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## V I S I O N

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

Investing in technologies that can lead to leadership.

Employing the finest talent to reach the top through excellence.

Board of Directors	<p>Dr. R. P. Shenoy - Chairman</p> <p>Mr. B. Malla Reddy - Managing Director</p> <p>Mr. P. A. Chitrakar - COO</p> <p>Mrs. C. Prameelamma - Director (Technical)</p> <p>Mr. J. Venkatas</p> <p>Dr. M. Srihari Rao</p> <p>Mr. Sandeep Daga</p> <p>Dr. Shibhan K. Koul</p> <p>Mr. Atim Kabra (alternative to Mr. Sandeep Daga)</p>
General Manager - F&A	Mr. S. Gurunatha Reddy
Company Secretary	Mr. T. Anjaneyulu
Auditors	M/s. Amar & Raju Chartered Accountants Road No: 3, Banjara Hills, Hyderabad.
Bankers	<ul style="list-style-type: none"> <li>• Canara Bank, I.F. Branch, Secunderabad</li> <li>• HDFC Bank Ltd. Lakdikapool, Hyderabad.</li> <li>• State Bank of India Saifabad (SIB) Branch, Hyderabad.</li> </ul>
Registered Office	<p>6-3-639/640, 303, 3rd Floor, Golden Edifice Building, Khairatabad, Hyderabad - 500 004. Phone: 040-30618000 Website: www.astramwp.com</p>
Factories	<p>Unit I Plot No.12, ANRICH Industrial Estate, Miyapur, IDA Bollaram, Medak (District) - 502 325 A.P.</p> <p>Unit II Plot No.56A, 56B and 57A, ANRICH Industrial Estate, Miyapur, IDA Bollaram, Medak (District) - 502 325 A.P.</p> <p>Unit III Survey No.1/1, Imarat Kancha, Raviryala Village, Maheswaram Mandal, Rangareddy (District) - 500 010 A.P.</p>
Registrars	<p>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 mail: busicomp@vsnl.com</p>
Listing	<ul style="list-style-type: none"> <li>• The Bombay Stock Exchange Ltd.,</li> <li>• The National Stock Exchange of India Ltd.</li> </ul>



## BOARD COMMITTEES

## Management Review Committee

Mr. Sandeep Daga - Chairman

Dr. R. P. Shenoy

Mr. J. Venkatadas

Mrs. C. Prameelamma

## Audit Committee

Mr. J. Venkatadas - Chairman

Dr. R. P. Shenoy

Mr. Sandeep Daga

## Compensation Committee

Dr. R. P. Shenoy - Chairman

Dr. M. Sri Hari Rao

Mr. J. Venkatadas

Mr. Sandeep Daga

## Investors Grievance Committee

Dr. R. P. Shenoy - Chairman

Mr. Sandeep Daga

Mr. J. Venkatadas

Mr. B. Malla Reddy


 SENIOR MANAGEMENT

## General Managers

Mr. C. Siva Chander

Mr. R. N. Saha

Mr. D. Lakshminarayana

Mr. M. V. Reddy

Mr. A. V. S. R. K. Sarma

Mr. V. S. Rao

Mr. M. A. Akbar Khan

Mr. G. V. N. Rao

Mr. P. Mohan

Mr. B. A. Ramam

Mr. A. R. S. Reddy

Mr. P. Janardhan

Mr. B. Jagannatha Rao

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## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting of the Members of Astra Microwave Products Limited will be held at Bhaskara Auditorium, BM Birla Museum, Adarsh Nagar, Hyderabad - 500 063, on Wednesday, the 26th day of July, 2006 at 3.00 p.m. for the transaction of the following business:-

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2006, 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 Dr .R. P. Shenoy, Director who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Dr.M.Sri Hari Rao, Director who retires by rotation and being eligible offers himself for reappointment.
5. To appoint M/s Amar & Raju, Chartered Accountants, the retiring Auditors of the Company, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.



By order of the Board  
for Astra Microwave Products Limited

Place: Hyderabad  
Date: April 21<sup>st</sup>, 2006.

B. Malla Reddy  
Managing Director

## NOTES

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and, on a poll, to vote instead of him or her. A proxy need not be a member of the Company. Instruments of proxy in order to be effective, must be received by the Company, not less than 48 hours before the commencement of the meeting. Completion and return of the form of proxy will not prevent a member attending the meeting and voting in person if he or she so wishes. A form of proxy is given at the end of the annual Report.
2. The register of members and share transfer books of the Company will remain closed from 19<sup>th</sup> July, 2006 to 26<sup>th</sup> July, 2006 (both days inclusive).
3. A brief profile of each of the Directors proposed to be appointed / reappointed is mentioned elsewhere in the "Report on Corporate Governance".
4. The dividend of Rs.1/- per share for the year ended March 31, 2006 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 26<sup>th</sup> July, 2006. In respect of shares held in electronic form, dividend will be payable on the basis of beneficial ownership as per details furnished by NSDL and CDSL for this purpose.
5. Those members who have so far not encashed their dividend warrants for the below mentioned financial years, may claim or approach the Company for the payment thereof as the same will be transferred to the Investor Education and Protection Fund of the Central Government, pursuant to Section 205C of the Companies Act, 1956 on the respective dates mentioned there against. Kindly note that after such date, the members will lose their right to claim such dividend.

Financial year ended	Due date of transfer
31-03-1999	27-09-2006
31-03-2000	12-07-2007
31-03-2001	09-07-2008
31-03-2002	29-07-2009
31-03-2003	28-07-2010
31-03-2004	29-07-2011
31-03-2005	25-07-2012

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



8. While members holding shares in physical form, may write to the Registrar and Transfer Agent for any change in their addresses, members having shares in electronic form may inform the same to their depository participants immediately so as to enable the Company to dispatch dividend warrants at their correct addresses.
9. Members/proxies are requested to bring duly filled in attendance slips sent herewith for attending the meeting.
10. Company is pleased to offer the facility of electronic credit of dividend directly to the respective bank accounts of shareholders, through Electronic Clearing Service (ECS). This is in addition to the Bank Mandate facility that already exist whereby bank account details are printed on the dividend warrants. Shareholders who would like to avail of the ECS facility or the Bank Mandate facility are requested to complete and submit the ECS/Bank Mandate Form that is also sent with this notice, to the Company's Registrar and Transfer Agent so as to reach them latest by 10th July, 2006. Mandates for ECS received from the shareholders after 11th July, 2006 will not be considered for payment of dividend by ECS for dividend declared at the ensuing Annual General Meeting.

However, the same will be recorded and for subsequent year the dividend will be paid to such shareholders by ECS. Please note that shareholders holding shares in dematerialized form would receive their dividend directly to the bank account nominated by them to their Depository Participant, as per SEBI directives.

#### REQUEST TO THE MEMBERS

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

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By order of the Board  
for Astra Microwave Products Limited

Place: Hyderabad  
Date: April 21<sup>st</sup>, 2006.

B.Malla Reddy  
Managing Director

## DIRECTOR'S REPORT

To

The Members,

Your Directors take great pleasure in presenting their report along with the Audited Accounts for the year ended March 31, 2006.

### FINANCIAL PERFORMANCE

*Rs.in lacs*

Particulars	2005-06	2004-05
Gross sales	11621.04	7574.85
Profit before depreciation	5707.27	2937.79
Depreciation	564.12	547.32
Profit before tax	5143.15	2390.47
Provision for taxation	1234.00	561.89
Profit after tax	3719.95	1703.80
Transfer to General Reserve	750.00	400.00
Dividend	50%	50%
EPS	6.99	3.21
CEPS	8.07	4.24

Your Company achieved good growth this year as well. Total revenues grew to Rs. 11621 lacs during the year from Rs. 7574.85 lacs last year, recording growth rate of 65.18%. Significant growths were achieved in operating profit, Profit after tax and Earnings per share.

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 per equity share of Rs. 2 for the financial year 2005-06. 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 26th July, 2006.

The dividend would be tax free in the hands of the shareholders.

### CHANGE IN CAPITAL STRUCTURE

At the Extraordinary General Meeting of the Company held on 31st August, 2005, the Authorised capital of the Company was increased from Rs. 6 cores to Rs. 20 Crores.

### STOCK SPLIT AND BONUS ISSUE OF SHARE

Pursuant to the approval of the Members at the Extraordinary General Meeting held on 31st August, 2005, the Equity shares of the Company having face value of Rs.10/- each was sub-divided into five Equity shares of Rs. 2/- each.

The Board of Directors allotted during the year 2,65,56,225 Equity shares of Rs.2/- each as Bonus Shares in the proportion of one bonus share for each share held. The allotment of the Bonus shares was done on 15th October, 2005.

### DEPOSITS

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





## DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Dr. R. P. Shenoy and Dr. M. Sri Hari Rao Directors retire by rotation and being eligible, offer themselves for re-appointment.

The brief resume/details relating to directors who are to be re-appointed are furnished in the Corporate Governance section.

## DIRECTORS RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- In the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts on a going concern basis.

## DE-LISTING OF EQUITY SHARES

Pursuant to the approval of the Members at the 14th Annual General Meeting held on 25th July, 2005, the Equity shares of the Company were delisted from the OTC Exchange of India and the Hyderabad Stock Exchange Limited with effect from 26th September, 2005 and 15th December, 2005 respectively.

The Company's Shares continue to remain listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited.

## PARTICULARS REGARDING SUBSIDIARY COMPANY

The audited accounts of Astra Microelectronic Technologies Limited, wholly owned subsidiary of the Company, along with the statement required under Section 212 of the Companies Act, 1956 is annexed.

## AUDITORS

The Statutory Auditors M/s Amar & Raju, Chartered Accountants, Hyderabad, retire at this Annual General Meeting. The Company is in receipt of confirmation from the Statutory Auditors that in the event of their reappointment as Statutory Auditors of the Company at ensuing Annual General Meeting, such reappointment will be in accordance with the limits specified in sub-section (1B) of Section 224 of the Companies Act, 1956.

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

## DISCLOSURES

Disclosures in terms of Companies (Disclosure of Particulars in report of the Board of Directors) Rules, 1988 in respect of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo are attached (Annexure I) and forms part of this report.

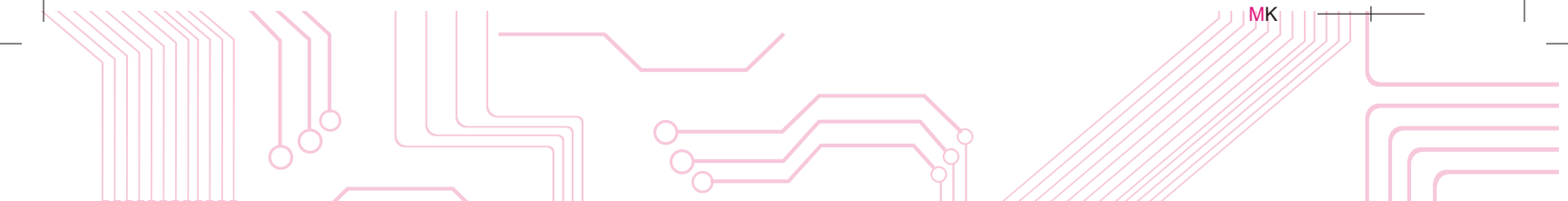
Certificate of Compliance of Corporate Governance in terms of Clause 49 of the Listing Agreement is attached (Annexure II) and forms part of this report.

## CHANGE OF REGISTERED OFFICE

During the year, the Company has shifted its registered office from 1-2-64/A, 1st Floor, Vikram Chambers, Park Lane, Secunderabad - 500 003 to 6-3-639/640, 303, 3rd Floor, Golden Edifice Building, Khairatabad, Hyderabad- 500 004.

## CORPORATE GOVERNANCE

It has always been the Company's endeavour to exceed and excel through better Corporate Governance and fair and transparent practices, many of which have already been in place even before they were mandated by the law of the land.



The Board of Directors of the Company had also evolved and adopted a Code of Conduct based on the principles of Good Corporate Governance and best management practices being followed globally. The Code is available on the website of the Company.

The Compliance Report on Corporate Governance forms part of the Annual Report. The Auditors' certificate on the compliance of Corporate Governance code embodied in Clause 49 of the Listing Agreement is attached and forms part of this Report.

#### EMPLOYEE STOCK OPTION SCHEME

It may be recalled that the Members, at the Extra Ordinary General Meeting held on 25th February, 2005, approved formulation of the 'Employee Stock Option Scheme' (ESOP Scheme - 2005) for the eligible employees of the Company including employees of wholly owned subsidiary company.

Pursuant to the approval of the Members at the Extraordinary General Meeting held on 31st August, 2005, the Equity shares of the Company having face value of Rs.10/- each was sub-divided into five equity shares of Rs.2/- each. With this corporate action the number of options have become 10 lacs from 2 lacs.

The Board of Directors allotted during the year 10 lacs bonus options of Rs.2/- each in the proportion of one bonus option for each option held. Due to this the total number of options have become 20 lacs.

During the year, 3,34,300 options were exercised and equivalent number of Equity shares were issued and allotted under the Scheme. The Company's Auditors, M/s Amar & Raju, have certified that the Scheme has been implemented in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the resolutions passed by the Members in this regard.

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

#### PARTICULARS OF EMPLOYEES

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

#### EMPLOYEE RELATIONS

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

#### AWARD

We are happy to report that we received "Excellence in Aerospace Indigenization" award from Society of Indian Aerospace Technologies & Industries.

#### ACKNOWLEDGMENTS

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

For and on behalf of the Board of Directors

Place: Hyderabad  
Date: April 21<sup>st</sup>, 2006.

Dr. R. P. Shenoy  
Chairman