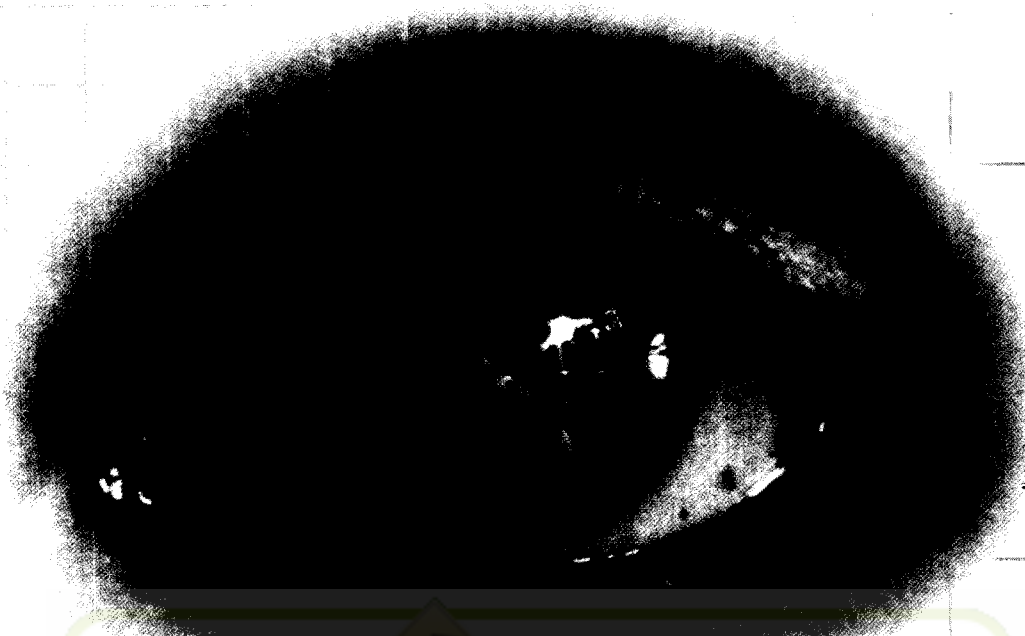


8th Annual Report

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ASTRA MICROWAVE PRODUCTS LIMITED

- Total RF & Microwave Solutions

**ASTRA MICROWAVE PRODUCTS LIMITED**

REGISTERED OFFICE	:	1-2-64/A, First Floor, Vikram Chambers, Parklane, Secunderabad.
BOARD OF DIRECTORS	:	Dr. R.P. Shenoy - Chairman B. Malla Reddy- Managing Director P.A. Chitrakar C. Prameelamma T. Bhagavandas
AUDITORS	:	Amar & Raju Chartered Accountants Road No. 3, Banjara Hills, Hyderabad.
BANKERS	:	Canara Bank, Industrial Finance Branch, Secunderabad.
FACTORS	:	Canbank Factors Ltd. Hyderabad.
FACTORIES	:	Unit- I Plot No.12, ANRICH Industrial Estate, Miyapur, Bollaram, A.P. Unit - II Plot No.56A, 56B and 57A, ANRICH Industrial Estate, Miyapur, Bollaram, A.P.
REGISTRARS	:	Busi-Comp Software Consultants, 33, Printing House, 28-D, Police Court Lane, Behind Old Handloom House, Fort, Mumbai - 400 001.



NOTICE

Notice is hereby given that the Eighth Annual General Meeting of the Shareholders of the Company will be held at Hotel Parklane, Secunderabad- 500 003 on Monday September 27th, 1999 at 12.30 p.m. to transact the following business.

ORDINARY BUSINESS

- 1) To consider and adopt the audited accounts of the Company for the year ended March 31, 1999 together with the reports of the Auditors and Directors thereon.
- 2) To declare dividend on equity share capital.
- 3) To appoint a Director in place of Sri. B. Malla Reddy, Managing Director, who retires by rotation and being eligible offers himself for re-appointment.
- 4) To consider and if thought fit to pass the following resolution with or without modification as an ordinary resolution.

RESOLVED that M/S. AMAR & RAJU, Chartered Accountants, Hyderabad be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting on such remuneration as may be determined by the Board of Directors.

- 5) Any other business that be brought up with the permission of the chair.

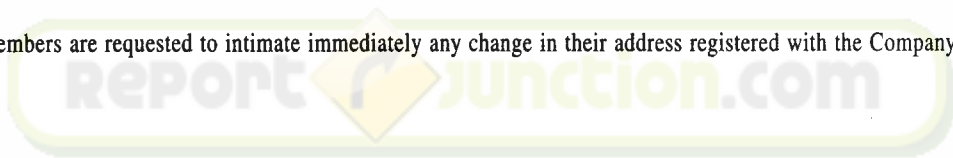
By order of the Board

(Dr.R.P. Shenoy)
Chairman

Hyderabad
May 24, 1999

**NOTES :**

- 1) A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company, Instruments of proxy in order to be effective must be received by the Company not less than 48 hours before the meeting. The members / Proxies desirous of attending the meeting are requested to hand over the attendance slip duly filled in and signed at the meeting venue.
- 2) The register of members and share transfer books of the Company will remain closed from 20th September 1999 to 27th September 1999 (Both days inclusive).
- 3) Dividend when declared will be paid to the members (or their mandates) whose name appear on the register of members on 27th September 1999 and such payment will be made on or before 6th November, 1999.
- 4) Members are requested to bring their copy of the Annual Report while attending the Annual General Meeting.
- 5) Pursuant to section 205A of the Companies Act., 1956 unclaimed dividend for the year ended 31.03.96 will be transferred to the General Revenue Account of the Central Government by 08.11.1999. Hence members who have not yet claimed the dividend for the relevant year are requested to do so from the Company before such transfer and thereafter from the Registrar of Companies, II floor, Kendriya Sadan, Sultan Bazar, Hyderabad-500 195. Andhra Pradesh.
- 6) Members are requested to intimate immediately any change in their address registered with the Company.





ASTRA MICROWAVE PRODUCTS LIMITED

Directors Report

Your Directors have pleasure in presenting this Eighth Annual Report together with the Audited Accounts for the year ended March 31, 1999.

SUMMARY OF FINANCIAL RESULTS

	Rs. In lacs	
	For the Year	For the Previous Year
Gross sales	467.4	402.40
Profit before depreciation and deferred revenue expenditure	94.40	40.41
Depreciation	21.60	14.32
Deferred revenue expenditure	40.75	28.61
Profit before tax	32.05	-2.51
Provision for taxation	2.80	3.25
Profit after tax	29.25	-5.76
Transfer to General Reserve	0.75	Nil
Provision for proposed Dividend	16.58	8.29

The Company's performance during the year was below expectations. It has not been very good year in terms of industrial growth in general and our sector in particular. Non availability of transponders to VSAT network operators due to failure of ISAT 2D satellite has very badly effected the VSAT Antenna business of the Company.

PROSPECTS FOR THE CURRENT YEAR

The Prospects of increase in sales and profit for the coming year are good. The company is concentrating more in high yield markets like Defence Space, VSAT and Exports and has handful orders on hand relevant to this market. The company's core strength in Defence related areas is put to full use starting from the middle of last year and will be pursued in full force in the coming years.

With the successful launch of INSAT-2E and allocation of its transponders to the VSAT network operators, it is expected that VSAT Antenna business for the company must improve during the year. Also the decision of the Government allowing VSAT operators to use transponders of foreign satellites would further activate this market.



The export performance of the company has shown a positive growth despite very little export market promotion. The Company's product quality standards and pricing have resulted in this growth and multiplying this market will be one of the thrust areas of the company during the current year and years to follow.

The Company has completed one and half years of ISO 9001 certification and has gone through three suveyallance audits during the period.

DIVIDEND

Your Directors are pleased to recommend payment of dividend on equity share capital at the rate of 10% and are placing the proposal before the General meeting for its approval.

DEPOSITS

During the Year the Company has accepted deposits from the public in terms of section 58 A of the Companies Act, 1956.

- 1) The total number of depositors of the company whose deposits have not been claimed by the depositors or paid by the company after the date on which the deposit became due for repayment or for renewal, as the case may be according to the contract with the depositor or the provisions of these directions whichever may be applicable : NIL
- 2) The total amounts due to the depositors and remaining unclaimed or unpaid : NIL

DIRECTORS

Sri. B. Malla Reddy, Director of the company retires by rotation at the conclusion of this Annual General Meeting and being eligible offers himself for re-appointment.

AUDITORS

M/s. Amar & Raju, Chartered Accountants who are the present auditors of the company retire at the conclusion of this Annual General Meeting and they are eligible for re-appointment.

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

DISCLOSURES

Disclosures in terms of the Companies (Particulars of employees) rules, 1975- Nil.

Disclosure in terms of the Companies (Disclosure of particulars in the report of the Board of Directors) rules 1989 in respect of conservation of energy, technology absorption, foreign exchange earning & Outgo are attached (Annexure I) and forms part of this report.

EMPLOYEE RELATIONS

Employee relations are cordial during the year and the Board would like to record its appreciation to all the employees of the company for their performance in qualitative and quantitative parameters.



ACKNOWLEDGEMENT

Your Directors place on record its grateful thanks to Canara Bank, Canbank Factors Ltd. and Canbank Venture Capital Fund Ltd. and various Government agencies and departments for their kind assistance and co-operation extended to the Company.

The Board of Directors thank all the shareholders of M/s. ASTRA Microwave Products Ltd. for reposing their confidence.

For and on behalf of the Board of Directors

(Dr. R.P. Shenoy)
Chairman

Hyderabad
May 24, 1999.





ANNEXURE - I

Disclosure of particulars in respect of conservation of energy, technology, absorption and foreign exchange earning and out go required under Companies (Disclosure of Particulars in the Director's Report) rules 1988.

A. Conservation of energy : Not applicable

B. Technology absorption : Efforts made in Research, Development and Technology absorption are furnished in the prescribed Form -B enclosed herewith.

FORM :B

A. Research & Development (R&D)

1. Specific areas in which R&D is carried out by the company :

The research and development efforts of the Company are customer and order based and hence it is a continuous process. The areas of effort is directly related to the type of products sold during the year.

2. Benefits derived as a result of the above R&D

The benefits of development are reflected in the volume of business done in the current year.

3. Future plans of action :

Apart from customer and order based R&D which is a continuous and part of regular operations of the company, the Company is continuously working in design and development of new products to meet the market demands and also to become cost effective.

4. Expenditure on R&D

a) Capital	:	Rs. Nil
b) Recurring	:	Rs. 32,33,290
c) Total	:	Rs. 32,33,290
d) Total R&D expenditure		
as a percentage of total turnover		6.92%