,029,157,354	404,128,558
Value of imported capital goods on CIF basis	183,295,827	156,913,222
CIF value of other imports	8,725,842	2,958,755
Expenditure in foreign currency on account of: Travel	2,627,438	3,881,748
Technology Transfer Charges	23,623,500	31,774,500
Advertisement	-	101,111
Exhibitions & Conferences	48,094	355,876
Order Booking Commission	221,887	-
Earnings in foreign currency:		
FOB Value of Exports	3,418,531,443	540,515,854
For Services Rendered	889,403	772,840
Remittances in foreign currency: On account of Dividend:		
Amount Remitted	2,138,376	1,871,079
No. of Non-Resident Share Holders	2	2
No. of Shares held by them	2,672,970	2,672,970
Year of Dividend	2012-2013	2011-2012

2.29 CONTINGENT LIABILITIES

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
a) Letters of credit	-	-
b) Bank Guarantees:		
1) Performance Guarantees	642,030,708	483,003,526
2) Advance payment Guarantees	2,565,274,800	2,154,521,147
3) Guarantee in lieu of EMD/Security Deposit	75,610,496	53,327,578
4) Guarantee for Materials	17,419,600	4,007,000
5) Security Guarantee under Zero Duty (Customs) Advance Authorisation Scheme	11,625,000	-
c) Liabilities disputed and not provided for: Excise Duty - Under Appeal	12,395,319	-

2.30 RELATED PARTY DISCLOSURES

Amount in ₹

Particulars	As at 31-03-2014	As at 31-03-2013
a) Associate Company: Traana Technologies Private Limited Services received from Associate Company	3,167,110	720,000
Balance payable to Associate Company	-	-
b) Remuneration paid to Directors: Executive Directors:		
Mr. B. Malla Reddy, CEO & Managing Director	11,736,000	12,028,360
Mr. P.A. Chitrakar, Chief Operating Officer	11,939,947	12,209,060
Mrs. C. Prameelamma, Director (Technical)	11,958,602	12,006,500
Mr. S. Gurunatha Reddy, CFO & Executive Director	7,341,311	-
Mr. M. Venkateshwar Reddy, Director - Marketing & Operations	7,537,752	-
Non-Executive Directors:		
Dr. Shiban K. Koul, Chairman (Includes Sitting fee & Net of Service Tax)	1,325,000	815,000
Mr. J.Venkata Das, Director (Includes Sitting fee & Net of Service Tax)	1,325,000	820,000
Mr. Atim Kabra, Director (Includes Sitting fee & Net of Service Tax)	1,325,000	815,000
Mr. T. Ramachandru, Additional Director (Includes Sitting fee&Net of Service Tax)	655,000	-

2.31 The previous year's figures have been reworked / regrouped / rearranged / reclassified where ever necessary.

2.32 Since this being the first year of consolidation and the subsidiary company was incorporated during the current financial year, the previous year figures relates to Holding Company only.

2.33 The figures have been rounded off to the nearest rupee

As per our Report of even date

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

(G. AMARANATHA REDDY)
Partner
Membership No: 019711

Place : HYDERABAD
Date : 28-04-2014

For and on behalf of the Board

(Dr. SHIBAN K. KOUL)
Chairman
(P. A. CHITRAKAR)
Chief Operating Officer

(J. VENKATA DAS)
Director
(T. RAMACHANDRU)
Additional Director

(M.VENKATESHWAR REDDY)
Director - Mktg.&Operations

(B. MALLA REDDY)
CEO & Managing Director
(C. PRAMEELAMMA)
Director (Technical)

(ATIM KABRA)
Director
(S. GURUNATHA REDDY)
CFO & Wholetime Director

(T. ANJANEYULU)
Company Secretary

Astra Microwave Products Limited

Registered Office : Astra Towers, Survey No.12(P), Kothaguda Post,
Kondapur, Hi-Tech City, Hyderabad - 500 084 (Corporate Identity No. L29309AP1991PLC013203)



PROXY FROM

[Pursuant to section 105(6) of the Company Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) :			
Registered address :			
E-Mail Id :			
Folio No/ Client Id :		DP ID	

I/We, being the member (s) of..... Shares of Astra Microwave Products Limited, hereby appoint:

1.	NAME		
	Address		
	E -Mail Id	Signature	
	or failing him		
2.	NAME		
	Address		
	E -Mail Id	Signature	
	or failing him		
3.	NAME		
	Address		
	E -Mail Id	Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company, to be held on Thursday, the 31st July, 2014 at 12:30 P.M at the Swagath-De-Royal Hotel, 2-36, Kothaguda X Roads, Kondapur, Hyderabad - 500 084, Andhra Pradesh and at any adjournment thereof in respect of such resolutions as are indicated below:

SI.No.	Resolutions	Optional*	
		For	Against
ORDINARY BUSINESS			
1	Adoption of Financial Statements for the year ended 31st March, 2014.		
2	Declaration of Dividend on Equity shares		
3	Re-appointment of Mr. B.Malla Reddy, as Director who retires by rotation.		
4	Re-appointmnet of Auditors and fixing their remuneration		
SPECIAL BUSINESS			
5	Re-Appointment of Dr. Shibank K Koul as an Independent Director.		
6	Re-Appointment of Mr. J.Venkatadas as an Independent Director.		
7	Appointment of Mr. T. Ramachandru as an Independent Director.		
8	Appointment of Mr. U.K. Kalyanaramudu as Director.		
9	Payment of Remuneration to Non-Executive Directors		
10	Special Resolution under Section 180(1) (c) of the Companies Act,2013 for borrowing money up to Rs.1,000 Crores		
11	Special Resolution under Section 180(1) (a) of the Companies Act,2013 for creation of charge / mortgage on the properties of the company to secure the borrowing up to Rs.1,000 Crores		
12	Increase of Authorised Capital from Rs.20 Crores to Rs.30 Crores		
13	Alteration of Clause IV of the Memorandum of Association		
14	Alteration of Clasue 4 of the Articles of Association		
15	Deletion of certain Clasues in the Articles of Association		
16	Approval of the Remuneration of the Cost Auditors		

Signed this Day of2014.

Signature of shareholder : _____
Signature of Proxy holder (s) : _____

Affix a 15
paise
Revenue
Stamp

Note : 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. * It is optional to put a 'x' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. Please complete all details including details of member(s) in above box before submission.

Astra Microwave Products Limited

Registered Office : Astra Towers, Survey No.12(P), Kothaguda Post,
Kondapur, Hi-Tech City, Hyderabad - 500 084 (Corporate Identity No. L29309AP1991PLC013203)



ATTENDANCE SLIP

23rd ANNUAL GENERAL MEETING - JULY 31, 2014 AT 12:30 P.M.

DP Id.		Name & Address of the registered Shareholder
Client Id / Regd. Folio No.		
No.of Shares held		

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 23rd Annual General Meeting of the Company being held on Swagath-De-Royal Hotel, 2-36, Kothaguda X Roads, Kondapur, Hyderabad - 500 084, Andhra Pradesh , on Thursday, 31st July, 2014 at 12.30 p.m

Note : Please complete this and hand it over at the entrance of the hall.

Member's/Proxy's Signature



Astra Microwave Products Limited

ASTRA Towers, Survey No.12(P), Kothaguda Post, Hi-Tech City, Hyderabad-500 084.
Phone:+91-40-30618000 / 01, Fax: +91-40-30618048, info@astramp.com
CIN: L29309AP1991PLC013203

www.astramp.com