



Astra Microwave Products Limited

On A Winning Wavelength



DEFENSE



SPACE



METEOROLOGY



ANNUAL REPORT

2018-19



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.

*E*xplore *I*nnovate *I*nvent

INDEX

Contents	Page No.
Quick Information	4
Notice	6
Board's Report	23
Report on Corporate Governance	66
Management Discussion and Analysis	84
Auditors' Report on Standalone Financial Statements	90
Standalone Financial Statements	98
Auditors' Report on Consolidated Financial Statements	147
Consolidated Financial Statements	154
Proxy Form	207
Attendance Slip	209
Route Map for Venue of the Meeting	210

QUICK INFORMATION

Board of Directors

Dr. Avinash Chander	Chairman & Independent Director
Mr. S.Gurunatha Reddy	Managing Director
Mr. M.Venkateshwar Reddy	Joint Managing Director
Mr. V. Venkata Rama Sastry	Independent Director
Mr. B.Lakshmi Narayana Raju	Independent Director
Mr. Sunil Kumar Sharma	Additional Director (Independent Director)
Ms. Kiran Dhingra, IAS (Retd.)	Additional Director (Independent Director)
Mr. Atim Kabra	Additional Director (Non-Executive Director)

Chief Financial Officer

Mr. B.V.S.Narasinga Rao

Company Secretary

Mr. T. Anjaneyulu

Auditors

Price Waterhouse Chartered Accountants LLP
Plot No. 77/A, 8-2-624/A/1, 3rd Floor,
Road No. 10, Banjara Hills, Hyderabad -500 034
Tel: +91 (40)4424 6000, Fax: +91(40)44246300

Bankers

Canara Bank
HDFC Bank Ltd.,
State Bank of India
ICICI Bank Ltd.,
Axis Bank Ltd.,

Registered Office

ASTRA TOWERS, Survey No: 12 (Part),
Opp. CII Green Building, Hitech City,
Kondapur, Hyderabad, Telangana - 500038,
Phone: 040-46618000 / 8001
Website: www.astramwp.com
CIN: L29309TG1991PLC013203

Factories**Unit I**

Plot No.12, ANRICH Industrial Estate,
Miyapur, IDA Bollarum, Medak (District)
Telangana– 502 325.

Unit II

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

Unit III

Survey No.1/1, Imarat Kancha,
Raviryala Village, Maheswaram Mandal,
Rangareddy (District), Telangana-500 005.

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.
Telangana-500 005.

Unit – V (R & D Centre)

Plot No. 51-P, Bengaluru Aerospace Park,
Survey Nos. Parts of 36 to 40, Dummanahalli Village,
Jala Hobli, Yelahanka (Taluk),
Bengaluru North, Karnataka – 562 149.

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: support@purvashare.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Eighth 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 Wednesday, the 14th August, 2019 at 12.30 P.M. for the transaction of the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - a) Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of Board of Directors and Auditors thereon.
 - b) Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint Mr. M.V.Reddy (DIN: 00421401), who retires by rotation as a Director and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Appointment of Mr. Sunil Kumar Sharma (DIN: 03614952) as an Independent Director.

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 and 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act and Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in force or as amended from time to time, the consent of the members of the Company be and is hereby accorded for the appointment of Mr. Sunil Kumar Sharma (DIN: 03614952), who was appointed as an Additional Director of the Company by the Board of Directors, in terms of Section 161 of the Act 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, as an Independent Director of the Company, for a period of 5 years i.e., from March 22, 2019 to March 21, 2024 and he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts and take steps as may be necessary, proper or expedient to give effect to this resolution.”

5. Appointment of Ms. Kiran Dhingra (DIN: 00425602) as an Independent Director.

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 and 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act and Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in force or as amended from time to time, the consent of the members of the Company be and is hereby accorded for the appointment of Ms. Kiran Dhingra (DIN: 00425602), who was appointed as an Additional Director of the Company by the Board of Directors, in terms of Section 161 of the Act in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, as an Independent Director of the Company, for a period of 3 years i.e., from June 24, 2019 to June 23, 2022 and she shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts and take steps as may be necessary, proper or expedient to give effect to this resolution.”

6. Appointment of Mr. Atim Kabra (DIN: 00003366) as a Non-Executive Director.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to Sections 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications(s) or re-enactment(s) thereof for the time being in force), Mr. Atim Kabra (DIN: 00003366) who was appointed as an Additional Director with effect from June 24, 2019 by the Board of Directors of the

company, based on the recommendations of Nomination and Remuneration Committee and who in terms of Section 161 of the Companies Act, 2013 holds office up to the date of this Annual General Meeting, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts and take steps as may be necessary, proper or expedient to give effect to this resolution."

7. Authorisation to the Board of Directors to pay Commission to the Non-Executive Directors of the Company under Section 197 and 198 of the Companies Act, 2013.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013, provisions of Listing Regulations, in addition to the sitting fees being paid/payable for attending the meetings of the Board of Directors of the company and its committees thereof, the company be and is hereby authorized to pay its Directors (other than Managing Director and Whole-time Director of the company) for a period of 5 years with effect from 01.04.2019 to 31.03.2024, such commission as the Board of Directors may from time to time determine (to be divided amongst them in such proportion as may be determined by the Board of Directors from time to time and equally in default of such determination) but so that such commission shall not exceed 1 per cent of the net profits of the company in any financial year (computed in the manner provided in Section 198 of the Companies Act, 2013) plus taxes at an applicable rate.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts and take steps as may be necessary, proper or expedient to give effect to this resolution."

8. Reclassification of Persons/Entities forming part of the Promoter Group from 'Promoter & Promoter Group Category' to 'Public Category':

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

RESOLVED THAT in accordance with Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment thereof, for the time being in force and other applicable provisions, and subject to necessary approvals from the SEBI Board, Stock Exchanges and other appropriate statutory authorities as may be necessary, the consent of the Members of the Company be and is hereby accorded to reclassify the following persons/entities (hereinafter individually and jointly referred to as the 'applicants') forming part of the Promoter Group from 'Promoter & Promoter Group Category' to 'Public Category'.

Name of the Shareholders	No. of shares held	% of the paid up capital
K Murali Mohan	826500	0.95
A S S R Reddy	298727	0.34
Lakshmi Reddy Chittepu	195450	0.23
Padmavathi Chittepu	161780	0.19
Bhumireddy Lakshmi	112500	0.13
Chandrasekara Reddy G	50620	0.06
Subramanyam J	29995	0.03
G Thulasi Devi	200	0.00
Venkatamma Chittepu	1672	0.00
Narapu Reddy C V	50	0.00
T.Sitarama Reddy	870000	1.00
Total	2547494	2.93

RESOLVED FURTHER THAT re-classification of promoter as public shareholders shall be subject to the following conditions:

- Such promoter shall not hold more than ten percent of the total voting rights in the company.
- Such promoter shall not directly or indirectly exercise control over the affairs of the entity.

- c) Such promoter shall not have any special rights with respect to the company through formal or informal arrangements including through any shareholder agreements.
- d) Such promoter shall not have representation on the board of directors (including not having a nominee director) of the company.
- e) Such promoter shall not act as a key managerial person of the company.
- f) Such promoter shall not “willful defaulter(s) as per the Reserve Bank of India guidelines.
- g) Such promoter shall not a fugitive economic offender.
- h) The event of re-classification shall be disclosed to the stock exchange as a material event in accordance with the provisions of these regulations.
- i) Board may relax any condition for re-classification in specific cases, if it is satisfied about non-exercise of control by the outgoing promoter or its person acting in concert.
- j) Increase in the level of public shareholding pursuant to re-classification of promoter shall not be counted towards achieving compliance with minimum public shareholding requirement under rule 19A of the Securities Contracts (Regulation) Rules, 1957, and the provisions of Regulation 38 of SEBI (LODR) Regulations, 2015.

RESOLVED FURTHER THAT after such reclassification following shall be the Promoters of the Company:

Name of the Shareholders	No of Shares held	% of the paid up capital
B. Malla Reddy	Nil	Nil
P. A. Chitrakar	3216970	3.71
Renuka Chitrakar	2944494	3.40
Prameelamma CH	1485237	1.72
Prasanna Lakshmi .B	875622	1.01
Ramakrishna Reddy Putchalapalli	48165	0.06
Total	8570488	9.90

RESOLVED FURTHER THAT on approval of the SEBI Board/ Stock Exchanges upon application for reclassification of the aforementioned applicants, the Company shall effect such reclassification in the Statement of Shareholding Pattern from immediate succeeding quarter under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and compliance to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and other applicable provisions.

RESOLVED FURTHER THAT any of the Directors of the Company or the Company Secretary or such other person as authorized by the Board, be and is hereby authorized to submit application for reclassification to the SEBI Board, Stock Exchanges wherein the securities of the company are listed or any other regulatory body as may be required and to take such steps expedient or desirable to give effect to this resolution.

9. Promotion and re-designation of Mr. S.Gurunatha Reddy, (DIN: 00003828) as the Managing Director of the company.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution**:

“RESOLVED THAT in continuance of earlier resolution(s) passed in this regard and pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) read with Schedule V of the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modifications or enactments thereof, from time to time), the consent of the company be and is hereby accorded for re-designation of Mr. S.Gurunatha Reddy (DIN: 00003828) from “Whole Time Director & Chief Financial Officer”, to “Managing Director” of the Company with effect from 1st April, 2019, for the remaining period of his tenure i.e., upto 29th April, 2023, at a remuneration as detailed below:

- a. Basic salary: Rs.2,70,000/- per month.
- b. Performance bonus: 1% of net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013 payable at Quarterly intervals based on the preceding quarter audited/un-audited results. The total amount of performance bonus for any particular year will be based on final audited result of that year, and excess payment if any to be adjusted in succeeding year.
- c. He will be entitled to house rent allowance, medical reimbursement, leave travel allowance, leave encashment, statutory bonus, company maintained car, telephone, club fees and such other perquisites in accordance with the Company's rules.
- d. The Aggregate of salary, performance bonus, perquisites, allowances, and contribution towards provident fund taken together in respect of payment to Mr. S.Gurunatha Reddy, Managing Director shall always be subject to the overall ceilings fixed under Section I of Part II of the Schedule V to the Companies Act, 2013 in force or as amended from time to time.

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the tenure of Mr.S.Gurunatha Reddy as the Managing Director of the Company, he shall be paid a remuneration as prescribed under Section II of Part II of the Schedule V to the Companies Act, 2013 in force or as amended from time to time.

"RESOLVED FURTHER THAT the Board shall have the discretion and authority to modify the aforesaid terms and remuneration, however, within the limit as approved by the members.

"RESOLVED FURTHER THAT in the event of any statutory amendments, modifications or relaxation by the Central Government to Schedule V to the Companies Act, 2013, the Board of Directors be and are hereby authorized to vary or increase the remuneration (including the minimum remuneration), that is, the salary, perquisites, allowances etc., within such prescribed limit or ceiling and the terms and conditions of the said appointment as agreed to between the Board and Mr. S.Gurunatha Reddy be suitable amended to give effect to such modification, relaxation or variation, subject to such approvals as may be required by law from time to time.

FURTHER RESOLVED THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper and expedient to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

10. Promotion and re-designation of Mr. M.V.Reddy (DIN: 00421401), as the Joint Managing Director of the Company:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution**:

"RESOLVED THAT in continuance of earlier resolution(s) passed in this regard and pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 ('Act') read with Schedule V of the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modifications or enactments thereof, from time to time), the consent of the company be and is hereby accorded for re-designation of Mr. M.V.Reddy (DIN: 00421401) from "Whole Time Director designated as Director (Mktg. & Operations)", to "Joint Managing Director" of the Company with effect from 1st April, 2019, for the remaining period of his tenure i.e., upto 29th April, 2023, at a remuneration as detailed below:

- a. Basic salary: Rs.2,70,000/- per month.
- b. Performance bonus: 1% of net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013 payable at Quarterly intervals based on the preceding quarter audited/un-audited results. The total amount of performance bonus for any particular year will be based on final audited result of that year, and excess payment if any to be adjusted in succeeding year.
- c. He will be entitled to house rent allowance, medical reimbursement, leave travel allowance, leave encashment, statutory bonus, company maintained car, telephone, club fees and such other perquisites in accordance with the Company's rules.
- d. The Aggregate of salary, performance bonus, perquisites, allowances, and contribution towards provident fund taken together in respect of payment to Mr. M.V.Reddy, Joint Managing Director shall always be subject to the overall ceilings fixed under Section I of Part II of the Schedule V to the Companies Act, 2013 in force or as amended from time to time.

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the tenure of Mr. M.V. Reddy as the Joint Managing Director of the Company, he shall be paid a remuneration as prescribed under Section II of Part II of the Schedule V to the Companies Act, 2013 in force or as amended from time to time.

“RESOLVED FURTHER THAT the Board shall have the discretion and authority to modify the aforesaid terms and remuneration, however, within the limit as approved by the members.

“RESOLVED FURTHER THAT in the event of any statutory amendments, modifications or relaxation by the Central Government to Schedule V to the Companies Act, 2013, the Board of Directors be and are hereby authorized to vary or increase the remuneration (including the minimum remuneration), that is, the salary, perquisites, allowances etc., within such prescribed limit or ceiling and the terms and conditions of the said appointment as agreed to between the Board and Mr. M.V. Reddy be suitable amended to give effect to such modification, relaxation or variation, subject to such approvals as may be required by law from time to time.

FURTHER RESOLVED THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper and expedient to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

11. Ratification of fixation of remuneration to the Cost Auditors

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.1,75,000/- (Rupees One Lakh Seventy five thousand only) to M/s. DZR & Co, the Cost Auditors of the Company for the year 2019-20, as recommended by the Audit Committee and approved by the Board of Directors, be and are hereby ratified.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts and take steps as may be necessary, proper or expedient to give effect to this resolution.”

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

S. Gurunatha Reddy
Managing Director
DIN: 00003828

Place: Hyderabad
Date: June 24, 2019

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. 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.
2. A person can act as proxy on behalf of Members not exceeding 50(fifty) and holding in the aggregate not more than 10% (Ten percent) of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% (Ten percent) of the total share capital of the Company carrying voting rights, then such proxy shall not act as proxy for any other person or Member.
3. Members / proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
4. Corporate members intending to send their authorised representatives to attend the Annual General Meeting pursuant to the provisions of Section 113 of the Companies Act, 2013 are requested to send a certified true copy of the relevant Board Resolution to the Company.
5. An Explanatory Statement pursuant to Section 102 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 08.08.2019 to 14.08.2019 (both days inclusive) for the purpose of determining the members eligible for dividend.
7. The dividend of Rs.0.25/- per share has been recommended by the Board of Directors for the year ended March 31, 2019, subject to approval of members. Dividend, if approved at the Annual General Meeting, shall be paid on and from August 21, 2019.