

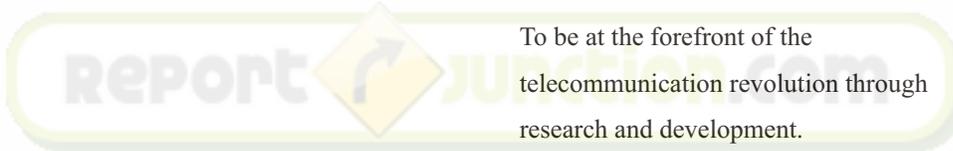


ASTRA MICROWAVE PRODUCTS LIMITED

NURTURING THE WINNING HABIT

17th Annual Report 2007 - 2008

Vision

 Report Junction.com
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 Mr. B. Malla Reddy, Managing Director Mr. P.A. Chitrakar, COO Mrs. C. Prameelamma, Director (Technical) Mr. J. Venkatadas Mr. Atim Kabra Dr. Shibhan K. Koul</p>
General Manager (F&A)	Mr. S. Gurunatha Reddy
Company Secretary	Mr. T. Anjaneyulu
Auditors	<p>M/s. Amar & Raju Chartered Accountants Road No: 3, Banjara Hills, Hyderabad.</p>
Bankers	<ul style="list-style-type: none"> • Canara Bank, I.F Branch, Secunderabad • HDFC Bank Ltd. Lakdikapul, Hyderabad. • State Bank of India Saifabad (SIB) Branch, Hyderabad. • HSBC Ltd. Hyderabad
Registered Office	<p>ASTRA Towers, Survey No.12(P), Kothaguda Post, Kondapur, HITECH CITY, Hyderabad - 500 084. Phone: 040-30618000 / 8001 Website: www.astramp.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 Email:busicomp@vsnl.com</p>
Listing	<ul style="list-style-type: none"> • The Bombay Stock Exchange Ltd., • The National Stock Exchange of India Ltd.

BOARD COMMITTEES

Audit Committee

Mr. J. Venkatas - Chairman
Dr. R.P. Shenoy
Mr. Atim Kabra
Dr. Shibhan K Koul

Compensation Committee

Dr. R.P. Shenoy - Chairman
Mr. J. Venkatas
Mr. Atim Kabra

Investors Grievance Committee

Dr. R.P. Shenoy - Chairman
Mr. Atim Kabra
Mr. J. Venkatas
Mr. B. Malla Reddy
Mr. P.A. Chitrakar

SENIOR MANAGEMENT

General Managers

Mr. A.V.S.R.K. Sarma
Mr. V.S. Rao
Mr. G.V.N. Rao
Mr. M.V. Reddy
Mr. P. Mohan
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 Seventeenth 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 Monday, the 29th day of September, 2008 at 12.30 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, 2008, 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, Director who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mrs. C. Prameelamma, Director who retires by rotation and being eligible offers herself for reappointment.
5. To appoint a Director in place of Dr. Shibani K Koul, Director who retires by rotation and being eligible offers himself for reappointment.
6. 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**

Hyderabad
May 12th, 2008.

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 22nd September, 2008 to 29th September, 2008 (both days inclusive).
3. A brief profile of each of the Directors proposed to be appointed / reappointed is mentioned elsewhere in the "Report on Corporate Governance".
4. The dividend of Rs.0.25/- per share for the year ended March 31, 2008 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 29th September, 2008. 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
31-03-2001	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
31-03-2006	26-07-2013
31-03-2007	03-08-2014

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.

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.

By order of the Board
for **Astra Microwave Products Limited**

Hyderabad
May 12th, 2008.

B. Malla Reddy
Managing Director

DIRECTORS' REPORT

To

The Members,

Your Directors take great pleasure in presenting their report along with the Audited Accounts for the year ended March 31, 2008.

FINANCIAL PERFORMANCE

Rs. in lacs

Particulars	2007-08	2006-07
Gross sales	12703	10934
Profit before depreciation	3848	4674
Depreciation	739	602
Profit before tax	3109	4073
Provision for taxation	1068	1141
Profit after tax	2089	2850
Dividend	12.50%	50%
EPS	3.88	5.32
CEPS	7.16	8.75
Reserves and Surplus	10297	8157

For detailed analysis of the performance, please refer to management's discussion and analysis section of the annual report.

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs.0.25/- per equity share of Rs.2 for the financial year 2007-08. 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 29th September, 2008.

The dividend would be tax free in the hands of the shareholders. During the year the Company has transferred Rs. 60 lacs to General Reserve account from the profits available for appropriation.

DEPOSITS

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

DIRECTORS

During the year Dr. M. Sri Hari Rao has tendered his resignation as Director of the Company, effective 31st October, 2007. Your Board places on record its appreciation of valuable services rendered by him.

In accordance with the provisions of the Companies Act, 1956, Mr. B. Malla Reddy, Mrs. C. Prameelamma and Dr. Shibani K. Koul, 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 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 or loss of the Company for that period;
- The Directors have 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 have prepared the annual accounts on a going concern basis.

PARTICULARS REGARDING SUBSIDIARY COMPANY

The audited accounts of Astra Microelectronic Technologies Limited and Komoline Electronics Private Limited, wholly owned subsidiaries 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 6-3-639/640, 303, 3rd Floor, Golden Edifice Building, Khairatabad, Hyderabad – 500 004 to own premises at 'ASTRA TOWERS', Survey No:12 (Part), Opp. CII Green Building, Hitech City, Kondapur, Hyderabad – 500 084,

CORPORATE GOVERNANCE

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

During the year, 2,90,100 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 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 governmental authorities for their continued support.

For and on behalf of the Board of Directors

Hyderabad
May 12th, 2008.

Sd/-
Dr. R.P. Shenoy
Chairman

ANNEXURE

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.

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

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

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

Particulars	<i>Rs. in lacs</i>	
	2007-08	2006-07
a. Capital	90.85	504.74
b. Recurring	509.95	402.96
c. Total	600.80	907.70
d. Total R&D expenditure as a percentage of total turnover	4.72%	8.30%

3. Technology Absorption, Adoption and Innovation

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

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

4. Particulars of foreign exchange earnings and outgo

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

Foreign Exchange outgo and earnings

Particulars	<i>Rs. in lacs</i>	
	2007-08	2006-07
Foreign Exchange outgo		
On account of capital goods & Tools	752.69	627.11
On account of raw materials	3401.80	2375.20
On account of revenue expenses	23.41	22.57
On account of equity dividend	20.60	24.30
Total	4198.5	3049.18
Foreign Exchange Earnings	44.83	13.04

ANNEXURE (II) TO THE DIRECTORS' REPORT

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITION OF CORPORATE GOVERNANCE 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, 2008 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
(G.Amaranatha Reddy)
Partner
Membership No: 19711

Hyderabad.
May 12th, 2008