

The Voyage Continues...

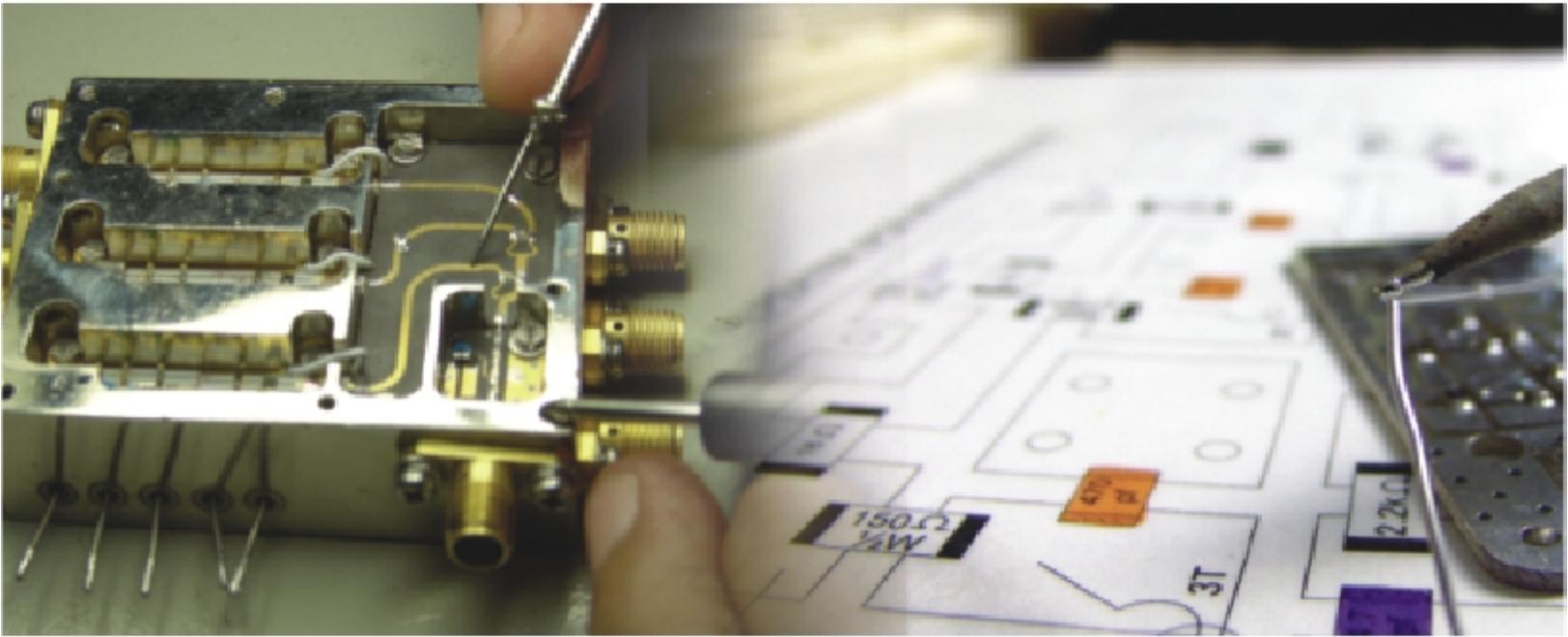
Annual Report 2010 - 11



**ASTRA MICROWAVE PRODUCTS LIMITED**



ASTRA MICROWAVE PRODUCTS LIMITED



## Vision

- 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.



## ASTRA MICROWAVE PRODUCTS LIMITED

### **Green Initiatives in the Corporate Governance – Electronic Mode of Service of Documents:**

Keeping in view the theme underlying the Circular issued by Ministry of Corporate Affairs (Circular No. 17/2011 dated 21.04.2011 read with Circular No. 18/2011 dated 29.04.2011), the company proposes to send communications (including the Notice calling for the Annual General Meeting, Audited Financial Statements, Directors Report, Auditors Report etc., for the year ending 31st March, 2011) to the shareholders in electronic form to email addresses of those members which are available in the records of the Registrar. Members who have not registered their email ids are requested to register the same.

Registration of email id of the members holding shares in electronic form should be done with the concerned Depository Participant (DP) and Registration of email id of the members holding shares in Physical Form should be done with the Registrar.

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**ASTRA MICROWAVE PRODUCTS LIMITED**

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## QUICK INFORMATION

**Board of Directors**

Dr. Shibam K Koul, Chairman  
Mr. B. Malla Reddy, Managing Director  
Mr. P.A. Chitrakar, COO  
Mrs. C. Prameelamma, Director (Technical)  
Mr. Atim Kabra  
Mr. J. Venkatadas

**Sr. 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**

Canara Bank, Prime Corporate Branch, Secunderabad

HDFC Bank Ltd.  
Lakdikapul, Hyderabad.

State Bank of India  
Overseas Branch, Hyderabad.

**Registered Office**

ASTRA Towers, Survey No.12(P),  
Kothaguda Post, Kondapur,  
HITECHCITY, Hyderabad – 500 084.  
Phone: 040-30618000 / 8001  
Website: [www.astramp.com](http://www.astramp.com)

**Factories****Unit I**

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

**Unit II**

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

**Unit III**

Survey No.1/1, Imarat Kancha,  
Raviryala Village,  
Maheswaram Mandal,  
Rangareddy (District)– 500 010 A.P.

**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.

**Registrars**

Purva Sharegistry (India) Pvt. Ltd.,  
Shiv Shakti Industrial Estate,  
Unit No.9, Ground Floor,  
7 B JR Boricha Marg,  
Lower Parel Mumbai - 400 011  
Tele:91-022-23016761  
Email: busicomp@vsnl.com

**Listing**

The Bombay Stock Exchange Ltd.,  
The National Stock Exchange of India Ltd.

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 20th 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 Thursday, the 28th July, 2011 at 3.30 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, 2011, 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.Shiban K Koul, Director who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr.B.Malla Reddy, 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.

### SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956, or any amendment or modification thereof, read with Schedule XIII to the said Act, and as recommended by Remuneration committee and subject to such other consents / approvals as may be required, the reappointment of Mr.B.Malla Reddy, as Managing Director of the Company be and is hereby approved for a further period of five years with effect from 1st April, 2010 at the following remuneration package.

- a. Basic salary: Rs.1,00,000/- per month.
- b. Performance bonus: 2% of profits of the Company calculated as per the provisions of Section 349 of the Companies Act, 1956.
- c. Perquisites and allowances:
  - I. Housing: House rent allowance of 40% of basic salary.
  - II. Medical reimbursement: Reimbursement of actual expenses for self and family and / or allowance subject to a maximum of one basic salary per year.
  - III. Leave Travel allowance of one basic salary per year.
  - IV. Club fees: Fees payable subject to maximum of two clubs.
- d. Earned / privilege leave: As per the rules of the Company.
- e. Company's contribution to provident fund to the extent is not taxable under the Income tax Act.
- f. Gratuity: Payable at a rate of fifteen days salary for each completed year of service.
- g. The Aggregate of salary, performance bonus, perquisites, allowances, and contribution towards provident fund taken together in respect of payment to Mr.B.Malla Reddy, Managing Director shall always be subject to the overall ceilings laid down in Sections 198 and 309 of the Companies Act, 1956.

#### Minimum Remuneration:

In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of salary, commission, perquisites and other allowances shall be governed under Section II, Part II of Schedule XIII to the Companies Act, 1956, including any statutory modifications or re-enactment thereof, as may, for the time being, be in force.

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956, or any amendment or modification thereof, read with Schedule XIII to the said Act, and as recommended by Remuneration committee and subject to such other consents / approvals as may be required, the reappointment of Mr. P.A. Chitrakar, as Chief Operating Officer of the Company be and is hereby approved for a further period of five years with effect from 1st April, 2010 at the following remuneration package.

- a. Basic salary: Rs.1,00,000/- per month.
- b. Performance bonus: 2% of profits of the Company calculated as per the provisions of Section 349 of the Companies Act, 1956.
- c. Perquisites and allowances:
  - I. Housing: House rent allowance of 40% of basic salary.
  - II. Medical reimbursement: Reimbursement of actual expenses for self and family and / or allowance subject to a maximum of one basic salary per year.
  - III. Leave Travel allowance of one basic salary per year.
  - IV. Club fees: Fees payable subject to maximum of two clubs.
- d. Earned / privilege leave: As per the rules of the Company.
- e. Company's contribution to provident fund to the extent is not taxable under the Income tax Act.
- f. Gratuity: Payable at a rate of fifteen days salary for each completed year of service.
- g. The Aggregate of salary, performance bonus, perquisites, allowances, and contribution towards provident fund taken together in respect of payment to Mr. P.A. Chitrakar, Chief Operating Officer shall always be subject to the overall ceilings laid down in Sections 198 and 309 of the Companies Act, 1956.

**Minimum Remuneration:**

In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of salary, commission, perquisites and other allowances shall be governed under Section II, Part II of Schedule XIII to the Companies Act, 1956, including any statutory modifications or re-enactment thereof, as may, for the time being, be in force.

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956, or any amendment or modification thereof, read with Schedule XIII to the said Act, and as recommended by Remuneration committee and subject to such other consents / approvals as may be required, the reappointment of Mrs. C. Prameelamma, as Director (Technical) of the Company be and is hereby approved for a further period of five years with effect from 1st April, 2010 at the following remuneration package.

- a. Basic salary: Rs.1,00,000/- per month.
- b. Performance bonus: 2% of profits of the Company calculated as per the provisions of Section 349 of the Companies Act, 1956.
- c. Perquisites and allowances:
  - I. Housing: House rent allowance of 40% of basic salary.
  - II. Medical reimbursement: Reimbursement of actual expenses for self and family and / or allowance subject to a maximum of one basic salary per year.
  - III. Leave Travel allowance of one basic salary per year.

IV. Club fees: Fees payable subject to maximum of two clubs.

- d. Earned / privilege leave: As per the rules of the Company.
- e. Company's contribution to provident fund to the extent is not taxable under the Income tax Act.
- f. Gratuity: Payable at a rate of fifteen days salary for each completed year of service.
- g. The Aggregate of salary, performance bonus, perquisites, allowances, and contribution towards provident fund taken together in respect of payment to Mrs. C. Prameelamma, Director (Technical) shall always be subject to the overall ceilings laid down in Sections 198 and 309 of the Companies Act, 1956.

Minimum Remuneration:

In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of salary, commission, perquisites and other allowances shall be governed under Section II, Part II of Schedule XIII to the Companies Act, 1956, including any statutory modifications or re-enactment thereof, as may, for the time being, be in force.

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

"RESOLVED that pursuant to Sections 198, 309 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded for the payment of remuneration by way of commission to Non Executive Directors, who are not in the whole time employment of the Company in such amounts or proportion or in such manner as may be decided by the Board of Directors of the company from time to time for a further period of five years with effect from financial year 2009-2010, which shall not exceed 1% of Net Profits of the Company (profits computed as per the provisions of Section 349 of the Companies Act, 1956) in any financial year."

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

**B. Malla Reddy**  
Managing Director

Hyderabad  
27th April, 2011

## 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 21st July, 2011 to 28th July, 2011 (both days inclusive).
3. The dividend of Rs.0.50/- per share for the year ended March 31, 2011 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 28th July, 2011. 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.
4. 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
31-03-2004	29-07-2011
31-03-2005	25-07-2012
31-03-2006	26-07-2013
31-03-2007	03-08-2014
31-03-2008	28-09-2015
31-03-2009	05-08-2016
31-03-2010	05-10-2017

5. 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.
6. 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.
7. 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.
8. 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.

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956:****ITEM NO:06**

Mr. B. Malla Reddy was reappointed as Managing Director of the Company by the Board of Directors for a further period of five years in their meeting held on 29th January, 2010. His terms of remuneration remains unchanged. The resolution is put for members approval as per the provisions of Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956.

Except Mr. B. Malla Reddy, Managing Director, none of the other Directors of the Company is in any way concerned or interested in the resolution.

The Board accordingly, commends the resolution for approval of the Members as a Special resolution.

**ITEM NO:07**

Mr. P.A.Chitrakar was reappointed as Chief Operating Officer of the Company by the Board of Directors for a further period of five years in their meeting held on 29th January, 2010. His terms of remuneration remains unchanged. The resolution is put for members approval as per the provisions of Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956.

Except Mr. P.A. Chitrakar, Chief Operating Officer, none of the other Directors of the Company is in any way concerned or interested in the resolution.

The Board accordingly, commends the resolution for approval of the Members as a Special resolution.

**ITEM NO:08**

Mrs. C. Prameelamma was reappointed as Director (Technical) of the Company by the Board of Directors for a further period of five years in their meeting held on 29th January, 2010. Her terms of remuneration remains unchanged. The resolution is put for members approval as per the provisions of Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956.

Except Mrs. C.Prameelamma, Director (Technical), none of the other Directors of the Company is in any way concerned or interested in the resolution.

The Board accordingly, commends the resolution for approval of the Members as a Special resolution.

**ITEM NO:09**

Non-Executive Directors are putting in significant amount of time and efforts in shaping the future of the Company. Keeping in view their contributions and value additions bought in to the Company, the Board of Directors recommend for payment of commission based on the profits derived by the Company for a further period of five years from financial year 2009-10.

Section 309 of the Companies Act, 1956 provides that a Director who is neither in the whole time employment of the Company nor a Managing Director may be paid remuneration by way of commission if the company by special resolution authorizes such payment. Members are requested to accord their consent for the proposed resolution as set out in item no:9.

All Non-Executive Directors may be deemed to be concerned or interested in passing of the resolution.

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

**B. Malla Reddy**  
Managing Director

Hyderabad  
27th April, 2011

## DIRECTORS' REPORT

To

The members,

We are delighted to present the report on our business and operations for the year ended March 31, 2011.

### FINANCIAL PERFORMANCE

Particulars	(Rs.in lacs)	
	2010-11	2009-10
Sales	16133	10678
Profit before depreciation	3679	2221
Depreciation	1242	1119
Profit before tax	2437	1102
Provision for taxation	578	286
Profit after tax	1859	816
EPS (in Rs.)	2.27	1.32
Paid up Equity Share capital	1636	1083
Reserves	12839	11723
Dividend ( in percentage)	25	25

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.0.50/- per equity share of Rs.2/- for the financial year 2010-11. 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 28th July, 2011.

### TRANSFER TO RESERVES

Your Directors have proposed to transfer Rs.200 lacs to the General Reserve retaining Rs.1185 lacs in the Profit and Loss account.

### 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.Shiban K Koul, and Mr.B.Malla Reddy, 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.

## **PARTICULARS REGARDING SUBSIDIARY COMPANY**

As per Section 212 of the Companies Act, 1956, we are required to attach the Directors' report, Balance sheet and Profit and Loss account of our subsidiary i.e., Komoline Electronics Private Limited. The Ministry of Corporate Affairs, Government of India vide its circular no.2/2011 dated February 8, 2011 has provided an exemption to companies from complying with Section 212, provided such companies publish the audited consolidated financial statements in the Annual Report. Accordingly, the Annual Report 2010-11 does not contain the financial statements of our subsidiary. The audited annual accounts and related information of our subsidiary, where applicable, will be made available upon request. These documents will also be available for inspection during business hours at our registered office in Hyderabad.

The Company is in the process of selling its investments held in the subsidiary company.

## **INCREASE IN SHARE CAPITAL**

The Board of Directors allotted during the year 2,72,75,075 Equity shares of Rs.2/- each as Bonus Shares in the proportion of one bonus share for every two shares held. The allotment of the Bonus shares was done on 31st December, 2010. As a result of this, the outstanding issued, subscribed and paid up equity shares increased from 5,45,50,150 to 8,18,25,225 shares as at March 31, 2011.

## **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.

## **CORPORATE GOVERNANCE**

The Company has complied with the provisions of Clause 49 of the Listing Agreement relating to Corporate Governance. A report on corporate governance along with the statutory auditors' certificate and a management discussion and analysis report forms part of this annual 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 II 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**

**Mr. B. Malla Reddy**  
Managing Director

**Mr. P. A. Chitrakar**  
COO

Hyderabad  
27<sup>th</sup> April, 2011

## 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	Rs.in lacs	
	2010-11	2009-10
a. Capital	Nil	116
b. Recurring	399	455
c. Total	399	571
d. Total R&D expenditure as a percentage of total turnover	2.47%	5.35%

### 3. Technology Absorption, Adoption and Innovation

The company works on in house technology. However for the first time the company has entered into a Technology, Transfer, Absorption and adoption with a foreign company to produce sub-systems for Defence application. The association is in the preliminary stage and hence no quantitative details of the same are not available as of now.

### 4. Particulars of foreign exchange earnings and outgo

The Company did well in exports due to Defence Offset opportunities and has bright prospects for the future also.

#### Foreign Exchange outgo and earnings

Particulars	Rs.in lacs	
	2010-11	2009-10
Foreign Exchange outgo:		
On account of raw materials	5762	3641
On account of capital goods&Tools	500	770
On account of revenue expenses	35	40
On account of equity dividend	1.00	1.00
<b>Total</b>	<b>6298</b>	<b>4452</b>
Foreign Exchange Earnings	3427	580

For and on behalf of the Board of Directors

Mr. B. Malla Reddy  
Managing Director

Mr. P. A. Chitrakar  
COO

Hyderabad  
27<sup>th</sup> April, 2011

## ANNEXURE (II) TO THE DIRECTORS' REPORT

Particulars required under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Name of the Employee	Age	Designation	Gross Remuneration Rs.	Qualification	Experience in years	Date of Commencement in employment	Particulars of last employment
Mr. B. Malla Reddy	64	CEO & M.D	4116500	M.E (Automation)	27	13.09.1991	Head (R&D) OMC Computers Ltd
Mrs. C. Prameelamma	62	Director (Technical)	4356774	M.E (Instrumentation & Control Systems)	21	13.09.1991	Scientist "C" DRDO Labs, Hyderabad
Mr.P.A.Chitrakar	60	Chief Operating Officer	4388177	M.Tec (Advanced Electronics)	25	01.09.1994	Scientist `E' Defense Electronics Research Laboratory, Hyderabad

For and on behalf of the Board of Directors

Hyderabad  
27<sup>th</sup> April, 2011

Mr. B. Malla Reddy  
Managing Director

Mr. P. A. Chitrakar  
COO

## Statement pursuant to Section 212 of the Companies Act, 1956, relating to the Subsidiary company

A. Name of the Subsidiary	<b>KOMOLINE ELECTRONICS PVT.LTD.,</b>
B. Financial year of the subsidiary ended on	<b>March 31, 2011</b>
C. The Company's interest in the subsidiary On the aforesaid date	
a) Number of shares held	1,62,450
b) Face value per share	Rs. 100/-
c) Extent of Holding	86.64%
D. The net aggregate of the Profits / (Losses) Of the subsidiary so far it concerns the Members of the company.	
a) Not dealt with in the accounts of the Company amounted to	
1. For the Subsidiary's financial year ended as in "B" above.	Rs. 20,806/-
2. For the previous financial years of the subsidiary since it became the company's subsidiary.	Rs. 93,80,195/-
b) Dealt with in the accounts of the Company amounted to	
1. For the Subsidiary's financial year ended as in "B" above.	Nil
2. For the previous financial years of the subsidiary since it became the company's subsidiary.	Nil

## Statement pursuant to Section 212 of the Companies Act, 1956, relating to the Subsidiary company

Information pertaining to Subsidiary M/s Komoline Electronics Pvt.ltd., For The Financial Year 2010-11

	<b>2010-11</b>
a) CAPITAL	18,750,000
b) RESERVES	11,162,682
c) TOTAL ASSETS	65,699,281
d) TOTAL LIABILITIES	65,699,281
e) DETAILS OF INVESTMENT (5500 EQ.SHARES OF Rs.25/- EACH IN THE KALUPUR CO-OP BANK LTD.,)	137,500
f) TURNOVER	26,746,381
g) PROFIT BEFORE TAXATION	633,339
h) PROVISION FOR TAXATION	278,360
i) PROFIT AFTER TAXATION	195,736
j) PROPOSED DIVIDEND	-

**For and on behalf of the Board of Directors**

**Mr. B. Malla Reddy**  
Managing Director

**Mr. P. A. Chitrakar**  
COO

Hyderabad  
27<sup>th</sup> April, 2011

## REPORT ON CORPORATE GOVERNANCE

The detailed report on Corporate Governance, for the Financial Year 1st April, 2010 to 31st March, 2011 as per the format prescribed by SEBI and incorporated in clause 49 of the Listing Agreement is set out below:

**Astra Microwave Product Limited (AMPL)** is committed to the highest standards of corporate governance in all its activities.

### Company's Philosophy on code of governance:

Your company believes in providing highest transparency and ethical value in Corporate Governance. Your company also believes in taking into confidence all the stakeholders viz Shareholders, Employees, Creditors, Customers etc. Your company is committed to take the torch of Corporate Governance forward, so that every stakeholder of the company synchronizes and synergies their efforts in their growth along with the growth of their company.

### I. BOARD COMPOSITION AND MEETINGS.

The Board consists of both Promoter Directors and External Directors. External Directors include the nominees of strategic investors and professional Independent Directors. Presently the Board has six Directors with three Promoters Directors.

Table 1 gives the composition of the company's Board, their category, designation, other Directorships and memberships of Committees held by each of them.

**Table 1: Composition of AMPL's Board as on March 31, 2011**

Name of the Director	Category	Designation	Other Director ships	Committee Memberships	Chairmanship in Committees
<b>Dr. Shibani K Koul</b>	Independent Director	Chairman	-	1	1
<b>Mr. B. Malla Reddy</b>	Promoter and Executive Director	Managing Director	-	1	-
<b>Mr. P.A. Chitrakar</b>	Promoter and Executive Director	Chief Operating Officer	-	1	-
<b>Mrs. C. Prameelamma</b>	Promoter and Executive Director	Director (Technical)	-	-	-
<b>Mr. J. Venkatas</b>	Independent Director	Director	1	4	1
<b>Mr. Atim Kabra</b>	Non-Executive Director	Director	5	3	1

### Shareholding in the Company

Table 2 gives details of the shares held by each of the Directors as on March 31, 2011.

**Table 2: The Company has allotted Bonus Shares in the ratio of 1:2 on 31st December, 2010. Post Bonus Allotment, Directors Shareholding stands as follows:**

Name of the Director	No. of shares held
Dr. Shibani K Koul	34,500
Mr. B. Malla Reddy	33,59,902
Mr. P.A. Chitrakar	13,61,404
Mrs. C. Prameelamma	14,51,824
Mr. J. Venkatas	42,600
Mr. Atim Kabra	5,44,500

### Meetings

The Company holds at least four Board meetings in a year, one in each quarter inter-alia to review the financial results of the Company. The gap between the two Board meetings does not exceed four calendar months. Apart from the four scheduled Board meetings, additional Board meetings are also convened to address the specific requirements of the Company. Urgent matters are also approved by the Board by passing resolutions through circulation. Every Director on the Board is free to suggest any item for inclusion in the agenda for the consideration of the Board.

During the year eight Board meetings were held respectively on April 5, 2010, April 30, 2010, July 28, 2010, October 27, 2010, November 10, 2010, December 20, 2010, December 31, 2010 and January 28, 2011.

The attendance of the Directors at the Board Meeting and the Annual General Meeting held during the year 2010 was as follows:

Name of the Director	Meetings held in Director's tenure	Number of Board meetings attended	Attendance in last AGM on September 30, 2010
Dr. Shibani K Koul	8	5	No
Mr. B. Malla Reddy	8	8	Present
Mr. P.A. Chitrakar	8	7	Present
Mrs. C. Prameelamma	8	8	Present
Mr. J. Venkatas	8	5	Present
Mr. Atim Kabra	8	2	No

### Information given to the Board

Necessary information as mentioned in Annexure IA to Clause 49 of the Listing Agreements has been placed before the Board for their consideration.

### Directors Remuneration

The remuneration including performance allowance payable to the Directors during the year under review was in conformity with the applicable provisions of the Companies Act, 1956 and duly approved by the Board and the shareholders.

The remuneration paid to the Directors for the services rendered during 2010-11 is given in Table 3 below:

**Table 3: Remuneration paid to the Directors for the financial year 2010-11**

*Amount in rs*

Name	Sitting Fee (includes for committee meetings)	Salary & Perks	Performance allowance & commission	Total amount paid	Total Eligible amount
Dr. Shiban K Koul	30,000	0	6,00,000	6,30,000	10,46,362
Mr. B. Malla Reddy	0	19,34,000	21,82,500	41,16,500	1,04,63,617
Mr. P.A. Chitrakar	0	22,05,677	21,82,500	43,88,177	1,04,63,617
Mrs. C. Prameelamma	0	21,74,274	21,82,500	43,56,774	1,04,63,616
Mr. J. Venkatadas	30,000	0	6,00,000	6,30,000	10,46,362
Mr. Atim Kabra	10,000	0	5,00,000	5,10,000	10,46,361

### Code of Business Conduct and Ethics

The Company has adopted a Code of Business Conduct and Ethics for the Board members and Senior Management Personnel. The same has also been posted on the website of the company. A declaration by the Managing Director affirming the compliance on the Code of Conduct applicable to the Board members and the Senior Management Personnel for the financial year 2010-11 forms part of this report.

### II. Committees of the Board

The Company has four Committees, namely:

- A) Audit Committee.
- B) Compensation Committee / Remuneration Committee.
- C) Investor Grievance Committee.
- D) Share Transfer Committee.

#### A) Audit Committee:

The Audit Committee consists of three Directors, majority of them are independent Directors. The committee is headed by Mr.J.Venkatadas, non-executive and an independent Director. All the members of the Audit committee are financially literate.

##### a) Audit Committee charter:

The Audit Committee provides the Board with additional Assurance as to the adequacy of the Company's internal control systems and financial disclosures. The Audit Committee acts as a link between the Management, Statutory Auditors, Internal Auditors and the Board of Directors. The composition, powers and functions of the Audit committee meet the requirements of the Listing Agreement and Section 292A of the Companies Act, 1956.

##### b) Meetings:

The Audit Committee met four times during the year under review on April 30, 2010, July 28, 2010, October 27, 2010 and January 28, 2011. Table 4 gives the composition and attendance record of Audit Committee.

**Table 4 Audit Committee attendance during the financial year 2010-11.**

Name of the Director	Position held	No.of Meetings held	No.of Meetings attended
Mr. J .Venkata Das	Chairman	4	4
Dr. Shibhan K Koul	Member	4	4
Mr. Atim Kabra	Member	4	1

**c) Attendees:**

The Audit Committee invites such of the executives, as it considers appropriate to be present at its meetings. The Statutory Auditors and Internal Auditors are also invited to these meetings. The Company Secretary acts as the Secretary of the Committee.

**d) The Terms of Reference of the Audit Committee :**

The terms of reference and the role of the audit committee is to overview the accounting systems, financial reporting and internal controls of the company. The powers and role of audit committee are as set out in the Listing Agreement and Section 292A of the Companies Act, 1956

All the recommendations of the audit committee were accepted by the Board of Directors.

**e) Disclosure requirements:**

The committee shall disclose in the Company's Annual Report whether or not, with respect to the concerned financial year.

1. The management has reviewed the audited financial statements with the committee, including a discussion of the quality of the accounting principles as applied, and significant judgments affecting the Company's financial statements.
2. The committee, in reliance on the review and discussions conducted with the management and the independent auditor pursuant to the requirements above, believes that the company's financial statements are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP) in all material respects, and.
3. The committee has satisfied its responsibilities in compliance with its charter.

**B. Compensation Committee / Remuneration Committee:**

The Compensation Committee / Remuneration Committee consists of three non-executive directors. The Committee is headed by Dr. Shibhan K Koul an Independent Director and Chairman of the Board.

**The committee met one time during the year**

Name of the Director	Position held	No.of Meetings attended
Dr. Shibhan K Koul	Chairman	1
Mr. J. Venkatadas	Member	1
Mr. Atim Kabra	Member	Nil

**C. Investor Grievance Committee:**

The Grievance committee consists of four Directors out of which two are non-executive Directors. The Committee is headed by Mr. Atim Kabra a Non-Executive Director and Chairman of the Board.

The committee met four times during the year. The company is prompt in attending the investor grievances. Other than the legal issues, the routine investor grievances have been fully redressed.

Name of the Director	Position held	No.of Meetings attended
Mr. Atim Kabra	Chairman	1
Mr. J. Venkata Das	Member	4
Mr. B. Malla Reddy	Member	4
Mr. P. A. Chitrakar	Member	3

#### D. Share Transfer Committee:

In order to enable transfer of shares, the Board had formed a Share Transfer Committee with Mr. B. Malla Reddy, M.D as the Chairman of the Committee and Mr.S.Gurunatha Reddy, Sr. G.M (F&A) as the member. The Share Transfer Committee is normally met twice a month on a fortnightly basis and the Committee met 3 times during the financial year 2010-11. The Attendance of the members of the Share Transfer Committee recorded is as under:

Name of the Director	Position held	No.of Meetings attended
Mr. B. Malla Reddy	Chairman	3
Mr. S. Gurunatha Reddy	Member	3

#### III. Disclosures

- (i) Disclosures on materially significant related party transactions.

There were no materially significant related party transactions i.e., transactions material in nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc., having potential conflict with the interests of the Company at large. Related party transactions have been disclosed in the Notes to Accounts in the financial statements as at March 31, 2011.

- (ii) There have not been any Non-Compliance by the Company in general and no penalties or strictures imposed on the Company by Stock Exchanges, SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with all mandatory requirements of Corporate Governance, as required by the Listing Agreement with the Stock Exchanges.

- (iii) Risk management

We have an integrated approach to managing risks inherent in various aspect of our business.

- (iv) Management's discussion and analysis

The Management's discussion and analysis report forms part of this Annual Report and is provided elsewhere in this report.

- (v) Compliance with non-mandatory requirements of Clause 49 of the Listing Agreement

Clause 49 of the Listing Agreement states that the non-mandatory requirements may be implemented as per our discretion. However, the disclosers of compliance with mandatory requirements and adoption (and compliance) / non-adoption of the non-mandatory requirements shall be made in the section on Corporate governance in the Annual Report. We comply with the following non-mandatory requirements:

##### a. The Board

Independent Directors may have a tenure not exceeding, in the aggregate, a period on nine years, on our Board.

None of the independent directors on our Board have served for a tenure exceeding nine years from the date when the new Clause 49 became effective.

#### IV. Shareholders

##### A). Profile of the Director(s) being appointed / re-appointed at the ensuing AGM.

Directors retiring by rotation:

**i. Dr. Shiban K Koul, Chairman**

He is a Professor and Head of the Department of Centre for Applied Research in Electronics at Indian Institute of Technology (IIT), New Delhi.

**ii. Mr.B.Malla Reddy, Managing Director**

Mr. B. Malla Reddy is a Post Graduate in Engineering (Automation) from Indian Institute of Science, Bangalore with over 30 years experience in Defence Research and Development Laboratory as Scientist (grades B, C&D) and in private sector industries.

**B. Communication to shareholders**

**(i) Financial Results**

The audited quarterly and half-yearly financial results and the annual audited financial results are published normally in The Economic Times and The Vaartha (Telugu).

**(ii) Other Information**

The Company has its own website [www.astramp.com](http://www.astramp.com) wherein other related information is available. Information can be communicated through e-mail at [info@astramp.com](mailto:info@astramp.com).

**C. Investor grievances and share transfer**

We have a Board-level investor grievance committee to examine and redress shareholder's and investors' complaints. The details of nature of complaints are provided in the Additional information to shareholders section of the Annual Reports.

Share transfers in physical form are processed and returned to the shareholders within the stipulated time. Half-yearly Transfer Audit and Quarterly Secretarial Audit in terms of the Listing Agreement are regularly carried out by an independent practicing Company Secretary.

**Designated e-mail address for investor services:**

In terms of Clause 47(f) of the Listing Agreement, the designated e-mail address for investor complaints is [secretarial@astramp.com](mailto:secretarial@astramp.com).

**V. CEO/CFO certification**

As required by Clause 49 of the Listing Agreement, the CEO/CFO certification was submitted to the Board.

**VI. Auditors' certification on corporate governance**

As required by Clause 49 of the Listing Agreement, the Auditors' certification is provided elsewhere in the Annual Report.

**Additional Information**

**1. Venue and Time of the Last Three Annual General Meetings (AGMs)**

The Annual General Meetings (AGMs) of the Company have been held at the following places in the last three years.

For the year	Venue	Day & Date	Time
2008	Bhaskara Auditorium BM Birla Museum, Hyderabad – 500 063	Monday, 29th September, 2008	12.30 P.M
2009	Bhaskara Auditorium BM Birla Museum, Hyderabad – 500 063	Friday, 31st July, 2009	3.30 P.M
2010	Bhaskara Auditorium BM Birla Museum, Hyderabad – 500 063	Thursday, 30th September, 2010	12.30 P.M

## Postal Ballot

The approval of the shareholders / members was sought through postal ballot voting vide Notice dated 10th November, 2010 for Capitalisation of Free Reserves For Issue Of Bonus Equity Shares. The company has appointed Mr.L.D.Reddy, Practising Company Secretary, as Scrutinizer for conducting the Postal Ballot Voting in a fair and transparent manner. The Special Resolution as set out in the Notice was approved by the shareholders / members with an overwhelming majority of 99.99%.The result of the postal ballot was declared on 20th December, 2010 and the same was displayed at the Registered Office and website of the Company besides being communicated to the Stock Exchange where the securities of the Company are listed.

## 2. Annual General Meeting.

<b>Day, Date and time</b>	<b>28th July, 2011 at 3.30 P.M.</b>
Venue	Bhaskara Auditorium, BM Birla Museum, Adarsh Nagar, Hyderabad – 500 063

## 3. Financial Calendar

Indicative calendar of events for the year 2011-12 (financial year) excluding Extra Ordinary General Meeting(s), if any, is as under

20th Annual General Meeting	28th July, 2011
First Quarter financial results	28th July, 2011
Second Quarter financial results	31st October, 2011
Third Quarter financial results	31st January, 2012
Fourth Quarter & Annual results of financial year 2011-12	30th April, 2012

## 4. Book Closure

The Company's Register of Members and Share Transfer books will remain closed for the purpose of payment of dividend.	21st July, 2011 to 28th July, 2011 (Both days inclusive)
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## 5. Dividend Payment Date

On or Before 12th August, 2011.

## 6. Listing on Stock Exchanges

The Company's equity shares are listed on the following stock Exchanges	Address of the Stock Exchanges
The National Stock Exchange of India	"Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai-400 051.
The Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.
Listing Fee	The Company has paid till date listing fee of all the above Exchanges.
The Stock Code of the Company	ASTRAMICRO (NSE) 532493 (BSE)
The ISIN for Company's Equity Shares in Demat Form	INE386C01029
Depositories Connectivity	NSDL and CDSL

## 7. Stock Market Data

Monthly high and low quotations and volume of shares traded on The Bombay Stock Exchange Limited.

Month	BSE		
	High(Rs.)	Low(Rs.)	Volume (Nos.)
April'10	72	64	27,45,236
May'10	65	56	15,92,854
June'10	68	55	18,50,824
July'10	76	62	71,35,255
Aug'10	69	61	28,74,994
Sept'10	68	61	24,78,933
Oct'10	69	62	34,70,465
Nov,10	78	52	66,60,736
Dec'10	68*	45	14,25,712
Jan'11	50*	37	19,49,809
Feb'11	51*	39	22,08,820
Mar'11	41*	36	9,42,884

\* Post Bonus stock price.

## 8. Stock performance in comparison to BSE Sensex:

MONTH	ASTRA CLOSING PRICE (Rs.)	BSE Sensex (closing)
April'10	64	17558
May'10	57	16944
June'10	67	17700
July'10	64	17868
Aug'10	62	17971
Sept'10	64	20069
Oct'10	68	20032
Nov,10	60	19521
Dec'10	46*	20509
Jan'11	46*	18327
Feb'11	39*	17823
Mar'11	37*	19445

\* Post Bonus stock price.

9. Registrar and Transfer Agent  
**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  
 Tele:91-022-23016761, 2301 8261 and 2301 0771.  
 Email:busicomp@vsnl.com

## 10. Investor Complaints

During the year the company has attended to most of the investor's grievances/complaints within a reasonable time of receipt of the same and aptly solved them. The delays in few cases were due to compliance of legal requirements.

Status report of for the period 01.04.2010 To 31.03.2011.

Name of the Complaint	Received	Disposed	Pending
Non receipt of dividend warrants	Nil	Nil	Nil
Deletion/inclusion of joint name, transfer and transmission	9	9	Nil
Demat	12	12	Nil
Others	4	4	Nil
Change of Address	1	1	Nil

## 11. Distribution of shareholding and shareholding pattern as on 31.03.2011

### Distribution of shareholding

No. of shares held	No. of shareholders
Upto - 5,000	30327
5,001 - 10,000	892
10,001 - 20,000	363
20,001 - 30,000	139
30,001 - 40,000	42
40,001 - 50,000	39
50,001 - 1,00,000	73
1,00,001 And Above	97
<b>TOTAL</b>	<b>31972</b>

### Shareholding pattern

Category	No. of shares	% shareholding
Promoters	15473941	18.91
Individuals	23910131	29.22
FIIIs/NRIs/OCBs	16370302	20.00
Bodies corporate	20331419	24.85
Trusts	1699900	2.08
Financial Institutions/ Banks/Mutual funds	4039532	4.94
<b>Total</b>	<b>81825225</b>	<b>100</b>

## 12. Dematerialisation of shares and liquidity.

Trading of the Company's shares is compulsorily in dematerialized form for all investors. As of March 31, 2011 equity shares representing 93% have been dematerialized with the following depositories:

Description	ISIN	Depositories
Equity shares	INE386C01029	NSDL & CDSL

## 13. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity.

The Company has not issued any GDRs / ADRs. There were no outstanding convertible warrants as on March 31, 2011.

**14. Plant Locations.****Unit-I**

Plot.no:12,ANRICH Industrial Estate,  
Miyapur,IDA Bollarum,  
Medak(District)-502 325.  
Andhra Pradesh.  
Tele:040-30618100 / 01

**Unit-II**

Plot.no:56A, ANRICH  
Industrial Estate,  
Miyapur,IDA Bollarum,  
Medak(District)-502 325.  
Andhra Pradesh.  
Tele:040-30618200 / 01

**Unit-III**

Survey no:1/1, Imarat Kancha,  
Raviryala Village,  
Maheswaram Mandal,  
Rangareddy (District)-500 010.  
Andhra Pradesh.  
Tele:040-30618300 / 01

**Unit-IV**

Plot no: 18, 19, 20 & 21 (Part)  
Hardware Park, Sy.No: 1/1,  
Imarat Kancha of Ravirayal village,  
Maheswaram Mandal,  
Rangareddy (District)-500 010.  
Andhra Pradesh.  
Tele:040-30618700 / 01

**15. Queries relating to the financial statements of the Company and Investor's correspondence may be addressed to:****Mr.T. Anjaneyulu**

Company Secretary and Compliance Officer  
'ASTRA TOWERS', Survey No:12 (P), Kothaguda Post,  
Kondapur, Hitech City, Hyderabad – 500084.  
Tele:040-30618000/8001, Fax:040-30618048

## AUDITORS' CERTIFICATE (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, 2011 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

Place: Hyderabad.  
Date : 27.04.2011

**P.Venkata Ramana**  
Partner  
Membership No:203346

## Managing Director's Declaration on Code of Business Conduct and Ethics

To

**The Members of ASTRA MICROWAVE PRODUCTS LIMITED,**

This is to certify that all Board Members and Senior Management personnel have affirmed compliance with the Code of Business Conduct and Ethics applicable to them for the financial year 2010-11.

For **Astra Microwave Products Limited**

Place: Hyderabad.  
Date : 27.04.2011

**B. Malla Reddy**  
Managing Director

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

### Overview

Astra is engaged in designing and manufacturing of high value added RF and microwave super components and sub-systems finding applications in Defense, Space and Civil communication systems.

### A. Financial Analysis

The financial statements have been prepared in accordance with the guideline as laid out in the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. The management of Astra accepts responsibility for the integrity and objectivity of these financial statements. The financial statements reflect in a true and fair manner, the form and substance of transactions, and reasonably present the company's state of affairs and profits for the year.

#### a) Operational performance:

The Company did well during the year both in terms of top line and bottom line performance with over 50% and 120% YOY growth respectively. Though the higher % growth is due to low level of performance in the last couple of years nevertheless it is a positive statement for the things to come down the line.

The Company has also done well in order booking and has a healthy outstanding order book of close to Rs.300 cr at the end of the year.

The details of orders on hand and sales are as follows

#### Orders on hand:

*Value in Lacs*

Business Segment	At the beginning of the year i.e. 31.03.2010	Booked during the year i.e. FY 2010-2011	At the end of the year i.e. 31.03.2011
Defence	18970	12869	21922
Space	3333	2621	4336
Metrology	688	808	232
Telecom	19	314	73
Exports	4915	246	1490
<b>Total</b>	<b>27925</b>	<b>16858</b>	<b>28053</b>

#### b) Performance analysis:

Business segment-wise sales(gross) for the last two years is as follows.

Business Segment	FY 10-11		FY 09-10	
	Rs. Lacs	%	Rs. Lacs	%
Defense	9501	59	6851	65
Space	1971	12	621	6
Metrology	1005	6	1753	17
Civil Telecom	268	2	597	6
Exports	3417	21	575	6
<b>Total</b>	<b>16162</b>	<b>100</b>	<b>10397</b>	<b>100</b>

Defence segment is the major contributor with more than half of the total revenues coming in from this market. Since couple of production programs in Missiles and Radars sub-systems are presently going on the trend is likely to continue.

Space segment has improved its contribution as compared with previous year and is likely to continue the same trend for next couple of years.

The Company did well in exports through Defence Offsets program and is expected to do well in the coming year also.

Metrology and Communication sector has done steady business and the same trend is likely to continue.

#### c) Expansion plans

The Company has no major expansion plans during the year except addition of regular testing equipments to facilitate R&D and Production needs.

#### d) Risks & Concerns

The Company's main source of revenues lies in Defence market and more particularly from strategic stream of said market. Most of these projects are initiated, designed and developed by DRDO labs and driven by Govt., policies and priorities. Though technically we can project and complete the product development on the time lines indicated, conversion of that to a recognisable quantum of orders lies mainly on the Government decisions. This results in an uneven and skewed pattern of sales for the Company, which is beyond the control of the Company.

### B. Financial Condition:

#### 1. Share Capital

At present, the company has only one class of shares-equity shares of Rs.2 each, par value. The paid up capital had gone up to Rs.16.36 cr due to issue of Bonus shares in the ratio of 1:2 during the year.

#### 2. Reserves and surplus

The change in reserves and surplus represents the amount used for issue of bonus shares, premium earned on issue of shares under ESOP, transfers from the profits derived during the year after making provisions for taxation and equity dividend,.

#### 3. Loan Funds

The company has taken long terms loans during the year to buy testing and other environment equipments. Following are the details of secured loans maintenance during the year.

Particulars	As of March 31	
	2011	2010
<b>Working capital loans:</b>		
Open cash credit		
Sanctioned amount	50,00,00,000	40,00,00,000
Outstanding amount	44,96,063	29,52,99,047
Short-term loan	20,05,25,205	
<b>Long term loans:</b>		
Outstanding at the beginning of the year	13,62,97,834	21,37,96,715
Additions during year	3,17,96,819	NIL
Repaid during the year	6,16,58,438	7,74,98,881
Amount outstanding at the end of the year	10,64,36,215	13,62,97,834
<b>Hire purchase loans:</b>		
Outstanding at the beginning of the year	25,89,463	13,36,848
Addition during year	19,74,700	19,24,942
Repaid during the year	12,30,516	6,72,327
Amount outstanding at the end of the year	33,33,647	25,89,463

Unsecured loan pertains to the sales tax deferment availed by the company for products manufactured at Unit-II. During the year the Company repaid Rs.3,57,651/- which pertains to the deferment availed in the year 1998. The liability position and repayment schedule for the remaining periods is shown below.

Deferment availed during the year	Amount (Rs.)	Payable during the year
1999	6,55,446	2012
2000	18,36,075	2013
2001	10,12,027	2014
2002	11,34,646	2015
2003	21,53,923	2016
2004	47,39,206	2017
2005	1,04,74,783	2018
<b>Total</b>	<b>2,20,06,106</b>	

#### 4. Deferred tax

The company has accounted for full tax liability.

#### 5. Fixed Assets

Particulars	As of March 31 (Amount. Rs.)	
	2011	2010
<b>Original cost</b>		
Land	8,58,64,397	8,56,74,397
Buildings	47,58,84,349	47,39,46,755
Plant & machinery	77,42,48,963	71,89,37,705
Electrical installation	3,19,16,570	3,17,80,027
Air conditioners	4,89,88,760	4,60,03,031
Office equipment	87,34,094	78,81,984
Furniture and fixtures	4,43,26,237	4,05,52,688
Computers	7,46,24,465	6,82,58,770
Vehicles	1,88,46,318	1,90,12,346
<b>Total</b>	<b>156,34,34,153</b>	<b>149,20,47,703</b>
Less: Accumulated depreciation	66,02,66,514	54,46,59,537
Net block	90,31,67,639	94,73,88,166
Net fixed assets	90,31,67,639	94,73,88,166
Depreciation as % of total revenue	7.71	10.49
Accumulated depreciation as a % of gross block	42.23	36.50

During the year the company added assets (net) worth Rs.7 crores to the gross block. Most of the plant and machinery additions pertain to cost of Test equipments, Environmental chambers for increasing production and R&D capacities.

The company has further capital expenditure commitment of Rs.10 crores during the year which will be met out of the cash accruals and borrowed funds.

#### 6. Investments

Investments represents amount invested in equity share capital of its wholly owned subsidiary.

## 7. Sundry Debtors.

Sundry debtors amounts to Rs. 82cr at the end of the year as compared to Rs. 83cr for the previous year. They are at 49% of revenue for the year as compared to 72% for the previous year representing an outstanding of 182 days and 273 days of revenues for the respective years.

The company has the policy of writing off debts as bad after the review and recommendation by the management review committee. The committee before recommending considers various factors including the collect ability of specific dues, risk perception of the industry and the customer's ability to settle.

## 8. Cash and cash equivalents

The company is operating with multiple banks and the surplus funds if any are parked with them or with their associates. For meeting certain statutory requirements the company is maintaining current accounts with couple of other nationalized banks. The company's cash and cash equivalents is as follows.

Particulars	2011	2010
Cash and cash equivalents as a % of total assets	3.39	1.55
Cash and cash equivalents as a % of revenues	3.77	2.54

## 9. Loans and Advances

The advances paid for supplies, services and expenses represent the amount paid to both domestic and foreign vendors for supply of materials and services. The advances also include unavailed modvat credit both on capital goods and raw materials.

The amount of income-tax paid represents the advance tax, self assessment tax paid and TDS deducted.

## 10. Current liabilities

Sundry creditors for capital works, supplies represents the amount due at the end of the year for the capital goods and raw material supplied. Sundry creditors for services and expenses represent the amount due and payable for various expenses including the accrued salaries and other benefits of the employees.

Advances from customers represent the amount received as per the terms of purchase orders from the Defence and Space establishments for the development orders.

## 11. Provisions

Provisions represents provisions made for taxation, dividend, gratuity, leave encashment etc., Taxation provisions are shown net of advance tax for the years for which the assessments are pending.

The provision for dividend is provided @ Rs.0.50 per share. The provision for gratuity and leave encashment is provided on the basis of actuarial valuation at the end of the financial year.

## C. Others

### Human Resources

We at Astra believe that our human resource is crucial for success of the company, especially in today's knowledge driven & competitive business environment, and treat it as our most valuable asset. We commit to improve the quality of work life and employee satisfaction, while aligning the individual aspirations with the company objectives. Towards creating a vibrant and performance-oriented culture in the organization, several interventions are initiated. Overall employee relations are cordial and productive.

### **Internal Control Systems & Adequacy**

The Company is committed to maintaining an effective system of internal control. The Company is conducting all its operations on ERP-SAP system. Successful usage of ERP-SAP system has facilitated management's objective of establishment of the accurate, reliable and speedy compilation of financial information, safeguarding the assets and interest of the Company and ensuring compliance with laws and regulations.

The Company functions with well defined budgets and has an effective management information system to enable the management to regularly review actual performance. The Company has also put in place a well defined organization structure, clear authority levels and internal guidelines for conduction of business transactions.

M/s Price Water House Coopers conducts company's Internal audit program which supplements the Company's internal control systems. The Audit committee of the Board of Directors reviews the Internal Audit Reports at regular intervals and suggests implementation of best practices based on observations therein.

## SELECT FINANCIAL DATA

Amount in Rs

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Gross sales	1,104,541,939	1,290,541,841	1,206,696,963	1,102,966,171	1,649,001,769
Net Sales	1,035,562,928	1,238,905,103	1,168,168,971	1,067,754,147	1,611,350,715
Other income including accretion to stock	55,333,210	92,274,809	-34,955,401	66,281,740	50,504,545
Expenditure	601,401,874	903,939,363	822,731,374	875,417,621	1,224,750,184
Operating Profit (EBDIT)	489,494,264	427,240,549	310,482,196	258,618,266	437,105,076
Interest	22,059,360	42,446,084	30,585,109	36,434,580	69,227,176
Profit before depreciation and tax(PBDT)	467,434,904	384,794,465	279,897,087	222,183,686	367,877,900
Depreciation	60,106,859	73,850,001	84,698,013	111,952,319	124,169,542
Profit before tax(PBT)	407,328,045	310,944,464	195,199,074	110,231,367	243,708,358
Tax	122,311,131	102,019,538	49,961,902	28,627,820	57,761,694
Net Profit	285,016,914	208,924,926	145,237,172	81,603,547	185,946,664
Equity	106,893,500	107,511,700	108,091,900	108,286,700	1,636,550,450
No.of shares	53,446,750	53,755,850	54,045,950	54,143,350	81,825,225
Gross Fixed Assets	690,397,915	949,211,525	1,249,224,060	1,492,047,703	1,563,434,153
Net Fixed Assets	428,040,516	614,544,751	814,216,079	947,388,166	903,167,639
Raw material consumed	331,803,275	553,626,386	483,574,567	523,858,026	780,695,636
Man power cost	147,133,147	194,051,120	181,973,094	180,556,475	242,353,514
Sundry debtors	629,966,475	761,150,298	615,052,338	825,860,230	814,910,814
Networth	933,675,951	1,147,647,257	1,237,843,534	1,291,218,988	1,447,609,339
Capital Employed	1,061,287,885	1,536,651,472	1,561,141,819	1,781,661,622	1,809,646,480
EBDIT to Sales(%)	47.27	34.49	26.58	24.22	27.13
EBDT to Sales(%)	45.14	31.06	23.96	20.81	22.83
PBT to Sales(%)	39.33	25.10	16.71	10.32	15.12
PAT to Sales(%)	27.52	16.86	12.43	7.64	11.54
Tax to Profits(%)	30.03	32.81	25.60	25.97	23.70
Sales to Net fixed Assets	2.42	2.02	1.43	1.13	1.78
Raw materials to Sales(%)	32.04	44.69	41.40	49.06	48.45
Man power cost to Sales(%)	14.21	15.66	15.58	16.91	15.04
Sundry debtors to Sales(%)	57.03	58.98	50.97	74.88	49.42
Return on Networth(%)	30.53	18.20	11.73	6.32	12.85
Return on Capital Employed(%)	26.86	13.60	9.30	4.58	10.28
Cash Earnings per share(CEPS)(Rs.)	8.75	7.16	5.18	4.10	4.50
Earnings per share(EPS)(Rs.)	5.33	3.89	2.69	1.51	2.27
Book value of the share(Rs.)	17.47	21.35	22.90	23.85	17.69

## AUDITOR'S REPORT

### To the Members of M/s. Astra Microwave Products Limited.

We have audited the attached Balance Sheet of **M/s. ASTRA MICROWAVE PRODUCTS LIMITED**, as at 31st March, 2011 and also the Profit and Loss Account for the year ended on that date annexed thereto and the cash flow statement for the period ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- I. As required by the Companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we report that:
- i.
    - a. The Company has maintained proper records, showing full particulars, including quantitative details and situation of fixed assets.
    - b. The management has conducted the physical verification of fixed assets during the year under audit, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
    - c. The company has not disposed substantial part of the fixed assets during the year under audit.
  - ii.
    - a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
    - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
    - c. The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
  - iii. The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained U/Sec.301 of the Act. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained U/Sec.301 of the Act. Hence the provisions of clause (b), (c), (d), (f) and (g) of paragraph 4(iii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  - iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
  - v. In respect of transactions covered under section 301 of the Companies Act, 1956: In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements that needed to be entered into in the register maintained under section 301 of the Companies Act, 1956.
  - vi. The company has not accepted any deposits from the public.
  - vii. In our opinion the company has an internal audit system commensurate with the size and nature of its business.
  - viii. According to the information and explanations given to us, maintenance of cost records U/Sec. 209(1) (d) the Companies Act, 1956 has not been prescribed by the Central Government for the company.

- ix. a. The company is regular in depositing with appropriate authorities undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales tax, Wealth Tax, Customs Duty, Excise Duty, Service Tax, Cess and other statutory dues applicable to it.
- b. According to the information and explanations given to us no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, Service Tax and Cess were in arrears, as at 31st March 2011 for a period of more than six months from the date they became payable.
- c. According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess, which have not been deposited on account of any dispute.
- x. The provisions of clause 4(x) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company, since the company has no accumulated losses at the end of the financial year.
- xi. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institutions and banks.
- xii. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/ Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xv. In our opinion, the terms and conditions on which the company has given guarantee for loans taken by subsidiary company from banks are not prejudicial to the interest of the company.
- xvi. In our opinion, the term loans have been applied for the purpose for which they were raised.
- Xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that funds raised on short-term basis have not been used for long-term investment.
- xviii. According to the information and explanations given to us, the company has not made any preferential allotment of shares to the parties and companies covered in the register maintained U/Sec.301 of the Companies Act, 1956.
- xix. The company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xx. The company has not raised any money by way of public issue during the year under audit. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 regarding disclosure of the end use of money raised by public issue are not applicable to the company.
- xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

II. Subject to above comments and notes forming part of accounts we further state that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii. In our opinion, proper books of account as required by Law have been kept by the Company, so far as appears from our examination of such books.
- iii. The Balance Sheet and the Profit & Loss Account referred to in this report are in agreement with the books of account.
- iv. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- v. On the basis of written representations received from the Directors, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as Director in terms of clause (g) of sub-section (1) Section 274 of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said Accounts give the information required by the Companies Act, 1956 in the manner so required, give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and
  - b. In the case of the Profit & Loss Account, of the Profit for the year ended on that date and
  - c. In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **AMAR & RAJU**  
Chartered Accountants  
Firm Registration No: 0000925

**P. VENKATA RAMANA**  
Partner  
Membership No: 203346

Place : Hyderabad  
Date : 27-04-2011

## BALANCE SHEET AS AT 31st MARCH, 2011

Particulars	SCH	As at 31-03-2011 Rs		As at 31-03-2010 Rs	
<b>SOURCES OF FUNDS</b>					
<b>Shareholder's Funds</b>					
Share Capital	A	163,650,450		108,286,700	
Reserves & Surplus	B	1,283,958,889		1,172,344,158	
ESOP Share Application Money		-		10,588,130	
Employee Stock Option Outstanding		-		21,716,340	
Less: Deferred Employee Compensation Expense		-		(21,716,340)	
			<b>1,447,609,339</b>		1,291,218,988
<b>Loan Funds</b>					
Secured Loans	C	314,791,130		434,186,344	
Unsecured Loans	D	25,290,319		22,363,757	
			<b>340,081,449</b>		456,550,101
<b>Other Liabilities:</b>					
Deferred Tax Liability			43,713,191		55,650,033
<b>TOTAL</b>			<b>1,831,403,979</b>		<b>1,803,419,122</b>
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>					
Gross Block	E	1,563,434,153		1,492,047,703	
Less: Depreciation		660,266,514		544,659,537	
Net Block			<b>903,167,639</b>		947,388,166
<b>Investments</b>					
	F		<b>21,757,500</b>		21,757,500
<b>Current Assets Loans and Advances:</b>					
a. Inventories	G	530,382,616		460,326,856	
b. Sundry Debtors		814,910,814		825,860,230	
c. Cash and Bank Balances		192,603,649		215,542,650	
d. Other Current Assets		-		-	
e. Loans and Advances		187,561,820		125,488,177	
		<b>1,725,458,899</b>		<b>1,627,217,913</b>	
<b>Less: Current Liabilities and Provisions:</b>					
a. Current Liabilities	H	740,535,333		738,264,177	
b. Provisions		78,444,725		54,680,280	
		<b>818,980,058</b>		<b>792,944,457</b>	
<b>Net Current Assets</b>			<b>906,478,841</b>		834,273,456
<b>TOTAL</b>			<b>1,831,403,979</b>		<b>1,803,419,122</b>

### NOTES TO ACCOUNTS

As per our report of even date  
For **AMAR & RAJU**, Chartered Accountants  
Firm Registration No: 0000925

**P. VENKATA RAMANA**  
Partner  
Membership No: 203346

Place : Hyderabad  
Date : 27-04-2011

P

**SHIBAN K. KOUL**  
Chairman

**P.A. CHITRAKAR**  
Chief Operating Officer

**J. VENKATADAS**  
Director

**S. GURUNATHA REDDY**  
Sr. General Manager ( F & A)

for and on behalf of the Board

**B. MALLA REDDY**  
Managing Director

**C. PRAMEELAMMA**  
Director (Tech.)

**ATIM KABRA**  
Director

**T. ANJANEYULU**  
Company Secretary

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

Particulars	SCH	Year Ended 31-03-2011		Year Ended 31-03-2010	
		Rs		Rs	
<b>INCOME</b>					
Sales less Returns		1,616,235,911		1,036,991,033	
Less: Excise Duty		37,651,054	1,578,584,857	35,212,024	1,001,779,009
Service Charges			32,765,858		65,975,138
Other Income	I		19,385,113		16,676,676
Accretion to Stock	J		31,119,432		49,605,064
<b>TOTAL</b>			1,661,855,260		1,134,035,887
<b>EXPENDITURE</b>					
Raw Material Consumed	K		780,695,636		523,858,026
Expenditure on Personnel	L		242,353,514		180,556,475
Manufacturing, Administrative and Selling Expenditure	M		201,128,887		166,548,004
Financial Charges	N		69,227,176		36,434,580
Depreciation	E		124,169,542		111,952,319
Loss on disposal of Fixed Assets			572,147		-
Bad Debts Written Off			-		4,455,116
<b>TOTAL</b>			1,418,146,902		1,023,804,520
Profit before Tax			243,708,358		110,231,367
Provision for Taxation		(69,698,535)		(31,058,334)	
Deferred Tax		11,936,841		2,430,514	
			(57,761,694)		(28,627,820)
Profit after Tax			185,946,664		81,603,547
Prior Period Tax Adjustments			105,479		(10,207,609)
Profit Available for Appropriation			186,052,143		71,395,938
<b>APPROPRIATIONS</b>					
Transferred to General Reserve			20,000,000		7,500,000
Proposed Dividend			40,912,613		27,275,075
Corporate Dividend Tax			6,637,049		4,635,399
Surplus carried to Balance Sheet			118,502,481		31,985,464
<b>TOTAL</b>			186,052,143		71,395,938
Earnings per Share (Basic & Diluted) (Face Value Rs.2/-)			2.27		0.88

### NOTES TO ACCOUNTS

P

As per our report of even date  
For **AMAR & RAJU**, Chartered Accountants  
Firm Registration No: 0000925

**P. VENKATA RAMANA**  
Partner  
Membership No: 203346

Place : Hyderabad  
Date : 27-04-2011

**SHIBAN K. KOUL**  
Chairman

**P.A. CHITRAKAR**  
Chief Operating Officer

**J. VENKATADAS**  
Director

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Sr. General Manager ( F & A)

for and on behalf of the Board

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Managing Director

**C. PRAMEELAMMA**  
Director (Tech.)

**ATIM KABRA**  
Director

**T. ANJANEYULU**  
Company Secretary

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2011

Particulars	As at 31-03-2011 Rs		As at 31-03-2010 Rs	
<b>SCHEDULE: A</b>				
<b>Share Capital</b>				
<b>Authorised Capital:</b>				
10,00,00,000 Equity Shares of Rs.2/- each		<b>200,000,000</b>		200,000,000
<b>Issued, Subscribed and Paidup Capital:</b>				
8,18,25,225 (5,41,43,350) Equity Shares of Rs.2/- each fully paid up		<b>163,650,450</b>		108,286,700
<b>TOTAL</b>		<b>163,650,450</b>		108,286,700
<b>SCHEDULE: B</b>				
<b>Reserves &amp; Surplus</b>				
1. General Reserve				
Opening Balance	<b>237,279,695</b>		229,779,695	
Add: Transferred from Profit and Loss Account	<b>20,000,000</b>		7,500,000	
		<b>257,279,695</b>		237,279,695
2. Profit & Loss Account				
Opening balance	<b>857,726,571</b>		825,741,107	
Add: Transferred from Profit and Loss Account	<b>118,502,481</b>		31,985,464	
		<b>976,229,052</b>		857,726,571
3. Share Premium				
Opening Balance	<b>77,337,892</b>		70,714,692	
Less: Capitalised during the year (includes 4,06,800 (97,400) Bonus shares allotted under ESOP)	<b>(54,956,950)</b>		(97,400)	
Add: Additions during the year	<b>28,069,200</b>		6,720,600	
		<b>50,450,142</b>		77,337,892
<b>TOTAL</b>		<b>1,283,958,889</b>		1,172,344,158
<b>SCHEDULE: C</b>				
<b>Secured Loans</b>				
<b>A. Working Capital Loans:</b>				
1. Working Capital Finance from Canara bank		-		46,560,646
2. Working Capital Finance from HDFC Bank Limited		4,496,063		47,378,896
3. Short Term Working Capital Loan from State Bank of india (Repayable with in one year Rs. 20,00,00,000/-(Rs.20,00,00,000/-))	<b>200,000,000</b>		<b>200,000,000</b>	
Add: Interest accrued and due	<b>525,205</b>		1,359,505	
		<b>200,525,205</b>		201,359,505
<b>Total Working Capital Loans (A)</b>		<b>205,021,268</b>		295,299,047

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2011

Particulars	As at 31-03-2011		As at 31-03-2010	
	Rs		Rs	
<b>B. Term Loans:</b>				
1. Term Loan from SBI (Repayable with in one year Rs. 4,77,42,612/- (Rs.4,78,12,500/-)) Add: Interest accrued and due	47,742,612 496,784	48,239,396	95,625,000 1,072,834	96,697,834
2. Term Loan from Canara Bank (Repayable with in one year - Nil) Add: Interest accrued and due	31,533,393 263,426		31,796,819	
3. Term Loan from ICICI Bank (Repayable with in one year Rs.1,32,00,000/- (Rs.1,32,00,000/-))		26,400,000		39,600,000
4. Hire Purchase Finance (Repayable with in one year Rs.17,93,755/- (Rs.12,30,516/-))		3,333,647		2,589,463
<b>Total Term Loans (B)</b>		<b>109,769,862</b>		<b>138,887,297</b>
<b>Total Secured Loans (A + B)</b>		<b>314,791,130</b>		<b>434,186,344</b>
<b>SCHEDULE : D</b>				
<b>Unsecured Loans</b>				
<b>A. Long Term Loans:</b>				
Interest free Sales Tax loan from Government of Andhra Pradesh (Repayable with in one year Rs.10,13,097/- (Rs.3,57,651))		22,006,106		22,363,757
<b>B. Short Term Loans:</b>				
Bills Discounting facility with SIDBI		3,284,213		-
<b>TOTAL</b>		<b>25,290,319</b>		<b>22,363,757</b>

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2011

### SCHEDULE: E FIXED ASSETS

Description	Rate of Dep.,	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS ON 31/3/2010 Rs.	ADDITIONS Rs.	DELETIONS Rs.	AS ON 31/3/2011 RS.	UP TO 31/3/2010 Rs.	FOR THE PERIOD Rs.	DELETIONS Rs.	UP TO 31/3/2011 Rs.	AS ON 31/3/2011 RS.	UP TO 31/3/2010 Rs.
LAND	0%	85,674,397	190,000	-	85,864,397	-	-	-	-	85,864,397	85,674,397
BUILDINGS	10%	473,946,755	1,937,594	-	475,884,349	73,631,658	40,107,108	-	113,738,766	362,145,584	400,315,097
PLANT & MACHINERY	15%	718,937,705	62,580,855	7,269,597	774,248,963	362,992,710	55,150,766	6,495,932	411,647,544	362,601,419	355,944,995
ELECTRICAL INSTALLATIONS	15%	31,780,027	136,543	-	31,916,570	10,173,874	3,312,867	-	13,486,741	18,429,829	21,606,153
AIR CONDITIONERS	15%	46,003,031	2,985,729	-	48,988,760	11,648,910	5,525,851	-	17,174,761	31,813,999	34,354,121
OFFICE EQUIPMENT	15%	7,881,984	1,114,610	262,500	8,734,094	2,930,105	850,566	153,238	3,627,433	5,106,661	4,951,879
FURNITURE & FIXTURES	18.10%	40,552,688	3,773,549	-	44,326,237	19,610,849	5,169,273	-	24,780,122	19,546,115	20,941,839
COMPUTERS	60%	68,258,770	6,365,695	-	74,624,465	51,393,768	12,282,282	-	63,676,050	10,948,415	16,865,002
VEHICLES	25.89%	19,012,346	2,107,182	2,273,210	18,846,318	12,277,663	1,770,829	1,913,395	12,135,097	6,711,221	6,734,683
<b>TOTAL</b>		<b>1,492,047,703</b>	<b>81,191,757</b>	<b>9,805,307</b>	<b>1,563,434,153</b>	<b>544,659,537</b>	<b>124,169,542</b>	<b>8,562,565</b>	<b>660,266,514</b>	<b>903,167,639</b>	<b>947,388,166</b>
<b>PRE., YEAR TOTAL</b>		<b>1,249,224,060</b>	<b>245,498,691</b>	<b>2,675,048</b>	<b>1,492,047,703</b>	<b>435,007,982</b>	<b>111,952,319</b>	<b>2,300,764</b>	<b>544,659,537</b>	<b>947,388,166</b>	<b>814,216,078</b>

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2011

Particulars	As at 31-03-2011 Rs		As at 31-03-2010 Rs	
<b>SCHEDULE: F</b>				
<b>Investments</b>				
<b>A. Long-Term - At Cost - Un Quoted - In Subsidiary Company:</b>				
1,62,450 Equity Shares of Rs.100/- each fully paid up in M/s. Komoline Electronics Private Limited		21,757,500		21,757,500
<b>TOTAL</b>		<b>21,757,500</b>		<b>21,757,500</b>
Aggregate amount of Unquoted Investments		<b>21,757,500</b>		<b>21,757,500</b>
<b>SCHEDULE: G</b>				
<b>Current Assets Loans &amp; Advances</b>				
<b>Current Assets:</b>				
<b>A. Stock -In-Trade:</b>				
a. Raw Materials	309,927,449		271,267,996	
b. Packing Materials	556,344		279,469	
c. Finished Goods	1,641,924		2,060,735	
d. Semi-Finished Goods	218,256,899		186,718,656	
		<b>530,382,616</b>		<b>460,326,856</b>
<b>B. Sundry Debtors:</b> (Unsecured Considered Good)				
a. Outstanding for more than six months	330,165,639		342,748,375	
b. Others (includes Rs.26,55,142/- (Nil) due from Subsidiary Co.,)	484,745,175		483,111,855	
		<b>814,910,814</b>		<b>825,860,230</b>
<b>C. Cash and Bank Balances:</b>				
a. Cash on Hand	60,863		79,307	
b. Balance with Scheduled Banks:				
1. In Current Account	60,830,323		14,663,280	
2. In EEFC Account	1,256,312		13,274,002	
3. In Dividend Warrant Account	3,393,013		2,887,751	
4. As Margin Money	124,709,127		181,033,323	
5. Interest Receivable	2,354,011		3,604,987	
		<b>192,603,649</b>		<b>215,542,650</b>
		<b>1,537,897,079</b>		<b>1,501,729,736</b>
<b>Loans &amp; Advances:</b> (Unsecured considered good recoverable in cash or in kind for the value to be received)				
a. Advance for Supplies	73,181,763		23,267,335	
b. Advance for Services & Expenses	8,459,885		8,287,973	
c. Balance with Excise Authorities (Cenvat Credit)	38,720,915		46,426,077	
d. Prepaid Expenses	39,339,734		20,528,490	
e. Income Tax Refund Due	13,709,309		20,726,220	
f. Deposits	4,090,358		3,919,891	
g. Advance for Capital Works	7,151,089		1,999,564	
h. Advance to Subsidiary Co., for Supply of Goods and Services	2,525,138		-	
i. Unmatured Finance Charges	383,629		332,627	
		<b>187,561,820</b>		<b>125,488,177</b>
<b>TOTAL</b>		<b>1,725,458,899</b>		<b>1,627,217,913</b>

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2011

Particulars	As at 31-03-2011		As at 31-03-2010	
	Rs		Rs	
<b>SCHEDULE: H</b>				
<b>Current Liabilities &amp; Provisions</b>				
<b>A. Current Liabilities:</b>				
a. Creditors for Capital Goods	<b>36,107,040</b>		17,531,269	
b. Creditors for Supplies	<b>88,031,546</b>		84,708,875	
c. Creditors for Services & Expenses	<b>64,390,189</b>		35,274,563	
d. Amounts due to Subsidiary Company for Supply of Goods and Services	-		3,707,917	
e. Unclaimed Dividend (There is no amount due & outstanding to be credited to Investor Education and Protection Fund)	<b>3,392,513</b>		2,886,751	
f. Creditors for Others			5,998,015	
g. Advances from Customers	<b>548,418,757</b>		587,863,855	
h. Interest Accrued but not due on ICICI Bank Term Loan	<b>195,288</b>		292,932	
		<b>740,535,333</b>		738,264,177
<b>B. Provisions:</b>				
a. Provision for Taxation	-		7,160	
b. Provision for Proposed Dividend	<b>40,912,613</b>		27,275,075	
c. Provision for Corporate Dividend Tax	<b>6,637,049</b>		4,635,399	
d. Provision for Gratuity & Leave Encashment	<b>30,895,063</b>		22,762,646	
		<b>78,444,725</b>		54,680,280
<b>TOTAL</b>		<b>818,980,058</b>		792,944,457

## SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT AS AT 31st MARCH, 2011

Particulars	As at 31-03-2011 Rs	As at 31-03-2010 Rs
<b>SCHEDULE: I</b>		
<b>Other Income</b>		
a. Interest Received (Gross) (TDS Rs.9,23,112 /- (Rs.13,40,981/- ))	10,650,949	9,850,617
b. Miscellaneous Receipts	2,116,542	566,046
c. Insurance Claims Received	60,961	212,376
d. Customs Duty Refund	6,556,661	3,690,920
e. Profit on Disposal of Fixed Assets	-	41,717
f. Profit on sale of Trad/Current Investments	-	140,000
g. Provision on Trade / Current Investments Reversed	-	2,175,000
<b>TOTAL</b>	<b>19,385,113</b>	<b>16,676,676</b>
<b>SCHEDULE: J</b>		
<b>Accretion To Stock:</b>		
Semi-Finished & Fishished Goods at the end of the period	219,898,823	188,779,391
Less: Semi-Finished & Finished Goods at the beginning of the year	188,779,391	139,174,327
Increase / (Decrease) in Stock-In-Trade	31,119,432	49,605,064
<b>SCHEDULE: K</b>		
<b>Raw Material Consumed:</b>		
<b>A. Indigenous Raw Material:</b>		
Opening Stock of Raw Material	42,380,495	40,585,457
Add: Purchases during the year	208,987,759	194,209,205
	251,368,254	234,794,662
Less: Closing Stock of Raw Material	38,724,836	42,380,495
Raw Material Consumed	212,643,418	192,414,167
<b>B. Imported Raw Material:</b>		
Opening Stock of Raw Material	228,887,501	158,070,202
Add: Purchases during the year	610,367,330	402,261,157
	839,254,831	560,331,359
Less: Closing Stock of Raw Material	271,202,613	228,887,501
Raw Material Consumed	568,052,218	331,443,859
<b>Total Raw Material Consumed</b>	<b>780,695,636</b>	<b>523,858,026</b>
<b>SCHEDULE: L</b>		
<b>Expenditure on Personnel:</b>		
Salaries, Wages & Other Benefits	178,179,781	140,420,539
PF & ESI Company Contribution	9,486,393	7,573,228
Directors Remuneration	14,231,451	13,627,154
Staff Welfare Expenditure	10,080,974	9,072,677
Security Charges	2,174,389	1,685,173
Gratuity & Leave Encashment	13,842,833	3,961,308
Staff Recruitment & Training	567,173	914,536
Employee Compensation Expenses Written Off (Under ESOP Scheme)	13,790,520	3,301,860
<b>TOTAL</b>	<b>242,353,514</b>	<b>180,556,475</b>

## SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT AS AT 31st MARCH, 2011

Particulars	As at 31-03-2011 Rs		As at 31-03-2010 Rs	
<b>SCHEDULE: M</b>				
<b>Manufacturing Administrative and Selling Expenditure:</b>				
<b>a. Manufacturing Expenditure:</b>				
Machinery Maintenance	23,467,878		18,544,285	
Power and Fuel	12,113,095		9,789,171	
Excise Duty (Includes Difference between excise duty on opening & closing stock of FG )	255,898		2,422,231	
Testing Charges	6,500,622		2,375,610	
Carriage Inwards	837,317		838,327	
Installation & Commissioning of AWS	4,860,106		9,206,501	
		<b>48,034,916</b>		<b>43,176,125</b>
<b>b. Administrative Expenditure:</b>				
Travelling and Conveyance	14,278,438		11,908,016	
Printing and Stationery	5,447,195		3,939,240	
Communication Costs	3,013,873		3,290,533	
Rent	241,000		20,000	
Insurance	2,919,097		3,389,830	
Rates, Taxes and Fees	4,866,176		4,777,302	
Auditors Remuneration	617,680		551,500	
Legal & Professional Charges	8,761,947		7,144,691	
Building Repairs & Maintenance	1,409,379		2,421,394	
Computer & Software Maintenance	4,139,412		5,170,610	
Vehicle Maintenance	1,490,389		1,107,667	
Factory & Garden Maintenance	4,595,101		4,783,976	
Office Maintenance & Electricity Charges	1,417,159		1,068,361	
Repairs & Mmaintenance of Other Assets	2,816,080		2,422,547	
Vehicle Hire Charges	7,487,093		5,571,482	
General Expenses	2,241,253		1,330,555	
Donations	30,501		1,130,000	
Sitting Fee & Meeting Expenses	121,235		61,037	
Books, Periodicals & Subscriptions	132,893		217,625	
Conference & Seminar Expenses	349,372		70,332	
Advertisement	3,080,774		2,703,445	
Sponsorship Expenses	75,000		635,483	
Entertainment & Business Promotion	2,800,602		2,504,495	
		<b>72,331,649</b>		<b>66,220,121</b>
<b>c. Selling Expenditure:</b>				
Carriage Outwards	2,006,612		3,726,053	
Packing Material	1,605,168		2,081,426	
Sales Tax	46,494,626		32,271,039	
Service Tax	4,178,279		6,176,452	
Late Delivery Charges	23,304,196		7,386,057	
Order Booking Commission	-		2,025,540	
Foreign Travel and Exhibition Expenses	3,173,441		3,485,191	
		<b>80,762,322</b>		<b>57,151,758</b>
<b>TOTAL</b>		<b>201,128,887</b>		<b>166,548,004</b>

## SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT AS AT 31st MARCH, 2011

Particulars	As at 31-03-2011		As at 31-03-2010	
	Rs		Rs	
<b>SCHEDULE: N</b>				
<b>Financial Charges</b>				
Interest on Term Loans		10,965,531		8,309,194
Interest on Borrowings from Banks		31,546,726		17,960,526
Hire Purchase Finance Charges		244,117		268,372
Bank Charges and Commission		23,169,302		9,896,488
Discount allowed on borrowings through issuance of Commercial Paper		3,301,500		-
<b>TOTAL</b>		<b>69,227,176</b>		<b>36,434,580</b>
<b>SCHEDULE: O</b>				
<b>Research &amp; Development Expenditure:</b> (Schedule not forming part of the Balance Sheet & Profit and Loss Account)				
Raw Material Consumed		29,461,695		32,243,182
Personnel Cost		9,479,554		12,490,106
Other Overheads		959,991		768,406
Capital expenditure		-		11,633,501
<b>Total R &amp; D Expenditure</b>		<b>39,901,240</b>		<b>57,135,195</b>

## SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS AT 31-03-2011

Particulars	As at 31-03-2011 Rs		As at 31-03-2010 Rs	
<b>SCHEDULE: P</b>				
<b>NOTES TO ACCOUNTS</b>				
<b>1. Licensed and installed capacities</b>	N. A.		N. A.	
<b>2. Actual production:</b>	Qty in Nos.		Qty in Nos.	
Microwave Components and Sub-systems	20,510		27,784	
<b>3. Percentage of Raw materials consumed:</b>	%	Value in Rs.	%	Value in Rs.
a. Indigenous	27.24%	21,26,43,418	36.73%	19,24,14,167
b. Imported	72.76%	56,80,52,218	63.27%	33,14,43,859
<b>TOTAL</b>	<u>100.00%</u>	<u>78,06,95,636</u>	<u>100.00%</u>	<u>52,38,58,026</u>
<b>4. Raw Material Consumed:</b>	Qty. in Nos.	Value in Rs.	Qty in Nos.	Value in Rs.
a. Semi Conductor devices	57,76,714	57,55,23,834	42,30,707	35,73,69,673
b. Other materials	-----	20,51,71,802	-----	16,64,88,353
<b>TOTAL</b>	<u>57,76,714</u>	<u>78,06,95,636</u>	<u>42,30,707</u>	<u>52,38,58,026</u>
<b>5. Turnover:</b>	Qty. in Nos.	Value in Rs.	Qty in Nos.	Value in Rs.
Microwave Components and Sub-Systems	20,835	161,62,35,911	27,783	103,69,91,033
<b>TOTAL</b>	<u>20,835</u>	<u>161,62,35,911</u>	<u>27,783</u>	<u>103,69,91,033</u>
<b>6. Opening Stock-in-Trade:</b>	Qty. in Nos.	Value in Rs.	Qty in Nos.	Value in Rs.
a. Finished Goods Microwave Components and Sub-Systems	971	20,60,735	970	87,60,534
b. Semi-finished	--	18,67,18,656	--	13,04,13,793
<b>TOTAL</b>	<u>971</u>	<u>18,87,79,391</u>	<u>970</u>	<u>13,91,74,327</u>
<b>Closing Stock-in-Trade:</b>	Qty. in Nos.	Value in Rs.	Qty in Nos.	Value in Rs.
a. Finished Goods Microwave Components and Sub-Systems	646	16,41,924	971	20,60,735
b. Semi-finished	--	21,82,56,899	--	18,67,18,656
<b>TOTAL</b>	<u>646</u>	<u>21,98,98,823</u>	<u>971</u>	<u>18,87,79,391</u>

### 7. Significant Accounting Policies:

#### a. Basis of preparation of Financial Statements:

- i) The Financial Statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India and comply in all material aspects with the applicable Accounting Standards notified under section 211 (3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956 as adopted consistently by the Company.
- ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles followed by the Company.

- b. Fixed Assets : Fixed Assets are valued at historical cost less depreciation. Attributable costs (excluding CENVAT & VAT) and expenses including borrowing costs for bringing the respective assets to working condition for their intended use are capitalized.
- c. Depreciation : Depreciation is provided on written down value method as per the rates prescribed under Schedule XIV of the Companies Act, 1956. However, where rates prescribed under Income Tax Act 1961, are higher than the rates prescribed by the Companies Act, then depreciation has been provided as per Income Tax rates. However 100% depreciation has been provided in respect of assets costing Rs.5,000/-and below.
- d. Valuation of Inventories : Closing stock of raw materials, finished and semi-finished goods are valued at lower of cost and net realisable value. Cost has been ascertained on Weighted Average basis.
- e. Revenue Recognition
- Sale is recognized on dispatch of products and is inclusive of Excise Duty, Sales Tax and Packing & forwarding charges
  - Service Charges are recognized as income as and when the services are performed and inclusive of service tax.
  - Interest income is recognized on accrual basis.
  - Dividend income is recognized as and when the right to receive the amount is established.
  - Insurance claims are accounted on receipt basis.
- f. Foreign Exchange transactions
- All foreign currency transactions were initially recognized at the rate on the date of transaction.
  - Exchange differences arising on the settlement of monetary items were recognized as income/expense.
  - Monetary items and contingent liabilities as on the date of Balance Sheet are stated at the closing rate/realistic rate.
- g. Retirement Benefits
- Contributions to Government Provident / Pension funds are accounted on actual liability basis.
  - Liability in respect of Gratuity and Leave Encashment is provided based on actuarial valuation.
- h. Investments : Un-quoted long term Investments are valued at cost.
- i. R & D Expenditure
- Capital expenditure is included in the fixed assets and depreciated as per Company's policy.
  - Revenue expenditure is charged to profit & loss account of the year in which they are incurred and is included in the respective heads of expenditure.
- j. Borrowing Costs : Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalized as part of cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.
- k. Cash Flow Statement : The Cash Flow Statement has been compiled from and is based on the Balance Sheet as at 31st March, 2011 and the related Profit and Loss Account for the year ended on that date. The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow Statement issued by ICAI

- l. Accounting for Taxes on Income
- i) Current Tax: Provision for Current Income Tax is made on the basis of the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961.
  - ii) Deferred Tax: Deferred income tax is recognized, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The tax effect is calculated on the accumulated timing differences at the year end based on tax rates and laws, enacted or substantially enacted as of the Balance Sheet date.
- m. Employee Stock Option Scheme: The company has granted 16,71,500 (after restructuring the Stock Options due to split in share and bonus issue) Stock Options to the employees of the company. In respect of the stock options granted pursuant to the company's Stock Option Scheme, the intrinsic value of the Options (excess of market price of the share over the exercise price of the Option) is treated as discount and accounted as Employee Compensation Cost. The Employee compensation cost amounted to Rs. 5,66,63,850/- will be amortised over the vesting period of 5 years i.e. from the financial year 2006-2007 as per SEBI Guidelines.
- n. Impairment of Assets: The Management assesses using external and internal sources whether there is any indication that an asset may be impaired. Impairment of an asset occurs where the carrying value exceeds the present value of cash flow expected to arise from the continuing use of the asset and its eventual disposal. The provision for impairment loss is made when recoverable amount of the asset is lower than the carrying amount.
- o. Provisions and Contingent Liabilities and Contingent Assets: Provisions in respect of present obligations arising out of past events are made in the accounts when reliable estimate can be made of the amount of obligations and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but if material, are disclosed in the notes to accounts. Contingent assets are not recognized or disclosed in the financial statements.
- p. Operating Lease: Operating Lease payments are recognized as an expense in the Profit and Loss Account of the year to which they relate.

## 8 Secured Loans:

- a. Working Capital Finance from Canara Bank is secured by Pari passu first charge on Stocks and book debts (book debts not older than 120 days) and other chargeable current assets and Pari-passu second charge on Fixed Assets of the Company and Personal Guarantee of Promoter Directors.
- b. Working capital finance from HDFC Bank Limited is secured by Pari passu first charge on stocks and book debts (book debts not older than 180 days) and other chargeable current assets and Pari-passu second charge on Fixed Assets of the Company and personal guarantee of promoter Directors.
- c. Working Capital finance from State Bank of India is secured by Pari passu first charge on stocks and book debts (not older than 120 days) and other chargeable current assets and: Pari-passu second charge on Fixed Assets of the Company and Personal Guarantee of Promoter Directors.
- d. Rupee Term Loan from State Bank of India is secured by first charge on Fixed Assets of the Company and Pari-passu second charge on all chargeable current assets and Personal Guarantee of Promoter Directors.
- e. Rupee Term Loan from Canara Bank is secured by exclusive charge on the Machinery / equipments to be purchased out of the Term loan and Pari-passu second charge on the remaining Fixed Assets of the company present and future excluding vehicles and including capital work in progress along with SBI and Personal Guarantee of Promoter Directors.

- f. Term loan from ICICI Bank under TDC Programme of USAID Reflows is secured by an exclusive hypothecation of assets bought under this programme
- g. Hire purchase finance is secured by hypothecation of specified assets acquired under Hire Purchase Agreement.

#### 9. Research & Development Expenses:

During the year the company has incurred revenue expenditure pertaining to Research and Development of Rs.3,99,01,240/- (Rs.4,55,01,694/-). Revenue expenditure is shown under respective heads of expenditure. The Company has also incurred capital expenditure on Research and Development of Rs. Nil (Rs.1,16,33,501/-). Capital expenditure is shown in respective fixed assets.

#### 10. Employee Stock Option Scheme:

During the year 2,03,400 (48,700) shares of Rs.2/- each for cash and 2,03,400 (48,700) shares of Rs.2/- each by way of bonus shares by capitalizing share premium were allotted as fully paid up shares to employees under ESOP Scheme. As per the above stated accounting policy during the year the company has charged Rs.1,37,90,520/- (Rs.33,01,860/-) as employee compensation cost to the Profit and Loss Account.

#### 11. Prior Period Adjustments:

Prior period tax adjustments credited Rs.1,05,479/- (previous year debited Rs.1,02,07,609/-) to profit and loss account represents income tax adjustments relating to earlier years.

#### 12. Share capital:

Paid up share capital includes:

- 17,600 shares of Rs.10/- each were allotted as fully paid up for consideration other than cash.
- 150 shares of Rs.10/- each were allotted as fully paid up pursuant to scheme of amalgamation without payment being received in cash.
- 3,03,325 shares of Rs.10/- each were allotted as fully paid up by way of bonus shares by capitalizing reserves and surplus.
- 18,00,000 shares of Rs.10/- each were allotted as fully paid up by way of bonus shares by capitalizing share premium.
- 5,45,50,150 shares of Rs.2/- each were allotted as fully paid up by way of bonus shares by capitalizing share premium.

13. Foreign Exchange Transactions:	31-3-2011	31-3-2010
	Rs.	Rs.
a) Value of imported raw-materials on CIF basis	57,62,22,681	36,41,41,500
b) Value of imported capital goods on CIF basis	4,99,93,209	7,69,93,577
c) CIF value of other imports	23,24,748	26,62,398
d) Expenditure in foreign currency on account of:		
Travel	11,57,145	13,55,437
Technology Transfer Charges	86,07,000	-
Exhibitions & Conferences	23,972	1,26,972
Order booking commission	0	9,25,784
e) Earnings in foreign currency:		
FOB value of exports	34,27,49,213	5,79,58,420
f) Remittances in foreign currency:		
On account of Dividend:		
Amount remitted Rs.	1,00,000	1,00,000
No. of Non-Resident Share Holders	1	1
No. of Shares held by them	2,00,000	2,00,000
Year of Dividend	2009-2010	2008-2009
14. Managerial Remuneration:	31-03-2011	31-03-2010
	Rs.	Rs.
a) Mr. B. MALLA REDDY, Managing Director		
Salary	12,00,000	12,00,000
Perquisites and other benefits	7,34,000	6,87,764
Performance allowance	21,82,500	21,82,500
Total:	<u>41,16,500</u>	<u>40,70,264</u>

b) <b>Mrs. C. PRAMEELAMMA,</b> Director (Technical)		
Salary	<b>12,00,000</b>	12,00,000
Perquisites and other benefits	<b>9,74,274</b>	6,24,000
Performance allowance	<b>21,82,500</b>	21,82,500
<b>Total:</b>	<b><u>43,56,774</u></b>	<b><u>40,06,500</u></b>
c) <b>Mr. P.A. CHITRAKAR,</b> Chief Operating Officer		
Salary	<b>12,00,000</b>	12,00,000
Perquisites and other benefits	<b>10,05,677</b>	7,27,890
Performance allowance	<b>21,82,500</b>	21,82,500
<b>Total:</b>	<b><u>43,88,177</u></b>	<b><u>41,10,390</u></b>
d) <b>Mr. J. VENKATADAS,</b> Director		
Commission	<b><u>6,00,000</u></b>	<u>5,00,000</u>
e) <b>Dr. Shiban K. Koul,</b> Director		
Commission	<b><u>6,00,000</u></b>	<u>5,00,000</u>
f) <b>Mr. Atim Kabra,</b> Director		
Commission	<b><u>5,00,000</u></b>	<u>5,00,000</u>

The above figures do not include Sitting fee paid and provision for gratuity and leave encashment.

**15. Computation of Net Profit in accordance with Section 198(1) of the Companies Act, 1956 for the calculation of the Commission and overall remuneration payable to the Directors.**

	<b>31-03-2011</b>	<b>31-03-2010</b>
	<b>Rs</b>	<b>Rs</b>
Profit before taxation	<b>24,37,08,358</b>	11,02,31,367
Add: 1) Managerial Remuneration ( including commission) paid/provided	<b>1,45,61,451</b>	1,36,87,154
2) Directors sitting fee	<b>70,000</b>	40,000
3) Depreciation provided	<b>12,41,69,542</b>	11,19,52,319
4) Loss on disposal of assets	<b>5,72,147</b>	----
<b>Total</b>	<b><u>38,30,81,498</u></b>	<u>12,56,79,473</u>
Less: Depreciation as per Schedule XIV	<b>6,91,72,985</b>	5,96,94,917
Provision on investments	----	21,75,000
Profit on disposal of assets	----	41,717
Profit on disposal of investments	----	1,45,000
Net Profit as per Sec.198(1)/349 of the Act	<b><u>31,39,08,513</u></b>	<u>17,38,59,206</u>
Eligible Performance Allowance to three Executive Directors @ 1.5% per Director	<b>1,41,25,883</b>	78,23,664
Actual Performance Allowance paid / provided	<b>65,47,500</b>	65,47,500
Eligible Commission to Non-Executive Directors @ 1%	<b>31,39,085</b>	17,38,592
Actual Commission paid / provided	<b>17,00,000</b>	15,00,000
Over all eligible remuneration to Directors @ 11%	<b>3,45,29,936</b>	1,91,24,513
Actual Remuneration paid / provided	<b>1,45,61,451</b>	1,36,87,154

16. Remuneration to Auditors:	31-03-2011	31-03-2010
	Rs.	Rs.
Audit Fee	3,60,000	3,00,000
Tax Audit Fee	50,000	50,000
For certification, taxation and other matters	1,50,000	1,50,000
Service Tax	57,680	51,500
<b>TOTAL</b>	<b>6,17,680</b>	<b>5,51,500</b>

17. Contingent Liabilities:	31-03-2011	31-03-2010
a) Letter of Credit inland	NIL	NIL
b) Foreign letter of credit	91,88,800	12,71,585
c) Bank Guarantees		
1) Performance Guarantees	16,92,00,645	15,39,21,583
2) Advance payment Guarantees	84,89,46,488	93,46,47,783
3) Guarantee in lieu of EMD / Security Deposit	4,61,41,112	1,72,95,394
4) Guarantee for materials	2,00,000	4,86,500
5) Corporate Guarantee on behalf of Subsidiary Company for loans taken from banks	4,72,00,000	4,72,00,000

#### 18. Deferred Tax:

In Conformity with the Accounting Standard 22 on Accounting for Taxes on income issued by Institute of Chartered Accountants of India, during the year the Company has provided for the Net Deferred Tax Liability / Asset in the books of account.

	31-03-2011	31-03-2010
Deferred Tax Liability	5,39,75,759	6,33,87,057
Deferred Tax Asset	1,02,62,567	77,37,024
Net Deferred Tax Liability	4,37,13,192	5,56,50,033
Net Deferred Tax Liability as on 31-03-2011	4,37,13,192	5,56,50,033
Less: Deferred Tax Liability as on 31-03-2010	5,56,50,033	5,80,80,547
Effect on Profit and Loss Account	1,19,36,841	(24,30,514)

Deferred Tax Assets represents Provision for Gratuity and Leave Encashment, which are allowed on payment basis as per the provisions of the Income Tax Act. Deferred tax liability represents timing differences in depreciation on fixed assets.

#### 19. Earnings per Share:

I) BASIC EARNINGS PER SHARE :	31-03-2011	31-03-2010
a) No. of equity shares outstanding at the beginning of the year	5,41,43,350	5,40,45,950
b) No. of equity shares issued during the year under ESOP	4,06,800	97,400
c) Number of Bonus shares issued	2,72,75,075	--
d) Total number of shares outstanding at the end of the year (used for denominator for calculating EPS)	8,18,25,225	5,41,43,350
e) Profit available to share holders	18,60,52,143	7,13,95,938
f) Basic earnings per share (Face Value Rs.2/-)	Rs.2.27	@ Rs.0.88

@ The EPS for the previous year was restated (7,13,95,938 / 8,14,18,425). The number of equity shares outstanding before the bonus issue is adjusted for the proportionate change in the number of equity shares outstanding as if the bonus issue had occurred at the beginning of the previous year.

## II) DILUTED EARNINGS PER SHARE:

a) Number of shares outstanding as per Point No. (d) above	<b>8,18,25,225</b>	5,41,43,350
b) Weighted average Number of Potential Equity Shares on account of Employee Stock Option Share Application Money received under the ESOP Scheme.	---	24,442
c) Weighted Average Number of Shares Outstanding (used for denominator for calculating EPS)	<b>8,18,25,225</b>	5,41,67,792
d) Profit available to share holders	<b>18,60,52,143</b>	7,13,95,938
e) Diluted Earnings per Share (Face Value Rs.2/-) @ The EPS for the previous year was restated (7,13,95,938 / 8,14,42,867)	<b>Rs.2.27</b>	@ Rs.0.88

<b>20. Related Party Transactions:</b>	<b>31-03-2011</b>	<b>31-03-2010</b>
1) Subsidiary Company: Komoline Electronics Private Limited		
Services received from Subsidiary	<b>15,52,120</b>	32,78,700
Purchase of materials from Subsidiary	<b>1,28,62,182</b>	3,81,04,537
Services rendered to subsidiary	--	27,00,000
Sale of materials to Subsidiary	<b>24,12,062</b>	--
Balance payable to Subsidiary	--	37,07,917
Balance receivable from Subsidiary	<b>51,80,282</b>	--
2) The remuneration paid to key managerial personnel is disclosed under Note No.14 above.		

## 21. Segment Reporting:

As the company's business activities falls within single segment viz., Microwave products the disclosure requirement of Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.

## 22. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:

There are no Micro, Small and Medium Enterprise, to whom the company owes dues, which are outstanding for more than 45 days as at 31st march, 2011. This information as required to be disclosed under the Micro, Small Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

## 23. Disclosure under Borrowing Costs:

Borrowing cost capitalized during the period was Rs. Nil (Rs.99,29,081/-)

## 24. Retirement benefit plans:

### a) Defined Contribution Plan:

The Company makes contributions towards Provident Fund to a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is operated by the Regional Provident fund Commissioner. Under the scheme the company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

The company recognized Rs.85,14,184/- (previous year Rs.68,50,426/-) for provident fund contributions in the profit and loss account. The contributions payable to this plan by the company are at rates specified in the rules of the scheme.

### b) Defined benefit plan:

As per the Payment of Gratuity Act lump sum payment has to be made to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part there of in excess of six months. Vesting occurs upon completion of five years of service. Leave encashment is payable as per the Rules of the Company.

The present value of the defined benefit obligation and the related current service cost were measured using Projected Unit Credit Method with actuarial valuations being carried out at each Balance Sheet date.

The following table sets out the status of the defined benefit obligation and the amounts recognized in the Company's financial statements as at 31st March, 2011.

	31-03-2011	31-03-2010
a) Change in benefit obligations:		
Present value of the obligation as at the beginning of the year	2,27,62,645	2,01,66,052
Interest cost	18,21,012	16,13,284
Current Service Cost	50,70,440	25,96,593
Benefits Paid	(57,10,416)	(13,64,715)
Actuarial (gain) / loss on obligations	69,51,381	(2,48,569)
Present value of obligation as at the end of the year	<u>3,08,95,062</u>	<u>2,27,62,645</u>
b) Change in plan assets:		
The company has not invested in / contributed to any Fund, Plan and Scheme in respect of the amount payable. Hence the information could not be provided.		
c) Expenses recognized during the year:		
Current Service cost	50,70,440	25,96,593
Interest cost	18,21,012	16,13,284
Net actuarial (gain) / loss recognized in the year	69,51,381	(2,48,569)
Net cost	<u>1,38,42,833</u>	<u>39,61,308</u>
Assumptions used in accounting:		
Discount rate	8%	8%
Salary escalation rate	5%	4%
<b>25. Disclosure under Clause 32 of the Listing Agreement:</b>		
a) Loans and advances in the nature of loans to Subsidiary Company:	NIL	
b) Loans and advances in the nature of loans to Associate Company:	NIL	
c) Loans and advances in the nature of loans where there is:		
I) No repayment schedule or repayment beyond seven years:	NIL	
II) No Interest or interest below Sec. 372A of Companies Act:	NIL	
d) Loans and advances in the nature of loans to firms/companies in Which Directors are interested:	NIL	
e) Investments by the loanee in the shares of the parent company And subsidiary company, when the company has made a loan or Advance in the nature of loan:	NIL	
<b>26. Foreign Exchange Fluctuations:</b>		
As per the above stated accounting policy, the amount of exchange differences debited to Profit and Loss Account during the period was amounted to Rs. 35,25,368/- (Previous year credited Rs. 92,42,381/-)		
27. Balances under sundry debtors, sundry creditors, deposits, loans and advances payable / receivable are subject to confirmation and reconciliation.		
28. Certain items in the comparative figures have been reclassified to conform to the current year's classification.		
29. The figures have been rounded off to the nearest rupee.		
30. In the opinion of the board, except as other wise stated, the Current Assets and Loans and Advances have a value on realization at least equal to amounts at which they are stated in the Balance Sheet.		
<b>31. Balance sheet abstract and Company's general business profile:</b>		
<b>i) Registration Details:</b>		
Registration No.	:	L29309AP1991PLC013203
State Code	:	01
Balance Sheet date	:	31-03-2011
<b>ii) Capital raised during the year: (Amount in Rupees)</b>		
Public Issue	:	NIL
Rights Issue	:	NIL
Bonus Issue	:	5,45,50,150
Private Placement under ESOP	:	8,13,600

**iii) Position of mobilization and deployment of funds: (Amount in Rupees)**

Total Liabilities	:	265,03,84,038
Total Assets	:	265,03,84,038

**Sources of Funds: (Amount in Rupees)**

Paid up Capital	:	16,36,50,450
Share application money	:	--
Reserves & Surplus	:	128,39,58,889
Secured Loans	:	31,47,91,130
Unsecured Loans	:	2,52,90,319
Deferred Tax Liability	:	4,37,13,192

**Application of Funds: (Amount in Rupees)**

Net fixed assets	:	90,31,67,639
Investments	:	2,17,57,500
Net current assets	:	90,64,78,841
Miscellaneous Expenditure	:	--
Accumulated Losses	:	--

**iv) Performance of the Company: (Amount in Rupees)**

Turnover	:	164,90,01,769
Total Income	:	166,18,55,260
Total Expenditure	:	141,81,46,902
Profit before Tax	:	24,37,08,358
Profit after Tax	:	18,59,46,664
Earning per share	:	Rs.2.27
Dividend Rate (per share)	:	Rs.0.50

**v) Generic names of three principal products/services of the Company  
(as per monetary terms)**

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**Signatures to Schedules 'A' to 'P'**
**for and on behalf of the Board**

As per our report of even date  
For **AMAR & RAJU**, Chartered Accountants  
Firm Registration No: **0000925**

**SHIBAN K. KOUL**  
Chairman

**B. MALLA REDDY**  
Managing Director

**P. VENKATA RAMANA**  
Partner  
Membership No: 203346

**P.A. CHITRAKAR**  
Chief Operating Officer

**C. PRAMEELAMMA**  
Director (Tech.)

**J. VENKATADAS**  
Director

**ATIM KABRA**  
Director

**Place** : Hyderabad  
**Date** : 27-04-2011

**S. GURUNATHA REDDY**  
Sr. General Manager ( F & A)

**T. ANJANEYULU**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

Particulars	31-3-2011		31-3-2010	
<b>A) Cash flow from Operating Activities:</b>				
Net Profit before tax & extra-ordinary items		243,708,358		110,231,367
Adjustments for:				
Depreciation	124,169,542		111,952,319	
Interest paid	46,057,873		26,538,092	
Provision on investments in MF units	-		(2,175,000)	
Bad debts written off	-		4,455,116	
interest received on deposits	(10,650,949)		(9,850,617)	
Profit / Loss on disposal of assets	572,147		(41,717)	
Miscellaneous Income	(1,900,665)		-	
Profit on disposal of MF Units	-		(140,000)	
Employee compensation expenses written off	13,790,520		3,301,860	
Income tax paid	(62,688,654)		(49,592,505)	
		<b>109,349,814</b>		<b>84,447,548</b>
Operating profit before working capital changes		<b>353,058,172</b>		<b>194,678,915</b>
Adjustments for:				
Trade & other receivables	3,385,584		(328,017,149)	
Trade payable	(2,939,948)		290,315,592	
Inventories	(70,055,761)		(122,273,272)	
		<b>(69,610,125)</b>		<b>(159,974,829)</b>
Net cash from operating activities		<b>283,448,047</b>		<b>34,704,086</b>
<b>B) Cash flow from investing activities:</b>				
Purchase of Fixed assets (Includes movements of Capital work in progress)	(67,767,511)		(136,727,136)	
Proceeds from disposal of SBI Mutual Fund Units	-		5,140,000	
Interest received on deposits	11,901,925		7,248,155	
Proceeds from disposal of assets	670,595		416,000	
Net cash used in investing activities		<b>(55,194,991)</b>		<b>(123,922,981)</b>
<b>C) Cash flow from financing activities:</b>				
Working capital borrowings from banks	(86,159,266)		148,311,490	
Term Loans taken from Bank	31,533,393		-	
Hire purchase finance taken	1,736,000		2,124,000	
Term Loans repaid to Banks	(61,082,388)		(76,950,000)	
Hire purchase finance repaid	(1,286,936)		(1,271,453)	
ESOP Share Application money received	-		10,588,130	
Interest paid	(47,058,325)		(25,556,739)	
Dividend paid	(27,274,575)		(27,070,837)	
Dividend tax paid	(4,530,050)		(4,600,831)	
Net cash used in financing activities		<b>(194,122,147)</b>		<b>25,573,760</b>
Net increase in cash & cash equivalents (A-B-C)		<b>34,130,909</b>		<b>(63,645,135)</b>
Cash & cash equivalents at the beginning				
Cash on hand	79,307		116,828	
Balance with Sch., Banks in CA / EEFC Accounts	27,937,282	<b>28,016,589</b>	91,544,897	91,661,725
Cash & cash equivalents at the end				
Cash on hand	60,863		79,307	
Balance with Sch., Banks in CA / EEFC Accounts	62,086,635	<b>62,147,498</b>	27,937,282	28,016,589

for and on behalf of the Board

As per our report of even date  
For **AMAR & RAJU**, Chartered Accountants  
Firm Registration No: 0000925

**SHIBAN K. KOUL**  
Chairman

**B. MALLA REDDY**  
Managing Director

**P. VENKATA RAMANA**  
Partner  
Membership No: 203346

**P.A. CHITRAKAR**  
Chief Operating Officer

**C. PRAMEELAMMA**  
Director (Tech.)

**J. VENKATADAS**  
Director

**ATIM KABRA**  
Director

Place : Hyderabad  
Date : 27-04-2011

**S. GURUNATHA REDDY**  
Sr. General Manager ( F & A)

**T. ANJANEYULU**  
Company Secretary



# CONSOLIDATED FINANCIALS



**ASTRA MICROWAVE PRODUCTS LIMITED**

To

The Board of Directors  
**Astra Microwave Products Limited**

We have audited the attached Consolidated Balance Sheet of **Astra Microwave Products Limited (Parent Company)** and its Subsidiary company, as at 31st March, 2011, and also the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed there to. These financial statements are the responsibility of the **Astra Microwave Products Limited** management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that the Consolidated Financial Statements have been prepared by the **Astra Microwave Products limited** in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of **Astra Microwave Products Limited** and its subsidiary company included in the Consolidated Financial Statements.

On the basis of the information given to us and on the consideration of the separate audit reports on individual Audited Financial Statements of **Astra Microwave Products Limited** and its subsidiary company, in our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Consolidated Balance Sheet, of the state of affairs of the **Astra Microwave Products Limited** and its subsidiary company as at 31st March, 2011
- b. in the case of the Consolidated Profit & Loss Account, of the Profit for the year ended on that date and
- c. in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **AMAR & RAJU**  
Chartered Accountants  
Firm Registration No: 0000925

Place : Hyderabad  
Date : 27-04-2011

**P. VENKATA RAMANA**  
Partner  
Membership No: 203346

## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2011

Particulars	SCH	As at 31-03-2011 Rs		As at 31-03-2010 Rs	
<b>SOURCES OF FUNDS</b>					
<b><u>Shareholder's Funds</u></b>					
Share Capital	A	163,650,450		108,286,700	
Reserves & Surplus	B	1,295,287,158		1,183,651,619	
ESOP Share Application Money		-		10,588,130	
Employee Stock Option Outstanding		-		21,716,340	
Less: Deferred Employee Compensation Expense		-		(21,716,340)	
			<b>1,458,937,608</b>		1,302,526,449
			<b>2,342,215</b>		2,339,007
<b><u>Minority Interest:</u></b>					
Loan Funds					
Secured Loans	C	334,428,694		451,597,367	
Unsecured Loans	D	25,290,319		22,363,757	
			<b>359,719,012</b>		473,961,124
<b><u>Other Liabilities:</u></b>					
Deferred Tax Liability			<b>43,729,037</b>		55,506,635
<b>TOTAL</b>			<b>1,864,727,872</b>		<b>1,834,333,215</b>
<b>APPLICATION OF FUNDS</b>					
<b><u>Fixed Assets</u></b>					
Gross Block	E	1,610,121,619		1,537,495,611	
Less: Depreciation		685,439,823		566,006,777	
Net Block			<b>924,681,796</b>		971,488,834
<b><u>Goodwill ( On Consolidation):</u></b>					
Investments:	F		<b>5,515,300</b>		5,515,300
			<b>137,500</b>		137,500
<b><u>Current Assets Loans And Advances</u></b>					
a. Inventories	G	558,141,590		471,145,090	
b. Sundry Debtors		821,335,293		830,735,445	
c. Cash and Bank Balances		195,967,994		219,102,012	
d. Other Current Assets		-		-	
e. Loans and Advances		188,881,363		129,428,136	
		<b>1,764,326,240</b>		<b>1,650,410,683</b>	
Less: Current Liabilities And Provisions					
a. Current Liabilities	H	748,505,433		736,491,335	
b. Provisions		81,427,531		56,727,767	
		<b>829,932,965</b>		<b>793,219,102</b>	
Net Current Assets			<b>934,393,276</b>		857,191,581
<b>TOTAL</b>			<b>1,864,727,872</b>		<b>1,834,333,215</b>

### NOTES TO ACCOUNTS

As per our report of even date  
For **AMAR & RAJU**, Chartered Accountants  
Firm Registration No: 0000925

**P. VENKATA RAMANA**  
Partner  
Membership No: 203346

Place : Hyderabad  
Date : 27-04-2011

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**SHIBAN K. KOUL**  
Chairman

**P.A. CHITRAKAR**  
Chief Operating Officer

**J. VENKATADAS**  
Director

**S. GURUNATHA REDDY**  
Sr. General Manager ( F & A)

for and on behalf of the Board

**B. MALLA REDDY**  
Managing Director

**C. PRAMEELAMMA**  
Director (Tech.)

**ATIM KABRA**  
Director

**T. ANJANEYULU**  
Company Secretary

## CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

Particulars	SCH	As at 31-03-2011		As at 31-03-2010	
		Rs		Rs	
<b>INCOME</b>					
Sales less Returns		<b>1,628,038,608</b>		1,048,294,322	
Less: Excise Duty		<b>39,532,821</b>	<b>1,588,505,787</b>	38,597,045	1,009,697,277
Service Charges			<b>38,415,427</b>		71,272,167
Other Income	I		<b>19,743,583</b>		17,085,701
Accretion to Stock	J		<b>43,340,399</b>		48,026,001
<b>TOTAL</b>			<b>1,690,005,196</b>		<b>1,146,081,146</b>
<b>EXPENDITURE</b>					
Raw Material Consumed	K		<b>781,036,498</b>		507,649,422
Expenditure on Personnel	L		<b>256,062,597</b>		192,734,268
Manufacturing, Administrative and Selling Expenditure	M		<b>208,957,825</b>		177,586,793
Financial Charges	N		<b>71,038,819</b>		39,336,074
Depreciation	E		<b>127,995,612</b>		116,590,944
Bad Debts Written Off			-		4,455,116
Loss on Disposal of Fixed Assets			<b>572,147</b>		159,718
<b>TOTAL</b>			<b>1,445,663,498</b>		<b>1,038,512,335</b>
Profit Before Tax			<b>244,341,698</b>		107,568,811
Provision For Taxation		<b>(69,976,895)</b>		<b>(31,058,334)</b>	
Deferred Tax		<b>11,777,598</b>		<b>3,519,263</b>	
			<b>(58,199,297)</b>		<b>(27,539,071)</b>
Profit After Tax			<b>186,142,401</b>		80,029,740
Prior Period Tax Adjustments			<b>(66,243)</b>		(10,474,175)
Minority Interest			<b>(3,208)</b>		245,874
Profit Available for Appropriation			<b>186,072,950</b>		69,801,439
<b>APPROPRIATIONS:</b>					
Transferred to General Reserve			<b>20,000,000</b>		7,500,000
Proposed Dividend			<b>40,912,613</b>		27,275,075
Corporate Dividend Tax			<b>6,637,049</b>		4,635,399
Surplus Carried to Balance Sheet			<b>118,523,289</b>		30,390,965
<b>TOTAL</b>			<b>186,072,950</b>		<b>69,801,439</b>
<b>Earnings Per share (Basic ) (Face Value Rs.2/-)</b>			<b>2.27</b>		0.86
<b>Earnings Per share (Diluted)(Face Value Rs.2/-)</b>			<b>2.27</b>		0.86

### NOTES TO ACCOUNTS

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As per our report of even date  
For **AMAR & RAJU**, Chartered Accountants  
Firm Registration No: **0000925**

**P. VENKATA RAMANA**  
Partner  
Membership No: 203346

Place : Hyderabad  
Date : 27-04-2011

**SHIBAN K. KOUL**  
Chairman

**P.A. CHITRAKAR**  
Chief Operating Officer

**J. VENKATADAS**  
Director

**S. GURUNATHA REDDY**  
Sr. General Manager ( F & A)

for and on behalf of the Board

**B. MALLA REDDY**  
Managing Director

**C. PRAMEELAMMA**  
Director (Tech.)

**ATIM KABRA**  
Director

**T. ANJANEYULU**  
Company Secretary

## CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2011

Particulars	As at 31-03-2011 Rs		As at 31-03-2010 Rs	
<b>SCHEDULE: A</b>				
<b>Share Capital</b>				
<b>Authorised Capital:</b>				
10,00,00,000 Equity Shares of Rs.2/- each		200,000,000		200,000,000
<b>Issued, Subscribed and Paidup Capital:</b>				
8,18,25,225 (5,41,43,350) Equity Shares of Rs.2/- each fully paid up		163,650,450		108,286,700
<b>TOTAL</b>		163,650,450		108,286,700
<b>SCHEDULE: B</b>				
<b>Reserves &amp; Surplus</b>				
1. General Reserve			229,779,695	
Opening Balance	237,279,695			
Add: Transferred from Profit & Loss Account	20,000,000		7,500,000	
		257,279,695		237,279,695
2. Profit & Loss Account				
Opening balance	868,721,997		838,331,032	
Add: Transferred from Profit and Loss Account	118,523,289		30,390,965	
		987,245,286		868,721,997
3. Share Premium				
Opening Balance	77,337,892		70,714,692	
Less: Capitalized during the year	(54,956,950)		(97,400)	
Add: Additions during the year	28,069,200		6,720,600	
		50,450,142		77,337,892
4. Government Subsidy		312,035		312,035
<b>TOTAL</b>		1,295,287,158		1,183,651,619
<b>SCHEDULE: C</b>				
<b>Secured Loans</b>				
<b>A. Working Capital Loans:</b>				
1. Working Capital Finance from Canara Bank		-		46,560,646
2. Working Capital Finance from HDFC Bank Limited		18,789,182		60,522,687
3. Short Term Loan from HDFC {Repayable with in one year Rs.50,00,000/-(Rs.Nil/-)} Add: Interest accrued and due	5,000,000 45,651		- -	
		5,045,651		-
4. Short Term Working Capital Loan from State Bank of india (Repayable with in one year Rs.20,00,00,000/-(Rs.20,00,00,000/-)) Add: Interest accrued and due	200,000,000 525,205		200,000,000 1,359,505	
		200,525,205		201,359,505
<b>Total Working Capital Loans (A)</b>		224,360,038		308,442,837

## CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2011

Particulars	As at 31-03-2011		As at 31-03-2010	
	Rs		Rs	
<b>B. Term Loans:</b>				
1. Term Loan from HDFC Bank Ltd {Repayable with in one year Rs.2,96,036/- (Rs.39,31,968/-)} Add: Interest accrued and due	296,036		4,228,004	
	2,758		39,228	
		298,794		4,267,232
2. Term Loan from SBI (Repayable with in one year Rs.4,77,42,612/- (Rs.4,78,12,500/-)) Add: Interest accrued and due	47,742,612		95,625,000	
	496,784		1,072,834	
		48,239,396		96,697,834
3. Term Loan from Canara Bank (Repayable with in one year - Nil) Add: Interest accrued and due	31,533,393		-	
	263,426		-	
		31,796,819		-
4. Term Loan from ICICI Bank (Repayable with in one year Rs.1,32,00,000/- (Rs.1,32,00,000/-))		26,400,000		39,600,000
5. Hire Purchase Finance (Repayable with in one year Rs.17,93,755/- (Rs.12,30,516/-))		3,333,647		2,589,463
<b>Total Term Loans (B)</b>		<b>110,068,656</b>		<b>143,154,530</b>
<b>Total Secured Loans (A + B)</b>		<b>334,428,694</b>		<b>451,597,367</b>
<b>SCHEDULE: D</b>				
<b>Unsecured Loans</b>				
<b>A. Long Term Loans:</b>				
Interest free Sales Tax loan from Government of Andhra Pradesh (Repayable with in one year Rs.10,13,097/- (Rs.3,57,651))		22,006,106		22,363,757
<b>B. Short Term Loans:</b>				
Bills Discounting facility with SIDBI		3,284,213		-
<b>TOTAL</b>		<b>25,290,319</b>		<b>22,363,757</b>
<b>SCHEDULE: F</b>				
<b>Investments:</b>				
Long Term - At Cost - Non Trade - Unquoted: 5,500 Equity shares of Rs.25/- each fully paid up in M/s. The Kalupur Cooperative Bank Limited		137,500		137,500
<b>TOTAL</b>		<b>137,500</b>		<b>137,500</b>
<b>Aggregate amount of unquoted investments</b>		<b>137,500</b>		<b>137,500</b>

## CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31st MARCH, 2011

### SCHEDULE: E FIXED ASSETS

Description	Rate of Dep.,	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS ON 31/3/2010 Rs.	ADDITIONS Rs.	DELETIONS Rs.	AS ON 31/3/2011 Rs.	UP TO 31/3/2010 Rs.	FOR THE PERIOD Rs.	DELETIONS Rs.	UP TO 31/3/2011 Rs.	AS ON 31/3/2011 Rs.	UP TO 31/3/2010 Rs.
LAND	0%	85,674,397	190,000	-	85,864,397	-	-	-	-	85,864,397	85,674,397
BUILDINGS	10%	477,856,808	1,937,594	-	479,794,402	74,788,134	40,382,466	-	115,170,600	364,623,802	403,068,674
PLANT & MACHINERY	15%	752,654,965	63,421,253	7,269,597	808,806,621	376,924,005	58,169,330	6,495,932	428,597,403	380,209,218	375,730,960
ELECTRICAL INSTALLATIONS	15%	32,280,595	136,543	-	32,417,138	10,561,740	3,329,772	-	13,891,512	18,525,627	21,718,855
AIR CONDITIONERS	15%	46,410,193	3,034,729	-	49,444,922	11,945,819	5,558,983	-	17,504,802	31,940,120	34,464,374
OFFICE EQUIPMENT	15%	8,635,970	1,114,610	262,500	9,488,080	3,212,284	921,337	153,238	3,980,383	5,507,697	5,423,686
FURNITURE & FIXTURES	18.10%	42,140,469	3,773,549	-	45,914,018	21,009,334	5,203,536	-	26,212,870	19,701,147	21,131,135
COMPUTERS	60%	72,022,379	6,715,855	-	78,738,234	54,772,116	12,600,146	-	67,372,262	11,365,971	17,250,263
VEHICLES	25.89%	19,819,835	2,107,182	2,273,210	19,653,807	12,793,345	1,830,041	1,913,395	12,709,991	6,943,816	7,026,490
<b>TOTAL</b>		<b>1,537,495,611</b>	<b>82,431,315</b>	<b>9,805,307</b>	<b>1,610,121,619</b>	<b>566,006,777</b>	<b>127,995,612</b>	<b>8,562,565</b>	<b>685,439,823</b>	<b>924,681,795</b>	<b>971,488,834</b>
<b>PREVIOUS YEAR TOTAL</b>		<b>1,294,170,410</b>	<b>246,530,243</b>	<b>3,205,042</b>	<b>1,537,495,611</b>	<b>452,076,920</b>	<b>116,590,944</b>	<b>2,661,087</b>	<b>566,006,777</b>	<b>971,488,834</b>	<b>842,093,490</b>

## CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2011

Particulars	As at 31-03-2011 Rs		As at 31-03-2010 Rs	
<b>SCHEDULE: G</b>				
<b>Current Assets Loans &amp; Advances</b>				
<b>Current Assets:</b>				
<b>A. Stock -in-trade:</b>				
a. Raw materials	324,021,476		280,642,250	
b. Packing materials	556,344		279,469	
c. Finished goods	1,641,924		2,105,735	
d. Semi-finished goods	231,921,846		188,117,636	
		<b>558,141,590</b>		<b>471,145,090</b>
<b>B. Sundry Debtors:</b> (Unsecured considered good)				
a. Outstanding for more than six months	330,915,285		343,961,054	
b. Others	490,420,008		486,774,391	
		<b>821,335,293</b>		<b>830,735,445</b>
<b>C. Cash and Bank balances:</b>				
a. Cash on hand	72,507		88,789	
b. Balance with Scheduled Banks:				
1. In Current account	60,882,086		14,833,538	
2. In EEFC account	1,256,312		13,274,002	
3. n Dividend warrant account	3,393,013		2,887,751	
4. As Margin money	127,846,373		184,328,252	
5. Interest receivable	2,517,703		3,689,680	
		<b>195,967,994</b>		<b>219,102,012</b>
<b>Loans &amp; Advances:</b> (Unsecured considered good recoverable in cash or in kind for the value to be received)		<b>1,575,444,877</b>		<b>1,520,982,547</b>
a. Advance for supplies	74,216,565		23,456,050	
b. Advance for services & expenses	8,879,346		8,290,821	
c. Balance with Excise Authorities (Cenvat Credit)	38,896,478		46,700,213	
d. Prepaid expenses	39,929,278		21,293,287	
e. Income tax refund due	14,940,369		23,033,235	
f. Deposits	4,337,444		4,197,867	
g. Advance for capital works	7,298,254		2,124,036	
h. Unmatured Finance charges	383,629		332,627	
		<b>188,881,363</b>		<b>129,428,136</b>
<b>TOTAL</b>		<b>1,764,326,240</b>		<b>1,650,410,683</b>

## CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2011

Particulars	As at 31-03-2011 Rs		As at 31-03-2010 Rs	
<b>SCHEDULE: H</b>				
<b>Current Liabilities &amp; Provisions</b>				
<b>A. Current Liabilities:</b>				
a. Creditors for capital Goods	36,130,239		17,546,389	
b. Creditors for supplies	92,760,769		84,794,995	
c. Creditors for services & expenses	67,607,867		37,108,398	
d. Unclaimed Dividend ( There is no amount due & outstanding to be credited to Investor Education and Protection Fund)	3,392,513		2,886,751	
e. Creditors for others	-		5,998,015	
f. Advances from customers	548,418,757		587,863,855	
g. Interest accrued but not due on ICICI Bank Term Loan	195,288		292,932	
		748,505,433		736,491,335
<b>B. Provisions:</b>				
a. Provision for Taxation	90,984		7,160	
b. Provision for Proposed Dividend	40,912,613		27,275,075	
c. Corporate Dividend Tax	6,637,049		4,635,399	
d. Provision for Gratuity & Leave Encashment	33,786,885		24,810,133	
		81,427,531		56,727,767
<b>TOTAL</b>		<b>829,932,964</b>		<b>793,219,102</b>
<b>SCHEDULE : I</b>				
<b>Other Income</b>				
a. Interest received (Gross) (TDS Rs.9,52,869 /- (Rs.13,60,981/- ))		10,989,419		10,237,642
b. Miscellaneous receipts		2,120,042		571,546
c. Dividend received		16,500		16,500
d. Insurance claims received		60,961		212,376
e. Customs duty refund		6,556,661		3,690,920
f. Profit on Disposal of Fixed Assets		-		41,717
g. Profit on sale of Trad/Current Investments		-		140,000
h. Provision on Trade / Current Investments Reversed		-		2,175,000
<b>TOTAL</b>		<b>19,743,583</b>		<b>17,085,701</b>
<b>SCHEDULE: J</b>				
<b>Accretion To Stock:</b>				
Semi-finished & Fishished goods at the end of the period		233,563,770		190,223,371
Less: Semi-finished & Finised goods at the beginning of the year		190,223,371		142,197,370
Increase / (decrease) in stock-in-trade		43,340,399		48,026,001

## CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2011

Particulars	As at 31-03-2011 Rs		As at 31-03-2010 Rs	
<b>SCHEDULE: K</b>				
<b>Raw Material Consumed:</b>				
<b>A. Indigenous Raw Material:</b>				
Opening stock of raw material		44,963,216		42,958,668
Add: purchases during the year		209,161,479		172,525,004
		254,124,695		215,483,672
Less: Closing Stock of raw material		45,028,309		44,963,216
Raw Material consumed		209,096,386		170,520,456
<b>B. Imported Raw Material:</b>				
Opening stock of raw material		235,679,034		163,129,347
Add: purchases during the year		615,254,245		409,678,652
		850,933,279		572,807,999
Less: Closing Stock of raw material		278,993,167		235,679,034
Raw Material consumed		571,940,112		337,128,966
<b>Total raw material consumed</b>		<b>781,036,498</b>		<b>507,649,422</b>
<b>SCHEDULE: L</b>				
<b>Expenditure On Personnel:</b>				
Salaries wages & other benefits		188,411,605		150,091,051
PF & ESI company contribution		10,409,701		8,532,925
Directors remuneration		15,131,451		14,347,154
Staff welfare expenditure		10,255,459		9,208,388
Security charges		2,265,977		1,746,322
Gratuity & Leave Encashment		15,142,471		4,564,567
Staff recruitment & training		655,413		942,001
Employee compensation expenses written off (under ESOP Scheme)		13,790,520		3,301,860
<b>TOTAL</b>		<b>256,062,597</b>		<b>192,734,269</b>
<b>SCHEDULE: M</b>				
<b>Manufacturing Administrative And Selling Expenditure:</b>				
<b>a. Manufacturing Expenditure:</b>				
Machinery Maintenance	23,749,589		19,272,394	
Power and Fuel	12,595,561		10,308,673	
Excise Duty (Includes Difference between Excise Duty on Opening & Closing Stock of FG )	255,898		2,422,231	
Testing Charges	6,500,622		2,375,610	
Carriage in Wards	900,005		907,816	
Installation & Commissioning of AWS	4,575,398		8,218,135	
		<b>48,577,073</b>		<b>43,504,859</b>

## CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2011

Particulars	As at 31-03-2011		As at 31-03-2010	
		Rs		Rs
<b>b. Administrative Expenditure:</b>				
Travelling and Conveyance	15,135,670		13,028,361	
Printing and Stationery	5,695,686		4,377,096	
Communication Costs	3,668,534		4,171,929	
Rent	377,200		168,100	
Insurance	2,996,797		3,467,808	
Rates, Taxes and Fees	5,127,008		5,026,535	
Auditors Remuneration	727,980		650,770	
Legal & Professional Charges	9,287,135		10,140,195	
Building Repairs & Maintenance	1,496,774		2,432,407	
Computer & Software Maintenance	4,471,771		5,661,135	
Vehicle Maintenance	1,518,239		1,179,059	
Factory & Garden Maintenance	4,677,874		4,852,176	
Office Maintenance & Electricity Charges	1,477,408		1,116,373	
Repairs & Maintenance of Other Assets	2,886,488		2,487,745	
Vehicle Hire Charges	7,615,466		5,601,860	
General Expenses	2,399,442		1,556,971	
Donations	30,501		1,130,000	
Sitting Fee & Meeting Expenses	121,235		61,037	
Books, Periodicals & Subscriptions	179,721		220,057	
Conference & Seminar Expenses	357,716		129,532	
Advertisement	3,096,710		2,725,445	
Sponsorship Expenses	125,000		635,483	
Entertainment & Business Promotion	3,343,934		2,939,162	
		<b>76,814,289</b>		<b>73,759,236</b>
<b>c. Selling Expenditure:</b>				
Carriage Out Wards	2,338,044		3,929,571	
Packing Material	1,632,841		2,092,181	
Sales Tax	47,885,736		33,813,905	
Service Tax	4,759,425		6,575,741	
Late Delivery Charges	23,304,196		7,403,457	
Order Booking Commission	-		2,025,540	
Foreign Travel and Exhibition Expenses	3,646,221		4,482,303	
		<b>83,566,463</b>		<b>60,322,698</b>
<b>TOTAL</b>		<b>208,957,825</b>		<b>177,586,793</b>
<b>SCHEDULE: N</b>				
<b>Financial Charges</b>				
Interest on Term Loans		11,128,692		9,552,552
Interest on Borrowings from Banks		33,104,017		19,544,786
Hire Purchase Finance Charges		244,117		268,372
Bank Charges and Commission		23,260,493		9,970,364
Discount allowed on borrowings through issuance of Commercial Paper		3,301,500		-
<b>TOTAL</b>		<b>71,038,819</b>		<b>39,336,074</b>

# CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS AT 31-03-2011

## SCHEDULE: O

### NOTES ON CONSOLIDATED ACCOUNTS

#### 1 Principles of Consolidation:

- The Consolidated Financial Statements have been prepared under historical cost convention in accordance with generally accepted accounting principles applicable in India and in accordance with the Accounting Standard (AS – 21) "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- The financial statements of the Company and its subsidiary company have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions resulting in unrealized profits or losses.
- The list of Subsidiaries included in the Consolidated Financial Statements are as under:

Name of the Subsidiary Company	Country of Incorporation	M/s. Astra Microwave Products Limited as at 31-03-2011	% of Shareholding of
KOMOLINE ELECTRONICS PRIVATE LIMITED	INDIA		86.64%

- The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as of the Company.
- The excess of cost to the Company of its investments in subsidiary company over its share of the equity of the subsidiary company at the dates, on which the investments in the subsidiary company are made, is recognized as 'Goodwill' being an asset in the consolidated financial statements.
- Minority interest in the net assets of consolidated subsidiary consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the company in the subsidiary company and further movement in their share in the equity, subsequent to the date of investment.
- As far as possible, the consolidated financial statements are prepared using uniform accounting policies and are presented in the same manner as the Company's separate financial statements
- Figures pertaining to the Subsidiary Company have been recast / reclassified wherever necessary to bring them in line with the parent Company's financial statements.
- The notes and significant accounting policies to the Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the companies. In this respect the Company has disclosed such notes and policies which fairly present the needed disclosures. And such other notes and statutory information disclosed in the financial statements of the parent and subsidiary company which are not having any effect on the true and fair view of the Consolidated financial Statements are excluded.

#### 2. Employee Stock Option Scheme:

The parent company has granted 16,71,500 (after restructuring the Stock Options due to split in share and bonus issue) Stock Options to the employees. In respect of the stock options granted pursuant to the parent company's Stock Option Scheme, the intrinsic value of the Options (excess of market price of the share over the exercise price of the Option) is treated as discount and accounted as Employee Compensation Cost. The Employee compensation cost amounted to Rs.5,66,63,850/- will be amortized over the vesting period of 5 years i.e. from the financial year 2006-2007 as per SEBI Guidelines.

During the year 2,03,400 (48,700) shares of Rs.2/- each for cash and 2,03,400 (48,700) shares of Rs.2/- each by way of bonus shares by capitalizing share premium were allotted as fully paid up shares to employees under ESOP Scheme.

As per the above stated accounting policy during the year the parent company has charged Rs.1,37,90,520/- (Rs.33,01,860/-) as employee compensation cost to the Profit and Loss Account.

<b>3. Deferred Tax:</b>	<b>31-03-2011 Rs</b>	<b>31-03-2010 Rs</b>
Deferred Tax Liability	<b>5,48,85,177</b>	6,42,22,596
Deferred Tax Asset	<b>1,11,56,140</b>	87,15,961
Net Deferred Tax Liability	<b>4,37,29,037</b>	5,55,06,635
Net Deferred Tax Liability as on 31-03-2011	<b>4,37,29,037</b>	5,55,06,635
Less: Net Deferred Tax Liability as on 31-03-2010	<b>5,55,06,635</b>	5,90,25,898
Effect on the profit and loss account	<b>1,17,77,598</b>	35,19,263
<p>Deferred tax liability represents timing differences in depreciation on fixed assets</p> <p>Deferred Tax Assets represents Provision for Gratuity and Leave Encashment which are allowed on payment basis as per the provisions of the Income Tax Act.</p>		
<b>4. Earnings per Share:</b>		
<b>I) Basic Earnings Per Share:</b>		
a) No. of equity shares outstanding at the beginning of the year	<b>5,41,43,350</b>	5,40,45,950
b) Weighted average No. of equity shares issued during the year under ESOP	<b>4,06,800</b>	97,400
c) Number of Bonus shares issued	<b>2,72,75,075</b>	--
d) Total number of shares outstanding at the end of the year (used for denominator for calculating EPS)	<b>8,18,25,225</b>	5,41,43,350
e) Profit available to share holders	<b>18,60,72,951</b>	6,98,01,439
f) Basic earnings per share (Face Value Rs.2/-)	<b>Rs.2.27</b>	@ Rs.0.86
<p>@ The EPS for the previous year was restated (6,98,01,439 / 8,14,18,425) The number of equity shares outstanding before the bonus issue is adjusted for the proportionate change in the number of equity shares outstanding as if the bonus issue had occurred at the beginning of the previous year.</p>		
<b>II) Diluted Earnings Per Share:</b>		
a) Number of Shares outstanding as per Point (d) above	<b>8,18,25,225</b>	5,41,43,350
b) Weighted average Number of Potential Equity Shares on account of Employee Stock Option Share Application Money received under the ESOP Scheme.	---	24,442
c) Weighted Average Number of Shares Outstanding (used for denominator for calculating EPS)	<b>8,18,25,225</b>	5,41,67,792
d) Profit available to share holders	<b>18,60,72,951</b>	6,98,01,439
e) Diluted Earnings per Share (Face Value Rs.2/-)	<b>Rs.2.27</b>	@ Rs.0.86
<p>@ The EPS for the previous year was restated (6,98,01,439 / 8,14,42,867)</p>		
<b>5. Related Party Transactions:</b>		
1) Subsidiary Company: Komoline Electronics Private Limited		
Services received from Subsidiary	<b>15,52,120</b>	32,78,700
Purchase of materials from Subsidiary	<b>1,28,62,182</b>	3,81,04,537
Sale of materials to Subsidiary	<b>24,12,062</b>	--
Services rendered to subsidiary	--	27,00,000
Amounts payable to Subsidiary	--	37,07,917
Balance receivable from Subsidiary	<b>51,80,282</b>	--

	31-03-2011 Rs	31-03-2010 Rs
2) Remuneration paid to Director in M/s. Komoline Electronics Private Limited Sanjay B. Attara, Director	10,08,000	7,77,600
3) The remuneration paid to Directors of parent company was disclosed in the notes to accounts of parent company.	1,45,61,451	1,36,87,154
<b>6. Contingent Liabilities:</b>		
a) Letter of Credit inland	NIL	NIL
b) Foreign letter of credit	91,88,800	12,71,585
c) Bank Guarantees		
1) Performance Guarantees	17,10,08,983	15,62,45,833
2) Advance payment Guarantees	84,89,46,488	93,46,47,783
3) Guarantee in lieu of EMD/Security Deposit	4,61,41,112	1,72,95,394
4) Guarantee for materials	6,20,000	9,06,500
5) Corporate Guarantee on behalf of Subsidiary Company for loans taken from banks	4,72,00,000	4,72,00,000
<b>7. Foreign Exchange Transactions:</b>		
a) Value of imported raw-materials on CIF basis	58,03,20,995	37,06,93,006
b) Value of imported capital goods on CIF basis	5,06,05,926	7,75,58,031
c) CIF value of other imports	28,73,773	32,25,191
d) Expenditure in foreign currency on account of		
Travel	12,14,667	14,50,489
Technology Transfer Charges	86,07,000	-
Exhibitions & Conferences	2,21,794	5,87,203
Order booking commission	--	9,25,784
FE out go on account of other services	1,50,104	--
e) Earnings in foreign currency:		
FOB value of exports	34,27,49,213	5,79,58,420
f) Remittances in foreign currency:		
On account of Dividend:		
Amount remitted Rs.	1,00,000	1,00,000
No. of Non-Resident Share Holders	1	1
No. of Shares held by them	2,00,000	2,00,000
Year of Dividend	2009-2010	2008-2009
<b>8. The figures have been rounded off to the nearest rupee.</b>		

**Signatures to Schedules 'A' to 'O'**  
**As per our report of even date**

**for and on behalf of the Board**

As per our report of even date  
For **AMAR & RAJU**, Chartered Accountants  
Firm Registration No: 0000925

**SHIBAN K. KOUL**  
Chairman

**B. MALLA REDDY**  
Managing Director

**P. VENKATA RAMANA**  
Partner  
Membership No: 203346

**P.A. CHITRAKAR**  
Chief Operating Officer

**C. PRAMEELAMMA**  
Director (Tech.)

**J. VENKATADAS**  
Director

**ATIM KABRA**  
Director

**Place : Hyderabad**  
**Date : 27-04-2011**

**S. GURUNATHA REDDY**  
Sr. General Manager ( F & A)

**T. ANJANEYULU**  
Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

Particulars	31/3/2011		31/3/2010	
<b>A) Cash flow from Operating Activities:</b>				
Net Profit before tax & extra-ordinary items		<b>244,341,699</b>		107,568,811
Adjustments for:				
Depreciation	<b>127,995,611</b>		116,590,944	
Interest paid	<b>47,778,326</b>		29,365,709	
Bad debts written off	-		4,455,116	
Miscellaneous receipts	<b>(1,900,665)</b>		-	
Provision on investments	-		(2,175,000)	
Interest received on deposits	<b>(10,989,419)</b>		(10,237,642)	
Loss on disposal of assets	<b>572,147</b>		159,718	
Dividend received	<b>(16,500)</b>		(16,500)	
Profit on disposal of MF Units	-		(140,000)	
Employee compensation expenses written off	<b>13,790,520</b>		3,301,860	
Prior Period Adjustments	<b>(171,722)</b>		-	
Profit on disposal of assets	-		(41,717)	
Income tax paid	<b>(61,800,075)</b>		(51,631,074)	
		<b>115,258,223</b>		89,631,414
Operating profit before working capital changes		<b>359,599,922</b>		197,200,225
Adjustments for:				
Trade & other receivables	<b>3,561,157</b>		(323,502,255)	
Trade payable	<b>7,639,248</b>		297,079,080	
Inventories	<b>(86,996,500)</b>		(122,636,047)	
		<b>(75,796,095)</b>		(149,059,222)
Net cash from operating activities		<b>283,803,827</b>		48,141,003
<b>B) Cash flow from investing activities:</b>				
Purchase of Fixed assets (Includes movements of Capital work in progress)	<b>(69,021,683)</b>		(137,941,212)	
Proceeds from disposal of SBI Mutual Fund Units	-		5,140,000	
Interest received on deposits	<b>12,161,396</b>		7,691,575	
Dividend received	<b>16,500</b>		16,500	
Proceeds from disposal of assets	<b>670,595</b>		425,954	
Net cash used in investing activities		<b>(56,173,192)</b>		(124,667,183)

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

Particulars	31/3/2011		31/3/2010	
<b>C) Cash flow from financing activities:</b>				
Working capital borrowings from banks	(80,009,938)		150,222,646	
Term Loans taken from Bank	31,533,393		-	
Hire purchase finance taken	1,736,000		2,124,000	
Term Loans repaid to Banks	(65,014,356)		(90,870,378)	
Hire purchase finance repaid	(1,286,936)		(1,271,453)	
ESOP Share Application money received	-		10,588,130	
Increase in Minority Interest	-		2,400,000	
Interest paid	(48,769,596)		(28,519,240)	
Dividend paid	(27,274,575)		(27,070,837)	
Dividend tax paid	(4,530,050)		(4,600,831)	
Net cash used in financing activities		(193,616,058)		13,002,037
Net increase in cash & cash equivalents (A-B-C)		34,014,577		(63,524,143)
Cash & cash equivalents as at the beginning				
Cash on hand	88,789		148,969	
Balance with Sch., Banks in CA / EEFC Accounts	28,107,539	28,196,328	91,571,502	91,720,471
Cash & cash equivalents as at the end				
Cash on hand	72,507		88,789	
Balance with Sch., Banks in CA / EEFC Accounts	62,138,398	62,210,905	28,107,539	28,196,328

As per our report of even date  
For **AMAR & RAJU**, Chartered Accountants  
Firm Registration No: 0000925

**P. VENKATA RAMANA**  
Partner  
Membership No: 203346

Place : Hyderabad  
Date : 27-04-2011

**SHIBAN K. KOUL**  
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**J. VENKATADAS**  
Director

**S. GURUNATHA REDDY**  
Sr. General Manager ( F & A)

for and on behalf of the Board

**B. MALLA REDDY**  
Managing Director

**C. PRAMEELAMMA**  
Director (Tech.)

**ATIM KABRA**  
Director

**T. ANJANEYULU**  
Company Secretary



**ASTRA MICROWAVE PRODUCTS LIMITED**



## ASTRA MICROWAVE PRODUCTS LIMITED

Regd. Office: 'ASTRA TOWERS', Survey No:12 (P), Kothaguda Post, Kondapur, Hitech City, Hyderabad – 500084.

### FORM OF PROXY

I/we \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a Member/Members of the above named Company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our Proxy to vote for me/us on my/our behalf at the Twentieth Annual General Meeting of the Company to be held on Thursday the 28th July, 2011 at 3.30 p.m at Bhaskara Auditorium, BM Birla Museum, Adarsh Nagar, Hyderabad – 500 063 and at any adjournment there of .

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Folio No./DP ID & Client ID: \_\_\_\_\_ No. of Shares held \_\_\_\_\_

Signature (s) of Member (s)

Affix Revenue Stamp of Fifteen paise

- NOTE: (A) The Proxy need not be a member.  
(B) The Proxy form duly signed across the Revenue Stamp should reach the Company at 'ASTRA TOWERS', Survey No:12 (P), Kothaguda Post, Kondapur, Hitech City, Hyderabad – 500084. at least 48 hours before the time fixed for meeting.

## ASTRA MICROWAVE PRODUCTS LIMITED

Regd. Office: 'ASTRA TOWERS', Survey No:12 (P), Kothaguda Post, Kondapur, Hitech City, Hyderabad – 500084.

### ATTENDANCE SLIP

I hereby record my presence at the Twentieth Annual General Meeting of the Company at Bhaskara Auditorium, BM Birla Museum, Adarsh Nagar, Hyderabad – 500 063 on Thursday the 28th July, 2011 at 3.30 p.m.

Name of the Attending Member (in Block Letters) \_\_\_\_\_

Member's Folio No./DP ID & Client ID \_\_\_\_\_

Name of Proxy \_\_\_\_\_  
(in block letters to be filled in if the Proxy attends instead of Member)

No. of shares held \_\_\_\_\_

Member's / Proxy Signature\*

NOTE: Shareholder/Proxy holder wishing to attend the meeting must bring this Attendance slip to the meeting and hand over the same at the entrance duly signed.

