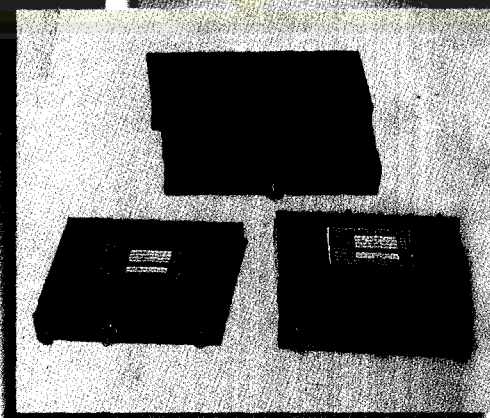
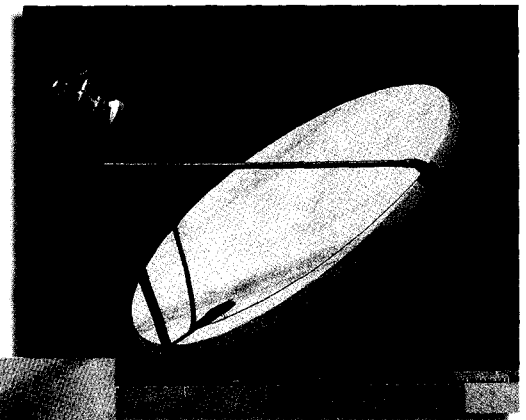


# *9<sup>th</sup> Annual Report*

**1999-2000**



**ASTRA MICROWAVE PRODUCTS LIMITED**

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**ASTRA MICROWAVE PRODUCTS LIMITED**

<b>REGISTERED OFFICE</b>	:	1-2-64/A, First Floor, Vikram Chambers, Parklane, Secunderabad.
<b>BOARD OF DIRECTORS</b>	:	Dr. R.P. Shenoy - Chairman B. Malla Reddy - Managing Director P.A. Chitrakar J. Venkatas C. Prameelamma
<b>AUDITORS</b>	:	Amar & Raju Chartered Accountants Road No. 3, Banjara Hills, Hyderabad.
<b>BANKERS</b>	:	Canara Bank, Industrial Finance Branch, Sec.
<b>FACTORS</b>	:	Canbank Factors Ltd., Hyderabad
<b>FACTORIES</b>	:	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.
<b>REGISTRARS</b>	:	Purva Sharegistry (India) Pvt. Ltd., 33, Printing House, 28-D, Police Court Lane, Behind Old Handloom House, Fort, Bombay - 400 001.

## NOTICE

Notice is hereby given that the Ninth Annual General Meeting of the shareholders of the Company will be held at Hotel Parklane, Secunderabad 500 003 on Wednesday July 12, 2000 at 11 A.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, 2000 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.P.A.Chitrakar, Director (Engineering), 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 may be brought up with the permission of the chair.

### SPECIAL BUSINESS

#### Appoint of Directors

- 6) To consider and if thought fit to pass with or without modification the following as an ordinary resolution.

“Resolved that Mr. J. Venkatadas who retires at this Annual General Meeting be and is hereby appointed as Director of the Company for a period of three years”.

#### Issue of bonus shares

- 7) To consider and if thought fit, to pass with or without modification the following resolution as ordinary resolution.

“Resolved that pursuant to the recommendation of the Board of Directors a sum of Rs.1,80,00,000 be applied for paying up in full at par 18,00,000 equity shares of Rs.10 each in the capital of the Company to be allotted and distributed as fully paid up bonus shares to such members holding equity shares as per the register of members as on 01.09.2000.

“Resolved further that the bonus shares to be issued as fully paid equity shares are subject to the Memorandum and the Articles of Association of the Company and shall rank in all respects pari passu to the existing equity shares, provided, however, that such new equity shares shall not be entitled to participate in any dividend declared or to be declared for any year or period prior to the issue of the bonus shares and that no letter of allotment shall be issued in relation to the bonus shares’.

“Resolved further that the Board of Directors of the Company be and are hereby assigned the responsibility of posting the new equity share certificates giving details on the basis of bonus shares and that allotment of bonus shares to any non-resident members shall be subject to the approval of the Reserve Bank of India.”

#### Listing on Regional Stock Exchange

- 8) To consider and if thought fit, to pass with or without modification the following resolution as ordinary resolution.



“Resolved and approved that in accordance with Article 22(A) of the Memorandum and Articles of Association of the Company, applicable provisions if any of the Companies Act, 1956 (including any statutory modification and reenactment thereof, for the time being in force) and provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from appropriate authorities or bodies, the Board of Directors are hereby authorised to list Shares/Debentures and any other instruments of the Company on Regional Stock Exchanges/Bombay Stock Exchange/National Stock Exchange or any other stock exchange keeping in view the overall interest of the Company and its shareholders.”

#### **Increase in Remuneration-Managing Director**

- 9) To consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution.

“Resolved that subject to the provisions of section 198, 309, 310 & 311 and applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 approval of the shareholders be and is hereby accorded to increase the remuneration of B.Malla Reddy, Managing Director as per the terms set out in the Explanatory Statement annexed hereto.”

#### **Increase in remuneration-Whole-time Director**

- 10) To consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution

“Resolved that subject to the provisions of section 198, 309, 310 & 311 and applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 approval of the shareholders be and is hereby accorded to increase the remuneration of P.A.Chitrakar, Director (Engineering) as per the terms set out in the Explanatory Statement annexed hereto”

#### **Increase in remuneration - Whole-time Director**

- 11) To consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution.

“Resolved that subject to the provisions of section 198, 309, 310 & 311 and applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 approval of the shareholders be and is hereby accorded to increase the remuneration of C.Prameelamma, Director (Technical) as per the terms set out in the Explanatory Statement annexed hereto.”

#### **Issue of shares for offer to Employees under Employees Stock Option Scheme(s)**

- 12) To consider and if thought fit, to pass with or without modification the following resolution as special resolution.

“Resolved that approval of the shareholders be and is hereby accorded to Employees Stock Option Scheme “ ESOS ” subject to such amendments/modifications/revisions as considered necessary and approved by the Board of Directors, formulated by the compensation committee constituted in terms of latest guidelines of SEBI for administration and superintendence of the Stock Option(s) to the employees, as per terms set out in the Explanatory Statement annexed hereto.”

“Resolved further that in accordance with the provisions of Section 81 (1A) and other applicable provisions of the Companies act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force), and the enabling provisions of the Memorandum and Articles of Association of the Company, and the prevailing statutory guidelines in that behalf and subject to all necessary consents, permissions and approvals and /or sanctions from all appropriate authorities including the Securities and Exchange Board of India (SEBI), Government of India, Reserve Bank of India(RBI), the Stock Exchanges and all such other



bodies, institutions, as may be relevant (hereinafter singly or collectively referred to as "the appropriate authorities") and subject to such conditions as may be prescribed or imposed by any one of them while granting such consents, permissions and approvals/sanctions (hereinafter referred to as "the requisite approvals") and which may be agreed by the Board of Directors of the Company (hereinafter referred to as "the Board which term shall deem to include any committee of Directors, for the time being, duly authorised by the Board to exercise the powers conferred on the Board by this resolution), consent of the Company be and is hereby accorded to the Board, to issue upto one lac forty one thousand seven hundred shares and/or such number of new equity shares as may be decided by the Board to the AMPL ESOP TRUST set up for the purpose of implementing the scheme(s) of Employees Stock Option or directly to the employees, whether in India or abroad, of the Company or subsidiary(ies) thereof, under AMPL ESOS-2000, whether shareholders of the Company or not, at such price and other terms and conditions as the Board may in their absolute discretion think fit, in compliance of guidelines issued by Securities and Exchange Board of India on issue of shares to employees from time to time."

"Resolved further that such shares as are issued by the Company in any manner aforesaid shall rank pari passu in all respects with the then existing fully paid-up shares of the Company, save that the dividend if any, payable in respect of such shares shall be paid proportionately to the amounts paid-up or credited as paid-up on the shares during any portion or portions of the period in respect of which the dividend is paid."

"Resolved further that the Board be and is hereby authorised to take necessary steps for listing of the securities/shares allotted under the Employee Stock Option Scheme(s), on the stock exchanges where the Company's shares are listed, as per the terms and conditions of the listing agreement with the concerned stock exchanges and other applicable guidelines, rules and regulations."

"Resolved further that the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or Senior Executive(s)/Officer(s) of the Company to give effect to the aforesaid resolutions."

"Resolved further that for the purpose of giving effect to the above, the Board be and is hereby authorised to do all things necessary and to take such actions as may be necessary or expedient to formulate or amend or alter or adopt any modifications or redefine the proposal or scheme(s) of Employees Stock Option based on the guidelines issued by the Securities and Exchange Board of India or any other statutory authority from time to time."

By order of the Board

(B.Malla Reddy)

Managing Director

Hyderabad

June 09, 2000

## 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 1st September, 2000 to 8th September, 2000 (both days inclusive) for the purpose of issue of bonus shares.
- 3) Members are requested to bring their copy of the Annual Report while attending the Annual General Meeting.
- 4) Members are requested to intimate immediately any change in their address registered with the the Company.





## ANNEXURE TO THE NOTICE

### Explanatory Statement

As required by section 173(2) of the Companies Act 1956, the following Explanatory Statement sets out material facts relating to the business under items 6 to 12 of the accompanying Notice dated 26th June 2000.

#### Item:6

Mr J. Venkatadas was appointed as Additional Director at the Board of Directors Meeting held on 24-05-2000. He holds office up to the date of ensuing Annual General Meeting and being eligible offers himself for re-appointment as a Director liable to retire by rotation.

Mr J. Venkatadas is currently practicing as Financial adviser and has over three decades of banking experience. He was with Canara Bank and Canbank Venture Capital Fund Ltd., and took voluntary retirement to start his own advisory and consultancy services. He is a technocrat with solid banking and financial expertise and his association will boost further prospects of the company.

None of the Directors except Mr J. Venkatadas may be deemed to be concerned or interested in the resolution.

Directors recommend the resolution for approval.

#### Item:7

The Company would like to reward its long standing shareholders who have reposed faith during the trouble times and hence a bonus issue in the ratio of 1:1 was proposed by the Board of Directors.

As per the provisions of Companies Act, 1956 the shareholders approval is necessary to implement the same and hence the resolution.

The Directors recommend the resolution for approval of the shareholders.

Directors of the Company are interested in the resolution to the extent of their share holding.

#### Item:8

Presently the Company's equity shares are listed on Over The Counter Exchange of India (OTCEI). To facilitate better liquidity and good value for the Company equity shareholders the Company would like to approach regional stock exchanges and other stock exchanges mentioned in the resolution to explore the possibility of listing on them.

The Directors recommend the resolution for approval of the shareholders.

None of the Directors of the Company are interested in the resolution.

#### Item:9

Mr.B.Malla Reddy was reappointed as Managing Director with effective from 01.09.1996 for a period of 5 years. His remuneration is not revised since then due to low level of performance of the Company during all these years. The Company has shown a turnaround in its performance and hence the Board of Directors have recommended a revised remuneration package as shown hereunder to suitably reward him for his unsustained efforts during all these years.

#### Salary

Salary per month: Rs:30,000

Rent free accommodation subject to a maximum of 50% of salary.

(Revision is effective from:1.04.2000)



#### **Performance linked variable allowance**

Subject to the approval of members, the Board of Directors have recommended, based on the performance of the business groups headed by individual Directors and the overall performance of the Company, performance linked allowance of Rs.3 lacs for the financial year 1999-2000, payable on monthly basis.

#### **Medical Reimbursement**

For self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.

#### **Leave travel concession**

For self and family once in two years subject to a maximum of two months salary.

#### **Club Fees:**

Fees subject to a maximum of two clubs will be allowed. This will not include admission and life membership fees.

#### **In addition, he will be eligible for the following perquisites**

- ▶ Company's contribution towards provident fund as per rules of the Company but not exceeding 12% of the salary as laid down under the Income-Tax rules, 1962.
- ▶ Gratuity not exceeding half a month salary for each completed year of service.
- ▶ Earned/privilege leave as per rules of the Company. Leave accumulated but not availed of during the tenure may be allowed to be encashed at the end of the tenure.
- ▶ Free use of Company's car with driver for the business of the Company.
- ▶ Free telephone facility at residence at Company's cost.

#### **Minimum Remuneration**

The minimum remuneration by way of salary, perquisites and other allowances not exceeding the sum of Rs.8,64,000/- per annum or Rs.72,000/- per month, may also be paid to Mr.B.Malla Reddy, Managing Director in the event of loss or inadequacy of profits in any financial year in addition to the perquisites not exceeding the limits specified under Para 2 of section II of part II of the schedule XIII of the Companies Act, 1956.

Mr.B.Malla Reddy is concerned and has interest in the proposed resolution to the extent of his remuneration as Managing Director. No other Director of the Company has any interest or concern in the proposed resolution.

The resolution set out in the accompanying notice together with the explanation should be treated as an extract under Section 302 of the Companies Act, 1956.

The Directors recommend the proposed resolution for approval of the shareholders.

#### **Item:10**

Mr.P.A.Chitrakar was reappointed as Director (Engineering) with effective from 29.8.1997 for a period of 5 years. His remuneration is not revised since then due to low level of performance of the Company during all these years. The Company has shown a turnaround in its performance and hence the Board of Directors have recommended a revised remuneration package as shown hereunder to suitably reward him for his unsustained efforts during all these years.

**Salary**

Salary per month : Rs. 30,000

Rent free accomodation subject to a maximum of 50% of salary.

(Revision is effective from 1.04.2000)

**Performance linked variable allowance :**

Subject to the approval of members, the Board of Directors have recommended, based on the performance of the business groups headed by individual Directors and the overall performance of the Company, performance linked allowance of Rs.3 lacs for the financial year 1999-2000, payable on monthly basis.

**Medical Reimbursement**

For self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years

**Leave travel concession**

For self and family once in two years subject to a maximum of two months salary.

**Club fees**

Fees subject to a maximum of two clubs will be allowed. This will not include admission and life membership fees.

**In addition, he will be eligible for the following perquisites :**

- ▶ Company's contribution towards provident fund as per rules of the Company but not exceeding 12% of the salary as laid down under the Income-tax rules,1962.
- ▶ Gratuity not exceeding half a month salary for each completed year of service.
- ▶ Earned/Privilege leave as per rules of the Company. Leave accumulated but not availed of during the tenure may be allowed to be encashed at the end of the tenure.
- ▶ Free use of Company's car with driver for the business of the Company.
- ▶ Free telephone facility at residence at Company's cost.

**Minimum Remuneration**

The minimum remuneration by way of salary, perquisites and other allowances not exceeding the sum of Rs. 8,64,000/- per annum or Rs.72,000/- per month, may also be paid to Mr.P.A.Chitrakar, Director (Engineering) in the event of loss or inadequacy of profits in any financial year in addition to the perquisites not exceeding the limits specified under Para 2 of section II of part II of the schedule xiii of the Companies Act,1956.

Mr.P.A.Chitrakar is concerned and has interest in the proposed resolution to the extent of his remuneration as Director (Engineering). No other Director of the Company has any interest or concern in the proposed resolution.

The resolution set out in the accompanying notice together with the explanation should be treated as an extract under Section 302 of the Companies Act,1956.

The Directors recommend the proposed resolution for approval of the shareholders.

**Item:11**

Mrs.C.Prameelamma was reappointed as Director(Technical) with effective from 1.09.1996 for a period of 5 years. Her remuneration is not revised since then due to low level of performance of the Company during all these years. The Company has shown a turnaround in its performance and hence the Board of Directors have recommended a revised remuneration package as shown hereunder to suitably reward her for her unsustained efforts during all these years.



**Salary**

Salary per month:Rs.30,000

Rent free accomodation subject to a maximum of 50% of salary.

(Revision is effective from : 1.04.2000)

**Performance linked variable allowance :**

Subject to the approval of members, the Board of Directors have recommended, based on the performance of all business groups headed by individual Directors and the overall performance of the Company, performance linked allowance of Rs.3 lac for the financial year 1999-2000, payable on monthly basis.

**Medical Reimbursement**

For self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.

**Leave travel concession**

For self and family once in two years subject to a maximum of two months salary.

**Club Fees**

Fees subject to a maximum of two clubs will be allowed. This will not include admission and life membership fees.

**In addition, she will be eligible for the following perquisites :**

- ▶ Company's contribution towards provident fund as per rules of the Company but not exceeding 12% of the salary as laid down under the Income-Tax rules, 1962.
- ▶ Gratuity not exceeding half a month salary for each completed year of service.
- ▶ Earned/privilege leave as per rules of the Company. Leave accumulated but not availed of during the tenure may be allowed to be encashed at the end of the tenure.
- ▶ Free use of Company's car with driver for the business of the Company.
- ▶ Free telephone facility at residence at Company's cost.

**Minimum Remuneration**

The minimum remuneration by way of salary, perquisites and other allowances not exceeding the sum of Rs.8,64,000/- per annum or Rs.72,000/- per month, may also be paid to Mrs.C.Prameelamma, Director (Technical) in the event of loss or inadequacy of profits in any financial year in addition to the perquisites not exceeding the limits specified under Para 2 of section II of part II of the schedule XIII of the Companies Act,1956.

Mrs.C.Prameelamma is concerned and has interest in the proposed resolution to the extent of her remuneration as Director (Technical). No other Director of the Company has any interest or concern in the proposed resolution.

The resolution set out in the accompanying notice together with the explanation should be treated as an extract under section 302 of the Companies Act,1956.

The Directors recommend the proposed resolution for approval of the shareholders.

**Item:12**

Employee Stock Option Schemes (ESOS) have been widely acknowledged in the Electronic and Communication industry as an important tool to motivate, retain and reward the employees of the Company



who are amongst its most valuable resources. An ESOS directly contributes to the growth and profitability of the Company besides rewarding its employees. Realizing this your Company has formulated "AMPL ESOS-2000" in terms of the guidelines issued by SEBI. The shareholders consent is therefore, sought to authorize the Board of Directors to issue the shares in the manner set out in the resolution. The salient features of the Employee Stock Option Scheme "AMPL ESOS-2000" are:

#### **Compensation Committee**

A compensation committee consisting of independent Directors Dr.R.P.Shenoy, Mr. J. Venkatadas and promotor Director Mr.B.Malla Reddy has been constituted to govern and administer the new scheme "AMPL ESOS-2000"

#### **Quantum**

Total number of equity shares proposed to be allotted under "AMPL ESOS-2000" are upto 1,41,700. The shares shall be allotted either directly to the employees or to the AMPL ESOP Trust from time to time as deemed necessary by the Company on recommendation of the Compensation Committee.

#### **Eligibility**

Permanent employees including non-promoter directors in employment of AMPL and or its subsidiaries either in India or abroad at the discretion of AMPL management.

#### **Requirement of Vesting**

- 1) The shares would be offered to the permanent employees based on the Performance Measurement Systems (PMS) put in place for performance review and would be linked to the ratings achieved by the employees during these reviews and shares would be offered to those employees who are rated excellent or very good.
- 2) The number of shares to be offered to each eligible employee will be decided by the Compensation Committee subject to a maximum of 10,000 shares per employee. The maximum number of shares to be issued in aggregate shall not exceed two lacs eighty three thousand four hundred.
- 3) New employees joining the Company in future may also be offered the shares, based on the recommendations of the Compensation Committee, in terms of the latest SEBI guidelines.

#### **Vesting of Option**

The Company or AMPL ESOP Trust as the case may be, will offer shares of ASTRA Microwave Products Limited to all eligible employees by issuing letter of offer under AMPL ESOS-2000, which will be issued after 30th July 2000, as and when the performance appraisal of each employee is due and completed, specifying:

The total number of equity shares of Rs.10 each of ASTRA Microwave Products Ltd., offered

The price for current and future conversion options.

The "Letter of Offer" can be converted into Equity Shares as per the percentages given below on the earliest conversion dates indicated:

Offer	Earliest date of Conversion
35 %	One year from the date of letter of offer
35 %	Two years from the date of letter of offer
30 %	Three years from the date of letter of offer