

# ANNUAL REPORT 2019-2020



**Astra Microwave Products Limited**  
*On A Winning Wavelength*



DEFENSE



SPACE



METEOROLOGY

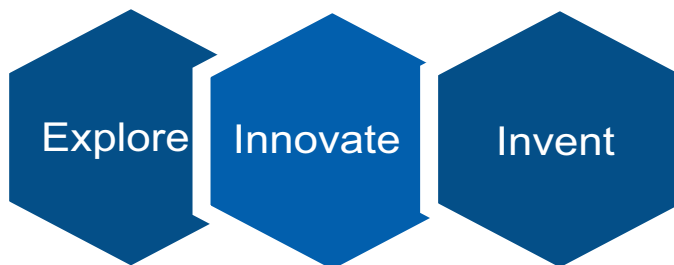
[www.astramp.com](http://www.astramp.com)



Astra Microwave Products Limited  
RF & Microwave Solutions for Strategic Applications

# *Vision*

To be at the Forefront of the  
Wireless communication revolution  
through research and development  
Investing in technologies  
that can lead to leadership  
Employing the finest talent  
to reach the top through excellence.



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## QUICK INFORMATION

### Board of Directors

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

### Chief Financial Officer

Mr. B.V.S.Narasinga Rao

### Company Secretary

Mr. T. Anjaneyulu

### Auditors

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

### Bankers

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

### Registered Office

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

**Factories****Unit I**

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

**Unit II**

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

**Unit III**

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

**Unit IV**

Plot no: 18, 19, 20 & 21 (Part)  
Hardware Park, Sy.No: 1/1,  
Imarat Kancha of Ravirayal village,  
Maheswaram Mandal, R.R.Dist.  
Telangana-500 005.

**Unit – V (R & D Centre)**

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

**Registrars**

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

## NOTICE OF ANNUAL GENERAL MEETING

**Notice** is hereby given that the **Twenty Ninth Annual General Meeting** (“AGM”) of the Members of **Astra Microwave Products Limited** will be held on Wednesday, September 9, 2020 at 3.00 p.m. through electronic mode [ video conference (“VC”) or other audio visual means (“OAVM”) ] to transact the following business:

### Ordinary Business

1. To receive, consider and adopt:
  - a) Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020 together with the Reports of Board of Directors and Auditors thereon.
  - b) Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 together with the Reports of Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint Mr. S. Gurunatha Reddy (DIN: 00003828), who retires by rotation as a Director and being eligible, offers himself for re-appointment.

### Special Business

#### 4. Ratification of fixation of remuneration to the Cost Auditors:

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

“RESOLVED THAT the decision to pay a Remuneration of Rs.1,75,000/- (Rupees One Lakh Seventy five thousand only) to M/s. DZR & Co, the Cost Auditors of the Company for the year 2020-21, as recommended by the Audit Committee and approved by the Board of Directors, be and are hereby ratified.”

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

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

**S. Gurunatha Reddy**  
Managing Director  
DIN: 00003828

Place: Hyderabad  
Date: July 22, 2020

### Notes:

1. The Statement as required under Section 102 of the Companies Act, 2013 is annexed to the Notice.
2. Considering the extra-ordinary circumstances caused by COVID-19 and in light of the social distancing norms, the Ministry of Corporate Affairs (“MCA”) has vide its circulars dated April 8,2020, April 13, 2020 and May 5, 2020 (“MCA Circulars”) permitted the holding of the Annual General Meeting of a company through VC / OAVM. In compliance with the provisions of the Act, MCA Circulars and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (“SEBI Listing Regulations”), the Twenty Ninth Annual General Meeting of the Company (“AGM”) is being held through VC / OAVM on Wednesday, September 9, 2020 at 3:00 p.m.

The procedure for joining the AGM through VC/OAVM is mentioned in this Notice.

3. Since the AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. The Proxy Form as well as the Attendance Slip are therefore, not annexed to this Notice.

4. Members shall have the option to vote electronically (“e-voting”) either before the AGM (“remote e-voting”) or during the AGM.

In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and any amendments thereto, Secretarial Standard on General Meetings (“SS-2”), Regulation 44 of the SEBI Listing Regulations and MCA Circulars, the facility for remote e-voting and e-voting in respect of the business to be transacted at the AGM is being provided by the Company through Central Depository Services (India) Limited (“CDSL”).

Necessary arrangements have been made by the Company with CDSL to facilitate remote e-voting and e-voting during the AGM.

5. The Company has appointed Mr. L. Dhanamjay Reddy, Practicing Company Secretary (Membership No.: ACS -13104) as the scrutinizer for scrutinizing the entire e-voting process i.e. remote e-voting and e-voting during the AGM, to ensure that the process is carried out in a fair and transparent manner.
6. Members are permitted to join the AGM through VC/OAVM, 15 minutes before the scheduled time of commencement of AGM and during the AGM, by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1,000 Members on a first come first served basis. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without any restrictions pertaining to joining the AGM on a first come first served basis. Institutional Investors who are Members of the Company, are encouraged to attend and vote at the AGM.
7. The attendance of the Members joining the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
8. Members attending the AGM through VC / OAVM should note that those who are entitled to vote but have not exercised their right to vote by remote e-voting, may vote during the AGM through e-voting for all businesses specified in the Notice. The Members who have exercised their right to vote by remote e-voting may attend the AGM but cannot vote during the AGM.
9. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the Member / Beneficial Owner list maintained by the depositories as on the cut off date i.e. Wednesday, September 2, 2020 (“cut-off date”).
10. A person who is not a Member as on Wednesday, September 2, 2020 should treat this Notice for information purposes only.
11. A person, whose name is recorded in the Register of Members / Beneficial Owners list maintained by the depositories as on Wednesday, September 2, 2020 only shall be entitled to avail the facility of remote e-voting or e-voting during the AGM.
12. Register of Members and Share Transfer Books will remain closed from Thursday, September 3, 2020 to Wednesday, September 9, 2020 (both days inclusive).
13. In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote during the AGM.
14. Members who still hold share certificate(s) in physical form are advised to dematerialize their shareholding to avail the benefits of dematerialization, which includes easy liquidity since trading is permitted in dematerialized form only, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents. Further, with effect from April 1, 2019, requests for transfer of securities are not permitted unless the securities are held in a dematerialized form with a depository except in case of transmission or transposition of securities as per SEBI Listing Regulations. Members who still hold share certificate(s) in physical form are advised to dematerialize their shareholding at the earliest.
15. Members holding shares in dematerialized form are requested to update with their respective Depository Participants (“DP”), their bank account details (account number, 9 digit MICR and 11 digit IFSC), e-mail IDs and mobile number. Members holding shares in physical form may communicate details to the Company/Registrar and Transfer Agent viz. Purva Sharegistry (India) Private Limited (“RTA”) before Wednesday, September 2, 2020 by quoting the Folio No. and attaching a scanned copy of the cancelled cheque leaf of their bank account and a self-attested scanned copy of the PAN card.



16. Members can avail of the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Act.
17. Additional information of Directors seeking re-appointment at the ensuing AGM, as required under Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Clause 1.2.5 of the SS-2, is annexed to the Notice.
18. In line with MCA Circulars and SEBI circular dated May 12, 2020, the Notice calling the AGM along with the Annual Report for 2019-20 ("Annual Report") is being sent through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice of AGM and Annual Report will also be available on the website of the Company at [www.astrampw.com](http://www.astrampw.com), the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The Notice is also disseminated on the website of CDSL (agency providing the remote e-voting facility and e-voting during the AGM) at [www.evotingindia.com](http://www.evotingindia.com).

For the purpose of receiving the Notice of the AGM and the Annual Report through electronic mode in case the email address is not registered with the respective DPs / Company / RTA, Members may register the email IDs using the facility provided by the Company through the following link available on its website: [www.purvashare.com/email-and-phone-updation](http://www.purvashare.com/email-and-phone-updation). Members who have not yet registered their e-mail addresses are requested to register the same with their DPs in case the shares are held by them in dematerialized form and with Company/ RTA in case the shares are held by them in physical form.

19. Since the AGM will be held through VC / OAVM, the route map is not annexed to the Notice.
20. All the documents referred in the Notice are available for inspection electronically from the date of dispatch of Notice till Wednesday, September 9, 2020. Members seeking to inspect such documents are requested to write to the Company at [secretarial@astrampw.com](mailto:secretarial@astrampw.com).
21. Investor Grievance Redressal: The Company has designated an e-mail ID i.e. [secretarial@astrampw.com](mailto:secretarial@astrampw.com) to enable the investors to register their complaints/send correspondence, if any.
22. Unclaimed Dividends: Pursuant to the provisions of Sections 124 and 125 of the Act read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, dividends which remain unclaimed / unpaid for a period of 7 years are required to be transferred to Investor Education and Protection Fund.

The Company requests the Members to claim the unclaimed dividends within the prescribed period. The details of the unclaimed dividends are available on the website of the Company at [www.astrampw.com](http://www.astrampw.com) and Ministry of Corporate Affairs at [www.iepf.gov.in/](http://www.iepf.gov.in/). Members can contact the RTA for claiming the unclaimed dividends standing to the credit in their account.

23. Information in respect of such unclaimed dividend when due for transfer to the Investor Education and Protection Fund (IEPF) are given below:

S. No	For the financial year ended	Percentage of Dividend	Date of Declaration	Due date for transfer to the Investor Education and Protection Fund
1	March 31, 2013	40%	September 30, 2013	November 5, 2020
2	March 31, 2014	55%	July 31, 2014	September 6, 2021
3	March 31, 2015	60%	July 30, 2015	September 5, 2022
4	March 31, 2016	60%	July 29, 2016	September 4, 2023
5	March 31, 2017	50%	July 28, 2017	September 3, 2024
6	March 31, 2018	60%	July 30, 2018	September 5, 2025
7	March 31, 2019	12.5%	August 14, 2019	September 20, 2026

The Shareholders who have not encashed the aforesaid dividends are requested to make their claim to the Registrar, 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, Email:[supportpurvashare.com](mailto:supportpurvashare.com).



## Procedure for remote e-voting, ATTENDING the AGM and e-voting during the AGM:

### A. Procedure and instructions for remote e-voting:

- (i) The voting period begins on Saturday, September 5, 2020 from 10:00 a.m. (IST) and ends on Tuesday, September 8, 2020 at 5:00 p.m. (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, September 2, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter and the same will be enabled during the AGM for the Members who have not casted their vote through remote e-voting.
- (ii) Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- (iii) Members should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on “Shareholders” module.
- (v) Now enter the User ID
  - a. For CDSL: 16 digits beneficiary ID
  - b. For NSDL: 8 character DP ID followed by 8 digits client ID
  - c. Members holding shares in physical form should enter folio number registered with the Company.
- (vi) Next: Enter the image verification as displayed and click on “Login”.
- (vii) If you are holding shares in dematerialized form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier resolution of any other company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

#### For Members holding shares in dematerialized form and physical form

<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both i.e. shares held in dematerialized form as well as physical form) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to write to the R&amp;T agent at <a href="mailto:support@purvashare.com">support@purvashare.com</a></li> </ul>
<b>Dividend bank Details or Date of Birth</b>	Enter the dividend bank details or date of birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or Company please enter the member ID / Folio No. in the dividend bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in dematerialized form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting on resolutions of any other company on which they are eligible to vote, provided that the company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on Electronic Voting Sequence Number (“EVS”) of “Astra Microwave Products Limited”.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the details of the resolution.

- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the voting page.
- (xviii) If a demat account holder has forgotten the login password, then enter the User ID and the image verification code and click on “Forgot Password” and enter the details as prompted by the system.
- (xix) Members can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective stores. Please follow the instructions as prompted by the mobile app while remote e-voting through your mobile.

**PROCESS FOR THOSE MEMBER WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [support@purvashare.com](mailto:support@purvashare.com) or [secretarial@astramp.com](mailto:secretarial@astramp.com).
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [support@purvashare.com](mailto:support@purvashare.com) or [secretarial@astramp.com](mailto:secretarial@astramp.com).
3. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

**INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Members are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at ([secretarial@astramp.com](mailto:secretarial@astramp.com)). These queries will be replied to by the company suitably by email.
6. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

3. If any Votes are cast by the members through the e-voting available during the AGM and if the same member have not participated in the meeting through VC/OAVM facility , then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members attending the meeting.
4. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

#### Note for Non – individual Members and Custodians

- Non-individual Members (i.e. other than individuals, HUF, NRI etc.) and Custodians are required to log onto [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporate” module.
- A scanned copy of the registration form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details, a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, non-individual Members are required to send the relevant Board resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the scrutinizer and to the Company at the email address viz; [secretarial@astramp.com](mailto:secretarial@astramp.com), if they have voted from individual tab & not uploaded in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

#### Declaration of Results:

- 1) The scrutinizer shall, immediately after the conclusion of voting during the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairperson of the Company or the person authorized by him, who shall countersign the same.
- 2) Based on the scrutinizer’s report, the Company will submit within 48 hours of the conclusion of the AGM to the Stock Exchanges, details of the voting results as required under Regulation 44(3) of the SEBI Listing Regulations.
- 3) The results declared along with the scrutinizer’s report, will be hosted on the website of the Company at [www.astramp.com](http://www.astramp.com) and on the website of CDSL, immediately after the declaration of the result by the Chairperson or a person authorised by him in writing and communicated to the Stock Exchanges.

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

**S. Gurunatha Reddy**  
Managing Director  
DIN: 00003828

Place: Hyderabad  
Date: July 22, 2020

**Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013****Item No. 4**

At the Board Meeting held on the June 24, 2020, after considering the recommendation of the Audit Committee, the Director have appointed M/s. DZR & Co, as the Cost Auditors of the Company for the year 2020-21 on a remuneration of Rs.1,75,000/- (Rupees One lac seventy five thousand only). Pursuant to the provisions of Section 148 read with the Companies (Audit and Auditors) Rules, 2014, the aforesaid remuneration approved by the Board of Directors is required to be ratified by the members of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

Your Directors recommend the resolution for your approval.

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

**S. Gurunatha Reddy**  
Managing Director  
DIN: 00003828

Place: Hyderabad  
Date: July 22, 2020

## Annexure to the Notice dated July 22, 2020

Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting on September 9, 2020

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India]

S. No.	Particulars	Name of the Director
		Mr. S. Gurunatha Reddy
1	DIN	00003828
2	Date of birth and Age	15 <sup>th</sup> February, 1959 & 61 Years
3	Qualification	B.Sc, FCA
4	Experience and expertise in specific functional areas	More than 32 years of experience in accounting, finance, taxation, secretarial etc.
5	Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. S.Gurunatha Reddy is not related to any Directors, Manager and other Key Managerial Personnel of the company.
6	Terms and Conditions of appointment/re-appointment	As approved by the Members at the AGM held on August 14, 2019.
7	Remuneration last drawn by such person, if applicable and remuneration sought to be paid	As approved by the Members at the AGM held on August 14, 2019.
8	Date of first appointment on the Board	29 <sup>th</sup> April, 2013
9	Shareholding in the company	Holds 88,465 equity shares
10	The number of Meetings of the Board attended during the year	5 out of 5
11	Directorship Details of the Board	Astra Rafael Comsys Private Limited

By order of the Board  
For Astra Microwave Products Limited

S. Gurunatha Reddy  
Managing Director  
DIN: 00003828

Place: Hyderabad  
Date: July 22, 2020

## DIRECTORS' REPORT

**Dear Members,**

Your Directors have pleasure in presenting the 29th Annual Report of your Company together with the Audited Financial Statements including Consolidated Accounts for the financial year ended March 31, 2020.

### FINANCIAL RESULTS

#### STANDALONE (IND AS):

The Standalone performance for the Financial Year ended March 31, 2020 is as under:

#### The Financial Summary

(Rupees in lakhs)

Particulars	March 31, 2020 (IND AS)	March 31, 2019 (IND AS)
Total Revenue	47,367.02	31,064.99
Profit before finance cost, depreciation and tax expense	9,587.10	5,427.20
Finance cost	789.35	895.81
Profit before depreciation and tax expense	8,797.75	4,531.39
Depreciation	2,532.18	2,856.52
Profit before tax expense	6,265.57	1,674.87
Tax expense	1,531.62	420.89
<b>Net Profit for the year</b>	<b>4,733.95</b>	<b>1,253.98</b>
Other Comprehensive Income	(84.50)	200.44
Total Comprehensive Income	4,649.45	1,454.42
Retained earnings brought forward from earlier year	34,223.85	34,096.30
<b>Retained earnings available for appropriation</b>	<b>38,873.30</b>	<b>35,476.84</b>

#### CONSOLIDATED:

The Consolidated performance for the Financial Year ended March 31, 2020 is as under:

#### The Financial Summary

Rupees in lakhs

Particulars	March 31, 2020 (IND AS)	March 31, 2019 (IND AS)
Revenue from operations	46,722.43	29,349.32
Profit before finance cost, depreciation, share of profit of associates, exceptional items and tax expense	9,464.91	5,329.75
Finance cost	846.20	926.31
Profit before depreciation, share of profit of associates, exceptional items and tax expense	8,618.71	4,403.44
Depreciation and amortisation	2,575.91	2,890.13
Profit before share of profit of associates, exceptional items and tax expenses	6,042.80	1,513.31
Share of profit of associates	-128.89	-177.51
Profit before exceptional items and tax expenses	5,913.91	1,335.80
Exceptional items	0	0
Profit before tax expense	5,913.91	1,335.80
Tax expense	1,509.76	359.60
Profit after tax expense	4,404.15	976.20
Non-controlling interests	0	0
<b>Profit after tax expense after non-controlling interests</b>	<b>4,404.15</b>	<b>976.20</b>
Other comprehensive Income	-71.97	203.41
Total Comprehensive Income	4,332.18	1,179.61
Add: Surplus at the beginning of the year	33,885.56	34,018.59
Less: Adjustment to the surplus at the beginning of the year (IND AS 115 and others)	-12.39	-59.25
<b>Total available for appropriation</b>	<b>38,205.36</b>	<b>35,138.95</b>



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

### State of the Company's Affairs:

During the period under review, the Company has achieved revenue of Rs.461,58,09,753/- and net profit of Rs.47,33,93,411/- on a standalone basis. During the same period, the Company has achieved revenue of Rs.467,22,42,030/- and net profit of Rs.44,04,17,427/- on a consolidated basis.

### Covid-19 pandemic:

The Covid-19 pandemic is the defining global health crisis of our time and is spreading very fast across the continents. But it is much more than a health crisis and is having an unprecedented impact on people and economies worldwide.

The Company is taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business. Though the long-term directional priorities of the Company remain firm, in light of Covid-19 and its expected impact on the operating environment, the key priorities of the Company would be to closely monitor supply chain, conserve cash and control fixed costs, while continuing to invest in some of the growth areas.

The Ministry of Home Affairs, Government of India on March 24, 2020 notified the first ever nationwide lockdown in India to contain the outbreak of Covid-19. Our Plants were closed w.e.f. March 22, 2020 to May 3, 2020 due to lockdown. We have started operations on 4<sup>th</sup> May, 2020 with all precautions and safety measures. The Company undertook timely and essential measures to ensure the safety and well-being of all its employees at all its plant locations and the head office. The Company observed all the government advisories and guidelines thoroughly and in good faith.

### Share Capital

The Paid-up Share capital of the Company as on March 31, 2020 is Rs.17,32,23,350/-divided into 8,66,11,675 equity shares of Rs.2/- each fully paid up.

### Dividend

The Board of Directors of your Company recommend a final dividend @ 60% on the paid up Equity Share Capital of the Company i.e., Rs.1.20/- per equity share on face value of Rs.2 each, for the financial year ended 31st March, 2020.

### Transfer to Reserves

The Board of Directors has decided to retain the entire amount of profits for FY 2019-20 in the Retained Earnings.

### Credit Rating

During the year under review, the CRISIL has re-affirmed the following existing rating for Long Term and Short Term Bank facilities of the Company:

- a) Long-Term bank facilities: "**CRISIL A/Stable**."
- b) Short-Term bank facilities: "**CRISIL A1**".

### Listing of Equity Shares:

The Company's equity shares are presently listed on the following Stock Exchanges:

- i) BSE Limited, PhirozeJeeJeebhoy Towers, Dalal Street, Mumbai-400 001; and
- ii) National Stock Exchange of India Limited, Exchange Plaza, Floor 5, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051.

The Company has paid the Annual Listing Fees to the said Stock Exchanges for the financial year 2019-20.

### Subsidiary Companies, Associates and Joint Ventures

As per Section 129 of the Companies Act, 2013, the consolidated financial statements of the Company and all its subsidiaries and Associates prepared in accordance with the applicable accounting standards and forms part of this Annual Report, further a statement containing salient features of the financial statements of our subsidiaries and associates in the prescribed form in AOC-1 is annexed to this Board's Report as **Annexure-1**.

## Consolidated Financial Statements

The Consolidated financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the audited financial statements of the Company including consolidated financial statements and related information of the Company and audited accounts of the subsidiaries, are available on the website of the company and a copy of separate Audited financial statements of its subsidiaries will be provided to shareholders upon their request.

## Number of Meetings of the Board of Directors

Five (5) meetings of the Board of Directors were held during the financial year 2019-20. The details of the meetings are given in the Corporate Governance Report, which forms part of this Annual Report.

## Management Discussion and Analysis

The Management Discussion and Analysis forms an integral part of this Report and provides details about the overall industry structure, developments, performance and state of affairs of the Company and other material developments during the financial year.

## Directors Responsibility Statement

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirm that:

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of Profit and Loss Account of the Company for that period;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the Annual Accounts for the financial year ended March 31, 2020 on a going concern basis;
- v) the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Nomination and Remuneration Committee

The Nomination and Remuneration Committee presently consists of the following Directors namely- Mr. B. Lakshmi Narayana Raju, Chairman, Mr. V.V.R.Sastry, Dr. Avinash Chander and Mr. S.K. Sharma as Members.

## Brief description of terms of reference:

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of Independent Directors and the Board.
- c) Devising a policy on Board diversity.
- d) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

## Nomination and Remuneration Policy

### The objectives of the Policy

- 1) To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- 2) To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
- 3) To carry out evaluation of the performance of Directors.
- 4) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The details of the meetings of the Nomination and Remuneration Committee convened during the financial year 2019 - 20 are given in the Corporate Governance Report which forms part of this Annual Report.

### Particulars of Loans, Guarantees or Securities or Investments under Section 186

The particulars of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, for the financial year 2019-20 are given in Note 3 and 33 of the Notes to the financial statements.

### Transactions with Related Parties

All related party transactions entered into during FY 2019-20 were on an arm's length basis and in the ordinary course of business. No material related party transactions were entered into during the financial year by the Company.

All transactions with related parties were reviewed and approved by the Audit Committee. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis.

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 entered by the Company during the financial year ended March 31, 2020 in prescribed Form AOC-2 is annexed to this Board's Report as **Annexure- 2**.

### Corporate Social Responsibility (CSR)

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your company has approved Policy on CSR and the policy is hosted on the website of the Company.

The Board of Directors of the Company have constituted a Corporate Social Responsibility Committee presently consisting of following Directors namely Mr. S. Gurunatha Reddy, Chairman, Mr. M. V. Reddy, and Dr. Avinash Chander as Members.

A report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this Board's Report as **Annexure- 3**.

During the Financial year, Corporate Social Responsibility Committee meeting was held on June 24, 2019.

### Attendance at the Corporate Social Responsibility Committee Meetings:

Name of the Director	Category	Number of Meetings	
		Held	Attended
Mr. S. Gurunatha Reddy	Chairman	1	1
Mr. M.V.Reddy	Member	1	1
Dr. Avinash Chander	Member	1	1

## **Astra Foundation**

Astra Foundation was established under Section 8 of the Companies Act, 2013 as a Non-Profit Organisation on 9th July, 2016, as a subsidiary of the company to grant donations to poor and needy for meeting expenditure of education, welfare, medical treatments and to establish, promote, set-up, run, maintain, assist, finance, support and / or aid in setting up and / or maintaining and /or running school for orphanages, poor houses for relief and help to the poor, old and infirm people and / or destitutes.

The Astra Foundation has spent Rs.19,05,686/- for the period 2019-20.

## **Mechanism for Evaluation of Board**

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the performance evaluation of the Board, the Committees of the Board and Individual Directors is done on annual basis.

Evaluation of all Board members is done on an annual basis. The Individual Directors' responses to the questionnaire on the performance of the Board, committee(s), Directors and Chairman, were analyzed by an independent consultant, to arrive at unbiased conclusions.

## **Registration of Independent Directors in Independent Directors Databank**

All the Independent Directors of the Company have been registered and are members of Independent Directors Databank maintained by Indian Institute of Corporate Affairs.

## **Directors and Key Managerial Personnel**

### **Directors:**

As per the provisions of the Companies Act, 2013 read with Companies (Qualifications and Appointment of Directors) Rules, 2014, Mr. S. Gurunatha Reddy, Director (DIN:00003828) retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment. The Board recommends his re-appointment.

The Independent Directors of the company have submitted their declaration of independence, as required pursuant to the Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

### **Key Managerial Personnel:**

Mr. S. Gurunatha Reddy - Managing Director

Mr.M.V.Reddy - Joint Managing Director

Mr.B.V.S.Narasinga Rao - Chief Financial Officer

Mr. T.Anjaneyulu - Company Secretary

There has been no change in the key managerial personnel during the year.

### **Deposits**

The Company has not accepted any deposits from the public in terms of Section 73 of the Companies Act, 2013.

## **AUDITORS**

### **Statutory Auditors**

Price Waterhouse Chartered Accountants LLP, Chartered Accountants (FRN 012754N/ N500016), Statutory Auditors of the company hold office till the conclusion of the 31st Annual General Meeting of the company.

The Auditor's report to the shareholders on the standalone and consolidated financial statement for the financial year ended March 31, 2020 does not contain any qualifications, observations or adverse comment.

### **Internal Auditors**

The Board of Directors of the Company have appointed M/s. Kirtane & Pandit LLP, Chartered Accountants as Internal Auditors to conduct Internal Audit of the Company for the financial year ended March 31, 2020.

### Secretarial Auditor Report

As per the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors have appointed Mr. L. Dhanamjay Reddy, Practising Company Secretary (C.P.No: 3752) as Secretarial Auditor for auditing the secretarial records maintained by the Company for the financial year 2019- 20.

The Secretarial Auditor's Report is annexed to this Board's Report as **Annexure- 4**.

### Cost Auditors

Pursuant to the provisions of Section 148(3) of the Act, the Board of Directors had appointed M/s. DZR & Co., (FRN: 000173), as Cost Auditors of the Company, for conducting the audit of cost records for the financial year ended March 31, 2020. The audit is in progress and report will be filed with the Ministry of Corporate Affairs within the prescribed period. A proposal for ratification of remuneration of the Cost Auditors is placed before the shareholders.

### Board's response on Auditor's qualification, reservation or adverse remark or disclaimer made

There are no qualifications, reservations or adverse remarks made by the statutory auditors in their report or by the Practising Company Secretary in the Secretarial Audit Report for the financial year.

During the year, there were no instances of frauds reported by auditors under Section 143(12) of the Companies Act, 2013.

### Audit Committee

The Audit Committee consists of the following Directors namely Mr. V.V.R.Sastry, Chairman, Mr. B.L.N.Raju, Dr. Avinash Chander, Mr. S.K. Sharma and Mr. S. Gurunatha Reddy as members of the Committee.

All members of the Audit Committee are financially literate and have experience in financial management.

All the recommendations made by the Audit Committee were accepted by the Board of Directors of the Company.

The terms and reference of Audit Committee and details of the meetings of the Audit committee held during the financial year 2019-20 and the attendance of members are provided in the Corporate Governance Report, which forms part of this Annual Report.

### Corporate Governance

The Corporate Governance Report regarding compliance of the conditions of corporate governance by your Company as stipulated in Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as part of this Report along with the Certificate on its compliance.

### Vigil Mechanism / Whistle Blower Policy

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI Listing Regulations, the Board of Directors had approved the policy on Vigil Mechanism / Whistle Blower and the same was hosted on the website of the company. This Policy inter-alia provides a direct access to the Chairman of the Audit committee.

Your company hereby affirms that no Director / Employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year. The policy of vigil mechanism is available on the Company's website.

### Prevention of Insider Trading:

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. The Company has appointed Mr.T.Anjaneyulu, Dy.G.M - Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. During the year under review, there has been due compliance with the said code of conduct for prevention of insider trading.

### **Statement of particulars of appointment and remuneration of managerial personnel**

The Statement of particulars of Appointment and Remuneration of Managerial Personnel as per Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Board's Report as **Annexure- 5**.

### **Insurance**

All properties and insurable interests of the Company have been fully insured.

### **Internal Financial Controls**

The company has in place adequate internal financial controls with reference to financial statements. The Company maintains all its records in SAP System and the work flow and approvals are routed through SAP.

### **Names of Companies which have become or ceased to be Company's Subsidiaries, Joint Ventures or Associate Companies during the year**

During the Financial year, no Company has become or ceased to be Company's Subsidiary, Joint Venture or Associate Company.

### **Change in the nature of business**

There has been no change in the nature of business of the Company.

### **Material changes and commitments**

There are no Material changes and commitments affecting the financial position of the Company which occurred between the financial year ended March 31, 2020 to which the financial statements relates and the date of signing of this Report.

### **Details of Significant and Material orders passed by the regulators or courts or tribunals**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the company.

### **Human Resources**

The Industrial relations of the Company continued to be cordial and harmonious during the year under review.

### **Policy on Sexual Harassment**

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **Compliance with Secretarial standards**

The company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India.

### **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

In accordance with the requirements of Section 134 of the Companies Act, 2013, statement showing the particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo is annexed to this Board's Report as **Annexure- 6**.

### **Extracts of Annual Return**

Pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT-9 as on March 31, 2020 is annexed to this Board's Report as **Annexure- 7**.

Further, the Annual Return is placed in the Website of the Company at [www.astramp.com](http://www.astramp.com).



**Re-classification of Promoter & Promoter Group category to Public category**

After the approval of the members of the company in the previous annual general meeting held on August 14, 2019 and further documents submitted to Stock Exchange, company got approval letter for re-classification of promoters under regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide BSE Letter No. LIST/COMP/MI/205/2019-20 dated October 14, 2019 and NSE Letter No. NSE/LIST/53/ dated October 14, 2019.

**Business Responsibility Report**

The Listing Regulations mandate the inclusion of the 'Business Responsibility Report' (BRR) as part of the Annual Report for top 1000 listed entities based on market capitalization. In accordance with the Listing Regulations, we have integrated BRR disclosures into our Annual Report as **Annexure- 8**.

**Acknowledgments:**

Your Directors express their gratitude to all investors, customers, vendors, banks and regulatory and the State and the Central governmental authorities/ departments for their continued support. The Directors also wish to thank the employees at all levels for their contribution, support and dedicated services throughout the year.

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

**S. Gurunatha Reddy**  
Managing Director  
DIN: 00003828

**M.V. Reddy**  
Joint Managing Director  
DIN: 00421401

Place: Hyderabad  
Date: July 22, 2020

# ANNEXURE - 1 TO THE DIRECTORS REPORT

## FORM NO AOC-1

(Pursuant to first proviso to Sub-Section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
**statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures**

### Part-A-Subsidiaries (Amount in Rs.)

S. No.	Name of the Subsidiary Company	The date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency and Exchange rate as on the last date of the relevant Financial year in case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend	Other Comprehensive Income	Total Comprehensive Income	Extent % of Share-Holding
1	M/s. Bhavyabhanu Electronics Pvt. Ltd.	03.09.2013	NA	NA	17,60,000	97,36,696	99,92,93,506	99,92,93,506	0	1,36,61,87,852	(2,07,67,604)	21,87,213	(1,85,80,391)	-	(73,857)	(1,86,54,247)	99.9999%
2	M/s. Aelius Semiconductors Pte.Ltd.	08.04.2015	NA	USD 75.66	5,52,41,674	(2,68,68,966)	3,22,04,384	3,22,04,384	0	2,40,38,738	(16,16,346)	-	(16,16,346)	-	13,27,473	(2,88,874)	100%
3	M/s. Astra Foundation	09.07.2016	NA	NA	1,00,000	1,78,879	2,98,779	2,98,779	0	20,81,525	1,09,419	-	1,09,419	-	-	1,09,419	99.99%

**Notes:** The Following Information shall be furnished at the end of the statement.

1. Names of Subsidiaries which are yet to commence operations:

S. No	Name of the Company	Address
	NIL	

2. Names of Subsidiaries or joint ventures which have been liquidated or sold during the year:

S. No	Name of the Company	Address
	NIL	

**Part - B Associates and Joint Ventures**  
**Statement pursuant to Section 129 (3) of the Companies Act, 2013**  
**related to Associate Companies and Joint Venture**

Name of Associate/Joint Ventures	M/s. Astra Rafael Comsys Pvt. Ltd.
1. Latest audited Balance Sheet Date	31.03.2020
2. Date on which the Joint Venture was associated or acquired	18.06.2018
3. Shares of Joint Venture held by the company on the year end	
No. of Shares	1,62,50,000
Amount of Investment in Joint Ventures	Rs.16,25,00,000
Extent of Holding (in percentage)	50%
4. Description of how there is significant influence	Since the Investment is 50% in Joint Venture Company, there is a significant influence
5. Reason why the Joint Venture is not consolidated	Consolidated
6. Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 14,65,10,848
7. Profit or (Loss) of the year	Rs. (2,57,77,335)
i. Considered in Consolidation	Rs. (1,28,88,668)
ii. Not Considered in Consolidation	Rs. (1,28,88,668)

1. Names of Associates or Joint Ventures which are yet to commence operations:

S. No	Name of the Company	Address
1	NIL	

2. Names of Associates or Joint Ventures which have been liquidated or sold during the year:

S. No	Name of the Company	Address
1	NIL	

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

**S. Gurunatha Reddy**  
Managing Director  
DIN: 00003828

**M.V. Reddy**  
Joint Managing Director  
DIN: 00421401

Place: Hyderabad  
Date: July 22, 2020

**Annexure - 2 TO THE DIRECTORS REPORT****Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arms` length transactions under third proviso thereto.**

1. There are no contracts/arrangements entered into by the company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 which are not at arms` length basis.
2. Contracts/arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 which are at arms` length basis:

S. No	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangement/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:	Justification for entering into contracts
1	Bhavyabhanu Electronics Pvt Ltd (BEPL) (Wholly owned Subsidiary)	Supply of Printed Circuit Boards, SMT services, equipment lease and other miscellaneous services	Based on purchase order terms	Rs.132.47 Cr	09 <sup>th</sup> May, 2019	Rs.187.90 Cr	BEPL is specialized in PCB's which are required to honour export orders.
2	Aelius Semiconductors Pte Ltd (Wholly owned Subsidiary)	Supply of MMIC related services and products	Contract specific	Rs.0.21 Cr	09 <sup>th</sup> May, 2019	Nil	Aelius Semiconductors Pte Ltd is specialized in Semi-Conductor Devices and MMIC products are inputs for these semi-conductors
3	Astra Rafael Comsys Pvt Ltd (Joint Venture)	Supply of Digi-Attenuators, Amplifiers, etc which are used in the products of Tactical Radio communication systems, Electronic Warfare systems and Signal intelligence systems	Contract specific	Rs.2.25 Cr	09 <sup>th</sup> May, 2019	Nil	Astra Rafael Comsys Pvt Ltd is specialized in: 1.Tactical Radio communication systems 2.Electronic Warfare systems 3.Signal intelligence systems

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

**S. Gurunatha Reddy**

Managing Director

DIN: 00003828

**M.V. Reddy**

Joint Managing Director

DIN: 00421401

Place: Hyderabad

Date: July 22, 2020

## Annexure – 3 TO THE DIRECTORS REPORT

### Report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:
  - The CSR Committee decided to spend amount under promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
  - Providing preventive health care
  - Setting up of homes for Orphans
  - Contributions or Funds provided to Technology Incubators within academic institutions which are approved by the Central Govt.
  - Contribution to Section 8 Company
  - web link: [www.astramwp.com](http://www.astramwp.com)

2. **Composition of CSR Committee:**

S. No.	Name of the Director	Category
1	Mr. S. Gurunatha Reddy	Chairman
2	Mr.M.V.Reddy	Member
3	Dr. Avinash Chander	Member

3. **Average Net profit for last three Financial Years:**

Net Profit	For the Financial Year ended 31st March (Amount Rs.)		
	2016-17	2017-18	2018-19
	70,14,41,915	80,66,89,193	15,31,94,266
Average Net Profit for the preceding three financial years	<b>Rs. 55,37,75,125/-</b>		

4. Prescribed CSR expenditure (2% of Average Net Profit): **Rs. 1,10,75,502/-**
5. Details of CSR spend for the financial year:
  - a. Total amount spent for the financial year: **Rs. 1,10,75,502/-**
  - b. Amount unspent, if any: **Nil**

## c. Manner in which the amount spent during the financial year is detailed below:

Rs.in Lakhs

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>S. No</b>	<b>CSR Project or activity identified</b>	<b>Sector in which the project is Covered</b>	<b>Projects or programs</b> 1) Local area or other 2) Specify the State and District where Projects or Programs was undertaken	<b>Amount outlay (budget) project or programs wise</b>	<b>Amount spent on the projects or programs</b> Sub-heads: 1) Direct on projects or programs 2) Overheads:	<b>Cumulative Expenditure upto the reporting Period</b>	<b>Amount spent Direct or through implementing Agency</b>
1	Construction of Building for Promoting Healthcare and providing nutrition food and health care for less privileged children	Promoting Health Care including preventive healthcare	<b>Local Area:</b> Telangana / Hyderabad	77.00	77.00	227.09	Through Implementing Agency
2	Contribution to Astra Foundation (Section 8 Company)	Education, Health Care	<b>Local Area:</b> Telangana / Hyderabad	20.82	20.82	62.43	Through Implementing Agency
3	Promoting Education- Construction of school Building- Additional works, and Education to poor and orphan children	Education	<b>Local Area:</b> Telangana / Hyderabad / Ranga Reddy <b>Other Area:</b> Overheads	4.50 --- 8.43	4.50 --- 8.43	26.61	Through Implementing Agency
			<b>TOTAL</b>		<b>110.75</b>		

6. The Company has spent two percent of average net profits of the last three financial years.
7. We hereby confirm that the Implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors

**S. Gurunatha Reddy**  
Managing Director  
DIN: 00003828

**M.V. Reddy**  
Joint Managing Director  
DIN: 00421401

Place: Hyderabad  
Date: July 22, 2020



**ANNEXURE – 4 TO THE DIRECTORS REPORT**  
**Secretarial Audit Report**  
**For the Financial Year Ended 31st March 2020**

[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To  
 The Board of Directors  
**M/s. Astra Microwave Products Limited**  
 Address: Astra Towers, Survey No: 12 (Part)  
 Opp. CII Green Building, Hitech City, Kondapur  
 Hyderabad, Telangana.

We have conducted the Secretarial Audit on the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Astra Microwave Products Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in my opinion, the Company has, during the audit period from 01.04.2019 to 31.03.2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Astra Microwave Products Limited** (“**The Company**”) for the period from 01.04.2019 to 31.03.2020 according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
  - ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;
  - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘**SEBI Act**’) :
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. SEBI (Prohibition of Insider Trading) Regulations, 2015
    - c. The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2009;(Not Applicable to the company during audit period)
    - d. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the audit period)
    - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period).
    - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
    - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period)
    - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period).
    - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- vi. The Payment of Wages Act, 1936
  - vii. The Minimum Wages Act, 1948
  - viii. Employees Provident Fund And Misc. Provisions Act, 1952
  - ix. Employees State Insurance Act, 1948
  - x. Payment of Gratuity Act, 1972
  - xi. Employee's Compensation Act, 1923
  - xii. Contract Labour (Regulation & Abolition ) Act, 1970
  - xiii. Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
  - xiv. Income Tax Act, 1961
  - xv. GST Acts and Rules made thereunder
  - xvi. The Insurance Act, 1938, as amended
  - xvii. The Factories Act, 1948 and Andhra Pradesh Factories Rules, 1980
  - xviii. Water (Prevention & Control of Pollution) Act, 1974 and rules there under
  - xix. Air (Prevention & Control of Pollution) Act, 1981 and rules there under
  - xx. The Environment (Protection) Act, 1986
  - xxi. Hazardous and Other Wastes (Management & Trans boundary Movement) Rules, 2016
  - xxii. Customs Act, 1962
  - xxiii. Newspaper Publications
  - xxiv. The Boilers Act, 1923 and Indian Boilers Regulations, 1950
  - xxv. The Petroleum Act, 1934 and Petroleum Rules, 2002
  - xxvi. The Payment of Bonus (Amendment) Act, 2015
  - xxvii. The Apprentices Act, 1961
  - xxviii. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
2. I have also examined compliance with the applicable clauses of
- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - ii) The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited.
3. We further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:
- Closure of the Register of Members.
  - Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
  - Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
  - The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act
  - Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
  - Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;

- Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
  - Payment of remuneration to Directors including the Managing Director and Whole-time Directors,
  - Appointment and remuneration of Statutory Auditor, Cost Auditor and Secretarial Auditor.
  - Borrowings and registration, modification and satisfaction of charges wherever applicable;
  - Investment of the Company's funds including investments and loans to others;
  - Format of Balance Sheet and statement of profit and loss is as per Schedule III of the Companies Act, 2013 read with Companies Indian Accounting Standards (Ind AS) Rules, 2015;
  - Report of the Board of Directors;
  - The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Senior Management;
  - A separate meeting of Independent Directors was held during the year as per the provisions of Companies Act, 2013;
  - Maintenance of various statutory registers and documents and making necessary entries therein has been done as per Companies Act, 2013;
  - Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
  - Declaration and payment of dividends;
  - Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
4. We further report that there was no prosecution initiated and no fines or penalties were imposed during the period under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed thereunder against the Company or its Directors and Officers.
5. We Further Report That:
- The Company is paying wages to all employees as per the provisions of Minimum Wages Act, 1948 and The Payment of Wages Act, 1936
  - The Company is regular in payment of gratuity as per the rules of the Payment of Gratuity Act, 1972 and has provided 100% provision in the books of accounts.
  - The Company has filed return as per the Factories Act, 1948.
  - The Company is regular in publishing Audited and Unaudited Financial Results.
  - The Company has renewed the Insurance Policy under Employees State Insurance Act, 1948.
  - The Company has filed return under Employment Exchange Act/Rules.
  - The Company is paying bonus to all employees as per the provisions of the Payment of Bonus (Amendment) Act, 2015.
  - The Company is regular in paying all statutory dues like PF, ESI, Goods and Services Tax, Income Tax etc.,
6. We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

7. We further Report that during the audit Period the Company has
- No Public /Right/Preferential Issue of Shares/Debentures/Sweat Equity etc.,
  - No Redemption/Buy-back of Securities;
  - No major Decision taken by the members in pursuance of Section 180 of the Companies Act, 2013;
  - No Merger/Amalgamation/Reconstruction, etc.,
  - No Foreign Technical Collaborations;

**Important Note:** Due to Covid-19 pandemic, Secretarial Audit for this Financial Year ended 2020 was conducted through exchange of e-mails and using technology on sample basis. Since, visiting of company's Factories was not possible due to the current pandemic situation, I have relied on the Certificate of compliance from the respective plant heads of the company.

**For L.D.Reddy & Co.,**  
Company Secretaries

**L. Dhanamjaya Reddy**  
(Proprietor)  
M. No. 13104  
CP No.3752

UDIN No: A013104B000462201

Place: Hyderabad  
Date: July 16, 2020

## ANNEXURE

To  
The Board of Directors  
M/s. Astra Microwave Products Limited  
Address: Astra Towers, Survey No: 12 (Part)  
Opp. CII Green Building, Hitech City, Kondapur  
Hyderabad, Telangana.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records on our audit.
2. We have followed the audit practices and processes as appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the information and relevant documents including representation given by the management about the compliance of laws, rules and regulations and happening of events etc.
5. The compliances of the provisions of corporate and other applicable laws. Rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the company nor of the company efficiency of effectiveness with which the management has conducted the affairs of the company.

**For L.D.Reddy & Co.,**  
Company Secretaries

**L. Dhananjaya Reddy**  
(Proprietor)  
M. No. 13104  
CP No.3752

UDIN No: A013104B000462201

Place: Hyderabad  
Date: July 16, 2020

**Annexure – 5 (i) TO THE DIRECTORS REPORT**  
**Statement of particulars as per Rule 5 of Companies**  
**(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- (i) **The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:**

S. No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1	Dr. Avinash Chander (Chairman & Independent Director)	1.53:1
2	Mr. S.Gurunatha Reddy (Managing Director)	22.79:1
3	Mr. M.V. Reddy (Joint Managing Director)	21.99:1
4	Mr. V. Venkata Rama Sastry (Independent Director)	1.60:1
5	Mr. B. Lakshmi Narayana Raju (Independent Director)	1.53:1
6	Mr. Sunil Kumar Sharma (Independent Director)	1.60:1
7	Ms. Kiran Dhingra (Independent Director)	1.46:1
8	Mr. Atim Kabra (Non-Executive Director)	1.42:1

- (ii) **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year**

S. No.	Name of the Director	Percentage Increase in Remuneration
1	Dr. Avinash Chander (Chairman & Independent Director)	92.75
2	Mr. S.Gurunatha Reddy (Managing Director)	89.35
3	Mr. M.V. Reddy (Joint Managing Director)	122.11
4	Mr. V. Venkata Rama Sastry (Independent Director)	101.74
5	Mr. B. Lakshmi Narayana Raju (Independent Director)	99.48
6	Mr. Sunil Kumar Sharma (Independent Director) <sup>1</sup>	---
7	Ms. Kiran Dhingra (Independent Director) <sup>2</sup>	---
8	Mr. Atim Kabra (Non-Executive Director) <sup>3</sup>	---
9	Mr. T. Anjaneyulu (Company Secretary)	1.35
10	Mr. B.V.S. Narasinga Rao (Chief Financial Officer) <sup>4</sup>	---

**Notes:**

- Mr. Sunil Kumar Sharma was appointed as Independent Director of the Company w.e.f. March 22, 2019. Hence Comparable figures are not available due to first time payment.
- Ms. Kiran Dhingra was appointed as Independent Director of the Company w.e.f. June 24, 2019. Hence Comparable figures are not available due to first time payment.
- Mr. Atim Kabra was appointed as Non-Executive Director of the Company w.e.f. June 24, 2019. Hence Comparable figures are not available due to first time payment.
- Mr. B.V.S. Narasinga Rao was appointed as Chief Financial Officer of the Company w.e.f. June 24, 2019. Hence Comparable figures are not available due to first time payment.

- (iii) **The percentage increase in the median remuneration of employees in the financial year.**

8%

- (iv) **The number of permanent employees on the rolls of Company.**

There are 1111 permanent employees on the rolls of the Company.

- (v) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

There are two Whole Time Directors in the company. There was an Increase in Remuneration paid to the Whole Time Directors during the Financial Year ended 31st March, 2020.

- (vi) **The Remuneration paid to Key Managerial Personnel is as per the Remuneration policy of the Company.**

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

Place: Hyderabad  
Date: July 22, 2020

<b>S. Gurunatha Reddy</b> Managing Director DIN: 00003828	<b>M.V. Reddy</b> Joint Managing Director DIN: 00421401
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## ANNEXURE - 5 (ii) TO THE DIRECTORS REPORT

### Statement of particulars of Employees pursuant of provisions of Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S.No.	Name & Designation	Remuneration Received (Rs.)	Nature of Employment	Qualification (s) and experience of the employee	Date of Commencement in employment	Age	Particulars of last employment	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) of Rule 5	Whether is a relative of any director or manager of the company
1.	Mr.S.Gurunatha Reddy Managing Director	1,27,70,983	Contractual	BSc, FCA & 32 years	25.04.1993	61	Accounts Manager in Era Software Systems Limited	N.A	N.A
2.	Mr.M.V.Reddy Joint Managing Director	1,23,23,983	Contractual	B.E (Electronics), MBA & 28 years	23.02.1998	53	Deputy Manager in ARM Limited	N.A	N.A

For and on behalf of the Board of Directors

**S. Gurunatha Reddy** Managing Director  
DIN: 00003828

**M.V. Reddy** Joint Managing Director  
DIN: 00421401

Place: Hyderabad  
Date: July 22, 2020

## Annexure – 5 (iii) TO THE DIRECTORS REPORT

### STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

List of Top 10 salaried employees for the financial year ended March 31, 2020

S. No.	Name & Designation	Remuneration received during the period from April 1, 2019 to March 31, 2020	Nature of Employment	Qualifications and experience of the employee	Date of commencement of employment	Age	The last employment held before joining the Company	Whether is a relative of any director or manager of the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub-rule (2) of Rule 5
1	Mr. S. Gurunatha Reddy Managing Director	12770983	Regular	BSc, FCA	25-04-1993	61	ERA-ACS Group Companies	No	NA
2	Mr. M.V.Reddy Joint Managing Director	12323983	Regular	B.E (Electronics), MBA	23-02-1998	53	Arm Limited	No	NA
3	Mr. A. Srikanth Reddy General Manager	4245504	Regular	MBA	06-08-2014	42	Hittite Microwave India Pvt. Ltd.	No	NA
4	Mr. P. Srinivasulu General Manager	3565860	Regular	Ph.D	07-12-2015	53	NARL	No	NA
5	Mr. C. Nageshwar Rao Sr. General Manager	3497100	Regular	M.E	12-09-2012	68	BEL	No	NA
6	Mr. G. R. Shinde Sr. General Manager	3496056	Regular	B.E	01-12-2007	56	Avantel Softech Ltd.	No	NA
7	Mr. Pravin Mandrupkar Sr. General Manager	3461952	Regular	B.E	04-08-2001	48	Akon Electronics India (P) Ltd.	No	NA
8	Mr. V.Sudhakar General Manager	3275400	Regular	M.Tech	05-10-2015	56	HAL	No	NA
9	Mr. R.Narasimhan Dy. General Manager	2757012	Regular	AMIE & MBA	17-06-2008	52	Qmax Test Equipment Pvt Ltd	No	NA
10	Mr. Vaibhav Agarwal General Manager	2722836	Regular	M. Tech	18-06-2015	43	Huber + Suhner	No	NA

For and on behalf of the Board of Directors

**S. Gurunatha Reddy**      **M.V. Reddy**  
Managing Director      Joint Managing Director  
DIN: 00003828      DIN: 00421401

Place: Hyderabad  
Date: July 22, 2020

## Annexure – 6 TO THE DIRECTORS REPORT

The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the provisions of section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014:

### 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 center is recognized by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India in the year 1994.

During the year, the R&D wing of the Company has developed innovative designs useful for manufacture of cost effective products. The research and development activities of the Company are customer need based and hence it is a continuous process. Because of its in-house R&D efforts, the Company was able to deliver the solutions to the customers in cost effective manner.

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

Amount in Rupees

Particulars	As of March 31	
	2020	2019
A. Capital	0	0
B. Recurring	22,24,59,655	17,45,62,507
<b>Total</b>	<b>22,24,59,655</b>	<b>17,45,62,507</b>
<b>Total R&amp;D expenditure as percentage of total turnover</b>	<b>4.76%</b>	<b>5.25%</b>

### 3. Technology Absorption, Adoption and Innovation

The Company works on in-house technology.

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

Foreign Exchange outgo and earnings

Amount in Rupees

Particulars	2019-20	2018-19
Foreign Exchange outgo	194,49,32,487	113,62,97,723
Foreign Exchange Earnings	201,21,51,397	50,56,38,659

For and on behalf of the Board of Directors

Place: Hyderabad  
Date: July 22, 2020

**S. Gurunatha Reddy**  
Managing Director  
DIN: 00003828

**M.V. Reddy**  
Joint Managing Director  
DIN: 00421401

**ANNEXURE - 7 TO THE DIRECTORS REPORT****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****as on financial year ended on March 31, 2020****Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014****I REGISTRATION & OTHER DETAILS:**

i	CIN	L29309TG1991PLC013203
ii	Registration Date	13th September 1991
iii	Name of the Company	Astra Microwave Products Limited
iv	Category/Sub-category of the Company	Company Limited by Shares/Public Company
v	Address of the Registered office & contact details	ASTRA TOWERS, Survey No:12 (Part), Opp. CII Green Building, Hitech City, Kondapur, Hyderabad, Telangana-500 038, India. Tel: +91-40-46618000, 46618001, Fax: +91-40-46618048, Email: info@astramp.com ; web: www.astramp.com
vi	Whether listed company	Yes BSE Limited National Stock Exchange of India Limited
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Purva Sharegistry (India) Pvt Ltd Shiv Shakti Industrial Estate, Unit No.9, Ground Floor, 7 B J R Boricha Marg, Lower Parel, Mumbai-400011 tel:91-022-23016761 Email Id:support@purvashare.com

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY****All the business activities contributing 10% or more of the total turnover of the company shall be stated**

<b>S. No</b>	<b>Name &amp; Description of main products/ services</b>	<b>NIC Code of the Product /service *</b>	<b>% to total turnover of the company</b>
1	To carry on the Business to manufacture, produce, assemble, repaire, maintain, import, export, buy, sell or otherwise deal in all kinds of electronic items and components including all kinds of filters, power dividers, directional couplers amplifiers, circulators, isolators, power Combiners, Antennae, Sources, Voltage controlled Oscillators, Terminations, Loads etc. Systems and subsystems, Very High Frequency (VHF) Ultra High Frequency (UHF) and Microwave bands for all kinds of applications.	3652	100%

\*As per NIC Code 2008.

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

<b>S. No</b>	<b>Name &amp; Address of the Company</b>	<b>CIN/GLN</b>	<b>HOLDING/ SUBSIDIARY/ ASSOCIATE</b>	<b>% OF SHARES HELD</b>	<b>APPLICABLE SECTION</b>
1	<b>BHAVYABHANU ELECTRONICS PRIVATE LIMITED</b> Add: West Block, G.Floor, Plot No.18 to 21, Imarath Kancha, Hardware Park, Raviryala (V), Maheshwaram Mandal-500005	U32209TG2013PTC089834	Subsidiary	100	Section 2(87)
2	<b>AELIUS SEMICONDUCTORS PTE. LTD.</b> Add: 141 Middle Road, # 06-07A, GSM Building, Singapore - 188976	Not Applicable	Subsidiary	100	Section 2(87)
3	<b>ASTRA FOUNDATION</b> Add: 2nd Floor, Astra Towers, Survey No: 12(Part), Opp: CII Green Building, Hitech City, Kondapur, Hyderabad, Telangana, India - 500038	U80904TG2016NPL110782	Subsidiary	100	Section 2(87)
4	<b>ASTRA RAFAEL COMSYS PRIVATE LIMITED</b> Add: 2nd Floor, Astra Towers, Survey No: 12(part), Opp. CII Green Building, Hitech City, Kondapur, Hyderabad, Telangana, India – 500038.	U32204TG2015PTC101161	Associate	50	Section 2(6)

#### IV (i). SHAREHOLDING PATTERN (Equity Share Capital Break up as % to Total Equity)

##### i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% of Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
<b>A. PROMOTER AND PROMOTER GROUP</b>							
<b>(1) Indian</b>							
(a) Individuals/ HUF	10301398	0	10301398	8705850	0	8705850	10.05
(b) Central Govt	0	0	0	0	0	0	0.00
(c) State Govt(s)	0	0	0	0	0	0	0.00
(d) Bodies Corp.	0	0	0	0	0	0	0.00
(e) Banks / FI	0	0	0	0	0	0	0.00
(f) Any Other.....							
<b>Sub Total (A)(1):</b>	<b>10301398</b>	<b>0</b>	<b>10301398</b>	<b>8705850</b>	<b>0</b>	<b>8705850</b>	<b>10.05</b>
<b>(2) Foreign</b>							
(a) NRI Individuals	870000	0	870000	0	0	0	0.00
(b) Other Individuals	0	0	0	0	0	0	0.00
(c) Bodies Corp.	0	0	0	0	0	0	0.00
(d) Banks / FI	0	0	0	0	0	0	0.00
(e) Any Other.....	0	0	0	0	0	0	0.00
<b>Sub Total (A)(2):</b>	<b>870000</b>	<b>0</b>	<b>870000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1.00</b>
<b>Total shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>11171398</b>	<b>0</b>	<b>11171398</b>	<b>8705850*</b>	<b>0</b>	<b>8705850*</b>	<b>10.05*</b>
<b>B. PUBLIC SHAREHOLDING</b>							
<b>(1) Institutions</b>							
(a) Mutual Funds	7401598	0	7401598	7134567	0	7134567	8.24
(b) Banks FI	0	0	0	0	0	0	0.00
(c) Central Govt.	0	0	0	0	0	0	0.00
(d) State Govt.(s)	0	0	0	0	0	0	0.00
(e) Venture Capital Funds	0	0	0	0	0	0	0.00
(f) Insurance Companies	0	0	0	0	0	0	0.00
(g) FIIIs	1276404	0	1276404	1128376	0	1128376	1.30
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0.00
(i) Others (specify)							
Financial Institutions	78199	0	78199	180530	0	180530	0.21
Private Sector Banks	62253	0	62253	4650	0	4650	0.01
<b>Sub-Total (B)(1):</b>	<b>8818454</b>	<b>0</b>	<b>8818454</b>	<b>8448123</b>	<b>0</b>	<b>8448123</b>	<b>9.75</b>
<b>Sub-Total (B)(2):</b>							<b>-0.43</b>

#### IV (i). SHAREHOLDING PATTERN (Equity Share Capital Break up as % to Total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat		Physical		Demat		Physical		
	Total	% of Total Shares	Total	% of Total Shares	Total	% of Total Shares	Total	% of Total Shares	
<b>(2) Non-Institutions</b>									
<b>(a) Bodies Corp.</b>									
(i) Indian	18728605	41500	18770105	21.67	19775618	17000	19792618	22.85	1.18
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
<b>(b) Individuals</b>									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	20477828	356836	20834664	24.06	21518055	325336	21843391	25.22	1.16
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	7251111	156000	7407111	8.55	9527607	156000	9683607	11.18	2.63
<b>(c) Others (specify)</b>									
IEPF	583865	0	583865	0.67	628462	0	628462	0.73	0.05
LLP	195681	0	195681	0.23	508156	0	508156	0.59	0.36
ALTERNATE INVESTMENT FUND	4101300	0	4101300	4.74	2373916	0	2373916	2.74	-1.99
N.R.I.	5286527	0	5286527	6.10	6528925	0	6528925	7.54	1.43
FOREIGN CORPORATE BODIES	1672097	0	1672097	1.93	1672097	0	1672097	1.93	0.00
TRUST	714	0	714	0.00	5323	0	5323	0.01	0.01
HINDU UNDIVIDED FAMILY	2128805	0	2128805	2.46	2034635	0	2034635	2.35	-0.11
CLEARING MEMBERS	5640954	0	5640954	6.51	4386572	0	4386572	5.06	-1.45
<b>Sub-total (B)(2):</b>	<b>66067487</b>	<b>554336</b>	<b>66621823</b>	<b>76.92</b>	<b>68959366</b>	<b>498336</b>	<b>69457702</b>	<b>80.19</b>	<b>3.27</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>74885941</b>	<b>554336</b>	<b>75440277</b>	<b>87.10</b>	<b>77407489</b>	<b>498336</b>	<b>77905825</b>	<b>89.95</b>	<b>2.85</b>
<b>C. Shares held by custodians for GDRS &amp; ADRS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A + B + C)</b>	<b>86057339</b>	<b>554336</b>	<b>86611675</b>	<b>100.00</b>	<b>86113339</b>	<b>498336</b>	<b>86611675</b>	<b>100.00</b>	<b>0.00</b>

Note: \* Re-classification of certain Promoters as Public Shareholders w.e.f. 14th October, 2019.



## IV (ii) SHAREHOLDING OF PROMOTERS

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged encumbered to total shares	No. of shares	% of total Shares of the Company	
1	B. MALLA REDDY	0	0.00	0.00	0	0.00	0.00
2	P A CHITRAKAR	3216970	3.71	0.00	3290830	3.80	0.09
3	RENUKA CHITRAKAR	2944494	3.40	0.00	3014997	3.48	0.08
4	PRAMEELAMMA CH .	1532643	1.77	0.00	1485237	1.71	-0.06
5	PRASANNA LAKSHMI .B .	875622	1.01	0.00	871621	1.01	0.00
6	RAMAKRISHNA REDDY PUTCHALAPALLI	52175	0.06	0.00	43165	0.05	-0.01
7	PRATHAP REDDY C *	0	0.00	0.00	0 *	0.00	0.00
8	T.SITARAMA REDDY *	870000	1.00	0.00	0 *	0.00	0.00
9	K MURALI MOHAN *	826500	0.95	0.00	0 *	0.00	0.00
10	A S S R REDDY *	298727	0.34	0.00	0 *	0.00	0.00
11	LAKSHMI REDDY CHITTEPU *	195450	0.23	0.00	0 *	0.00	0.00
12	PADMAVATHI CHITTEPU *	161780	0.19	0.00	0 *	0.00	0.00
13	BHUMIREDDY LAKSHMI *	112500	0.13	0.00	0 *	0.00	0.00
14	CHANDRASEKARA REDDY G *	50620	0.06	0.00	0 *	0.00	0.00
15	SUBRAMANYAM J *	29995	0.03	0.00	0 *	0.00	0.00
16	G THULASI DEVI *	2200	0.00	0.00	0 *	0.00	0.00
17	VENKATAMMA CHITTEPU *	1672	0.00	0.00	0 *	0.00	0.00
18	NARAPU REDDY C V *	50	0.00	0.00	0 *	0.00	0.00
	<b>Total</b>	<b>11171398</b>	<b>12.90</b>	<b>0.00</b>	<b>8705850</b>	<b>10.05</b>	<b>0.10</b>

Note: \* Re-classified as Public Shareholders w.e.f 14th October, 2019.

## IV (iii) CHANGE IN PROMOTERS' SHAREHOLDING (Please specify, if there is no changes)

S. No.	For Each of the Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Type
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company	
<b>1</b>	<b>B MALLA REDDY</b>					
	At the beginning of the year	<b>0</b>	<b>0.00</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>0</b>	<b>0.00</b>	
<b>2</b>	<b>P A CHITRAKAR</b>					
	At the beginning of the year	<b>3216970</b>	<b>3.71</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year					
	20-03-2020	65860	0.08	3282830	3.79	Buy
	27-03-2020	8000	0.01	3290830	3.80	Buy
	At the end of the year			<b>3290830</b>	<b>3.80</b>	
<b>3</b>	<b>RENUKA CHITRAKAR</b>					
	At the beginning of the year	<b>2944494</b>	<b>3.40</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year					
	20-03-2020	62503	0.07	3006997	3.47	Buy
	27-03-2020	8000	0.01	3014997	3.48	Buy
	At the end of the year			<b>3014997</b>	<b>3.48</b>	
<b>4</b>	<b>PRAMEELAMMA CH</b>					
	At the beginning of the year	<b>1532643</b>	<b>1.77</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year					
	07-06-2019	-20114	-0.02	1512529	1.75	Sell
	14-06-2019	-27292	-0.03	1485237	1.71	Sell
	At the end of the year			<b>1485237</b>	<b>1.71</b>	
<b>5</b>	<b>PRASANNA LAKSHMI .B</b>					
	At the beginning of the year	<b>875622</b>	<b>1.01</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year					
	02-08-2019	-4001	-0.00	871621	1.01	Sell
	At the end of the year			<b>871621</b>	<b>1.01</b>	
<b>6</b>	<b>RAMAKRISHNA REDDY PUTCHALAPALLI</b>					
	At the beginning of the year	<b>52175</b>	<b>0.06</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year					
	31-05-2019	-2010	-0.00	50165	0.06	Sell
	07-06-2019	-2000	-0.00	48165	0.06	Sell
	13-09-2019	-5000	-0.01	43165	0.05	Sell
	At the end of the year			<b>43165</b>	<b>0.05</b>	

S. No.	For Each of the Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Type
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company	
<b>7</b>	<b>PRATHAP REDDY C *</b>					
	At the beginning of the year	<b>0</b>	<b>0.00</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>0 *</b>	<b>0.00</b>	
<b>8</b>	<b>T.SITARAMA REDDY *</b>					
	At the beginning of the year	<b>870000</b>	<b>1.00</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>0 *</b>	<b>0.00</b>	
<b>9</b>	<b>K MURALI MOHAN *</b>					
	At the beginning of the year	<b>826500</b>	<b>0.95</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>0 *</b>	<b>0.00</b>	
<b>10</b>	<b>A S S R REDDY *</b>					
	At the beginning of the year	<b>298727</b>	<b>0.34</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>0 *</b>	<b>0.00</b>	
<b>11</b>	<b>LAKSHMI REDDY CHITTEPU *</b>					
	At the beginning of the year	<b>205450</b>	<b>0.24</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>0 *</b>	<b>0.00</b>	
<b>12</b>	<b>PADMAVATHI CHITTEPU *</b>					
	At the beginning of the year	<b>161780</b>	<b>0.19</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>0 *</b>	<b>0.00</b>	
<b>13</b>	<b>BHUMIREDDY LAKSHMI *</b>					
	At the beginning of the year	<b>112500</b>	<b>0.13</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>0 *</b>	<b>0.00</b>	
<b>14</b>	<b>CHANDRASEKARA REDDY G *</b>					
	At the beginning of the year	<b>50620</b>	<b>0.06</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>0 *</b>	<b>0.00</b>	

S. No.	For Each of the Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Type
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company	
<b>15</b>	<b>SUBRAMANYAM J *</b>					
	At the beginning of the year	<b>29995</b>	<b>0.03</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>0 *</b>	<b>0.00</b>	
<b>16</b>	<b>G THULASI DEVI *</b>					
	At the beginning of the year	<b>12200</b>	<b>0.01</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>0 *</b>	<b>0.00</b>	
<b>17</b>	<b>VENKATAMMA CHITTEPU *</b>					
	At the beginning of the year	<b>1672</b>	<b>0.00</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>0 *</b>	<b>0.00</b>	
<b>18</b>	<b>NARAPU REDDY C V *</b>					
	At the beginning of the year	<b>50</b>	<b>0.00</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year	---	---	---	---	
	At the end of the year			<b>0 *</b>	<b>0.00</b>	

Note: \* Re-classified as Public Shareholders w.e.f 14th October, 2019.

**IV (iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS**  
(other than Directors, Promoters & Holders of GDRs & ADRs)

S. No.	For Each of the top ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Type
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company	
<b>1</b>	<b>SUNDARAM MUTUAL FUND A/C SUNDARAM SMALL CAP FUND</b>					
	At the beginning of the year	<b>4789398</b>	<b>5.53</b>			
	Date wise Increase / Decrease in shareholding during the year					
	22-11-2019	-25408	-0.03	4763990	5.50	Sell
	29-11-2019	-16583	-0.02	4747407	5.48	Sell
	13-12-2019	-7485	-0.01	4739922	5.47	Sell
	28-02-2020	-22181	-0.03	4717741	5.45	Sell
	06-03-2020	-5070	-0.01	4712671	5.44	Sell
	20-03-2020	5000	0.01	4717671	5.45	Buy
	At the end of the year			<b>4717671</b>	<b>5.45</b>	
<b>2</b>	<b>RATNABALI INVESTMENT PRIVATE LIMITED</b>					
	At the beginning of the year	<b>4634272</b>	<b>5.35</b>			
	Date wise Increase / Decrease in shareholding during the year	---	---	---	---	
	At the end of the year			<b>4634272</b>	<b>5.35</b>	
<b>3</b>	<b>RATNABALI SECURITIES PRIVATE LIMITED</b>					
	At the beginning of the year	<b>3097791</b>	<b>3.58</b>			
	Date wise Increase / Decrease in shareholding during the year					
	07-02-2020	-1750000	-2.02	1347791	1.56	Sell
	At the end of the year			<b>1347791</b>	<b>1.56</b>	
<b>4</b>	<b>ADVENTZ FINANCE PRIVATE LIMITED</b>					
	At the beginning of the year	<b>2000000</b>	<b>2.31</b>			
	Date wise Increase / Decrease in shareholding during the year					
	07-02-2020	750000	0.87	2750000	3.18	Buy
	At the end of the year			<b>2750000</b>	<b>3.18</b>	
<b>5</b>	<b>SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES I</b>					
	At the beginning of the year	<b>1878826</b>	<b>2.17</b>			
	Date wise Increase / Decrease in shareholding during the year					
	13-09-2019	-72090	-0.08	1806736	2.09	Sell
	At the end of the year			<b>1806736</b>	<b>2.09</b>	
<b>6</b>	<b>STRATEGIC VENTURES FUND MAURITIUS LIMITED</b>					
	At the beginning of the year	<b>1672097</b>	<b>1.93</b>			

S. No.	For Each of the top ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Type
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company	
	Date wise Increase / Decrease in shareholding during the year	---	---	---	---	
	At the end of the year			<b>1672097</b>	<b>1.93</b>	
<b>7</b>	<b>RAJASTHAN GLOBAL SECURITIES PVT LTD</b>					
	At the beginning of the year	<b>1614821</b>	<b>1.86</b>			
	Date wise Increase / Decrease in shareholding during the year					
	05-04-2019	-277643	-0.32	1337178	1.54	Sell
	12-04-2019	-5572	-0.01	1331606	1.54	Sell
	19-04-2019	-129897	-0.15	1201709	1.39	Sell
	26-04-2019	-1281	-0.00	1200428	1.39	Sell
	03-05-2019	-97986	-0.11	1102442	1.27	Sell
	10-05-2019	-285508	-0.33	816934	0.94	Sell
	17-05-2019	-282663	-0.33	534271	0.62	Sell
	24-05-2019	-134295	-0.16	399976	0.46	Sell
	31-05-2019	-109521	-0.13	290455	0.34	Sell
	07-06-2019	-101227	-0.12	189228	0.22	Sell
	14-06-2019	-171937	-0.20	17291	0.02	Sell
	21-06-2019	-3446	-0.00	13845	0.02	Sell
	05-07-2019	-13845	-0.02	0	0.00	Sell
	At the end of the year			<b>0</b>	<b>0.00</b>	
<b>8</b>	<b>MOTILAL OSWAL FOCUSED GROWTH OPPORTUNITIES FUND</b>					
	At the beginning of the year	<b>1610500</b>	<b>1.86</b>			
	Date wise Increase / Decrease in shareholding during the year					
	13-09-2019	-24640	-0.03	1585860	1.83	Sell
	11-10-2019	-497279	-0.57	1088581	1.26	Sell
	18-10-2019	-133581	-0.15	955000	1.10	Sell
	25-10-2019	-10999	-0.01	944001	1.09	Sell
	15-11-2019	-304001	-0.35	640000	0.74	Sell
	22-11-2019	-320000	-0.37	320000	0.37	Sell
	24-01-2020	-1984	-0.00	318016	0.37	Sell
	21-02-2020	-64419	-0.07	253597	0.29	Sell
	28-02-2020	-253597	-0.29	0	0.00	Sell
	At the end of the year			<b>0</b>	<b>0.00</b>	

S. No.	For Each of the top ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Type
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company	
<b>9</b>	<b>ICICI PRUDENTIAL INFRASTRUCTURE FUND</b>					
	At the beginning of the year	<b>1484000</b>	<b>1.71</b>			
	Date wise Increase / Decrease in shareholding during the year					
	22-11-2019	18396	0.02	1502396	1.73	Buy
	31-01-2020	-31310	-0.04	1471086	1.70	Sell
	14-02-2020	-202690	-0.23	1268396	1.46	Sell
	At the end of the year			<b>1268396</b>	<b>1.46</b>	
<b>10</b>	<b>TEXMACO INFRASTRUCTURE &amp; HOLDINGS LIMITED</b>					
	At the beginning of the year	<b>1153269</b>	<b>1.33</b>			
	Date wise Increase / Decrease in shareholding during the year					
	07-02-2020	999986	1.15	2153255	2.49	Buy
	At the end of the year			<b>2153255</b>	<b>2.49</b>	
<b>11</b>	<b>GANDHI SECURITIES &amp; INVESTMENT PVT. LTD.</b>					
	At the beginning of the year	<b>1032000</b>	<b>1.19</b>			
	Date wise Increase / Decrease in shareholding during the year					
	28-06-2019	-7000	-0.01	1025000	1.18	Sell
	29-11-2019	650000	0.75	1675000	1.93	Buy
	At the end of the year			<b>1675000</b>	<b>1.93</b>	
<b>12</b>	<b>MOUNT INTRA FINANCE PVT. LTD</b>					
	At the beginning of the year	<b>858856</b>	<b>0.99</b>			
	Date wise Increase / Decrease in shareholding during the year					
	28-02-2020	375000	0.43	1233856	1.42	Buy
	20-03-2020	24762	0.03	1258618	1.45	Buy
	27-03-2020	73631	0.09	1332249	1.54	Buy
	At the end of the year			<b>1332249</b>	<b>1.54</b>	



## IV (v) SHAREHOLDING OF DIRECTORS &amp; KMP

S. No.	For each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Type
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company	
1	<b>Mr. S. GURUNATHA REDDY</b> (Managing Director)					
	At the beginning of the year	<b>68938</b>	<b>0.08</b>			
	Date wise Increase / Decrease in Shareholding during the year					
	20-03-2020	16527	0.02	85465	0.10	Buy
	27-03-2020	3000	0.00	88465	0.10	Buy
	At the end of the year			<b>88465</b>	<b>0.10</b>	
2	<b>Mr. M .V. REDDY</b> (Joint Managing Director)					
	At the beginning of the year	<b>53850</b>	<b>0.06</b>			
	Date wise Increase / Decrease in Shareholding during the year					
	20-03-2020	7500	0.01	61350	0.07	Buy
	At the end of the year			<b>61350</b>	<b>0.07</b>	
3	<b>Mr. V. V. R. SASTRY</b> (Independent Director)					
	At the beginning of the year	<b>0</b>	<b>0.00</b>			
	Date wise Increase / Decrease in Shareholding during the year	---	---	---	---	
	At the end of the year			<b>0</b>	<b>0.00</b>	
4	<b>Mr. B. L. N. RAJU</b> (Independent Director)					
	At the beginning of the year	<b>0</b>	<b>0.00</b>			
	Date wise Increase / Decrease in Shareholding during the year	---	---	---	---	
	At the end of the year			<b>0</b>	<b>0.00</b>	
5	<b>Dr. AVINASH CHANDER</b> (Independent Director)					
	At the beginning of the year	<b>0</b>	<b>0.00</b>			
	Date wise Increase / Decrease in Shareholding during the year	---	---	---	---	
	At the end of the year			<b>0</b>	<b>0.00</b>	

S. No.	For each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Type
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company	
6	<b>Mr. SUNIL KUMAR SHARMA</b> (Independent Director)					
	At the beginning of the year	0	0.00			
	Date wise Increase / Decrease in Shareholding during the year	---	---	---	---	
	At the end of the year			0	0.00	
7	<b>Ms. KIRAN DHINGRA</b> (Independent Director)					
	At the beginning of the year	0	0.00			
	Date wise Increase / Decrease in Shareholding during the year	---	---	---	---	
	At the end of the year			0	0.00	
8	<b>Mr. ATIM KABRA</b> (Non-Executive Director)					
	At the beginning of the year	3401634	3.93			
	Date wise Increase / Decrease in Shareholding during the year					
	12-04-2019	-23523	-0.03	3378111	3.90	Sell
	26-04-2019	-11900	-0.01	3366211	3.89	Sell
	03-05-2019	-18799	-0.02	3347412	3.86	Sell
	20-03-2020	2662	0.00	3350074	3.87	Buy
	31-03-2020	6000	0.01	3356074	3.87	Buy
	At the end of the year			3356074	3.87	
9	<b>Mr. T. ANJANEYULU</b> (Dy.G.M - Company Secretary)					
	At the beginning of the year	5000	0.01			
	Date wise Increase / Decrease in Shareholding during the year					
	27-03-2020	878	0.00	5878	0.01	Buy
	At the end of the year			5878	0.01	
10	<b>Mr. B.V. S. NARASINGA RAO</b> (Chief Financial Officer)					
	At the beginning of the year	0	0.00			
	Date wise Increase / Decrease in Shareholding during the year	---	---	---	---	
	At the end of the year			0	0.00	

## V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Amount in Rs.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year 2019-20</b>				
i) Principal Amount	14,31,41,320	-	-	14,31,41,320
ii) Interest due but not paid	11,66,960	-	-	11,66,960
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>14,43,08,280</b>	-	-	<b>14,43,08,280</b>
<b>Change in Indebtedness during the financial year 2019-20</b>				
Additions	2,06,510	-	-	2,06,510
Change in WC borrowings - Addition	47,35,67,546	-	-	47,35,67,546
Reduction	(9,55,97,330)	-	-	(9,55,97,330)
<b>Net Change</b>	<b>37,81,76,726</b>	-	-	<b>37,81,76,726</b>
<b>Indebtedness at the end of the financial year 2019-20</b>				
i) Principal Amount	52,11,11,536	-	-	52,11,11,536
ii) Interest due but not paid	13,73,470	-	-	13,73,470
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>52,24,85,006</b>	-	-	<b>52,24,85,006</b>

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole Time Director and/or Manager:**

S. No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount Rs.
		Mr. S. Gurunatha Reddy	Mr. M. Venkateshwar Reddy	
<b>1</b>	<b>Gross salary</b>	<b>1,23,82,183</b>	<b>1,19,35,183</b>	<b>2,43,17,366</b>
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
<b>2</b>	<b>Stock option</b>	-	-	-
<b>3</b>	<b>Sweat Equity</b>	-	-	-
<b>4</b>	<b>Commission</b>	-	-	-
	as % of profit	-	-	-
	others specify	-	-	-
<b>5</b>	<b>Others, please specify-PF company Contribution</b>	<b>3,88,800</b>	<b>3,88,800</b>	<b>7,77,600</b>
	<b>Total (A)</b>	<b>1,27,70,983</b>	<b>1,23,23,983</b>	<b>2,50,94,966</b>
	Ceiling as per the Act	3,29,65,778	3,29,65,778	<b>6,59,31,555</b>

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**B. Remuneration to other Directors:**

S. No	Particulars of Remuneration	Name of the Directors						Total Amount Rs.
		Dr. Avinash Chander	Mr. V.V.R. Sastry	Mr. B. L. N. Raju	Mr. Sunil Kumar Sharma	Ms. Kiran Dhingra		
<b>1</b>	<b>Independent Directors</b>							
	(a) Fee for attending Board/Committee Meetings	1,00,000	1,40,000	1,00,000	1,40,000	60,000		5,40,000
	(b) Commission	7,57,763	7,57,763	7,57,763	7,57,763	7,57,763		37,88,815
	(c) Others, please specify	-	-	-	-	-		-
	<b>Total (1)</b>	<b>8,57,763</b>	<b>8,97,763</b>	<b>8,57,763</b>	<b>8,97,763</b>	<b>8,17,763</b>	<b>Mr. Atim Kabra</b>	<b>43,28,815</b>
<b>2</b>	<b>Other Non Executive Directors</b>							
	(a) Fee for attending Board/Committee meetings	-	-	-	-	40,000		40,000
	(b) Commission	-	-	-	-	7,57,763		7,57,763
	(c) Others, please specify.	-	-	-	-	-		-
	<b>Total (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,97,763</b>		<b>7,97,763</b>
	<b>Total (B)=(1+2)</b>	<b>8,57,763</b>	<b>8,97,763</b>	<b>8,57,763</b>	<b>8,97,763</b>	<b>16,15,526</b>		<b>51,26,578</b>
	Total Managerial Remuneration							51,26,578
	Overall ceiling as per the Act *	10,98,859	10,98,859	10,98,859	10,98,859	21,97,719		65,93,156

\* Being 1% of the net profit of the Company calculated as per Section 198 of the Act. Pursuant to the provisions of Section 197(2) of the Act, the sitting fees paid shall not be considered while computing the said ceiling of 1%

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD**

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount Rs.
		Dy.G.M - Company Secretary	Chief Financial Officer	
		Mr. T. Anjaneyulu	Mr. B.V.S. Narasinga Rao	
1	<b>Gross Salary</b>	<b>15,15,757</b>	<b>17,87,446</b>	<b>33,03,203</b>
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961			
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	as % of profit			
	others, specify			
5	Others, please specify- P.F.company contribution	55,152	79,776	<b>134,928</b>
	<b>Total</b>	<b>15,70,909</b>	<b>18,67,222</b>	<b>34,38,131</b>

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

During the year 2019-20, there were no penalties / punishment / compounding of offences under the Act.

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

**S. Gurunatha Reddy**  
Managing Director  
DIN: 00003828

**M.V. Reddy**  
Joint Managing Director  
DIN: 00421401

Place: Hyderabad  
Date: July 22, 2020

## ANNEXURE - 8 TO THE DIRECTORS REPORT

### BUSINESS RESPONSIBILITY REPORT

For the Financial Year 2019-20

[See Regulation 34(2)(f)]

#### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company** : L29309TG1991PLC013203
2. **Name of the Company** : Astra Microwave Products Limited
3. **Registered address** : Astra Towers, Survey No:12 (Part), Opp. CII Green Building, Hitech City, Kondapur, Hyderabad, Telangana-500 084, India.
4. **Website** : www.astramp.com
5. **E-mail id** : info@astramp.com
6. **Financial Year reported** : 2019-20
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)** :
 

NIC Code	Description
3652	RF and Microwave
8. **List three key products/services that the Company manufactures/provides (as in balance sheet):**
  - 1) Radar, Sub-systems and Systems
  - 2) Space On-board and ground Sub-systems
  - 3) Missile Electronics and Sub-systems
9. **Total number of locations where business activity is undertaken by the Company**
  - (a) **Number of International Locations:** Nil
  - (b) **Number of National Locations:** Five locations:

<b>Unit-I</b> Plot No: 12, ANRICH Industrial Estate, Miyapur, IDA Bollaram, Medak(District) -502 325, Telangana	<b>Unit-II</b> Plot No: 56A, ANRICH Industrial Estate, Miyapur, IDA Bollaram, Medak (District) – 502 325, Telangana
<b>Unit-III</b> Survey no: 1/1, Imarat Kancha, Raviryala Village, Maheswaram Mandal, Rangareddy (District) -500 010, Telangana Tele: 040-46618300 / 01	<b>Unit-IV</b> Plot no: 18, 19, 20 & 21 (Part) Hardware Park, Sy.No: 1/1, Imarat Kancha of Ravirayal Village, Maheswaram Mandal, Rangareddy (District)-500 010, Telangana
<b>Unit – V (R &amp; D Centre)</b> Plot No. 51-P, Bengaluru Aerospace Park, Survey Nos. Parts of 36 to 40, Dummanahalli Village, JalaHobli, Yelahanka (Taluk), Bengaluru North, Karnataka – 562149	

Regional/Marketing Offices at: Hyderabad.

#### 10. Markets served by the Company – Local/State/National/International :

Local	State	National	International
✓	✓	✓	✓



## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (Rs. INR)** : 1732.23 lacs
2. **Total Turnover (Rs. INR)** : 47367.02 lacs
3. **Total profit after taxes (Rs. INR)** : 4733.95 lacs
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**:  
2% of the average net profit of the company made during the three immediately preceding Financial Years. The Company's total spending on CSR for the year ended March 31, 2020 was Rs.110.75 Lakhs which is 2.3% of the PAT.
5. **List of activities in which expenditure in 4 above has been incurred:-**  
Providing health care, setting up of homes for orphans and contributions to Technology incubators.

## SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**  
Yes. The Astra has 3 subsidiary companies.
2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**  
The parent company undertakes majority of the BR initiatives.
3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**  
No.

## SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**
  - (a) Details of the Director/Director responsible for implementation of the BR policy/policies
    1. DIN Number : 00003828
    2. Name : S. Gurunatha Reddy
    3. Designation : Managing Director
    4. Tel. No. : 040-46618000
    5. Email Id : secretarial@astramwp.com
  - (b) Details of the BR head : same as above

S. No.	Particulars	Details
1	DIN Number (if applicable)	00003828
2	Name	S. Gurunatha Reddy
3	Designation	Managing Director
4	Telephone number	040-46618000
5	e-mail id	secretarial@astramwp.com

## 2. Principle-wise (as per NVGs) BR Policy/policies

### (a) Details of compliance (Reply in Y/N)

S. No.	Questions	Ethics	Product Life Cycle Sustainability	Employee well being	Stakeholders Engagement	Human Rights	Environment	Policy Advocacy	Community Development (CSR)	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for	Yes								
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Company Policies are in line with the best practices.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes, the policies are approved by the Board and signed by the Managing Director.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes								
6	Indicate the link for the policy to be viewed online?	Policies can be viewed on <a href="http://www.astramp.com">http://www.astramp.com</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8	Does the company have in-house structure to implement the policy/ policies.	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes, the company provides the redressal mechanism for all kinds of grievances								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Maximum policies are evaluation by the internal audit team and some of the policies are assessment is done internally.								

- (b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:  
(Tick up to 2 options)

S. No.	Questions	Ethics	Product Life Cycle Sustainability	Employee well being	Stakeholders Engagement	Human Rights	Environment	Policy Advocacy	Community Development (CSR)	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	---	---	---	---	---	---	---	---	---
2	The company is not at a stagewhere it finds itself in a position to formulate and implement the policies on specified principles	---	---	---	---	---	---	---	---	---
3	The company does not have financial or manpower resources available for the task	---	---	---	---	---	---	---	---	---
4	It is planned to be done within next 6 Months	---	---	---	---	---	---	---	---	---
5	It is planned to be done within the next 1 year	---	---	---	---	---	---	---	---	---
6	Any other reason (please specify)	---	---	---	---	---	---	---	---	---

### 3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year  
Annually

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is the first Business Responsibility Report of the company is a part of Annual Report for the financial year 2019-20.

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### PRINCIPLE 1 - ETHICS

1. Does the policy relating to ethics, bribery and corruption cover only the company?

**Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

The Company is committed to build a strong ethical organization. As a result, the Company has adopted a Code of Conduct policy which is applicable to all designated employees of the Company including the board members. The policy lays emphasis on the honesty, integrity and ethical conduct of the employees and has been communicated to the employees, across all the locations.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

We did not receive any significant stakeholder complaints during the financial year

#### PRINCIPLE 2 - PRODUCT LIFE CYCLE SUSTAINABILITY

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

Not applicable

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

- (a) **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

Not applicable

- (b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Not applicable

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

- (a) **If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Not applicable

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

- (a) **If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes, where ever possible.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The Company does not recycle its products as most of the products are used in strategic/national security applications. Products are not returned to the company once it is handed over to the customers.

#### PRINCIPLE 3 - EMPLOYEE WELL BEING

1. **Please indicate the Total number of employees:**

The company has 1111 permanent employees as on 31.03.2020

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis:**

The company has 69 contractual employees as on 31.03.2020

3. **Please indicate the Number of permanent women employees:**

The company has 128 women employees as on 31.03.2020.

4. **Please indicate the Number of permanent employees with disabilities:** 3 employees

5. **Do you have an employee association that is recognized by management :** No

6. **What percentage of your permanent employees is members of this recognized employee association:** Nil

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

S. No.	Category	% of Persons trained on Safety Aspects	% of Persons trained for skill up- gradation
1	Permanent Employees	100%	100%
2	Permanent Women Employees	100%	100%
3	Casual/Temporary/Contractual Employees	Nil	Nil
4	Employees with Disabilities	Nil	Nil

#### PRINCIPLE 4 - STAKEHOLDERS ENGAGEMENT

1. **Has the company mapped its internal and external stakeholders? Yes/No**  
No
2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**  
Not applicable
3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**  
Not applicable

#### PRINCIPLE 5 - HUMAN RIGHTS

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?  
All aspects of human rights are inbuilt and covered under the Company's Code of Business Conduct as well in various human resource practices/ policies.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?  
No complaints with respect to Human Rights was reported during the Financial Year ended March 31, 2020.

#### PRINCIPLE 6 - ENVIRONMENT

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.**  
The company is committed to operate all its plants in an environmentally friendly manner while protecting health and safety of its employees.
2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**  
Nil
3. **Does the company identify and assess potential environmental risks? Y/N**  
Yes
4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**  
At present the company does not have any project related to clean development mechanism.
5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**  
No
6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**  
The emissions/waste generated by the Company are within the permissible limits specified by Central or State Pollution Control Board (CPCB/ SPCB) for the financial year being reported.
7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**  
There are no show cause/legal notices from CPCB/ SPCB which are pending as at the end of the financial year.

## PRINCIPLE 7 - POLICY ADVOCACY

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

Yes. The Company is a member of:

- 1) Electronics and Computer Software Export Promotion Council
- 2) Andhra Chamber of Commerce
- 3) Confederation of Indian Industry
- 4) Electronics Industries Association of India

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

No

## PRINCIPLE 8 - COMMUNITY DEVELOPMENT (CSR)

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company has adopted CSR Policy, the key areas of focus of CSR Policy are:

Providing health care, setting up of homes for orphans and contributions to Technology incubators.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

The above mentioned initiatives are implemented through its in-house team and through own Foundation named ASTRA Foundation. It is a not-for-profit Company registered under Section 8 of the Companies Act, 2013.

3. **Have you done any impact assessment of your initiative?**

No

**What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

The Company has spent an amount of Rs.110.75 Lakhs on its CSR activities during financial year ended March 31, 2020.

**Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Please refer to Annual Report on CSR Activities.

## PRINCIPLE 9 - CUSTOMER RELATIONS

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

Nil

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

The Company displays product information on the product label as per the requirement of law.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

The Company has not carried out any formal consumer survey/consumer satisfaction trends. However, the Company keeps track of responses/comments from various stakeholders.

## REPORT ON CORPORATE GOVERNANCE

Report Pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the requirements of Corporate Governance is set out below:

### 1. 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.

The Company is in compliance with the Corporate Governance requirements as enshrined in the Companies Act, 2013 read with the Rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable laws.

### 2. Board of Directors:

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and supervises the Company's performance. Presently the Board of Directors comprises eight directors, of which five are Independent Directors and one Non-Executive Director.

The composition of the company's Board, their category, designation, other Directorships and memberships of Committees held by each of them is as follows:

#### a) The composition and category of the Board of Directors is as follows:

S. No	Name of the Director	Category	Designation
1	Dr. Avinash Chander	Independent Director	Chairman
2	Mr. S.Gurunatha Reddy	Executive Director	Managing Director
3	Mr. M.V. Reddy	Executive Director	Joint Managing Director
4	Mr.V.Venkata Rama Sastry	Independent Director	Director
5	Mr.B.Lakshmi Narayana Raju	Independent Director	Director
6	Mr. Sunil Kumar Sharma	Independent Director	Director
7	Ms. Kiran Dhingra, (Retd. IAS) <sup>#</sup>	Independent Director	Director
8	Mr. Atim Kabra <sup>§</sup>	Non-Executive Director	Director

#### Notes:

#. Ms. Kiran Dhingra, (Retd. IAS) was appointed as an Independent Director of the Company w.e.f. June 24, 2019.

§. Mr. Atim Kabra was appointed as a Non-Executive Director of the Company w.e.f. June 24, 2019.

#### b) Attendance of Directors at the meetings:

The details of the attendance of the Directors at the Board meetings held during the year ended March 31, 2020 and at the last Annual General Meeting (AGM) are given below:

S. No	Name of the Director	Number of Board Meetings		Attendance at AGM Held on August 14, 2019
		Held	Attended	
1	Dr. Avinash Chander	5	5	Yes
2	Mr. S.Gurunatha Reddy	5	5	Yes
3	Mr. M.V. Reddy	5	5	Yes
4	Mr.V.Venkata Rama Sastry	5	5	Yes
5	Mr.B.Lakshmi Narayana Raju	5	5	Yes
6	Mr. Sunil Kumar Sharma	5	5	Yes
7	Ms. Kiran Dhingra, (Retd. IAS) <sup>#</sup>	3	3	Yes
8	Mr. Atim Kabra <sup>§</sup>	3	2	No



**c) Other Directorships:**

The number of directorships and memberships in the Committees of Other Companies held by the Directors as on March 31, 2020 are as under:

Name of the Director	No. of Other Directorships	In Other Companies**	
		Membership	Chairmanship
Dr. Avinash Chander	1	-	-
Mr. S.Gurunatha Reddy	1	-	-
Mr. M.V. Reddy	2	-	-
Mr.V.Venkata Rama Sastry	2	2	-
Mr.B.Lakshmi Narayana Raju	-	-	-
Mr. Sunil Kumar Sharma	3	3	-
Ms. Kiran Dhingra, (Retd. IAS) #	5	4	1
Mr. Atim Kabra §	1	-	-

\*Includes directorships in the Companies incorporated under the Companies Act, 1956/2013.

\*\*Includes only Audit Committee, Stakeholders Relationship Committee. None of the Directors hold Directorships in more than 10 Companies.

S. No	Name of the Director	No. of Directorships in other Listed Companies	Name of the other Listed Companies in which Directors of the Company are Directors
1	Dr. Avinash Chander	Nil	NA
2	Mr. S.Gurunatha Reddy	Nil	NA
3	Mr. M.V. Reddy	Nil	NA
4	Mr.V.Venkata Rama Sastry	Nil	NA
5	Mr.B.Lakshmi Narayana Raju	Nil	NA
6	Mr. Sunil Kumar Sharma	1	Power Grid Corporation of India Limited
7	Ms. Kiran Dhingra, (Retd. IAS) #	2	1. Goa Carbon Limited 2. Zuari Agro Chemicals Limited
8	Mr. Atim Kabra §	Nil	NA

**d) Number of Board Meetings:**

During the year ended March 31, 2020, Five Board Meetings were held as against the minimum requirement of four meetings. The maximum time gap between any of two consecutive meetings did not exceed One Hundred and Twenty days.

During the year, five board meetings were held respectively on May 09, 2019, June 24, 2019, August 14, 2019, November 11, 2019 and February 12, 2020.

**e) Disclosure of relationship between directors inter-se:**

None of the Directors are related to any other Director.

**f) Shares held by Non-Executive Directors:**

The number of equity shares of the Company held by Non-Executive Directors, as on March 31, 2020 are as follows:

Name of the Director	No. of Equity Shares (face value Rs. 2 each) held in the Company
Dr. Avinash Chander	Nil
Mr. V. Venkata Rama Sastry	Nil
Mr. B. Lakshmi Narayana Raju	Nil
Mr. S.K. Sharma	Nil
Ms. Kiran Dhingra, (Retd. IAS) #	Nil
Mr. Atim Kabra §	33,56,074

**g) The details of familiarization programmes imparted to independent directors is given below:**

Senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc., and seek their opinions and suggestions on the same. Also, the Directors are briefed on their specific responsibilities and duties that may arise from time to time. Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Board of Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Policy on Remuneration, Policy on material events, Policy on material subsidiaries, Whistle blower policy and Corporate Social Responsibility policy.

The Statutory Auditors of the company make presentations to the Board of Directors with regard to regulatory changes from time to time while approving the financial results.

The details of familiarization programme is available on the website: [www.astramwp.com](http://www.astramwp.com).

**h) Given below is the chart setting out the skills /expertise/competence of the Board of Directors:**

S. No	Name of the Director	Category	Specialization
1	Dr. Avinash Chander	Independent Director	He is the retired Secretary, Defence R&D and Director General, DRDO.
2	Mr. S.Gurunatha Reddy	Managing Director (Executive Director)	He has more than 32 years of experience in accounting, finance, taxation and secretarial etc.,
3	Mr. M.V.Reddy	Joint Managing Director (Executive Director)	He has more than 28 years of experience in handling Marketing and Business operations in the domain of defence, space and telecom segment in India and overseas market.
4	Mr.V.Venkata Rama Sastry	Independent Director	He is the retired Chairman and Managing Director, Bharat Electronics Ltd (BEL).
5	Mr.B.Lakshmi Narayana Raju	Independent Director	He has more than 31 years' experience in Digital Library Technologies and Information Technology.
6	Mr. Sunil Kumar Sharma	Independent Director	He is the retired Chairman and Managing Director, Bharat Electronics Ltd (BEL).
7	Ms. Kiran Dhingra, (Retd. IAS)	Independent Director	She has more than 38 years of experience in governance and has held senior positions in decision making capacities in practically all sectors the developmental, agricultural, social, industrial, infrastructural, transportation, corporate, economic and regulatory.
8	Mr. Atim Kabra	Non-Executive Director	He has over 25 years of well rounded "equities exposure" including Portfolio Management, Equity Sales and Equity Research with global institutions like ABN AMRO Bank, ANZ Grindlays Bank.

**i) Confirmation from the Board**

The Board of Directors be and hereby confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

**(j) There is no resignation of an independent director during the year.**

### 3. Audit Committee

#### a. Brief description of terms of reference:

The powers, role and terms of reference of the audit committee covers the areas as contemplated under Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013.

The committee mandatory reviews information such as internal audit reports related to internal control weakness, management discussion and analysis of financial condition and result of operations, statement of significant related party transactions and such other matters as prescribed.

#### b. Composition, name of members and chairperson:

##### Audit Committee

The Audit Committee consists of four Independent Directors and one Executive Director. The committee is headed by Mr. V.V.R.Sastry, an Independent Director. All the members of the Audit committee are financially literate.

##### Composition of the Committee is given below:

Name of the Director	Category
Mr. V.V.R. Sastry	Chairman
Mr. B.L.N.Raju	Member
Dr. Avinash Chander	Member
Mr. S.K. Sharma	Member
Mr. S. Gurunatha Reddy	Member

##### Attendees:

The Audit Committee invites such of the executives, as it considers appropriate to be present at its meetings. The Company Secretary acts as the Secretary of the Committee.

#### c. Meetings and attendance during the year:

The Audit Committee met five times during the year under review on May 09, 2019, June 24, 2019, August 14, 2019, November 11, 2019 and February 12, 2020.

##### Attendance at the Audit Committee Meetings:

Name of the Director	Category	Number of Meetings	
		Held	Attended
Mr. V.V.R.Sastry	Chairman	5	5
Mr. B.L.N.Raju	Member	5	5
Dr. Avinash Chander	Member	5	5
Mr. S.K. Sharma	Member	5	5
Mr. S. Gurunatha Reddy	Member	5	5

### 4. Nomination and Remuneration Committee:

#### a. Brief description of terms of reference:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board.

- Devising a policy on Board diversity.
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Undertaking other matters as the Board may refer from time to time.

**b. Composition, name of members and chairperson:**

The Nomination and Remuneration Committee was constituted by the Board with four Independent Directors. The committee is headed by Mr. B.L.N. Raju, an Independent Director.

The Company Secretary acts as the Secretary of the Committee.

The minutes of the meetings of the Nomination and Remuneration Committee are circulated to all the members of the Board.

**Composition of the Nomination and Remuneration Committee:**

Name of the Director	Category
Mr. B.L.N.Raju	Chairman
Mr. V.V.R.Sastry	Member
Dr. Avinash Chander	Member
Mr. S.K. Sharma	Member

**c. Nomination and Remuneration Committee meetings and attendance during the year:**

The Nomination and Remuneration Committee met four times during the year under review on May 09, 2019, June 24, 2019, November 11, 2019 and February 12, 2020.

Attendance at the Nomination and Remuneration Committee Meetings:

Name of the Director	Position held	Number of Meetings	
		Held	Attended
Mr. B.L.N.Raju	Chairman	4	4
Mr. V.V.R.Sastry	Member	4	4
Dr. Avinash Chander	Member	4	4
Mr. S.K. Sharma	Member	4	4

**d. Nomination and Remuneration policy:**

The compensation of the executive directors comprises of fixed component and performance bonus. The compensation is determined based on the remuneration prevailing in the industry and the performance of the Company. The remuneration package of the Executive Directors is periodically reviewed and suitable revision is recommended to the Board by the Committee.

The Non-executive directors are paid Commission & sitting fees for attending meetings of Board/ Committee.

**e. Performance evaluation of Directors:**

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation the Directors who are subject to evaluation had not participated.

**f. Meeting of Independent Directors:**

A separate meeting of the Independent Directors was held on February 12, 2020 inter-alia, to discuss evaluation of the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

**5. Succession planning**

The Nomination and Remuneration Committee works with the Board on succession plan to ensure orderly succession in appointment to the Board and in the senior management. The Company strives to maintain an appropriate balance of skills and experience within the Board of Directors.

**6. Remuneration of Directors:**

- a. There were no pecuniary transactions with any non-executive director of the Company.
- b. Non-Executive Directors are paid Sitting Fees for attending the Board and Committee Meetings and paid commission.

Following are the details of Commission & sitting fees paid to the Directors for attending Board and Committee

**Meetings for the year ended March 31, 2020:**

Name of the Non-Executive Director	Sitting Fees Amount (Rs.)	Commission Amount (Rs.)	Total Amount (Rs.)
Dr. Avinash Chander	1,00,000	7,57,763	8,57,763
Mr. V. Venkata Rama Sastry	1,40,000	7,57,763	8,97,763
Mr. B. Lakshmi Narayana Raju	1,00,000	7,57,763	8,57,763
Mr. Sunil Kumar Sharma	1,40,000	7,57,763	8,97,763
Ms. Kiran Dhingra #	60,000	7,57,763	8,17,763
Mr. Atim Kabra \$	40,000	7,57,763	7,97,763

#. Ms. Kiran Dhingra, (Retd. IAS) was appointed as an Independent Director of the Company w.e.f. June 24, 2019.

\$. Mr. Atim Kabra was appointed as a Non-Executive Director of the Company w.e.f. June 24, 2019.

The Remuneration paid to the Whole-time Directors during the year is as follows:

Name of the Director and Designation	Salary (Rs.)	Commission/ Performance Bonus (Rs.)	Benefits (PF Company contributi	Pension	Service contracts	Notice period	Total (Rs.)
Mr. S. Gurunatha Reddy (Managing Director)	57,89,027	65,93,156	3,88,800	-	Appointed for a period of 4 years	As per the Rules of The Company	1,27,70,983
Mr. M. Venkateshwar Reddy (Joint Managing Director)	53,42,027	65,93,156	3,88,800	-	--Do--	--Do--	1,23,23,983

There were no severance fees or stock option plan for the Executive/ Non Executive Directors. The appointment of Whole Time Directors is made for a period of four years on the terms and conditions contained in the respective resolutions passed by the Members in the General Meeting.

## 7. Stakeholders Relationship Committee:

### a. Composition

The Committee consists of the following Directors:

Name of the Director	Designation(s)
Dr. Avinash Chander	Chairman
Mr. S. Gurunatha Reddy	Member
Mr. M. V. Reddy	Member

### b. Name and Designation of Compliance Officer:

Mr. T. Anjaneyulu, Dy.General Manager - Company Secretary

### c. Number of Shareholders Complaints received so far:

During the year ended March 31, 2020, the Company has received one complaint and resolved as same during the year.

### d. Number of complaints not resolved to the satisfaction of shareholders is N.A

### e. There were no pending complaints as at the year end.

#### Terms of Reference

The Stakeholders Relationship Committee oversees and reviews all matters connected with the securities transfer and also looks into redressing of shareholders complaints like transfer/transmission of shares, non-receipt of annual reports / dividends etc.,

As per section 178(7) of the Act and the Secretarial Standards, the Chairman of the committee or, in his absence, any other Member of the Committee authorized by him in this behalf shall attend the General Meetings of the Company. The Chairman of the committee, Dr. Avinash Chander was present at the 28<sup>th</sup> AGM of the Company held on 14<sup>th</sup> August, 2019.

**Email-id for Investor Grievances:** secretarial@astramwp.com.

## 8. General Body Meetings:

### a. The details of date, location and time of the last three Annual General Meetings held are as under:

For the year	Venue	Day & Date	Time
2017	Swagath-De-Royal Hotel, Kondapur, Hyderabad	July 28, 2017	11.00 A.M
2018	Swagath-De-Royal Hotel, Kondapur, Hyderabad	July 30, 2018	12.30 P.M
2019	Swagath-De-Royal Hotel, Kondapur, Hyderabad	August 14, 2019	12.30 P.M

### b. Special Resolutions passed during the previous three Annual General Meetings:

28<sup>th</sup> Annual General Meeting – August 14, 2019

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

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

27<sup>th</sup> Annual General Meeting – July 30, 2018

No Special resolutions were passed.

26<sup>th</sup> Annual General Meeting – July 28, 2017

No Special resolutions were passed.

**c. whether any special resolution passed last year through postal ballot – details of voting pattern;**

There were no resolutions required to be passed through postal ballot.

**d. person who conducted the postal ballot exercise:**

Not Applicable

**e. whether any special resolution is proposed to be conducted through postal ballot: No**

**f. procedure for postal ballot:**

Not Applicable

**9. Means of Communication:**

**a. Quarterly results:**

The quarterly financial results of the company are published in accordance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

**b. Newspapers wherein results normally published:**

The results of the Company are published in widely circulated newspapers namely Nava Telangana (Telugu daily, Hyderabad edition) and Business Standard (English daily, all editions).

**c. Any website, where displayed:**

The results of the Company are displayed on the Company's website: [www.astramp.com](http://www.astramp.com)

**d. Whether it also displays official news releases:**

Official news releases along with quarterly results are displayed on the Company's website: [www.astramp.com](http://www.astramp.com)

**e. Presentations made to institutional investors or to the analysts:**

The presentations made to the investors/ analysts are placed on the Company's website: [www.astramp.com](http://www.astramp.com).

**10. General Shareholder Information:**

**a. Annual general meeting - date, time and venue:**

<b>Day, Date and time</b>	Wednesday, 9 <sup>th</sup> September, 2020 at 3.00 P.M. through Video Conferencing (VC)
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**b. Financial Year**

April 1, 2020 to March 31, 2021. Indicative calendar of events for the year 2020-21 (financial year) excluding Extra Ordinary General Meeting(s), if any, is as under

29th Annual General Meeting	September 9, 2020
First Quarter financial results	July/August, 2020
Second Quarter financial results	October/November, 2020
Third Quarter financial results	January/February, 2021
Fourth Quarter & Annual results of financial year 2020-21	April/May, 2021

**Book Closure**

The Company's Register of Members and Share Transfer books will remain closed for the purpose of payment of dividend.	<b>3rd September, 2020 to 9th September, 2020 (Both days inclusive)</b>
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**c. Dividend Payment Date:**

Will be paid to shareholders on and from 16<sup>th</sup> September, 2020.

**d. Listing on Stock Exchanges:**

Company's equity shares are listed at:

<b>Name and Address of the Stock Exchange</b>	<b>Scip Code</b>
The National Stock Exchange of India "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai-400 051.	ASTRAMICRO
The Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.	532493
<b>Listing Fee</b> The Company has paid till date listing fee of all the above Exchanges.	

**e. Market price data- high, low during each month in last financial year:**

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

<b>Month</b>	<b>BSE</b>		
	<b>High (Rs.)</b>	<b>Low (Rs.)</b>	<b>No. of Shares Traded</b>
April, 2019	102.50	87.00	6,11,607
May, 2019	94.90	79.50	3,22,309
June, 2019	95.00	84.00	2,93,672
July, 2019	90.80	76.00	2,68,237
August, 2019	80.50	70.55	3,06,636
September, 2019	87.00	73.50	2,79,867
October, 2019	81.00	75.05	2,36,533
November, 2019	92.05	74.00	7,47,096
December, 2019	91.40	80.50	1,63,358
January, 2020	102.10	81.20	7,01,236
February, 2020	108.95	85.85	9,20,448
March, 2020	90.00	45.85	14,55,708



**f. Performance in comparison to broad-based indices of BSE Sensex:**

Month	ASTRA Closing Price (Rs.)	BSE Sensex (Closing)
April, 2019	87.90	39,031.55
May, 2019	87.95	39,714.20
June, 2019	84.30	39,394.64
July, 2019	79.95	37,481.12
August, 2019	76.75	37,332.79
September, 2019	75.65	38,667.33
October, 2019	79.00	40,129.05
November, 2019	88.55	40,793.81
December, 2019	82.95	41,253.74
January, 2020	94.15	40,723.49
February, 2020	87.35	38,297.29
March, 2020	52.00	29,468.49

**g. There was no suspension of trading in Securities of the Company during the year under review.**

**h. Registrar to an issue & Share Transfer Agents:**

(for Shares held in both Physical and Demat mode)

**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: support@purvashare.com

**i. Share Transfer System**

Share transfers are processed and share certificates duly endorsed are delivered within a period of fifteen days from the date of receipt, subject to the documents being valid and complete in all respects. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and files a copy of the said certificate with Stock Exchanges.

**j. Distribution of shareholding:**

Shareholding pattern as on 31.03.2020

**Distribution of shareholding**

No. of shares held	No. of shareholders
Upto - 5,000	36106
5,001 - 10,000	1087
10,001 - 20,000	473
20,001 - 30,000	156
30,001 - 40,000	72
40,001 - 50,000	43
50,001 - 1,00,000	118
1,00,001 and above	132
<b>TOTAL</b>	<b>38187</b>

**Shareholding****pattern**

<b>Category</b>	<b>No. of shares</b>	<b>% shareholding</b>
Promoters & Promoter Relatives	8705850	10.05
Resident Individuals	31526998	36.40
Financial Institutions	180530	0.21
IEPF	628462	0.72
LLP	508156	0.59
NBFCs registered with RBI	2000	0.00
Bodies Corporate	19790618	22.85
Clearing Members	4386572	5.06
Private Sector Banks	4650	0.01
Indian Mutual Funds	7134567	8.24
Foreign Portfolio Investor	1128376	1.30
Alternate Investment Fund	2373916	2.74
N.R.I. (Repat & Non-Repat)	6528925	7.54
Foreign Corporate Bodies	1672097	1.93
Trust	5323	0.01
Hindu Undivided Family	2034635	2.35
<b>Total</b>	<b>86611675</b>	<b>100.00</b>

**k. Dematerialization of shares and liquidity:**

Trading of the Company's shares is compulsorily in dematerialized form for all investors. As of March 31, 2020 equity shares representing 99.42% have been dematerialized with the following depositories:

<b>Description</b>	<b>ISIN</b>	<b>Depositories</b>
Equity shares	INE386C01029	NSDL & CDSL

**l. 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, 2020.

**m. Commodity Price Risk or Commodity hedging activities:**

The Company has not carried on any Commodity Business and has also not carried any commodity hedging activities, hence same are not applicable to the Company.

**n. Plant Locations.**

<b>Unit-I</b> Plot No: 12, ANRICH Industrial Estate, Miyapur, IDA Bollaram, Medak(District)-502 325, Telangana Tele: 040-46618100 / 01	<b>Unit-II</b> Plot No: 56A, ANRICH Industrial Estate, Miyapur, IDA Bollaram, Medak (District)-502 325, Telangana Tele: 040-46618200 / 01
<b>Unit-III</b> Survey no: 1/1, Imarat Kancha, Raviryala Village, Maheswaram Mandal, Rangareddy (District) -500 010, Telangana Tele: 040-46618300 / 01	<b>Unit-IV</b> Plot no: 18, 19, 20 & 21 (Part) Hardware Park, Sy.No: 1/1, Imarat Kancha of Ravirayal Village, Maheswaram Mandal, Rangareddy (District)-500 010, Telangana Tele: 040-46618700 / 01
<b>Unit – V (R &amp; D Centre)</b> Plot No. 51-P, Bengaluru Aerospace Park, Survey Nos. Parts of 36 to 40, Dummanahalli Village, JalaHobli, Yelahanka (Taluk), Bengaluru North, Karnataka – 562149 Tel: 080-61576700/6701, Fax: 080-61576748	

**o. Address for correspondence:**

ASTRA MICROWAVE PRODUCTS LIMITED  
 'ASTRA TOWERS', Survey No:12 (Part),  
 Opp. CII Green Building, Hitech City,  
 Kondapur, Hyderabad, Telangana, India – 500038  
 Tele: 040-46618000/8001 Fax: 040-46618048  
 CIN:L29309TG1991PLC013203  
 E-mail: [secretarial@astramwp.com](mailto:secretarial@astramwp.com).  
 Website: [www.astramwp.com](http://www.astramwp.com)

**p. Credit Rating**

Given below are the ratings given to the Company by CRISIL during the financial year ended March 31, 2020.  
 Long Term: CRISIL A/Stable (Reaffirmed)  
 Short Term: CRISIL A1 (Reaffirmed)

**11. Other Disclosures**

**a. Related party transactions**

Transactions with related parties are disclosed in the Notes to Accounts in the Annual Report. All the transactions with related parties are at arms' length and in compliance with transfer pricing regulations and consideration is paid/received through cheque /online payment.

All Related Party Transactions are entered into by the Company only after obtaining the prior approval of the Audit Committee and the Board of Directors and are entered into on arm's length basis. During the year, there were no materially significant related party transactions which had potential conflict with the interests of the Company at large.

The Company has not entered into any transaction with any person or entity belonging to the Promoter / Promoter Group which holds 10% or more shareholding in the Company.

In terms of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a policy to determine Related Party Transactions.

The policy is placed on the Company's website at: [www.astramwp.com](http://www.astramwp.com).

**b. Details of non-compliance etc.,**

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.

**c. Details of establishment of Vigil Mechanism (Whistle Blower policy)**

The Board of Directors of the Company had adopted the Whistle Blower policy and appointed a designated person. Employees can report to the Management concerned unethical behavior, act or suspected fraud or violation of the Company's Code of Conduct policy.

The Audit Committee reviews periodically the functioning of Whistle Blower mechanism.

No employee has been denied access to the Audit committee. A copy of the Whistle Blower policy is also hosted on the website of the Company: [www.astramwp.com](http://www.astramwp.com).

The designated person had not received any complaint during the financial year ended 31<sup>st</sup> March, 2020.

Email-id for designated person: [whistleblower@astramwp.com](mailto:whistleblower@astramwp.com).

**d. Policy on Material Subsidiaries**

The policy for determining 'material' subsidiaries is available on the website of the company [www.astramwp.com](http://www.astramwp.com).

**e. Policy on Related Party Transactions**

The policy on dealing with related party transactions is available on the website of the company [www.astramwp.com](http://www.astramwp.com).

**f. The company has not raised any funds through preferential allotment or qualified institutions placement during the financial year ended March 31, 2020.**

- g. A certificate from a Company Secretary in Practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by SEBI or Ministry of Corporate Affairs or any such statutory authority is enclosed to this report.
- h. There has been no such incidence where the Board has not accepted the recommendation of the Committees of the Company during the year under review.
- i. Given below are the details of fees paid to Price Waterhouse Chartered Accountants LLP, Chartered Accountant, Statutory Auditors of the Company on a Consolidated basis during the financial year ended March 31, 2020:

S. No.	Payments to the Statutory Auditors (excluding taxes)	Fees paid in Lakhs
1.	Statutory Audit fees paid for Audit of the Company including Limited Review of the Company	20,00,000
2.	Fees paid for other services	8,00,000
	<b>Total</b>	<b>28,00,000</b>

- j. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

S. No.	Particulars	No.
1.	Number of complaints on Sexual harassment received during the year	Nil
2.	Number of Complaints disposed off during the year	Not Applicable
3.	Number of cases pending as on end of the financial year	Not Applicable

12. The Company has complied with the requirements of the Schedule V Corporate Governance report sub-para (2) to (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**13. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:**

The Company has complied with all the mandatory requirements of the Schedule V Corporate Governance report of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Separate persons to the post of Chairman and Managing Director has been adopted from discretionary requirements.

14. The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

Regulation	Particulars of Regulations	Compliance status (Yes/No/NA)
17	Board of Directors	Yes
17A	Maximum number of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	N.A
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
24A	Secretarial compliance & Audit Report	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

**15. Subsidiary Companies**

The Company does not have any material unlisted subsidiary in India. The minutes of the Board meetings of the subsidiary is periodically placed at the Board meeting of the Company.

**16. Code of Conduct**

The Board has laid down a Code of Conduct covering the ethical requirements to be complied with covering all the Board members and Senior Management Personnel of the Company. An affirmation of compliance with the code is received from them on an annual basis.

**17. CEO and CFO certification**

The Managing Director and the CFO have given a Certificate to the Board as contemplated in Schedule – V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is separately annexed.

**18. Transfer of Shares to Investor Education and Protection Fund**

As per the provisions of section 124 of the Companies Act, 2013, shares of the Shareholders, who has not claimed dividends for a continuous period of 7 years, shall be transferred to Investor Education and Protection Fund Authority account.

Accordingly, the Company has transferred 44,597 equity shares to Investor Education and Protection Fund during the financial year ended March 31, 2020.

**19. Proceeds from public issues, rights issues, preferential issues etc.**

During the year ended March 31, 2020, there were no proceeds from public issues, rights issues, preferential issues, etc.

**20. Management Discussion and Analysis.**

The report on Management Discussion and Analysis (MDA) is annexed to the Directors' Report and forms part of this Annual Report.

**21. Disclosure of Accounting Treatments.**

The Company has followed the Indian Accounting Standards and accounting principles generally accepted in India in preparation of its Financial Statements.

**22.** The Company has adopted the policy on dissemination of information on the material events to stock exchanges in accordance with the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is available on the website of the Company [www.astramwp.com](http://www.astramwp.com).

**23.** The Company has adopted the policy on preservation of documents in accordance with the Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Documents Preservation Policy is available on the website of the Company [www.astramwp.com](http://www.astramwp.com).

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

Place: Hyderabad  
Date: July 22, 2020

**S. Gurunatha Reddy**  
Managing Director  
DIN: 00003828

**M.V. Reddy**  
Joint Managing Director  
DIN: 00421401

**DECLARATION**

As provided under Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the financial year ended March 31, 2020.

**For Astra Microwave Products Limited**

Place: Hyderabad  
Date: July 22, 2020

**S.Gurunatha Reddy**  
Managing Director  
DIN: 00003828

**CEO AND CFO CERTIFICATE**

We hereby certify that:

- a) We have reviewed audited financial statements for the Financial Year ended March 31, 2020 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that there are no:
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For Astra Microwave Products Limited**

**S. Gurunatha Reddy**  
Managing Director  
DIN: 00003154

**B.V.S Narasinga Rao**  
Chief Financial Officer

Place: Hyderabad  
Date: July 22, 2020

To  
The Members,  
Astra Microwave Products Limited,  
Hyderabad.

**SUB: CERTIFICATE UNDER SCHEDULE V(C)(10)(I) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE) REGULATIONS, 2015**

We, **L.D. Reddy & Co.**, Practicing Company Secretaries, have examined the Company and Registrar of Companies records, books and papers of **ASTRA MICROWAVE PRODUCTS LIMITED (CIN: L29309TG1991PLC013203)** having its Registered Office at 'ASTRA TOWERS', Survey No:12 (Part), Opp. CII Green Building, Hitech City, Kondapur, Hyderabad, Telangana, India – 500038, (the Company) as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the financial year ended on March 31, 2020.

In our opinion and to the best of our information and according to the examinations carried out by us and explanations and representation furnished to us by the Company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority as on March 31, 2020:

Sr. No.	Name of the Director	DIN No.	Date of Appointment in Company
1.	Dr. Avinash Chander	05288690	29-01-2018
2.	Mr.S.Gurunatha Reddy	00003828	29-04-2013
3.	Mr.M.V.Reddy	00421401	29-04-2013
4.	Mr. V. Venkata Rama Sastry	00027875	29-01-2016
5.	Mr. B. Lakshmi Narayana Raju	07411713	29-01-2016
6.	Mr. Sunil Kumar Sharma	03614952	22-03-2019
7.	Ms. Kiran Dhingra	00425602	24-06-2019
8.	Mr. Atim Kabra	00003366	24-06-2019

**FOR L. D. REDDY & CO.,**  
Company Secretaries

**L. DHANAMJAY REDDY**  
(Proprietor)  
M. No. 13104  
CP No. 3752  
UDIN: A013104B000407091

Place: Hyderabad  
Date: July 01, 2020



**CERTIFICATE ON CORPORATE GOVERNANCE**

To  
**The Members of  
 Astra Microwave Products Limited**

1. This certificate is issued in accordance with the terms of our engagement letter
2. This report contains details of compliance of conditions of Corporate Governance by **Astra Microwave Products Limited** ('the Company') for the year ended 31 March 2020, as stipulated in Regulations 17-27, clauses (b) to
  - (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), pursuant to the Listing Agreement of the Company with Stock exchanges.

**Management's Responsibility for compliance with the conditions of SEBI Listing Regulations.**

3. The compliance with the conditions of Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures.

**Auditor's Responsibility**

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations for the year ended 31 March, 2020.
6. We conducted our examination in accordance with the, Guidance Note on Corporate Governance Certificate, issued by the Institute of Company Secretaries of India ('ICSI'), in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICSI.

**Opinion**

7. In our opinion, and to the best of our information and according to explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations.
8. We state that such compliance is neither an assurance as to the future viability of the Company.

**Restriction on use**

9. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**FOR L. D. REDDY & CO.,**  
 Company Secretaries

**L. DHANAMJAY REDDY**  
 (Proprietor)  
 M. No. 13104  
 CP No. 3752  
 UDIN: A013104B000407135

Place: Hyderabad  
 Date: July 01, 2020



## 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, Telecom, Meteorology 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, 2013 and Indian Accounting Standard-(Ind-AS) 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:

As indicated at the end of last year, we were able to turn around the business and achieve projected sales and profitability for this year. This is achieved despite losing critical working days toward the end of financial year due to COVID-19. We are confident to continue the same performance subject to COVID-19 pandemic challenges.

#### b) Order Book:

At the end of the year the order book position is healthy with a good mix of domestic and export business. Most of these orders are executable in the next 12 to 24 months period subject customer actual delivery needs.

Sector	Rs. In Lacs
Defence/Public Sector Products	25,157
Space	25,387
Meteorological & Telecom Products	6,043
Exports	81,688
<b>Total</b>	<b>1,38,275</b>

#### c) Sales performance:

Sector wise sales are as follows

Business Sector	FY 2019-20		FY 2018-19	
	₹ Lacs	%	₹ Lacs	%
Defense	7,215	15	15,155	53
Space	17,406	38	3,256	11
Metrology/Civil Telecom	1,136	2	4,868	17
Exports	15,629	34	368	1
Deemed Exports	4,493	10	4688	17
Other Operating Revenue	279	1	281	1
<b>Total</b>	<b>46,158</b>	<b>100</b>	<b>28,616</b>	<b>100</b>

#### d) Expansion Plans:

The company is looking at organic and in organic options to stabilize top line performance as present sub-systems business is project driven and hence lumpy in nature. The Company may have to raise funds from capital market if some of the present discussions to establish joint venture companies, long term business relationships with other industries in similar and related line of business bear fruit. More details will be shared with the stakeholders as and when we reach some conclusions on these matters.

To augment present activities we have budgeted to spend about Rs.30 cr which will be fully funded through internal accruals and term loans.

#### e) Risks & Concerns:

The Company's main source of revenues lies in Defence 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 recognizable 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.

Defence export business is driven by offset provisions of Govt., of India which is project based and hence generally lumpy in nature and is controlled by export regulations where time delays could happen in granting necessary permissions. This export business is also high precision and skilled job involving specialized inputs from across the globe which has a bearing on timely execution and uniform billing.

## 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 as on 31.03.2020 is Rs.17.32 cr.

### 2. Reserves and Surplus

The change in reserves and surplus represents the profits made during the year after making provisions for taxation.

### 3. Loan Funds

The company has not taken long terms loans during the year and implemented its capital expenditure commitments through internal accruals. Following are the details of secured loans maintenance during the year.

Particulars	As of March 31	
	2020	2019
<b>Working capital loans:</b>		
Open cash credit		
Sanctioned amount	95,00,00,000	95,00,00,000
Outstanding amount	47,35,67,546	5,31,030
<b>Long Term Loans:</b>		
Outstanding at the beginning of the year	14,26,10,290	23,76,76,590
Additions during year	-	-
Repaid during the year	9,50,66,300	9,50,66,300
Amount outstanding at the end of the year	4,75,43,990	14,26,10,290

### 4. Deferred tax

The deferred tax liability pertains to difference in the depreciation claimed in the books and tax purposes.

### 5. Fixed Assets

Particulars	As of March 31 (Amount Rs.)	
	2020	2019
Original cost		
Land	20,45,97,005	20,45,97,005
Buildings	67,80,83,822	68,04,12,021
Plant & machinery	127,11,02,212	121,43,22,698
Electrical installation	3,68,77,579	3,42,76,100
Air conditioners	4,37,68,508	4,33,29,688
Office equipment	3,20,82,160	3,04,38,883
Furniture and fixtures	3,86,70,833	3,59,03,522
Computers	11,67,83,723	10,64,29,120
Vehicles	1,10,13,462	1,20,91,821
Solar Power Generating System	6,69,18,781	6,69,18,781
Wind Electric Generating System	12,45,47,464	12,45,47,464
Less: Accumulated depreciation	103,95,49,070	78,89,05,362
Net block	158,48,96,479	176,43,61,741
Net fixed assets	158,48,96,479	176,43,61,741
Depreciation as % of total revenue	5.35	9.20
Accumulated depreciation as a % of gross block	39.61	30.89

During the year the company added assets (net) worth Rs. 8.70 crores to the gross block. Most of the plant and machinery additions pertain to cost of Test equipment's. Addition of these equipment and facilities has improved the productivity of the Company directly and indirectly.

## 6. Investments

Investments represents amount invested in equity share capital of wholly owned subsidiary companies and Joint Venture Companies.

Particulars	As At	
	31.03.2020	31.03.2019
	₹	₹
<b>i) Equity instruments of Subsidiaries(unquoted):</b>		
1. 1,75,998 Equity Shares of Rs.10/- each fully paid up In M/s. Bhavyabhanu Electronics Private Limited (Wholly owned subsidiary engaged in Automatic Assembly)	2,09,87,980	2,09,87,980
2. 1,11,700 Equity shares of S\$ 10 each fully paid up in M/s. Aelius Semiconductors Pte. Ltd, Singapore (Wholly owned subsidiary engaged in Development and sale of MMICs and based in Singapore)	5,52,41,674	5,52,41,674
3. 9,990 Equity Shares of Rs.10/- each fully paid up in Astra Foundation	99,900	99,900
<b>ii) Equity Instruments of Joint Ventures(unquoted):</b>		
1. 1,62,50,000(Previous Year 1,000 Equity Shares of Rs.10/- each fully paid up in Astra Rafael Comsys Private Limited (Floated for Joint Venture Operations with M/s. Rafael, Israel)	16,25,00,000	16,25,00,000
<b>Total</b>	<b>23,88,29,554</b>	<b>23,88,29,554</b>

## 7. Sundry Debtors.

Sundry debtors amount to Rs.247 cr at the end of the year as compared to Rs. 189 cr for the previous year. They are at 54% of revenue for the year as compared to 66% for the previous year representing an outstanding of 195 days and 241 days of revenues for the respective years. However the outstanding days are to be read with skewed pattern of sales with majority of billing happening in the last quarter.

The company reviews health of receivables on monthly basis and has 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 collectability 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	2020	2019
Cash and cash equivalents as a % of total assets	0.86	1.15
Cash and cash equivalents as a % of revenues	1.59	2.47

## 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 un-availed GST both on capital goods and raw materials.

The amount of income-tax paid represents the advance tax and TDS deducted less provision for tax.

**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 and on export orders.

**11. Provisions**

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

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 treat human resource as the most valuable asset. Employee satisfaction is essential to us. Therefore, placing a strong focus on our employees is in the best interest of our clients and shareholders. 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. Online HR portal facilities employee interactions with HR department for all their requirements. Company has introduced on line leave approvals, annual appraisals, training programs etc., through the online portal. 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 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. Kirtane & Pandit LLP – Chartered Accountants, conducts Company's internal audit program which supplements the Company's internal control systems. To achieve full effectiveness, the scope of the internal audit function has an unrestricted range of coverage of the organisations operations and the internal auditor was given sufficient authority to access such records, assets and personnel as are necessary for proper fulfilment of his responsibilities. 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

Particulars	Amount in Rs.lacs(except otherwise stated)				
	2015-16	2016-17	2017-18	2018-19	2019-20
Gross sales	43,745	45,213	43,877	33,261	<b>46,713</b>
Net Sales	41,958	42,508	36,054	28,616	<b>46,158</b>
Expenditure	32,425	32,564	25,100	25,638	<b>37,780</b>
Operating Profit (EBDIT)	9,533	9,944	10,954	2,978	<b>8,378</b>
Interest	879	1,050	1,192	896	<b>789</b>
Profit before depreciation and tax(PBDT)	8,654	8,894	9,762	2,082	<b>7,589</b>
Depreciation	2,358	2,407	2,703	2,857	<b>2,532</b>
Other income	838	374	835	2,449	<b>1,209</b>
Profit before tax(PBT)	7,134	6,861	7,894	1,675	<b>6,265</b>
Tax including Deferred Tax	1,500	1,201	1,825	421	<b>1,532</b>
Profit after Tax(PAT)	5,635	5,656	6,069	1,254	<b>4,734</b>
Equity share Capital	1,732	1,732	1,732	1,732	<b>1,732</b>
No.of shares (Rs.2/- each)	8,66,11,675	8,66,11,675	8,66,11,675	8,66,11,675	<b>8,66,11,675</b>
Gross Fixed Assets	28,477	32,168	24,317	25,533	<b>26,244</b>
Net Fixed Assets	13,472	14,773	19,279	17,644	<b>15,849</b>
Raw material consumed	21,933	18,744	14,837	15,929	<b>26,691</b>
Man power cost	5,082	5,671	6,589	6,149	<b>6,617</b>
Sundry debtors	17,730	22,743	18,773	18,965	<b>24,745</b>
Networth	39,760	45,416	50,168	50,295	<b>54,683</b>
Capital Employed	46,082	49,128	49,749	47,197	<b>50,057</b>
EBDIT to Sales(%)	22.72	23.39	30.38	10.41	<b>18.15</b>
EBDT to Sales(%)	20.63	20.92	27.08	7.28	<b>16.44</b>
PBT to Sales(%)	17.00	16.14	21.89	5.85	<b>13.57</b>
PAT to Sales(%)	13.43	13.31	16.83	4.38	<b>10.26</b>
Sales to Net fixed Assets	3.11	2.88	1.87	1.62	<b>2.91</b>
Raw materials to Sales(%)	52.27	44.10	41.15	55.66	<b>57.83</b>
Man power cost to Sales(%)	12.11	13.34	18.28	21.49	<b>14.34</b>
Sundry debtors to Sales(%)	40.53	50.30	42.78	57.02	<b>52.97</b>
Return on Networth(%)	14.17	12.45	12.10	2.49	<b>8.66</b>
Return on Capital Employed(%)	12.23	11.51	12.20	2.66	<b>9.46</b>
Cash Earnings per share(CEPS)(Rs.)	11.41	10.27	11.27	2.40	<b>8.76</b>
Earnings per share(EPS)(Rs.)	6.77	6.53	7.01	1.45	<b>5.47</b>
Book value of the share(Rs.)	47.77	52.44	57.92	58.07	<b>63.14</b>

## INDEPENDENT AUDITORS' REPORT

### To the Members of Astra Microwave Products Limited

### Report on the audit of the Standalone financial statements

#### Opinion

1. We have audited the accompanying standalone financial statements of Astra Microwave Products Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, the statement of Profit and Loss ((including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive income (comprising of net profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

#### Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

4. We draw your attention to Note 42 to the financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments are required in the financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

#### Key audit matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Appropriateness of the Expected credit loss ("ECL") provision in respect of trade receivables carried at amortized cost.</p> <p>(Refer Note 7 and Note 38 to the standalone financial statements)</p> <p>The Company has trade receivables (gross) aggregating to Rs. 25,711.15 lakhs as at March 31, 2020, in respect of which the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, and recognises expected lifetime losses from initial recognition of the receivables.</p> <p>The provision for ECL as at March 31, 2020 is Rs. 966.20 lakhs.</p>	<p>Our procedures, in relation to testing of ECL provision recognized, included the following:</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating the design and testing the operating effectiveness of controls in respect of ECL provision for trade receivables carried at amortized cost.</li> <li>• Reading of the underlying contracts and invoices, as applicable to understand the nature of trade receivables, and the dates on which the payments fall due.</li> <li>• Assessing the appropriateness of the credit loss provisioning methodology used by the management, which involves the use of historical trends such as cash collection, performance of the current year against historical trends and the level of credit loss over time.</li> </ul>



Key audit matter	How our audit addressed the key audit matter
<p>This is determined as a key audit matter as determination of the ECL provision involved application of judgement by Management in respect of matters such as maximum contractual period of credit risk and probability of credit loss given the large number of aged receivables from government customers.</p>	<p>Based on the above procedures performed, we did not find any significant exceptions to the ECL provision recognised in respect of trade receivables carried at amortized cost.</p>

### Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

### Responsibilities of management and those charged with governance for the financial statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other legal and regulatory requirements**

14. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements;
    - ii. The Company has long-term contracts including derivative contracts as at March 31, 2020 for which there were no material foreseeable losses. However, the Company did not have any long-term derivative contracts as at March 31, 2020.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
    - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.
17. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

Chartered Accountants

**Sunit Kumar Basu**

Partner

Membership Number 55000

UDIN: 20055000AAAADG3156

Place: Hyderabad

Date: June 24, 2020

## Annexure A to Independent Auditors' Report

Referred to in paragraph 15(f) of the Independent Auditors' Report of even date to the members of Astra Microwave Products Limited on the standalone financial statements for the year ended March 31, 2020

### Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Astra Microwave Products Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

#### Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with reference to financial statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

Chartered Accountants

**Sunit Kumar Basu**

Partner

Membership Number: 55000

Place: Hyderabad

Date: June 24, 2020

## Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Astra Microwave Products Limited on the standalone financial statements as of and for the year ended March 31, 2020

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 2 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The Physical verification of inventory has been conducted at reasonable intervals by the management after the year end as the count could not be performed as at March 31, 2020 in view of the lockdown consequent to the outbreak of COVID19. No material discrepancies have been noticed on such verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Professional Tax and Income tax deducted at source, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, duty of customs, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.  
  
Further, for the period March 2020, the company has paid Goods and Service Tax and filed GSTR 3B (after the due date but) within the timelines allowed by Ministry of Finance (Department of Revenue) Central Board of Indirect Taxes and Customs under the Notification No. 32/2020 – Central Tax dated April 3, 2020 on fulfilment of conditions specified therein.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax or goods and service tax which have not been deposited on account of any dispute. Also refer Note 33 to the financial statements regarding management's assessment on certain matters relating to provident fund.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 17 of the independent auditor's report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

Chartered Accountants

**Sunit Kumar Basu**

Partner

Membership Number 55000

Place: Hyderabad

Date: June 24, 2020

**Balance Sheet as at March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	15,848.96	17,643.62
Capital work-in-progress	2	1,205.65	243.39
Investment in Subsidiaries	3 (a)	763.30	763.29
Investment in Joint Venture	3 (a)	1,625.00	1,625.00
Financial assets			
i. Other financial assets	4(a)	1,123.23	1,217.40
Deferred tax assets	14	24.59	-
Non current tax assets	9(a)	535.30	524.68
Other non-current assets	5(a)	209.02	195.71
<b>Total non-current assets</b>		<b>21,335.05</b>	<b>22,213.09</b>
<b>Current assets</b>			
Inventories	6	22,563.17	13,043.83
Financial assets			
i. Investments	3 (b)	1,304.69	2,023.46
ii. Trade receivables	7	24,744.95	18,965.24
iii. Cash and cash equivalents	8A	735.92	707.53
iv. Other bank balances	8B	4,320.11	1,809.31
v. Other financial assets	4(b)	35.15	-
Other current assets	5(b)	10,698.44	2,582.67
<b>Total current assets</b>		<b>64,402.43</b>	<b>39,132.04</b>
<b>Total assets</b>		<b>85,737.48</b>	<b>61,345.13</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10	1,732.23	1,732.23
Other equity	11	52,951.26	48,562.85
<b>Total equity</b>		<b>54,683.49</b>	<b>50,295.08</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	12	-	475.44
Provisions	13	324.20	-
Deferred tax liabilities (net)	14	-	471.73
<b>Total non-current liabilities</b>		<b>324.20</b>	<b>947.17</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	15	4,735.68	5.31
ii. Trade payables			
(a) total outstanding dues of micro and small enterprises	16(a)	81.37	53.95
(b) total outstanding dues other than micro and small enterprises	16(b)	3,712.74	2,186.88
iii. Other financial liabilities	17	1,585.11	1,952.72
Provisions	13	174.36	321.94
Current tax liabilities (net)	18	249.75	-
Other current liabilities	19(a)	129.75	451.43
Contract liabilities	19(b)	20,061.03	5,130.65
<b>Total current liabilities</b>		<b>30,729.79</b>	<b>10,102.88</b>
<b>Total liabilities</b>		<b>31,053.99</b>	<b>11,050.05</b>
<b>Total equity and liabilities</b>		<b>85,737.48</b>	<b>61,345.13</b>
Summary of Significant Accounting Policies	1		

The above balance sheet should be read in conjunction with the accompanying notes

This is the balance sheet referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/ N-500016

**Sunit Kumar Basu**

Partner

Membership Number: 55000

For and on behalf of the Board of Directors

**AVINASH CHANDER**

Chairman

DIN :- 05288690

**S. GURUNATHA REDDY**

Managing Director

DIN :- 00003828

**M.V REDDY**

Joint Managing Director

DIN :- 00421401

Place : Hyderabad

Date : June 24, 2020

**B V S NARASINGA RAO**

Chief Financial Officer

**T. ANJANEYULU**

Company Secretary

FCS :- 5352

## Statement of Profit and Loss for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
<b>Income :</b>			
Revenue from Operations	20	46,158.10	28,615.77
Other Income	21	1,208.92	2,449.22
<b>Total Income</b>		<b>47,367.02</b>	<b>31,064.99</b>
<b>Expenses :</b>			
Cost of materials consumed	22	32,484.82	17,488.70
Changes in inventories of finished goods and work-in-progress	23	(5,793.71)	(1,560.15)
Employees benefits expenses	25	6,617.46	6,148.57
Finance costs	28	789.35	895.81
Depreciation	26	2,532.18	2,856.52
Other expenses	27	4,471.35	3,560.67
<b>Total Expenses</b>		<b>41,101.45</b>	<b>29,390.12</b>
<b>Profit/(Loss) before tax</b>		<b>6,265.57</b>	<b>1,674.87</b>
<b>Income tax expense</b>			
- Current tax		1,999.51	452.82
- Deferred tax		(467.89)	(31.93)
<b>Net profit/(loss) for the year</b>		<b>4,733.95</b>	<b>1,253.98</b>
<b>Other comprehensive income :</b>			
Items that will not be reclassified to profit or loss			
a) Remeasurements of post-employment benefit obligations		(112.92)	308.11
b) Income tax relating to items recognised in other comprehensive income		28.42	(107.67)
<b>Total other comprehensive income/(loss) for the year, net of tax</b>		<b>(84.50)</b>	<b>200.44</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>4,649.45</b>	<b>1,454.42</b>
<b>Earnings per equity share</b>			
Basic earnings per share	29	5.47	1.45
Diluted earnings per share		5.47	1.45
Summary of Significant Accounting Policies	1		

The above statement of profit and loss should be read in conjunction with the accompanying notes

This is the statement of profit and loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/ N-500016

**Sunit Kumar Basu**  
Partner  
Membership Number: 55000

Place : Hyderabad  
Date : June 24, 2020

For and on behalf of the Board of Directors

**AVINASH CHANDER**  
Chairman  
DIN :- 05288690

**B V S NARASINGA RAO**  
Chief Financial Officer

**S. GURUNATHA REDDY**  
Managing Director  
DIN : - 00003828

**T. ANJANEYULU**  
Company Secretary  
FCS :- 5352

**M.V REDDY**  
Joint Managing Director  
DIN : - 00421401



## Statement of changes in equity for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### A. Equity Share Capital

Particulars	Notes	Amount
<b>As at April 1, 2018</b>		<b>1,732.23</b>
Changes in equity share capital during the year	10	-
<b>As at March 31, 2019</b>		<b>1,732.23</b>
Changes in equity share capital during the year	10	-
<b>As at March 31, 2020</b>		<b>1,732.23</b>

### B. Other Equity

Particulars	Notes	Reserves and Surplus				Total
		Debenture redemption reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
<b>Balance as at April 01, 2018</b>		<b>1,250.00</b>	<b>6,856.20</b>	<b>6,232.80</b>	<b>34,096.29</b>	<b>48,435.29</b>
Impact of application of Ind AS 115		-	-	-	(73.88)	(73.88)
Profit/(loss) for the year		-	-	-	1,253.98	1,253.98
Remeasurements of defined benefit plans (net of tax)		-	-	-	200.44	200.44
Transfer from General reserve to Debenture Redemption reserve		(1,250.00)	-	1,250.00	-	-
Dividend paid	11	-	-	-	(1,039.34)	(1,039.34)
Dividend distribution tax paid		-	-	-	(213.64)	(213.64)
<b>Balance as at April 01, 2019</b>		<b>-</b>	<b>6,856.20</b>	<b>7,482.80</b>	<b>34,223.85</b>	<b>48,562.85</b>
Profit/(loss) for the year		-	-	-	4,733.95	4,733.95
Remeasurements of defined benefit plans (net of tax)		-	-	-	(84.50)	(84.50)
Dividend paid		-	-	-	(216.53)	(216.53)
Dividend distribution tax paid		-	-	-	(44.51)	(44.51)
<b>Balance as at March 31, 2020</b>		<b>-</b>	<b>6,856.20</b>	<b>7,482.80</b>	<b>38,612.26</b>	<b>52,951.26</b>

The above Statement of changes in equity should be read in conjunction with the accompanying notes  
This is the Statement of changes in equity referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/ N-500016

**Sunit Kumar Basu**  
Partner  
Membership Number: 55000

Place : Hyderabad  
Date : June 24, 2020

For and on behalf of the Board of Directors

**AVINASH CHANDER**  
Chairman  
DIN :- 05288690

**B V S NARASINGA RAO**  
Chief Financial Officer

**S. GURUNATHA REDDY**  
Managing Director  
DIN : - 00003828

**T. ANJANEYULU**  
Company Secretary  
FCS :- 5352

**M.V REDDY**  
Joint Managing Director  
DIN : - 00421401



## Cash Flow statement for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash flow from Operating Activities</b>		
Profit before tax	6,265.57	1,674.87
<b>Adjustments for:</b>		
Depreciation expense	2,532.18	2,856.52
Finance cost	789.35	895.81
Interest income	(321.27)	(156.69)
(Gain)/loss on sale of investments(net)	(250.33)	(711.77)
(Gain)/loss on fair valuation of financial assets	(82.04)	(78.05)
(Gain)/loss on disposal of property, plant and equipment	(4.87)	(259.63)
Unrealised exchange (gain)/loss	(387.65)	(47.23)
Changes in expected credit loss	378.45	(6.83)
<b>Operating Profit Before Working Capital Changes</b>	<b>8,919.39</b>	<b>4,167.00</b>
<b>Changes in assets and liabilities:</b>		
(Increase) / Decrease in inventories	(9,519.34)	(2,667.74)
(Increase) / Decrease in trade receivables	(5,688.85)	(136.91)
(Increase) / Decrease in other financial assets and Other bank balances	(2,252.25)	(543.43)
(Increase) / Decrease in other non-current assets	5.50	(61.62)
(Increase) / Decrease in other current assets	(8,115.77)	(1,502.89)
Increase/(Decrease) in trade payable	1,436.48	843.92
Increase/(Decrease) in provisions	63.70	39.32
Increase/(Decrease) in other financial liabilities	104.12	(65.72)
Increase/(Decrease) in Contract liabilities	14,429.88	2,224.59
Increase/(Decrease) in other current liabilities	(321.67)	(1,000.13)
<b>Cash generated from/(used in) operating activities</b>	<b>(938.81)</b>	<b>1,296.39</b>
Income tax paid	(1,760.40)	(1,137.95)
<b>Net cash generated from/(used in) operating activities</b>	<b>(2,699.21)</b>	<b>158.44</b>

## Cash Flow statement for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash flow from Investing Activities</b>		
Payments for property, plant and equipment	(1,841.17)	(1,585.81)
Proceeds from sale of property, plant and equipment	138.12	301.82
Purchase of current investments	(21,500.00)	(22,474.37)
Proceeds from sale of current investments	22,551.14	33,814.14
Investment in Equity Shares of Subsidiaries	-	(205.83)
Investment in Equity Shares of Joint ventures	-	(1,624.90)
Interest received	147.62	147.25
<b>Net cash flow/(used in) Investing Activities</b>	<b>(504.29)</b>	<b>8,372.30</b>
<b>Cash flow from Financing Activities</b>		
Repayment of long term borrowings	(961.11)	(5,950.66)
Proceeds from short term borrowings	81,424.66	2,005.31
Repayment of short term borrowings	(76,694.29)	(4,000.00)
Interest paid	(276.34)	(689.34)
Dividend paid	(216.53)	(1,039.34)
Dividend tax paid	(44.51)	(213.64)
<b>Net cash from /(used in) Financing Activities</b>	<b>3,231.88</b>	<b>(9,887.67)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash equivalents</b>	<b>28.38</b>	<b>(1,356.93)</b>
Cash & Cash Equivalents at the Beginning	707.53	2,064.46
<b>Cash &amp; Cash equivalents at the End</b>	<b>735.91</b>	<b>707.53</b>

### Reconciliation of cash and cash equivalents as per the Statement of cashflows

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Cash and Cash Equivalents (Note 8A)</b>		
In current accounts	731.91	705.33
Cash on hand	4.01	2.20

This is the Cashflow statement referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/ N-500016

**Sunit Kumar Basu**  
Partner  
Membership Number: 55000

Place : Hyderabad  
Date : June 24, 2020

For and on behalf of the Board of Directors

**AVINASH CHANDER**  
Chairman  
DIN :- 05288690

**B V S NARASINGA RAO**  
Chief Financial Officer

**S. GURUNATHA REDDY**  
Managing Director  
DIN : - 00003828

**T. ANJANEYULU**  
Company Secretary  
FCS :- 5352

**M.V REDDY**  
Joint Managing Director  
DIN : - 00421401

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### Background

Astra Microwave Products Limited was incorporated in 1991 and it got listed under NSE and BSE in the year 1994. The company is engaged in the business of design, development and manufacture of sub-systems for Radio Frequency and microwave systems used in defense, space, meteorology and telecommunication.

### Note 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Note 1.1 Basis of preparation of financials statements

##### (i) Compliance with Ind AS :

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. "

##### (ii) Historical cost convention

The financial statements have been prepared on the historical cost basis except for the following :

"Certain financial assets and liabilities that is measured at fair value;

Defined benefit plans – plan assets measured at fair value;"

##### (iii) New and amended standards adopted by the company

The company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019:

- i. IndAS 116, Leases
- ii. Long-term Interest in Associates and Joint Ventures — Amendment to IndAS 28, Investments in Associates and Joint ventures
- iii. Uncertain Income Tax Treatment —Appendix C to Ind AS 12, Income Taxes
- iv. Plan Amendment, Curtailment or Settlement — Amendment to Ind AS 19, Employee Benefits
- v. Amendment to IndAS 103, Business Combinations and IndAS 111, Joint Arrangements
- vi. Amendment to IndAS 12, Income Taxes
- vii. Amendment to IndAS 23 , Borrowing costs

The amendments listed above did not have any significant impact on the amounts recognised in prior periods and are not to significantly affect the current or future periods. "

#### Note 1.2 : Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of the assets and liabilities, the disclosure of the contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of these changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**Note 1.3 : Foreign currency translation****(i) Functional and presentation currency**

Items included in the financial statements of each of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company functional and presentation currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

**Note 1.4 : Revenue recognition****(i) Sale of products:**

Revenue from sale of products is recognised when the control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Revenue from sales is based on the price specified in the sales contracts, net of volume discounts and returns if any at the time of sale. Accumulated experience will be used to estimate and provide for the discounts, using the expected value method, and revenue is recognised only to the extent that it is highly probable that the significant reversal will not occur. A refund liability (included in other current liabilities) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The contract price is adjusted for the finance component where the period between the advance received from the customer and transfer of the promised goods to the customer exceeds one year.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

**(ii) Revenue from sale of services:**

The Company provides maintenance services to customers under fixed price contracts. Revenue from sale of services is recognised in the accounting period in which the services are rendered

**(iii) Financing component:**

The Company recognises significant financing component in the revenue contract where the period between the advance received from the customer and transfer of the promised goods to the customer exceeds one year. The finance component is adjusted to the contract price to arrive at the transaction price to be considered for revenue recognition.

**Note 1.5 : Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

### Note 1.6 : Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. “

“Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.”

### Note 1.7 : Leases

Till March 31, 2019:

As a lessee:

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor:

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Effective from April 1, 2019:

As a lessee:

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the company under residual value guarantees
- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

As a lessor:

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

#### **Note 1.8 : Impairment of assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### **Note 1.9 : Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

#### **Note 1.10 : Trade receivables**

Trade receivables are the amount due from the customers for the sale of goods and services rendered in the ordinary course of business. Trade receivables are initially recognised at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at the fair value. The company holds trade receivables for the receipt of contractual cash flows and therefore measures them subsequently at the amortised cost using effective interest rate method.

#### **Note 1.11 : Inventories**

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in



bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### **Note 1.12 : Investments and other financial assets**

##### **i) Classification**

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The company reclassifies debt investments when and only when its business model for managing those assets changes.

##### **ii) Recognition**

Regular way purchase and sales of financial assets are recognised on trade-date, the date on which the company commits to purchase or sale the financial assets.

##### **iii) Measurement**

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

##### **Debt instruments**

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

### Equity instruments

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value."

#### iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 38 details how the company determines whether there has been a significant increase in credit risk.

For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### iv) Derecognition of financial assets

A financial asset is derecognized only when

- The company has transferred the rights to receive cash flow from the financial asset or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

#### v) Income recognition

##### Interest income

Interest income from the debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

##### Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

#### Note 1.13 : Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. These derivative contracts are not designated as hedges and are accounted for at fair value through profit or loss and are included in other income.

#### Note 1.14 : Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or



realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

**Note 1.15 : Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

**Depreciation/ amortisation methods, estimated useful lives and residual value**

Depreciation is provided on written down value method considering the useful lives of the assets that have been determined based on technical evaluation done by the management which are inline with the useful lives prescribed under Schedule II of the Companies Act, 2013. In respect of solar power generating plant the management has estimated the useful life as 25 years. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in statement profit and loss under other income."

**Note 1.16 : Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within credit period after recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

**Note 1.17 : Borrowings**

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in statement of profit and loss under other income.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as consequence of the breach.

**Note 1.18 : Borrowings costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

Other borrowings costs are expensed in the period in which they are incurred.

**Note 1.19 : Provisions, Contingent Assets and Contingent Liabilities**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable.

**Note 1.20 : Employee benefits****(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefit are discounted using the government bond yield rates at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**(iii) Post-employment obligations**

The company operates the following post-employment schemes:

- (a) Defined benefit plans - gratuity; and
- (b) Defined contribution plans - provident fund.

**a. Defined benefit plans - gratuity**

The liability or assets recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Asset ceiling will be recognised the present value of any economic benefits available in the form of refunds from the plan or reduces in future contributions in accordance with the terms and conditions of the plan and accordingly recognise the defined benefit assets.

**b. Defined contribution plans - provident fund**

The company pays provident fund contributions to publicly administered funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

**Bonus plans:**

Company recognises a liability and an expense for bonuses. The company recognises a provision where contractually obliged or where contractually obliged or where there is a past practice that has created a constructive obligation.

**Note 1.21 : Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Note 1.22 : Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**Note 1.23 : Earnings per share****(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

**(ii) Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.”

**Note 1.24 : Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has identified Managing Director and Joint Managing Director as chief operating decision makers.

**Note 1.25 : Research and Development expenditure:**

Research expenditure and development expenditure that do not meet the below criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as asset in a subsequent period.

- i) It is technically feasible to complete the project so that it will be available for use
- ii) Management intends to complete the project and use or sell it
- iii) There is an ability to use or sell the project
- iv) It can be demonstrated how the project will generate probable future economic benefits
- v) Adequate technical, financial and other resources to complete the development and to use or sell the project are available and
- vi) The expenditure attributable to the project during its development can be reliably measured.

**Note 1.26 : Investment in Subsidiaries/Joint ventures**

Investments in subsidiaries and Joint ventures are recognised at cost less impairment if any.

**Note 1.27 : Critical estimates and judgements:**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The area involving critical estimates or judgements is:

1. Estimation of defined benefit obligation
2. Significant financing component
3. Provision for expected credit loss

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

## Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Note 2 : Property, Plant and Equipment

Particulars	Gross carrying value				Accumulated depreciation				Net carrying amount			
	As at 1 April 2019	Additions	Deletions / transfers	Adjustments	As at 31 Mar 2020	As at 1 April 2019	For the Year	On disposals	Adjustments	As at 31 Mar 2020	As at 31 Mar 2020	
<b>Other than Assets given on lease</b>												
Land	2,045.97	-	-	-	2,045.97	-	-	-	-	-	-	2,045.97
Buildings	6,715.60	1.28	-	-	6,716.88	1,273.29	513.46	-	-	1,786.75	-	4,930.13
Plant & Machinery	11,696.15	666.42	123.18	-	12,239.39	4,192.92	1,421.86	1.55	-	5,613.23	-	6,626.16
Electrical Installations	340.09	26.01	-	-	366.10	139.47	53.32	-	-	192.79	-	173.31
Solar Power Plant	669.19	-	-	-	669.19	200.21	53.02	-	-	253.23	-	415.96
Air Conditioners	433.07	4.39	-	-	437.46	201.31	57.75	-	-	259.06	-	178.40
Office Equipment	304.24	16.43	-	-	320.67	178.72	57.94	-	-	236.66	-	84.01
Furniture & Fixtures	353.83	27.67	-	-	381.50	178.85	45.72	-	-	224.57	-	156.93
Computers	1,064.01	128.58	25.03	-	1,167.56	857.60	140.39	14.78	-	983.21	-	184.35
Vehicles	120.91	-	10.78	-	110.13	28.07	29.15	9.40	-	47.82	-	62.31
Wind Electric Generator	1,245.47	-	-	-	1,245.47	417.78	105.67	-	-	523.45	-	722.02
<b>Assets given on lease:</b>												
Buildings	88.52	-	-	-	88.52	22.73	6.25	-	-	28.98	-	59.54
Plant & Machinery	447.08	-	-	-	447.08	192.87	46.79	-	-	239.66	-	207.42
Electrical Installations	2.66	-	-	-	2.66	1.68	0.28	-	-	1.96	-	0.70
Air Conditioners	0.24	-	-	-	0.24	0.16	0.03	-	-	0.19	-	0.05
Office Equipment*	0.15	-	-	-	0.15	0.10	-	-	-	0.10	-	0.05
Computers*	0.30	-	-	-	0.30	0.09	-	-	-	0.09	-	0.21
Furniture & Fixtures	5.19	-	-	-	5.19	3.20	0.55	-	-	3.75	-	1.44
<b>Total</b>	<b>25,532.67</b>	<b>870.78</b>	<b>158.99</b>	<b>-</b>	<b>26,244.46</b>	<b>7,889.05</b>	<b>2,532.18</b>	<b>25.73</b>	<b>-</b>	<b>10,395.50</b>	<b>-</b>	<b>15,848.96</b>
<b>Capital work-in-progress</b>	<b>243.39</b>	<b>962.26</b>	<b>-</b>	<b>-</b>	<b>1,205.65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,205.65</b>

\* The amount of depreciation for the year for office equipment and Computers are below the rounding off norm adopted by the company

**Notes to financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 2 : Property, Plant and Equipment**

Particulars	Gross carrying value					Accumulated depreciation				Net carrying amount	
	As at 1 April 2018	Additions	Deletions / transfers	Adjustments	As at 31 March 2019	As at 1 April 2018	For the Year	On disposals	Adjustments	As at 31 March 2019	As at 31 March 2019
<b>Other than Assets given on lease</b>											
Land	1,986.94	97.68	38.65	-	2,045.97	-	-	-	-	-	2,045.97
Buildings	6,695.13	20.47	-	-	6,715.60	708.08	565.21	-	-	1,273.29	5,442.31
Plant & Machinery	10,829.17	867.05	0.07	-	11,696.15	2,654.31	1,538.65	0.03	-	4,192.92	7,503.23
Electrical Installations	311.32	28.77	-	-	340.09	75.74	63.73	-	-	139.47	200.62
Solar Power Plant	669.19	-	-	-	669.19	140.61	59.60	-	-	200.21	468.98
Air Conditioners	427.71	5.36	-	-	433.07	122.88	78.43	-	-	201.31	231.76
Office Equipment	265.37	39.00	0.13	-	304.24	92.86	85.88	0.02	-	178.72	125.52
Furniture & Fixtures	340.19	13.64	-	-	353.83	123.26	55.59	-	-	178.85	174.98
Computers	922.39	141.62	-	-	1,064.01	662.87	194.72	-	-	857.60	206.41
Vehicles	79.71	50.01	8.81	-	120.91	4.67	28.83	5.43	-	28.07	92.84
Wind Electric Generator	1,245.47	-	-	-	1,245.47	297.00	120.78	-	-	417.78	827.69
<b>Assets given on lease:</b>											
Buildings	88.52	-	-	-	88.52	15.89	6.84	-	-	22.73	65.79
Plant & Machinery	447.08	-	-	-	447.08	135.80	57.07	-	-	192.87	254.21
Electrical Installations	2.66	-	-	-	2.66	1.28	0.39	-	-	1.68	0.98
Air Conditioners	0.24	-	-	-	0.24	0.12	0.04	-	-	0.16	0.08
Office Equipment*	0.15	-	-	-	0.15	0.10	-	-	-	0.10	0.05
Computers	0.30	-	-	-	0.30	0.08	0.01	-	-	0.09	0.21
Furniture & Fixtures	5.19	-	-	-	5.19	2.45	0.75	-	-	3.20	1.99
<b>Total</b>	<b>24,316.73</b>	<b>1,263.60</b>	<b>47.66</b>	<b>-</b>	<b>25,532.67</b>	<b>5,038.00</b>	<b>2,856.52</b>	<b>5.48</b>	<b>-</b>	<b>7,889.05</b>	<b>17,643.62</b>
<b>Capital work-in-progress</b>	<b>72.50</b>	<b>327.57</b>	<b>156.68</b>	<b>-</b>	<b>243.39</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>243.39</b>

\* The amount of depreciation for the year for office equipment are below the rounding off norm adopted by the company

Capital work-in-progress mainly comprises buildings for a new plant.

Refer note no. 33 for Capital commitments of the company

Refer note no. 35 for the Assets pledged as security

## Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Note 3 (a): Investments

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>A. Non-current investments (Refer Note a below)</b>		
<b>Investment carried at cost</b>		
(i) Equity instruments of Subsidiaries (unquoted)	763.30	763.29
(ii) Equity instruments of Joint venture (unquoted)	1,625.00	1,625.00
<b>Total</b>	<b>2,388.32</b>	<b>2,388.29</b>

### Note 3(b): Investments

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>B. Current investments (Refer Note b below)</b>		
<b>Investment carried at fair value through profit and loss</b>		
Investments in Mutual Funds (quoted)	1,304.69	2,023.46
<b>Total</b>	<b>1,304.69</b>	<b>2,023.46</b>

### Note a: Details of non-current investments

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Investments carried at cost</b>		
<b>(i) Equity instruments of Subsidiaries (unquoted)</b>		
Bhavyabhanu Electronics Private Limited 175,998 (2019 : 175,998 ) equity shares of Rs.10/- each fully paid up	209.88	209.88
AELIUS Semiconductors Pte. Ltd. Singapore 111,700 (2019 : 111,700 ) equity shares of SGD 10 each fully paid up	552.42	552.41
Astra Foundation 9,990 (2019 : 9,990 ) equity shares of Rs.10/- each fully paid up	1.00	1.00
<b>(ii) Equity instruments of Joint venture (unquoted)</b>		
<b>Astra Rafael Comsys Private Limited (Joint Venture w.e.f June 18, 2019)</b> 16,250,000 (2019 : 16,250,000 ) equity shares of Rs. 10/- each fully paid up	1,625.00	1,625.00
<b>Total</b>	<b>2,388.30</b>	<b>2,388.29</b>
<b>Aggregate book value of unquoted investments</b>	<b>2,388.30</b>	<b>2,388.29</b>



**Notes to financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note b: Details of current investments**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Investments in Mutual Funds (quoted)</b>		
a) 3,739,927.244 (2019 : 3,739,927.244) Units of SBI Credit Risk Fund - Regular growth	<b>1,185.76</b>	1,117.03
b) 234,894.521 (2019 - 234,894.521) Units of SBI Magnum Income Fund - Regular Plan - Growth	<b>118.93</b>	105.62
c) Nil, (2019: 21,771.21) units of HDFC Liquid Fund - Direct Plan- Growth Option	-	800.81
<b>Total current investment</b>	<b>1,304.69</b>	2,023.46
<b>Aggregate of quoted current investments and market value thereof</b>	<b>1,304.69</b>	2,023.46
<b>Aggregate book value of unquoted investments -Non-current</b>	<b>2,388.30</b>	2,388.29
<b>Aggregate book value and market value of quoted investments - Current</b>	<b>1,304.69</b>	2,023.46
<b>Impairment of Investments recognised</b>	<b>Nil</b>	Nil

**Note 4 : Other financial asset**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>a) Non-current, carried at amortised cost</b>		
<b>Unsecured, considered good</b>		
Security deposits	<b>80.48</b>	47.57
<b>Margin money deposits against guarantees</b>		
- maturity period of more than 12 months*	<b>1,042.75</b>	1,169.83
<b>Total Non current other financial assets</b>	<b>1,123.23</b>	1,217.40
<b>b) Current, carried at fair value through profit or loss</b>		
<b>Derivatives</b>		
- Foreign-exchange forward contract	<b>35.15</b>	-
<b>Total current other financial assets</b>	<b>35.15</b>	-



## Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Note 5 : Other assets

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>a) Non-current</b>		
<b>Unsecured, considered good</b>		
Capital advances	21.15	2.34
Deposits with government departments	81.93	71.26
Prepaid expenses	105.94	122.11
<b>Total non-current assets</b>	<b>209.02</b>	<b>195.71</b>
<b>b) Current:</b>		
<b>Unsecured, considered good</b>		
<b>Current:</b>		
Prepaid expenses	459.70	259.12
Balance with government authorities	1,521.87	71.77
Employee benefits - gratuity, net*	-	64.91
Advance to suppliers		
- to related parties	5,420.79	781.27
- to others	3,296.08	1,405.60
<b>Total current assets</b>	<b>10,698.44</b>	<b>2,582.67</b>

\*Refer Note 31 (c)

### Note 6 : Inventories

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Raw materials	9,775.10	6,088.04
Packing material	50.36	11.79
Work-in-progress	12,737.71	6,849.54
Finished goods	-	94.46
<b>Total</b>	<b>22,563.17</b>	<b>13,043.83</b>

Raw materials (include good-in-transit INR 383.12 lakhs (2019 : INR 151.68 lakhs)

Write downs of inventories to net realisable value amounted to INR 10.85 lakhs(2019 :INR 53.37 lakhs). These were recognised as an expense during the year and included in 'Changes in inventories of finished goods and work-in-progress' in statement of profit and loss.

**Notes to financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 7 : Trade receivables**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Trade receivables</b>		
Unsecured, considered good *	24,744.95	18,965.24
Credit impaired	966.20	587.75
Less: Allowance for doubtful debts	(966.20)	(587.75)
<b>Total</b>	<b>24,744.95</b>	<b>18,965.24</b>

\* Includes dues from related parties aggregating to INR 118.31 lakhs (2019: INR 14.97 lakhs). Refer note 30

**Note 8 : Cash and Bank Balances****Note 8A: Cash and Cash Equivalents**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Balances with Banks		
- in current accounts	731.91	705.33
Cash on hand	4.01	2.20
<b>Total</b>	<b>735.92</b>	<b>707.53</b>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods

**NOTE 8B: Other Bank balances**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Margin money deposits against guarantees	4,237.97	1,717.89
<b>Earmarked balances with banks :</b>		
Unpaid dividend account	82.14	91.42
<b>Total</b>	<b>4,320.11</b>	<b>1,809.31</b>

Margin money deposit above includes Fixed Deposits under lien amounting to INR 352.51 lakhs (2019: 332.00 lakhs)

**Note 9: Tax Assets (net)**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>a. Non-current tax assets/ (liabilities)</b>		
Advance income tax (net of provision for income tax of INR 434.04 (2019: INR 434.04 lakhs))	535.30	524.68
<b>Total</b>	<b>535.30</b>	<b>524.68</b>

## Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Note 10: Equity share capital

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Authorised share capital:</b>		
150,000,000 (2019 : 150,000,000 ) equity shares of Rs. 2/- each	3,000.00	3,000.00
<b>Total</b>	<b>3,000.00</b>	<b>3,000.00</b>
<b>Issued and subscribed capital:</b>		
86,611,675 (2019 : 86,611,675) equity shares of Rs. 2/- each fully paid	1,732.23	1,732.23
<b>Total</b>	<b>1,732.23</b>	<b>1,732.23</b>

#### (a) Details of shares held by each shareholder holding more than 5% shares in the company

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% holding of equity shares	Number of shares	% holding of equity shares
Ratnabali Investment Pvt.Ltd.,	4,634,272	5.35%	4,634,272	5.35%
Sundaram Mutual Fund	4,717,671	5.45%	4,789,398	5.53%

#### (b) Movement in equity share capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	86,611,675	1,732.23	86,611,675	1,732.23
Add: Number of shares issued and subscribed during the year	-	-	-	-
<b>At the end of the year</b>	<b>86,611,675</b>	<b>1,732.23</b>	<b>86,611,675</b>	<b>1,732.23</b>

#### (c) Terms and rights attached to equity shares:

The company has one class of equity shares having a par value of Rs. 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

The Company has not issued any share as fully paid up without payment being received in cash or as bonus shares nor any share has been bought back by the Company since its incorporation.

**Notes to financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 11: Other equity**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Reserves and surplus:</b>		
General reserve	7,482.80	7,482.80
Securities premium reserve	6,856.20	6,856.20
Debenture redemption reserve	-	-
Retained earnings	38,612.26	34,223.85
<b>Total</b>	<b>52,951.26</b>	<b>48,562.85</b>
General Reserve	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Opening balance	7,482.80	6,232.80
Transferred from Debenture Redemption Reserve	-	1,250.00
Transferred from Surplus in statement of Profit and loss	-	-
<b>Closing balance</b>	<b>7,482.80</b>	<b>7,482.80</b>
Securities premium reserve	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Opening balance	6,856.20	6,856.20
Add: Movement during the year	-	-
<b>Closing balance</b>	<b>6,856.20</b>	<b>6,856.20</b>
Debenture Redemption Reserve	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Opening balance	-	1,250.00
Transferred to General Reserve on Redemption	-	(1,250.00)
<b>Closing balance</b>	<b>-</b>	<b>(1,250.00)</b>
Retained earnings	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Opening balance	34,223.85	34,096.29
Impact of application of Ind AS 115	-	(73.88)
Add: Net profit for the year	4,733.95	1,253.98
Add: Remeasurements of defined benefit plans (net of tax)	(84.50)	200.44
Dividend paid	(216.53)	(1,039.34)
Dividend Tax paid	(44.51)	(213.64)
<b>Closing balance</b>	<b>38,612.26</b>	<b>34,223.85</b>

## Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Nature and purpose of reserves

#### Securities premium reserves:

Securities premium reserves is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Act.

#### Debenture redemption reserve:

The company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

#### General reserve:

General reserve is used for strengthening the financial position and meeting future contingencies and losses.

### Note 12 : Non-current borrowings

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Secured</b>		
Term Loan from banks		
a. Loan from HDFC Bank	-	475.44
<b>Total non-current borrowings</b>	<b>-</b>	<b>475.44</b>

Refer note 17 for current maturities of non-current borrowings.

Refer note no. 35 for the assets pledged as security

#### Nature of security:

##### Term Loans

- a. Term loan from HDFC Bank is secured by First exclusive charge on the Fixed Assets funded by this term loan. Second pari passu charge on entire unencumbered fixed assets of the company along with term lenders. Pari Passu second charge on all chargeable current assets of the company along with other term lenders and personal guarantee of the former Managing Director and former Chief Operating Officer who are also founders of the Company.
- b. Aggregate amount of loans Guaranteed by former Managing Director and former Chief Operating Officer who are also founders of the Company is INR 475.44 lakhs (2019 : INR 1426.10 lakhs).

#### Terms of repayment:

- i) Term loan from HDFC bank is repayable in 12 quarterly instalments starting after one year from the date of first disbursement (date of first drawdown was June 5, 2017) along with an interest as mutually agreed with the bank payable on a monthly basis. Interest rates are normally reset on an yearly basis. Present rate of interest is in the range of 9.24% to 9.65%.

### Note 13 : Provisions\*

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Non-current</b>		
Provision for compensated absences	291.80	69.67
Provision for gratuity	32.40	-
<b>Total non-current provisions</b>	<b>324.20</b>	<b>69.67</b>
<b>Current</b>		
Provision for compensated absences	81.63	252.27
Provision for gratuity	92.73	-
<b>Total current provisions</b>	<b>174.36</b>	<b>252.27</b>

**Notes to financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

\*Refer note 31

**Note 14 : Deferred tax Liabilities/(assets) (net)**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Deferred tax Liabilities	863.33	1,493.80
Deferred tax Assets	(887.92)	(1,022.07)
<b>Deferred tax liabilities/ (assets) (net)</b>	<b>(24.59)</b>	<b>471.73</b>

2019-20	Opening Balance	Recognised in profit or loss	Recognised in Other comprehensive income	Recognised in equity	Closing balance
Deferred tax liabilities/(assets) in relation to Depreciation	1,450.66	(638.84)	-	-	811.82
On Fair value gain of Mutual funds	43.14	8.37	-	-	51.51
<b>Deferred tax liabilities</b>	<b>1,493.80</b>	<b>(630.47)</b>	-	-	<b>863.33</b>
Provision for gratuity	-	(3.07)	(28.42)	-	(31.49)
Provision for Leave Encashment	(106.14)	12.15	-	-	(93.99)
Deferred revenue	(154.63)	(2.15)	-	-	(156.78)
Provision for Expected credit loss	(217.15)	(26.02)	-	-	(243.18)
Forward Contracts	-	0.88	-	-	0.88
Indexation benefit on land	(330.68)	(32.68)	-	-	(363.36)
MAT Credit entitlement	(213.47)	213.47	-	-	-
<b>Deferred tax assets</b>	<b>(1,022.07)</b>	<b>162.58</b>	<b>(28.42)</b>	-	<b>(887.92)</b>
<b>Net Deferred tax liabilities</b>	<b>471.73</b>	<b>(467.89)</b>	<b>(28.42)</b>	-	<b>(24.59)</b>

**Note:**

During the current year a new tax rate has been enacted, wherein the company has an option to choose a lower tax rate (i.e. 22%) if they choose to forego certain benefits (like the MAT credit available with the company). Accordingly, the company has chosen to adopt the lower tax rate. Due to this there is a significant reversal of Deferred tax liability recognised in the previous year and there is a net Deferred tax asset recognised in the current year. The following are key impacts of the change:

- MAT credit foregone - INR 213.47 lakhs
- impact on other items due to change in rate - 284.21 INR lakhs

## Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

2018-19	Opening Balance	Recognised in profit or loss	Recognised in Other comprehensive income	Recognised in equity	Closing balance
Deferred tax liabilities/(assets) in relation to Depreciation	1,829.75	(379.09)	-	-	1,450.66
On Fair value gain of Mutual funds	198.79	(155.65)	-	-	43.14
<b>Deferred tax liabilities</b>	<b>2,028.54</b>	<b>(534.74)</b>	-	-	<b>1,493.80</b>
Provision for gratuity	(85.03)	(22.64)	107.67	-	-
Provision for Leave Encashment	(121.40)	15.26	-	-	(106.14)
Provision for Leave travel allowance	(117.20)	117.20	-	-	-
Deferred revenue	-	(114.95)	-	(39.68)	(154.63)
Provision for Expected credit loss	(207.77)	(9.38)	-	-	(217.15)
Indexation benefit on land	(327.99)	(2.69)	-	-	(330.68)
MAT Credit entitlement	(733.48)	520.01	-	-	(213.47)
<b>Deferred tax assets</b>	<b>(1,592.87)</b>	<b>502.81</b>	<b>107.67</b>	<b>(39.68)</b>	<b>(1,022.07)</b>
<b>Net Deferred tax liabilities</b>	<b>435.67</b>	<b>(31.93)</b>	<b>107.67</b>	<b>(39.68)</b>	<b>471.73</b>

### Note 15: Current Borrowings

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Secured</b>		
<b>From banks</b>		
<b>Working Capital</b>		
Canara Bank	981.61	-
HDFC Bank	2,806.73	5.31
Axis bank	947.34	-
<b>Total</b>	<b>4,735.68</b>	<b>5.31</b>

Refer note no. 35 for the assets pledged as security

#### Nature of security:

##### Prime Security:

Pari Passu first charge on stocks and receivables and other chargeable current assets of the Company along with other working capital lenders

##### Collateral Security:

Pari Passu first charge on entire unencumbered Fixed Assets of the company (other than those financed by term lenders) along with other working capital lenders, including equitable mortgage of company's properties offered as collateral security and Pari Passu second charge on the fixed assets of the company funded by other term lenders.

##### Personal Guarantee:

Personal Guarantee of the former Managing Director and former Chief Operating officer who are also founders of the Company.

**Notes to financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Terms of repayment:**

- i) Working capital Loans taken from Banks are repayable within a period of 90 days to 180 days from the date of taking the loan.
- ii) Interest rates are normally reset on an yearly basis. Present rate of interest is 8.25%.
- iii) Working capital demand loans(bank over draft) are repayable on demand and the interest rate for these loans are in the range of 9.25% to 11.45%.

**Note 16(a): Trade Payables : Dues to Micro and Small enterprises**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Dues to micro enterprises and small enterprises (Refer note 16(c) below)	81.37	53.95
<b>Total</b>	<b>81.37</b>	<b>53.95</b>

**Note 16(b): Trade Payables : Dues to Other than Micro and Small enterprises**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Trade Payables : Others	3,712.74	2,186.88
<b>Total</b>	<b>3,712.74</b>	<b>2,186.88</b>

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	81.37	53.95
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-



## Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Note 17: Other financial liabilities

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Current maturities of long term debt (Refer note 12 above)	475.44	950.66
Unpaid Dividend	82.14	91.42
Interest accrued	13.73	11.67
Capital creditors	71.97	61.27
Employee benefits payable	924.40	819.59
Retention monies	17.43	18.11
<b>Total</b>	<b>1,585.11</b>	<b>1,952.72</b>

### Note 18: Current tax liabilities (net)

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Provision for income tax (net of advance tax of Rs. 1751.77 (2019: Rs. Nil))	249.75	-
<b>Total</b>	<b>249.75</b>	<b>-</b>

### Note 19(a): Other current liabilities

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Payroll taxes payable	58.94	51.52
Statutory dues payable	70.81	399.91
<b>Total</b>	<b>129.75</b>	<b>451.43</b>

### Note 19(b): Contract liabilities

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Current</b>		
Advance from customers	20,061.03	5,130.65
<b>Total</b>	<b>20,061.03</b>	<b>5,130.65</b>

**Notes to financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Movement of Contract liabilities**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Opening balance of contract liabilities originally reported</b>	<b>5,130.65</b>	2,350.30
Interest accrued on Advances from customers (on initial application of Ind AS 115)	-	113.56
<b>Restated opening balance of contract liabilities</b>	<b>5,130.65</b>	2,463.86
Received during the year	<b>21,280.46</b>	6,120.48
Released to revenue during the year	<b>(6,850.59)</b>	(3,895.89)
Interest accrued on contract liabilities	<b>500.50</b>	442.20
<b>Closing balance of contract liabilities</b>	<b>20,061.03</b>	5,130.65

**Revenue recognised in relation to contract liabilities**

The following table shows how much of the revenue recognised in the current reporting period relates to carried forward contract liabilities.

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Deferred revenue	<b>6,850.59</b>	3,186.56
<b>Total</b>	<b>6,850.59</b>	3,186.56

**Note 20: Revenue from Operations**

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Revenue from contracts with customers</b>		
-Sale of Products	<b>43,461.29</b>	25,753.55
-Sale of Services	<b>2,418.08</b>	2,580.84
	<b>45,879.37</b>	28,334.39
<b>Other Operating Revenue</b>		
-Wind Electrical Power	<b>217.10</b>	213.82
-Operating Lease Rent	<b>61.63</b>	67.56
	<b>278.73</b>	281.38
<b>Total</b>	<b>46,158.10</b>	28,615.77

The following table show unsatisfied performance obligations resulting from fixed price long term Sale of Products.

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Aggregate amount of the transaction price allocated to long term Sale of Products	<b>138,275.36</b>	117,166.89

## Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

The aggregate amount of transaction price allocated to unsatisfied performance obligations represents the open orders which are not yet delivered and the entity will recognise this revenue as the goods are delivered or services are rendered, which is expected to occur over the next 24 months.

### Reconciliation of revenue recognised with contract price:

Particulars	Year ended	
	March 31, 2020	March 31, 2019
<b>Contract price</b>	<b>45,559.61</b>	28,221.13
Adjustment for:		
Financing component	<b>319.76</b>	113.26
<b>Revenue from contract with customers</b>	<b>45,879.37</b>	28,334.39

### Critical Judgements in recognising revenue

The Company has considered that the advances received from the customers more than one year before the transfer of control of the goods has the significant financing component. As a consequence, the company adjusted the transaction price to reflect the finance component from such customer advances.

### Note 21: Other Income

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Interest income from financial assets at amortised cost	<b>321.27</b>	156.69
Export incentives	<b>28.56</b>	1,079.07
Net gain/(loss) on disposal of property, plant and equipment	<b>4.87</b>	259.63
Net gain on financial assets mandatorily measured at fair value through profit or loss(Mutual Funds)	<b>82.04</b>	78.05
Net gain/(loss) on sale of current investments(Mutual Funds)	<b>250.33</b>	711.77
Foreign exchange fluctuations	<b>507.21</b>	-
Miscellaneous Receipts	<b>14.64</b>	157.18
Changes in expected credit loss in receivables	-	6.83
<b>Total</b>	<b>1,208.92</b>	2,449.22

### Note 22: Cost of materials consumed

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Raw materials at the beginning of the year	<b>6,088.04</b>	4,977.06
Add: Purchases	<b>36,171.88</b>	18,599.68
Less: Raw materials at the end of the year	<b>(9,775.10)</b>	(6,088.04)
<b>Total</b>	<b>32,484.82</b>	17,488.70

**Notes to financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 23: Changes in inventories of finished goods and work-in-progress**

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Opening Balance:</b>		
Finished goods	94.46	67.91
Work-in-progress	6,849.54	5,315.94
<b>Total(A)</b>	<b>6,944.00</b>	<b>5,383.85</b>
<b>Closing Balance:</b>		
Finished goods	-	94.46
Work-in-progress	12,737.71	6,849.54
<b>Total(B)</b>	<b>12,737.71</b>	<b>6,944.00</b>
<b>Changes in inventories of finished goods and work-in-progress (A)-(B)</b>	<b>(5,793.71)</b>	<b>(1,560.15)</b>

**Note 25: Employee benefit expenses**

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Salaries, wages and bonus	5,843.48	5,529.31
Contribution to Provident Fund	295.42	238.58
Contribution to Employee State Insurance	20.71	28.94
Gratuity	77.36	87.26
Leave encashment	182.78	87.96
Staff welfare expenses	197.71	176.53
<b>Total</b>	<b>6,617.46</b>	<b>6,148.58</b>

**Note 26: Depreciation expense**

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Depreciation of property, plant and equipment	2,532.18	2,856.52
<b>Total</b>	<b>2,532.18</b>	<b>2,856.52</b>

## Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Note 27: Other expenses

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Power and fuel	325.83	277.55
Repairs and maintenance		
Plant and machinery	492.55	406.22
Buildings	24.91	37.41
Computers	214.87	219.42
Others	300.27	326.80
Travelling and conveyance	673.79	556.03
Printing and stationery	53.57	43.20
Telephone and communication charges	64.13	66.54
Operating lease rent	48.47	40.32
Changes in expected credit loss in receivables	378.45	-
Insurance	70.13	74.20
Rates and taxes	116.29	58.29
Legal and professional fees	460.94	331.20
Auditors Remuneration (Refer note 27 (a))	28.00	20.00
Business promotion expenses	102.69	207.91
Donations*	0.25	2.30
Corporate social responsibility expenditure (refer note 27(b))	110.60	150.09
Security charges	152.89	126.85
Payments to non-executive directors	51.26	22.10
Bank charges and commission	610.18	355.69
Selling and distribution expenses	60.93	88.53
Foreign exchange fluctuations	-	25.19
Miscellaneous expenses	130.35	124.83
<b>Total</b>	<b>4,471.35</b>	<b>3,560.67</b>

\* Donations above include INR 0.25 lakhs (2019 - INR 1.25 lakhs) paid to the Communist Party of India (Marxist) and INR Nil (2019 - INR Nil) paid to Communist Party of India.

### Note 27(a): Auditors Remuneration

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>(a) To statutory auditors</b>		
Statutory Audit fee (including fees for quarterly reviews)	28.00	15.00
Fees for other services	-	5.00
<b>Total</b>	<b>28.00</b>	<b>20.00</b>

**Notes to financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 27(b): Corporate Social Responsibility expenditure**

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Amount required to be spent as per Section 135 of the Act	109.92	149.05
Amount spent during the year on :		
1. Construction/ acquisition of any assets		
2. On Purposes other than (1) above*	110.59	150.09

\* Includes 2020 : INR 20.82 lakhs (2019 - INR 19.50 lakhs) contributed to Astra Foundation. Refer note 30

**Note 27(c) : Reconciliation of tax expenses and accounting profit multiplied by tax rate:**

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Profit before income tax expense	6,265.57	1,674.88
Income tax rate	25.17%	34.94%
<b>Income tax expense</b>	<b>1,576.92</b>	<b>585.27</b>
Tax effect on amounts which are not taxable in calculating taxable income:		
i) Effect of tax on disallowed expenses	(53.82)	140.62
<b>Additional tax credits</b>		
ii) Effect of weighted deduction on research and development expenditure	-	(305.00)
<b>Income tax recognised in statement of profit and loss</b>	<b>1,523.10</b>	<b>420.89</b>

Change in Tax rate - From the assessment year 2020-21, the company has adopted a tax rate of 22% as against the rate of 30% applied in the previous year.

**Note 28: Finance cost**

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Interest expense</b>		
On term loans	94.03	183.93
On working capital loans	192.81	72.43
On debentures	-	197.25
Interest on delayed payment of income tax	2.01	-
Interest on advances received from customers	500.50	442.20
<b>Total</b>	<b>789.35</b>	<b>895.81</b>

## Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Net Debt Reconciliation

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Net opening debt	1,443.08	9,366.32
Repayment of long term borrowings	(961.11)	(5,950.66)
Proceeds from short term borrowings	81,424.66	2,005.31
Repayment of short term borrowings	(76,694.29)	(4,000.00)
Other adjustments including Amortisation of Processing charges on borrowings	12.51	22.11
<b>Net closing debt</b>	<b>5,224.85</b>	<b>1,443.08</b>
<b>Components of net debt:</b>		
Non-current borrowings i.e; Current Maturities	475.44	1,426.10
Current Borrowings	4,735.68	5.31
Interest accrued	13.73	11.67
<b>Total</b>	<b>5,224.85</b>	<b>1,443.08</b>

### Note 29. Earnings per share

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Profit after tax	4,733.95	1,253.98
<b>Basic:</b>		
Weighted average number of equity shares	86,611,675	86,611,675
Earnings per share (Rs.)	5.47	1.45
<b>Diluted:</b>		
Earnings per share (Rs.)	5.47	1.45

Note: EPS is calculated based on profits excluding the other comprehensive income

**Notes to financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 30: Related party disclosures****A. List of Related Parties:**

<b>Name of the Related Party</b>	<b>Nature of Relationship</b>
Bhavyabhanu Electronics Private Limited	Subsidiary
Aelius Semiconductors Pte. Ltd., Singapore	Subsidiary
Astra Foundation (Section 8 Company)	Subsidiary
Astra UBS Technologies Private Limited	Company in which KMP have control-Closed w.e.f. January 24, 2019
Astra Rafael Comsys Private Limited	Company in which KMP have control till June 17, 2018, Joint Venture Company w.e.f June 18, 2018
Astra Infonets Limited	Company where relative of a director is a director
Mr. S. Krishna Reddy	Relative of a director
<b>Key Managerial Persons (KMP):</b>	
Mr. B. Malla Reddy,	Managing Director - Resigned w.e.f. March 31, 2019
Mr. P.A. Chitrakar,	Chief Operating Officer-Resigned w.e.f. March 31, 2019
Mrs. C. Prameelamma,	Director (Technical)-Resigned w.e.f. March 31, 2019
Mr. S. Gurunatha Reddy,	Whole-Time Director and CFO till March 31, 2019 - Appointed as M.D.w.e.f. April 01, 2019
Mr. M. Venkateshwar Reddy,	Director - Marketing & Operations till March 31, 2019-Appointed as Joint M.D.w.e.f. April 01, 2019
Dr. Shiban K. Koul,	Non-executive Director-Retired w.e.f. March 31, 2019
Mr. T. Ramachandru,	Non-executive Director-Resigned w.e.f. March 22, 2019
Mr. V. V. R. Sastry	Chairman - Audit Committee and Independent Director
Mr. B. L. N. Raju	Independent Director
Dr. Avinash Chander	Independent Director - Appointed as Chairman of the Board w.e.f. April 01, 2019
Mr. Sunil Kumar Sharma	Independent Director w.e.f. March 22, 2019
Ms. Kiran Dhingra	Independent Director - Appointed w.e.f. June 24, 2019.
Mr. Atim Kabra	Non-Executive Director - Appointed w.e.f. June 24, 2019
Mr. T. Anjaneyulu	Company Secretary
Mr. BVS Narasinga Rao	Appointed as CFO w.e.f. June 24, 2019



## Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### B. Details of outstanding balances as at the year end receivable/(payable):

Name of the related parties	Nature of transactions	As at March 31, 2020	As at March 31, 2019
Bhavyabhanu Electronics Private Limited	Investment in equity shares	209.88	209.88
	Advance to subsidiary company for supply of materials	5,420.58	781.27
	Amount receivable from subsidiary company against sales of goods	0.21	-
	Value of Corporate guarantee given for borrowings	2,000.00	2,000.00
Aelius Semiconductors Pte. Ltd., Singapore	Investment in equity shares	552.42	552.41
	Amount receivable from subsidiary company against sales of goods	27.87	14.97
Astra Foundation	Investment in Shares	1.00	1.00
Astra Rafael Comsys Private Limited	Rent Receivable	-	0.66
	Amount receivable from subsidiary company against sales of goods	90.24	-
	Advance received	1,658.84	-
	Investment in Shares	1,625.00	1,625.00

### C. Details of transactions during the year:

Name of the related parties	Nature of balance	As at March 31, 2020	As at March 31, 2019
Bhavyabhanu Electronics Private Limited	Purchase of Raw materials / Job Work Charges	13,247.44	525.49
	Sale of goods	0.18	2.03
	Reimbursement of expenses paid by the Company on behalf of the subsidiary	36.19	38.17
	Rent Received	57.43	62.16
Aelius Semiconductors Pte. Ltd., Singapore	Investment in Shares	-	205.84
	Purchase of material	-	3.87
	Sales of goods	20.83	17.71
	Royalty received	12.07	13.16
Astra Foundation	Amount paid to Astra Foundation towards CSR Expenditure	20.82	19.50
Astra Rafael Comsys Pvt.Ltd	Investment in Shares	-	1,624.90
	Amount received from ARC for sale of Land	-	331.66

**Notes to financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

	Professional charges received from ARC	-	69.66
	Rent Received	<b>4.20</b>	5.40
	Sale of material	<b>225.30</b>	-
	Joint Venture Expenses Reimbursed to ARC	-	11.03
Astra Infonets Limited	Rent Paid	<b>30.67</b>	29.26
Mr. B. Malla Reddy	Director's remuneration	-	116.98
Mr. P.A. Chitrakar	Director's remuneration	-	86.51
Mrs. C. Prameelamma	Director's remuneration	-	99.06
Mr. S. Gurunatha Reddy	Director's remuneration	<b>127.71</b>	67.45
Mr. M. Venkateshwar Reddy	Director's remuneration	<b>123.24</b>	55.49
Dr. Shibhan K. Koul	Payments to non-executive directors	-	4.45
Mr. T. Ramachandru	Payments to non-executive directors	-	4.25
Mr. V. V. R. Sastry	Payments to non-executive directors	<b>8.98</b>	4.45
Mr. B. L. N. Raju	Payments to non-executive directors	<b>8.58</b>	4.30
Dr. Avinash Chander	Payments to non-executive directors	<b>8.58</b>	4.45
Mr. Sunil Kumar Sharma	Payments to non-executive directors	<b>8.98</b>	0.20
Ms. Kiran Dhingra	Payments to non-executive directors	<b>8.18</b>	-
Mr. Atim Kabra	Payments to non-executive directors	<b>7.98</b>	-
Mr. S. Krishna Reddy	Remuneration to relative of a director	<b>19.00</b>	19.01
Mr. T. Anjaneyulu	Company secretary's remuneration	<b>15.71</b>	14.97
Mr. BVS Narasingaa Rao	CFO's remuneration	<b>18.67</b>	-

## Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Note 31: Employee benefit Obligations

#### a) Leave obligations

The leave obligation covers the Company's liability for sick and earned leave. Refer Note-13, for details of provision made in this regard.

#### b) Defined Contribution Plan

The Company has defined contribution plan namely Provident fund. Contributions are made to provident fund at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined such plan for the financial year 2019-20 is INR 295.42 lakhs and for the financial year 2018-19 is INR 238.58 lakhs.

#### c) Defined Benefit Plans:

##### Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the company gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

### Defined benefit plans – as per actuarial valuation on March 31, 2020

#### i. Expense recognised in the Statement of Profit and Loss for the year ended March 31, :

Particulars	Funded Plan	
	Gratuity	
	March 31, 2020	March 31, 2019
	Amount	Amount
1. Current service cost	82.38	70.81
2. Past Service Credit		
3. Interest cost (net)	(5.02)	16.45
<b>Total expense/(gain) recognised in P&amp;L</b>	<b>77.36</b>	<b>87.26</b>

#### ii. Included in other Comprehensive Income

Particulars	March 31, 2020	March 31, 2019
	Amount	Amount
1. Actuarial (Gain)/Loss on account of :		
- Demographic Assumptions	-	31.01
- Financial Assumptions	50.90	8.03
- Experience Adjustments	62.02	(347.15)
<b>Total expense/(gain) recognised in OCI</b>	<b>112.92</b>	<b>(308.11)</b>

**Notes to financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**iii. Net Liability/(Asset) recognised in the Balance Sheet as at 31st March**

Particulars	March 31, 2020	March 31, 2019
	Amount	Amount
1. Present value of defined benefit obligation as at 31st March	813.66	675.81
2. Fair value of plan assets as at 31st March	688.53	740.72
3. (Surplus)/Deficit	125.13	(64.91)
4. Current portion of the above	92.73	(64.91)
5. Non current portion of the above	32.40	-

**iv. Changes in Obligation and fair value of plan assets during the year**

Particulars	March 31, 2020	March 31, 2019
	Amount	Amount
<b>A. Change in the obligation during the year ended 31st March</b>		
1. Present value of defined benefit obligation at the beginning of the year	675.81	875.89
2. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	82.38	70.81
- Past Service Cost		
- Interest Expense (Income)	47.45	66.86
3. Recognised in Other Comprehensive Income		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	-	31.01
ii. Financial Assumptions	50.90	8.03
iii. Experience Adjustments	60.14	(350.41)
4. Benefit payments	(103.02)	(26.38)
<b>5. Present value of defined benefit obligation at the end of the year</b>	<b>813.66</b>	<b>675.81</b>
<b>B. Change in fair value of assets during the year ended 31st March</b>		
1. Fair value of plan assets at the beginning of the year	740.72	632.58
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer		
3. Expenses Recognised in Profit and Loss Account		
- Expected return on plan assets		
- Interest Income	52.47	50.41
2. Recognised in Other Comprehensive Income		
- Actual Return on plan assets in excess of the expected return	(1.88)	(3.26)
- Others (specify)		
3. Contributions by employer (including benefit payments recoverable)	0.24	87.37
4. Benefit payments	(103.02)	(26.38)
<b>5. Fair value of plan assets at the end of the year</b>	<b>688.53</b>	<b>740.72</b>
- List the plan assets by category here		

## Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### The key assumptions used in accounting for gratuity are as below

v. Actuarial assumptions	March 31, 2020	March 31, 2019
1. Interest rate/Discount rate	7.60%	7.60%
2. Rate of increase in compensation	6.00%	6.00%
3. Attrition rate	6.70%	6.70%

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

### Vi. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions would have affected the defined benefit obligation to the amounts shown below:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Amount	Amount
<b>Discount rate (If changed by 1%)</b>		
Increase	750.19	624.78
Decrease	887.42	734.94
<b>Salary escalation rate (If changed by 1%)</b>		
Increase	890.93	738.05
Decrease	746.10	621.23

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

### Expected cashflow and duration of the plan

Particulars	Gratuity plan	
	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Weighted average duration of DBO	13.48	13.71
1. Expected employer contributions in the next year	-	32.45
2. Expected benefit payments		
Year 1	92.73	73.57
Year 2 - 5	267.62	236.86
Beyond 5 years	318.05	284.07

**Notes to financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Vii. Weighted Average Asset Allocations at end of current period**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Bonds	0%	0%
Equities	0%	0%
Insurance policies	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Viii. Risk exposure**

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

*Interest rate risk:*

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

*Salary inflation risk:*

Higher than expected increases in salary will increase the defined benefit obligation.

*Demographic risk:*

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

**Note 32:****Segment information**

The company operates in a single product segment. Additional disclosures required as per Ind AS 108, "Operating Segments" are included below:

**a. Geographical Segment revenue by location of customers**

The following is an analysis of the Group's revenue and results from continuing operations by

Particulars	Segment Revenue	
	Year ended March 31, 2020	Year ended March 31, 2019
	Amount	Amount
In India	30,529.10	28,371.88
Outside India*	15,628.99	243.89
<b>Total</b>	<b>46,158.09</b>	<b>28,615.77</b>

\*Segment revenue from outside India does not include deemed exports to Export Oriented Units

**b. Geographical Segment assets**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Segment assets</b>		
India	85,177.59	61,345.13
Outside India	-	-
<b>Consolidated total assets</b>	<b>85,177.59</b>	<b>61,345.13</b>

## Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Major Customers contributing more than 10 percent of revenue

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Elta Systems Limited	11,050.56	-
Gallium Arsenide Enabling TechCe(GA)	10,974.20	-
Space Applications Centre	5,142.60	-
Antrix Corporation Limited	-	4,099.70
Bharat Dynamics Ltd	-	3,363.13
DCX Cable Assemblies Pvt., Ltd.,	-	3,855.18

### Note 33: Commitments and contingent liabilities

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
A. Claims against the Company not acknowledged as debts in respect of:		
a) Corporate guarantee on behalf of Bhavyabhanu Electronics Private Limited, Subsidiary Company	2,000.00	2,000.00
b) Disputed excise duty matters *	248.19	248.19
<b>Total Contingent liabilities</b>	<b>2,248.19</b>	<b>2,248.19</b>
B. Estimated amount of capital contracts remaining to be executed and not provided for	121.61	353.62
<b>Total Capital commitments</b>	<b>121.61</b>	<b>353.62</b>

\* The company has received a favorable order against demand raised by Commissioner of Customs, Central Excise and Service Tax. However, the same has been disclosed as contingent liability as the department has preferred an appeal before Hon'ble High Court, Telangana and Andhra Pradesh.

C. The Hon'ble Supreme Court vide its judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" in February 2019 and subsequent review petition in August 2019, the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation, has ruled in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in the financial statements. The company will continue to monitor and evaluate its position based on further developments on the matter.

### Note 34: Events Occurring after the reporting period :

Refer to Note 40 for the final dividend recommended by the directors which is subject to approvals of shareholders in the ensuing annual general meeting.



**Notes to financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 35: Assets pledged as security**

The carrying amount of assets pledged as security for current and non-current borrowings are:

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Current</b>		
Financial assets		
Trade receivables	24,744.95	18,965.24
Non-financial assets		
Inventories	22,563.17	13,043.83
<b>Total current assets pledged as security (A)</b>	<b>47,308.12</b>	<b>32,009.07</b>
<b>Non-current</b>		
Property, plant and equipment	15,848.96	11,370.76
Capital work-in-progress	1,205.65	243.39
<b>Total non-current assets pledged as security (B)</b>	<b>17,054.61</b>	<b>11,614.15</b>
<b>Total assets pledged as security* ((A) + (B))</b>	<b>64,362.73</b>	<b>43,623.22</b>

\* In addition, all chargeable current assets are pledged to the banks as security

**Note 36: Research and development**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Expenditure at Department of Scientific and Industrial Research (DSIR) approved R&D centres		
Revenue expenditure	2,224.60	1,745.63
	<b>2,224.60</b>	<b>1,745.63</b>

**Note 37: Financial Instruments****Fair value**

The management assessed that trade receivables, cash and cash equivalents, other bank balances, other financial assets, short term borrowings, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities or interest bearing nature of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Company has determined fair value of Non current financial assets and liabilities using discounted cash flow of future projected cash flow.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

## Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2020 were as follows:

Particulars	Fair value hierarchy	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory		
<b>Assets:</b>						
<b>Non-current</b>						
(a) Other financial assets	3	1,123.23	-	-	1,123.23	1,123.23
<b>Current</b>						
(a) Trade receivables	3	24,744.95	-	-	24,744.95	24,744.95
(b) Cash and cash equivalents	3	735.92	-	-	735.92	735.92
(c) Bank balances other than (b) above	3	4,320.11	-	-	4,320.11	4,320.11
(d) Investments	1	-	-	1,304.69	1,304.69	1,304.69
(e) Other Financial Assets	1	-	-	35.15	35.15	35.15
<b>Total</b>		<b>30,924.21</b>	-	<b>1,339.84</b>	<b>32,264.05</b>	<b>32,264.05</b>
<b>Liabilities:</b>						
<b>Current</b>						
Financial liabilities						
(a) Borrowings	3	4,735.68	-	-	4,735.68	4,735.68
(b) Trade payables	3	3,794.11	-	-	3,794.11	3,794.11
(c) Other financial liabilities	3	1,585.11	-	-	1,585.11	1,585.11
<b>Total</b>		<b>10,114.90</b>	-	-	<b>10,114.90</b>	<b>10,114.90</b>

The carrying value and fair value of financial instruments by categories as of March 31, 2019 were as follows:

Particulars	Fair value hierarchy	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory		
<b>Assets:</b>						
<b>Non-Current</b>						
(a) Other financial assets	3	1,217.40	-	-	1,217.40	1,217.40
<b>Current</b>						
(a) Trade receivables	3	18,965.24	-	-	18,965.24	18,965.24
(b) Cash and cash equivalents	3	707.53	-	-	707.53	707.53
(c) Bank balances other than (b) above	3	1,809.31	-	-	1,809.31	1,809.31
(d) Investments	1	-	-	2,023.46	2,023.46	2,023.46
<b>Total</b>		<b>22,699.48</b>	-	<b>2,023.46</b>	<b>24,722.94</b>	<b>24,722.94</b>
<b>Liabilities:</b>						
<b>Non-Current</b>						
(a) Borrowings	3	475.44	-	-	475.44	475.44
<b>Current</b>						
(a) Borrowings	3	5.31	-	-	5.31	5.31
(b) Trade payables	3	2,240.83	-	-	2,240.83	2,240.83
(c) Other financial liabilities	3	1,952.72	-	-	1,952.72	1,952.72
<b>Total</b>		<b>4,674.30</b>	-	-	<b>4,674.30</b>	<b>4,674.30</b>

## Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

### Note 38: Financial risk management

#### Risk management framework

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's management risk policy is set by the Board. The Company's activities expose it to a variety of financial risks : credit risk, liquidity risk and market risk relating to foreign currency exchange rate. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. A summary of the risks have been given below.

#### Credit risk

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to maturity financial assets.

The Company primarily deals with Public Sector Enterprises and Government undertakings. Regarding credit exposure from customers, the Company has a procedure in place aiming to minimise collection losses.

The carrying amount of trade receivables, deposits, cash and bank balances, bank deposits and interest receivable on deposits represents company's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Bank deposits and cash balances are placed with reputable banks and deposits are with reputable government, public bodies and others.

The credit quality of financial assets is satisfactory, taking into account the allowance for credit losses.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associate with the industry and country in which customers operate.

An impairment analysis is performed at each reporting date on an individual basis for major receivables. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company also holds deposits as security from certain customers to mitigate credit risk."

#### a. Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate and are derived from revenue earned from customers primarily located in India. Company has a process in place to monitor outstanding receivables on a monthly basis.

The Company's exposure to credit risk for trade and other receivables where simplified approach of recognising expected credit loss is recognised

Particulars	Carrying amount	
	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Trade receivables (Gross)	25,711.15	19,552.99
Less: Expected credit loss	(966.20)	(587.75)
<b>Trade receivables as per the financial statements</b>	<b>24,744.95</b>	<b>18,965.24</b>

## Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

The Company's exposure to credit risk for financial assets other than trade receivables, where 12 month expected credit loss is recognised

Particulars	Carrying amount	
	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Cash and cash equivalents	735.92	707.53
Other bank balances	4,320.11	1,809.31
Other financial assets	1,123.23	1,217.40
Less: Expected credit loss	-	-
<b>Trade receivables as per the financial statements</b>	<b>6,179.26</b>	<b>3,734.24</b>

### Movement in Expected Credit loss

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Opening balance	587.75	594.58
Add: provided during the year	378.45	(6.83)
Net re-measurement of ECL	966.20	587.75

### Significant estimates and judgements

#### Provision for expected credit loss on Trade receivables

The allowance for doubtful debts are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the provision for expected credit loss calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Following are the financial assets carried at amortised cost at the reporting date.

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Trade receivables	24,744.95	18,965.24
Cash and cash equivalents	735.92	707.53
Other bank balances	4,320.11	1,809.31
Other financial assets	1,123.23	1,217.40
	<b>30,924.21</b>	<b>22,699.48</b>

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, that it will always have sufficient liquidity to meet its liabilities when due. The Company's Management is responsible for liquidity, funding as well as settlement management

The Company monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade payables and other financial liabilities. As at March 31, 2020, the expected cash flows from trade receivables is INR 24,744.95 lakhs (As at March 31, 2019: 18,965.24 lakhs).

**Notes to financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

**(i) Financing arrangements**

The company has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Expiring within one year (bank overdraft and other facilities)	4,740.79	13,700.00

**(ii) Maturities of financial liabilities****As at March 31, 2020**

Particulars	within 12 months	1-5 Years	More than five years	Total carrying amount
Borrowings	4,735.68	-	-	4,735.68
Trade payables	3,794.11	-	-	3,794.11
Other financial liabilities (excluding trade payables)	1,585.11	-	-	1,585.11
	<b>10,114.90</b>	-	-	<b>10,114.90</b>

**As at March 31, 2019**

Particulars	within 12 months	1-5 Years	More than five years	Total carrying amount
Borrowings	5.31	475.44	-	480.75
Trade payables	2,240.83	-	-	2,240.83
Other financial liabilities (excluding trade payables)	1,133.13	-	-	1,133.13
	<b>3,379.27</b>	<b>475.44</b>	-	<b>3,854.71</b>

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings and trade receivables. The sensitivity analyses in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post- retirement obligations; provisions; and the non-financial assets and liabilities.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2019 and 31 March 2018."

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the trade/ other payables and trade/other receivables. The risks primarily relate to fluctuations in US Dollar and EURO against the functional currency of the Company. The Company's exposure to foreign currency changes for all other currencies is not material. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. The Company has not entered into derivative instruments during the year.

## Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

The Company's foreign currency payables and receivables are as follows

### Exposure to currency risk

The summary quantitative data about the Company's gross exposure to currency risk is as follows:

Particulars	Currency	As at March 31, 2020		As at March 31, 2019	
		Amount in foreign currency	Amount in functional currency	Amount in foreign currency	Amount in functional currency
Amounts Receivable	USD	104.22	7,885.81	27.39	1,894.08
	EURO	-		1.46	113.36
Amounts Payable	USD	26.66	2,017.23	(5.96)	(412.25)
	GBP	0.03	2.81	-	
	EURO	1.29	106.77	(0.16)	(12.31)

### Sensitivity analysis:

A reasonably possible strengthening (weakening) of the USD, against INR would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasts sales and purchases.

Particulars	Profit and loss		Equity, net of tax	
	Strengthening of foreign currency	Weakening of foreign currency	Strengthening of foreign currency	Weakening of foreign currency
<b>31-Mar-2020 (one rupee movement)</b>				
USD	130.88	(130.88)	97.94	(97.94)
EURO	1.29	(1.29)	0.97	(0.97)
<b>31-Mar-19 (one rupee movement)</b>				
USD	21.43	(21.43)	16.03	(16.03)
EURO	1.30	(1.30)	0.97	(0.97)

### Price Risk

The Company invests its surplus funds primarily for short tenor in debt mutual funds measured at fair value through profit or loss. The following table demonstrate the sensitivity to a reasonably possible change in the price of the investments before tax:

Particulars	Increase/(decrease) in profit before tax	
	31 March 2020	31 March 2019
Increase by 1%	13.05	20.23
Decrease by 1%	(13.05)	(20.23)

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. As the Company has certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

**Notes to financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	31 March 2020	31 March 2019
<b>Change in interest rate</b>		
-increase by 50 basis points	1.43	2.27
-decrease by 50 basis points	(1.43)	(2.27)

**Note 39: Capital Management**

The Company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and
- Maintain an optimal capital structure to reduce the cost of capital.

As at March 31, 2020, the Company has only one class of equity shares. Consequent to the above capital structure there are no externally imposed capital requirements.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is debt divided by total capital. The Company includes within debt, interest bearing loans and borrowings.

**Capital gearing ratio**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Borrowings</b>		
Current - Short term borrowings	4,735.68	5.31
Non current - Long term borrowings	-	475.44
Current maturities of long term borrowings	475.44	950.66
<b>Debt</b>	<b>5,211.12</b>	<b>1,431.41</b>
<b>Equity</b>		
Equity share capital	1,732.23	1,732.23
Other equity	52,951.26	48,817.99
<b>Total capital</b>	<b>54,683.49</b>	<b>50,550.22</b>
<b>Net debt to equity ratio</b>	<b>10%</b>	<b>3%</b>

**Note 40: Dividends**

Particulars	Amount
a) Proposed dividend Rs. 1.20/- per fully paid-up share subject to the approval of shareholders in ensuing annual general meeting.	1,039.34
b) Final dividend declared for the year ended March 31, 2019 and paid during the year ended March 31, 2020 - Rs. 0.25/- per fully paid-up share	216.53
c) Final dividend declared for the year ended March 31, 2018 and paid during the year ended March 31, 2019 - Rs. 1.20/- per fully paid-up share	1,039.34



## Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### 41. Short term Lease

#### a) Nature of lease

The company is engaged in one lease as lessee for its office premises

#### b) Short term lease exemption

The lease is cancellable at option of both the parties by giving 3 months notice in advance. Accordingly, the company has identified the lease as a short term lease and opted the short term lease exemption.

#### c) Rent expense on account of short term leases

The rent expense on account of short term leases. (refer note no. 27)

#### d) Cash outflow

The lease rent paid is INR 4,273,344

### 42. Impact of Covid-19 pandemic on the business:

The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lock-downs, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. The Company is engaged in the business of design, development and management of sub-systems for Radio frequency and microwave systems used in defence, space, meteorology and telecommunication.

Except for the delay due to the lockdown announced by the government, the Company has managed uninterrupted services to its Customers till date and will continue the same for the next 3 to 6 weeks based on Raw Material stocks available at the plant. The Company is able to continue their operations and supply chain with approximately 50% less workforce and following all precautions and compliance to COVID19.

Further, the company has carried out an assessment of the following based on certain assumptions, cumulative knowledge and understanding of the business, current indicators of future economic conditions:

- a) Going concern - based on the available cash flows and approved annual operating plan;
- b) the recoverability of receivables – considering past experience and communication with the customers;
- c) investments in Subsidiaries and Joint venture, inventories and carrying value of property, plant and equipment - expects to recover the carrying amount of these assets as at the balance sheet date.

Based on the assessment management has concluded that there are no material adjustments required in the financial statements.

The management has conducted the physical verification of inventories subsequent to the year end and the auditors have observed the physical verification.

Management believes that it has taken into account all the possible impact of known events arising from COVID 19 pandemic in the preparation of the financial statements. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The company will continue to monitor any material changes to future economic conditions.

43. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosures.

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/ N-500016

**Sunit Kumar Basu**  
Partner  
Membership Number: 55000

Place : Hyderabad  
Date : June 24, 2020

For and on behalf of the Board of Directors

**AVINASH CHANDER**  
Chairman  
DIN :- 05288690

**B V S NARASINGA RAO**  
Chief Financial Officer

**S. GURUNATHA REDDY**  
Managing Director  
DIN : - 00003828

**T. ANJANEYULU**  
Company Secretary  
FCS :- 5352

**M.V REDDY**  
Joint Managing Director  
DIN : - 00421401



Consolidated Financial Statements of  
Astra Microwave Products Limited

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Astra Microwave Products Limited Report on the Audit of the Consolidated Financial Statements

#### Opinion

1. We have audited the accompanying consolidated financial statements of Astra Microwave Products Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and joint venture (refer Note 43 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint venture as at March 31, 2020, of consolidated total comprehensive income (comprising of net profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and jointly controlled entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 15 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter:

4. We draw your attention to Note 42 to the financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments are required in the financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Appropriateness of the Expected credit loss ("ECL") provision in respect of trade receivables carried at amortized cost. (Refer Note 7 and Note 38 to the Consolidated financial statements)</p> <p>The Group has trade receivables aggregating to Rs. 25,902.39 lakhs as at March 31, 2020, in respect of which the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments and recognises expected lifetime losses from initial recognition of the receivables. The provision for ECL as at March 31, 2020 is Rs. 966.55 lakhs.</p>	<p>Our procedures, in relation to testing of ECL provision recognised, included the following:</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating the design and testing the operating effectiveness of controls in respect of ECL provision for trade receivables carried at amortised cost</li> <li>• Reading of the underlying contracts and invoices, as applicable to understand the nature of trade receivables, and the dates on which the payments fall due.</li> </ul>

This is determined as a key audit matter as determination of the ECL provision involved application of judgement by management in respect of matters such as maximum contractual period of credit risk and probability of credit loss given the large number of aged receivables from government customers.

- Assessing the appropriateness of the credit loss provisioning methodology used by the management, which involves the use of historical trends such as cash collection, performance of the current year against historical trends and the level of credit loss over time.

Based on the above procedures performed, we did not find any significant exceptions to the ECL provision recognised in respect of trade receivables carried at amortized cost.

### Other Information

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements and our and other auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group of its jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for overseeing the financial reporting process of the Group and of its joint venture.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate,

they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

15. We did not audit the financial statements of 1 subsidiary, whose financial statements reflect total assets of Rs 2.99 lakhs and net assets of Rs. 2.79 lakhs as at March 31, 2020, total revenue of Rs. 20.81 lakhs, total comprehensive income (comprising of profit/ loss and other comprehensive income) of Rs. 1.09 lakhs and net cash flows amounting to Rs. 2 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements

also include the Group's share of loss of Rs. 128.89 lakhs for the year ended March 31, 2020 as considered in the consolidated financial statements, in respect of 1 joint venture whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of the other auditors.

16. The financial statements of 1 subsidiary located outside India, included in the consolidated financial statements, which constitute total assets of Rs. 322.04 lakhs and net assets of Rs. 283.72 lakhs as at March 31, 2020, total revenue of Rs. 240.39 lakhs, total comprehensive loss (comprising of profit/ loss and other comprehensive income) of Rs. 16.16 lakhs and net cash flows amounting to Rs. 98.36 lakhs for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiary located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India, including other information, is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

#### **Report on Other Legal and Regulatory Requirements**

17. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture incorporated in India, none of the directors of the Group companies, joint venture incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, and joint venture— Refer Note 33 to the consolidated financial statements.
    - ii. The Group, its joint venture had long-term contracts as at March 31, 2020 for which there were no material foreseeable losses. However it did not have any long-term derivative contracts as at March 31, 2020.



- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, and its joint venture incorporated in India.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2020.
18. The Group and joint venture has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

Chartered Accountants

**Sunit Kumar Basu**

Partner

Membership Number 55000

UDIN: 20055000AAAADH3777

Place : Hyderabad

Date : June 24, 2020



## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 17 (f) of the Independent Auditors' Report of even date to the members of Astra Microwave Products Limited on the consolidated financial statements for the year ended March 31, 2020

### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of Astra Microwave Products Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, and joint venture company, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to 1 joint venture company incorporated in India namely Astra Rafael Comsys Private Limited, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

### **Management's Responsibility for Internal Financial Controls**

2. The respective Board of Directors of the Holding company and its subsidiary companies to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

**Meaning of Internal Financial Controls with reference to financial statements**

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with reference to financial statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to 1 subsidiary company which is a company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India. Our opinion is not qualified in respect of this matter.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

Chartered Accountants

**Sunit Kumar Basu**

Partner

Membership Number: 55000

Place: Hyderabad

Date: June 24, 2020



## Consolidated Balance Sheet as at March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	16,071.44	17,817.42
Capital work-in-progress	2	1,205.65	243.39
Investment in Subsidiaries	3 (a)	-	-
Investment in Joint Venture	3 (a)	1,318.60	1,447.49
Financial assets			
i. Other financial assets	4(a)	1,140.28	1,217.50
Deferred tax assets	14	133.96	87.10
Non current tax assets	9(a)	577.43	538.20
Other non-current assets	5(a)	231.46	196.72
<b>Total non-current assets</b>		<b>20,678.82</b>	<b>21,547.82</b>
<b>Current assets</b>			
Inventories	6	28,354.81	13,977.06
Financial assets			
i. Investments	3 (b)	1,304.70	2,023.46
ii. Trade receivables	7	24,935.84	19,214.06
iii. Cash and cash equivalents	8A	908.38	981.19
iv. Other bank balances	8B	4,414.86	1,809.31
v. Other financial assets	4(b)	45.66	-
Other current assets	5(b)	8,894.03	2,057.37
<b>Total current assets</b>		<b>68,858.28</b>	<b>40,062.45</b>
<b>Total assets</b>		<b>89,537.10</b>	<b>61,610.27</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10	1,732.23	1,732.23
Other equity	11A	52,282.85	48,224.10
<b>Equity Attributable to owners of the Company</b>		<b>54,015.08</b>	<b>49,956.33</b>
Non Controlling Interest	11B	0.16	0.16
<b>Total equity</b>		<b>54,015.24</b>	<b>49,956.49</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	12	-	475.44
Provisions	13(a)	351.33	23.81
Deferred tax liabilities (net)	14	-	471.72
<b>Total non-current liabilities</b>		<b>351.33</b>	<b>970.97</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	15	5,486.23	253.76
ii. Trade payables			
(a) total outstanding dues of micro and small enterprises	16(a)	82.13	57.65
(b) total outstanding dues other than micro and small enterprises	16(b)	6,030.83	2,401.46
iii. Other financial liabilities	17	1,645.48	2,004.39
Provisions	13(b)	181.80	324.21
Current tax liabilities (net)	18	249.75	-
Other current liabilities	19	529.67	456.11
Contract liabilities	20	20,964.64	5,185.23
<b>Total current liabilities</b>		<b>35,170.53</b>	<b>10,682.81</b>
<b>Total liabilities</b>		<b>35,521.86</b>	<b>11,653.78</b>
<b>Total equity and liabilities</b>		<b>89,537.10</b>	<b>61,610.27</b>
Summary of Significant Accounting Policies	1		

The above balance sheet should be read in conjunction with the accompanying notes

This is the balance sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/ N-500016

**Sunit Kumar Basu**

Partner

Membership Number: 55000

Place : Hyderabad

Date : June 24, 2020

For and on behalf of the Board of Directors

**AVINASH CHANDER**

Chairman

DIN :- 05288690

**B V S NARASINGA RAO**

Chief Financial Officer

**S. GURUNATHA REDDY**

Managing Director

DIN : - 00003828

**T. ANJANEYULU**

Company Secretary

FCS :- 5352

**M.V REDDY**

Joint Managing Director

DIN : - 00421401

## Consolidated Statement of profit and loss for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
<b>Income :</b>			
Revenue from Operations	21	46,722.43	29,349.32
Other Income	22	1,215.84	2,452.20
<b>Total Income</b>		<b>47,938.27</b>	<b>31,801.52</b>
<b>Expenses :</b>			
Cost of materials consumed	23	33,354.04	18,008.42
Changes in inventories of finished goods and work-in-progress	24	(6,826.71)	(1,786.14)
Employees benefits expense	25	7,149.88	6,502.55
Finance costs	28	846.20	926.31
Depreciation	26	2,575.91	2,890.13
Other expense	27	4,796.15	3,746.94
<b>Total Expenses</b>		<b>41,895.47</b>	<b>30,288.21</b>
<b>Profit/(Loss) before tax and Share of profit from JV</b>		<b>6,042.80</b>	<b>1,513.31</b>
Share of Profit/(loss) from JV		(128.89)	(177.51)
<b>Profit/(Loss) before tax</b>		<b>5,913.91</b>	<b>1,335.80</b>
<b>Income tax expense</b>			
- Current tax		1,999.52	452.82
- Deferred tax		(489.76)	(93.22)
<b>Net profit/(loss) for the year</b>		<b>4,404.15</b>	<b>976.20</b>
<b>Other comprehensive income :</b>			
Items that will not be reclassified to profit or loss			
a) Remeasurements of post-employment benefit obligations		(114.06)	311.82
b) Income tax relating to remeasurements of post employment benefit obligations		28.82	(108.82)
Items that will be reclassified to profit or loss			
a) Exchange differences on translation of foreign operations		13.27	0.41
<b>Total other comprehensive income/(loss) for the year, net of tax</b>		<b>(71.97)</b>	<b>203.41</b>
Other Comprehensive Income/(loss) attributable to owners of the company		(71.97)	203.41
Other Comprehensive Income/(loss) attributable to Non Controlling Interests*		-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>4,332.18</b>	<b>1,179.61</b>
<b>Net profit/(loss) attributable to</b>			
- Owners of the company		4,404.15	976.20
- Non Controlling Interests*		-	-
<b>Total Comprehensive Income/(loss) attributable to</b>			
- Owners of the company		4,332.18	1,179.61
- Non Controlling Interests*		-	-
<b>Earnings per equity share</b>			
Basic earnings per share ( in Rs)	29	5.08	1.13
Diluted earnings per share (in Rs)		5.08	1.13
Summary of Significant Accounting Policies	1		

\*amounts are below the rounding off norm adopted by the company

The above statement of profit and loss should be read in conjunction with the accompanying notes

This is the statement of profit and loss referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/ N-500016

For and on behalf of the Board of Directors

**Sunit Kumar Basu**  
Partner  
Membership Number: 55000

**AVINASH CHANDER**  
Chairman  
DIN :- 05288690

**S. GURUNATHA REDDY**  
Managing Director  
DIN :- 00003828

**M.V REDDY**  
Joint Managing Director  
DIN :- 00421401

Place : Hyderabad  
Date : June 24, 2020

**B V S NARASINGA RAO**  
Chief Financial Officer

**T. ANJANEYULU**  
Company Secretary  
FCS :- 5352

## Consolidated statement of changes in equity for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### A. Equity Share Capital

Particulars	Notes	Amount
As at April 1, 2018		1,732.23
Changes in equity share capital during the year	10	-
As at March 31, 2019		1,732.23
Changes in equity share capital during the year	10	-
As at March 31, 2020		1,732.23

### B. Other Equity

Particulars	Notes	Attributable to owners of the equity					Total Other equity	Non Controlling Interests	Total
		Debtore redemption reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Foreign currency translation reserve			
<b>Balance as at April 01, 2018</b>		1,250.00	6,856.20	6,232.80	34,033.22	(0.87)	48,371.35	0.16	48,371.51
Profit for the year		-	-	-	976.20	-	976.20	-	976.20
Remeasurements of post employment benefits (net of tax)		-	-	-	203.00	-	203.00	-	203.00
Impact of application of Ind AS 115		-	-	-	(73.88)	-	(73.88)	-	(73.88)
Transfer to general reserve		(1,250.00)	-	-	-	-	(1,250.00)	-	(1,250.00)
Transfer to debenture redemption reserve		-	-	1,250.00	-	-	1,250.00	-	1,250.00
Transfer to Foreign currency translation reserve		-	-	-	-	-	0.41	-	0.41
Dividend paid		-	-	-	(1,039.34)	-	(1,039.34)	-	(1,039.34)
Dividend distribution tax paid	11A & 11B	-	-	-	(213.64)	-	(213.64)	-	(213.64)
<b>Balance as at March 31, 2019</b>		-	6,856.20	7,482.80	33,885.56	(0.46)	48,224.10	0.16	48,224.26
Profit for the year		-	-	-	4,404.15	-	4,404.15	-	4,404.15
Remeasurements of post employment benefits (net of tax)		-	-	-	(85.24)	-	(85.24)	-	(85.24)
Adjustment due to change in functional currency of Aelius		-	-	-	(12.39)	-	(12.39)	-	(12.39)
Transfer to Foreign currency translation reserve		-	-	-	-	13.27	13.27	-	13.27
Dividend paid		-	-	-	(216.53)	-	(216.53)	-	(216.53)
Dividend distribution tax paid		-	-	-	(44.51)	-	(44.51)	-	(44.51)
<b>Balance as at March 31, 2020</b>		-	6,856.20	7,482.80	37,931.04	12.81	52,282.85	0.16	52,283.01

The above Statement of changes in equity should be read in conjunction with the accompanying notes. This is the Statement of changes in equity referred to in our report of even date.

### For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/ N-500016

Sunit Kumar Basu

Partner

Membership Number: 55000

Place : Hyderabad

Date : June 24, 2020

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

AVINASH CHANDER

Chairman

DIN :- 05288690

B V S NARASINGA RAO

Chief Financial Officer

S. GURUNATHA REDDY

Managing Director

DIN :- 00003828

T. ANJANEYULU

Company Secretary

FCS :- 5352

M.V REDDY

Joint Managing Director

DIN :- 00421401

## Consolidated Cash Flow statement for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash flow from Operating Activities</b>		
Profit before tax	5,913.91	1,335.80
<b>Adjustments for:</b>		
Depreciation expense	2,575.91	2,890.13
Finance cost	846.20	926.31
Interest income	(327.30)	(156.69)
Share or profit/(loss) from Joint venture	128.89	177.51
(Gain)/loss on sale of investments(net)	(250.33)	(711.77)
(Gain)/loss on fair valuation of financial assets	(82.04)	(78.05)
(Gain)/loss on disposal of property, plant and equipment	(4.87)	(259.63)
Unrealised exchange (gain)/loss	(312.93)	(45.39)
Changes in expected credit loss	377.55	(5.58)
<b>Operating Profit Before Working Capital Changes</b>	<b>8,864.99</b>	<b>4,072.64</b>
<b>Changes in assets and liabilities:</b>		
(Increase) / Decrease in inventories	(14,377.74)	(3,259.50)
(Increase) / Decrease in trade receivables	(5,630.02)	(119.15)
(Increase) / Decrease in other financial assets and Other bank balances	(2,455.27)	(539.55)
(Increase) / Decrease in other non-current assets	(10.01)	(61.62)
(Increase) / Decrease in other current assets	(6,836.67)	(1,046.85)
Increase/(Decrease) in trade payable	3,544.02	987.66
Increase/(Decrease) in provisions	71.05	27.14
Increase/(Decrease) in other financial liabilities	115.63	(57.95)
Increase/(Decrease) in Contract liabilities	15,278.91	2,268.79
Increase/(Decrease) in other current liabilities	73.55	(987.85)
<b>Cash generated from/(used in) operating activities</b>	<b>(1,361.56)</b>	<b>1,283.76</b>
Income tax paid	(1,789.01)	(1,136.68)
<b>Net cash generated from/(used in) operating activities</b>	<b>(3,150.57)</b>	<b>147.08</b>

**Consolidated Cash Flow statement for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

<b>Cash flow from Investing Activities</b>		
Payments for property, plant and equipment	(1,942.27)	(1,621.74)
Proceeds from sale of property, plant and equipment	138.12	301.82
Purchase of current investments	(21,500.00)	(22,474.37)
Proceeds from sale of current investments	22,551.14	33,814.14
Investment in Equity Shares of Joint ventures	-	(1,624.90)
Interest received	153.64	147.25
<b>Net cash flow/(used in) Investing Activities</b>	<b>(599.37)</b>	<b>8,542.20</b>
<b>Cash flow from Financing Activities</b>		
Repayment of long term borrowings	(961.11)	(5,950.67)
Proceeds from short term borrowings	1,02,409.54	2,005.31
Repayment of short term borrowings	(97,177.07)	(3,924.22)
Interest paid	(333.19)	(719.84)
Dividend paid	(216.53)	(1,039.34)
Dividend tax paid	(44.51)	(213.64)
<b>Net cash from /(used in) Financing Activities</b>	<b>3,677.13</b>	<b>(9,842.40)</b>
<b>Net Increase/(decrease) in Cash &amp; Cash Equivalents</b>	<b>(72.81)</b>	<b>(1,153.12)</b>
Cash & Cash Equivalents at the Beginning	981.19	2,134.31
<b>Cash &amp; Cash Equivalents at the End</b>	<b>908.38</b>	<b>981.19</b>

**Reconciliation of cash and cash equivalents as per the Statement of cashflows**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Cash and Cash Equivalents (Note 8A)</b>		
In current accounts	903.86	978.93
Cash on hand	4.52	2.26

This is the Cashflow statement referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/ N-500016**Sunit Kumar Basu**  
Partner  
Membership Number: 55000Place : Hyderabad  
Date : June 24, 2020

For and on behalf of the Board of Directors

**AVINASH CHANDER**  
Chairman  
DIN :- 05288690**B V S NARASINGA RAO**  
Chief Financial Officer**S. GURUNATHA REDDY**  
Managing Director  
DIN : - 00003828**T. ANJANEYULU**  
Company Secretary  
FCS :- 5352**M.V REDDY**  
Joint Managing Director  
DIN : - 00421401

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### Background

Astra Microwave Products Limited was incorporated in 1991 and it got listed under NSE and BSE in the year 1994. The group is engaged in the business of design, development and manufacture of sub-systems for Radio Frequency and microwave systems used in defense, space, meteorology and telecommunication.

### Note 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of Astra Microwave Products Limited (the “Company”) and its subsidiaries, Joint venture (the “group”).

#### Note 1.1 Basis of preparation of financial statements

##### (i) Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the ‘Act’) and other relevant provisions of the Act.

##### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that is measured at fair value;
- Defined benefit plans – plan assets measured at fair value;

##### (iii) New and amended standards adopted by the group

The company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019:

- i. IndAS 116, Leases
- ii. Long-term Interest in Associates and Joint Ventures — Amendment to IndAS 28, Investments in Associates and Joint ventures
- iii. Uncertain Income Tax Treatment —Appendix C to Ind AS 12, Income Taxes
- iv. Plan Amendment, Curtailment or Settlement — Amendment to Ind AS 19, Employee Benefits
- v. Amendment to IndAS 103, Business Combinations and IndAS 111, Joint Arrangements
- vi. Amendment to IndAS 12, Income Taxes
- vii. Amendment to IndAS 23 , Borrowing costs

The amendments listed above did not have any significant impact on the amounts recognised in prior periods and are not to significantly affect the current or future periods.

### Principles of consolidation and equity accounting

#### i) Subsidiary:

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date the control ceases. The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised losses are also eliminated unless the transaction provides evidence of an impairment of transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

**ii) Associates**

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (refer (ii) below), after initially being recognized at cost.

**iii) Joint Venture**

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognized at cost in the consolidated balance sheet.

**iv) Equity method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities.

Unrealised losses are also eliminated unless transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 1.8 below.

**v) Changes in ownership interests**

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When the group ceases to consolidate or equity account an investment because of a loss of control, joint control or significant interest, any retained interest in the equity is remeasured to its fair value with change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

**Note 1.2 : Use of estimates**

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of the assets and liabilities, the disclosure of the contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of these changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.



### Note 1.3 : Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyper inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- a. assets and liabilities are translated at the closing rate at the date of that balance sheet
- b. income and expenses are translated at average exchange rates, and
- c. All resulting exchange differences are recognized in other comprehensive income.

When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

### Note 1.4 : Revenue recognition

(i) Sale of products

Revenue from sale of products is recognized when the control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from sales is based on the price specified in the sales contracts, net of volume discounts and returns if any at the time of sale. Accumulated experience will be used to estimate and provide for the discounts, using the expected value method, and revenue is recognized only to the extent that it is highly probable that the significant reversal will not occur. A refund liability (included in other current liabilities) is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The contract price is adjusted for the finance component where the period between the advance received from the customer and transfer of the promised goods to the customer exceeds one year.

A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

(ii) Revenue from sale of services

The group provides maintenance services to customers under fixed price contracts. Revenue from sale of services is recognized in the accounting period in which the services are rendered

(iii) Financing component:

The Group recognizes significant financing component in the revenue contract where the period between the advance received from the customer and transfer of the promised goods to the customer exceeds one year. The finance component is adjusted to the contract price to arrive at the transaction price to be considered for revenue recognition.



**Note 1.5 : Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

**Note 1.6 : Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

**Note 1.7 : Leases**

(Till March 31, 2019)

As a lessee:

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor:

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Effective from April 1, 2019:

As a lessee:

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the company under residual value guarantees
- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

As a lessor:

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

#### **Note 1.8 : Impairment of assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### **Note 1.9 : Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**Note 1.10 : Trade receivables**

Trade receivables are the amount due from the customers for the sale of goods and services rendered in the ordinary course of business. Trade receivables are initially recognized at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at the fair value. The group holds trade receivables for the receipt of contractual cash flows and therefore measures them subsequently at the amortized cost using effective interest rate method.

**Note 1.11 : Inventories**

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realizable value. Cost of raw materials comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Note 1.12 : Investments and other financial assets****i) Classification**

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The group reclassifies debt investments when and only when its business model for managing those assets changes.

**ii) Recognition**

Regular way purchase and sales of financial assets are recognized on trade-date, the date on which the group commits to purchase or sale the financial assets.

**iii) Measurement**

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

**Debt instruments**

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

**Amortised cost:**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

### Equity instruments

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognized in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### iii) Impairment of financial assets

The group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 38 details how the group determines whether there has been a significant increase in credit risk.

For trade receivables only, the group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

### iv) Derecognition of financial assets

A financial asset is derecognized only when

- The group has transferred the rights to receive cash flow from the financial asset or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset is not derecognized. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

### v) Income recognition

#### Interest income

Interest income from the debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

## Dividends

Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be measured reliably.

### Note 1.13 : Derivatives

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. These derivative contracts are not designated as hedges and are accounted for at fair value through profit or loss and are included in other income.

### Note 1.14 : Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group the counter party.

### Note 1.15 : Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

### Transition to Ind AS

On transition to Ind AS, the group has elected to continue with the carrying value of all its property, plant and equipment recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

### Depreciation/amortization methods, estimated useful lives and residual value

Depreciation is provided on written down value method considering the useful lives of the assets that have been determined based on technical evaluation done by the management which are in line with the useful lives prescribed under Schedule II of the Companies Act, 2013. In respect of solar power generating plant the management has estimated the useful life as 25 years. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in statement profit and loss under other income.

### Note 1.16 : Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within credit period after recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

### Note 1.17 : Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees



paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in statement of profit and loss under other income.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as consequence of the breach.

#### **Note 1.18 : Borrowings costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

Other borrowings costs are expensed in the period in which they are incurred.

#### **Note 1.19 : Provisions, Contingent Assets and Contingent Liabilities**

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses. When the group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

The group does not recognize a contingent liability but discloses its existence in the financial statements. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity

The group does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable.

#### **Note 1.20 : Employee benefits**

##### **(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized

in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefit are discounted using the government bond yield rates at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The group operates the following post-employment schemes:

- (a) Defined benefit plans - gratuity; and
- (b) Defined contribution plans - provident fund.

a. Defined benefit plans - gratuity

The liability or assets recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Asset ceiling will be recognised the present value of any economic benefits available in the form of refunds from the plan or reduces in future contributions in accordance with the terms and conditions of the plan and accordingly recognise the defined benefit assets.

b. Defined contribution plans - provident fund

The group pays provident fund contributions to publicly administered funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

**Bonus plans**

The group recognises a liability and an expense for bonuses. The group recognises a provision where contractually obliged or where contractually obliged or where there is a past practice that has created a constructive obligation.

**Note 1.21 : Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Note 1.22 : Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**Note 1.23 : Earnings per share****(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

**(ii) Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.”

**Note 1.24 : Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The group has identified Managing Director and Joint Managing Director of the Company as chief operating decision makers.

**Note 1.25 : Research and Development expenditure:**

Research expenditure and development expenditure that do not meet the below criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as asset in a subsequent period.

- i) It is technically feasible to complete the project so that it will be available for use
- ii) Management intends to complete the project and use or sell it
- iii) There is an ability to use or sell the project
- iv) It can be demonstrated how the project will generate probable future economic benefits
- v) Adequate technical, financial and other resources to complete the development and to use or sell the project are available and
- vi) The expenditure attributable to the project during its development can be reliably measured.



**Note 1.26 : Critical estimates and judgements:**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The area involving critical estimates or judgements is:

1. Estimation of defined benefit obligation
2. Significant financing component
3. Provision for expected credit loss

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

**Notes to consolidated financial statements for the year ended March 31, 2020**  
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)  
**Note 2 : Property, Plant and Equipment**

Particulars	Gross carrying value				Accumulated depreciation				Net carrying amount			
	As at 1 April 2019	Additions	Deletions / transfers	Adjustments	As at 31 Mar 2020	As at 1 April 2019	For the Year	On disposals		Adjustments	As at 31 Mar 2020	As at 31 Mar 2020
<b>Own assets</b>												
Land	2,045.97	-	-	-	2,045.97	-	-	-	-	-	-	2,045.97
Buildings	6,804.12	1.28	-	-	6,805.40	1,296.02	519.71	-	-	1,815.72	-	4,989.68
Plant & Machinery	12,403.18	741.76	123.18	-	13,021.76	4,487.28	1,503.70	1.55	-	5,989.43	-	7,032.33
Electrical Installations	342.76	26.01	0.00	-	368.78	141.13	53.60	-	-	194.74	-	174.04
Solar Power Plant	669.19	(0.00)	-	-	669.19	200.21	53.02	-	-	253.23	-	415.96
Air Conditioners	434.35	5.04	-	-	439.38	201.73	58.12	-	-	259.85	-	179.53
Office Equipment	305.01	17.28	-	-	322.29	179.30	58.15	-	-	237.45	-	84.84
Computers	365.31	131.20	25.03	-	471.48	190.30	142.85	14.79	-	318.37	-	153.12
Furniture & Fixtures	1,083.77	40.58	-	0.04	1,124.39	860.78	51.94	-	0.01	912.74	-	211.66
Vehicles	120.92	-	10.78	-	110.13	28.09	29.15	9.40	-	47.84	-	62.29
Wind Electric Generator	1,245.47	-	-	-	1,245.47	417.78	105.67	-	-	523.44	-	722.03
<b>Total</b>	<b>25,820.05</b>	<b>963.16</b>	<b>158.99</b>	<b>0.04</b>	<b>26,624.26</b>	<b>8,002.63</b>	<b>2,575.91</b>	<b>25.74</b>	<b>0.01</b>	<b>10,552.82</b>	<b>0.01</b>	<b>16,071.44</b>
<b>Capital work-in-progress</b>	<b>243.39</b>	<b>962.27</b>	-	-	<b>1,205.65</b>	-	-	-	-	-	-	<b>1,205.65</b>

**Notes to consolidated financial statements for the year ended March 31, 2020**  
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 2 : Property, Plant and Equipment**

Particulars	Gross carrying value					Accumulated depreciation				Net carrying amount	
	As at 1 April 2018	Additions	Deletions / transfers	Adjustments*	As at 31 March 2019	As at 1 April 2018	For the Year	On disposals	Adjustments	As at 31 March 2019	As at 31 March 2019
<b>Own assets</b>											
Land	1,986.94	97.68	38.65	-	2,045.97	-	-	-	-	-	2,045.97
Buildings	6,783.65	20.47	-	-	6,804.12	723.96	572.05	-	-	1,296.01	5,508.11
Plant & Machinery	11,506.56	896.68	0.07	-	12,403.17	2,862.79	1,624.52	0.03	-	4,487.28	7,915.89
Electrical Installations	313.99	28.77	-	-	342.76	77.02	64.12	-	-	141.14	201.62
Solar Power Plant	669.19	-	-	-	669.19	140.61	59.60	-	-	200.21	468.98
Air Conditioners	428.13	6.22	-	-	434.35	123.08	78.65	-	-	201.73	232.62
Office Equipment	266.10	39.04	0.13	-	305.01	93.33	86.00	0.02	-	179.31	125.70
Furniture & Fixtures	358.42	19.15	-	-	377.57	131.35	58.95	-	-	190.30	187.27
Computers	927.64	143.86	-	0.03	1,071.53	664.14	196.63	-	0.01	860.78	210.75
Vehicles	79.71	50.01	8.81	-	120.91	4.67	28.83	5.41	-	28.09	92.82
Wind Electric Generator	1,245.47	-	-	-	1,245.47	297.00	120.78	-	-	417.78	827.69
<b>Total</b>	<b>24,565.80</b>	<b>1,301.88</b>	<b>47.66</b>	<b>0.03</b>	<b>25,820.05</b>	<b>5,117.95</b>	<b>2,890.13</b>	<b>5.46</b>	<b>0.01</b>	<b>8,002.63</b>	<b>17,817.42</b>
<b>Capital work-in-progress</b>	<b>3,720.20</b>	<b>1,994.04</b>	<b>5,641.74</b>	<b>-</b>	<b>72.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72.50</b>

Capital work-in-progress mainly comprises buildings for a new plant.  
Refer note no. 33 for Capital commitments of the group  
Refer note no. 35 for the Assets pledged as security

**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 3 (a): Investments**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>A. Non-current investments (Refer Note a below)</b>		
<b>Investments accounted for using the equity method</b>		
Equity instruments of Joint venture (unquoted)	1,318.60	1,447.49
<b>Total</b>	<b>1,318.60</b>	<b>1,447.49</b>

**Note 3(b): Investments**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>B. Current investments (Refer Note b below)</b>		
<b>Investment carried at fair value through profit and loss</b>		
Investments in Mutual Funds (quoted)	1,304.70	2,023.46
<b>Total</b>	<b>1,304.70</b>	<b>2,023.46</b>

**Note a: Details of non-current investments**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Investments accounted for using the equity method</b>		
<b>Equity instruments of Joint ventures (unquoted)</b>		
Astra Rafael Comsys Private Limited (Joint Venture w.e.f June 18, 2018) 16,250,000 (2019 : 16,250,000 ) equity shares of Rs. 10/- each fully paid up	1,318.60	1,447.49
<b>Total</b>	<b>1,318.60</b>	<b>1,447.49</b>
<b>Aggregate book value of unquoted investments</b>	<b>1,318.60</b>	<b>1,447.49</b>

**Note b: Details of current investments**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Investments in Mutual Funds (quoted)</b>		
a) 3,739,927.244 (2019 : 3,739,927.244) Units of SBI Credit Risk Fund - Regular growth	1,185.77	1,117.03
b) 234,894.521 (2019 - 234,894.521) Units of SBI Magnum Income Fund - Regular Plan - Growth	118.93	105.62
c) Nil, (2019: 21,771.21) units of HDFC Liquid Fund - Direct Plan- Growth Option	-	800.81
<b>Total current investment</b>	<b>1,304.70</b>	<b>2,023.46</b>
<b>Aggregate of quoted current investments and market value thereof</b>	<b>1,304.70</b>	<b>2,023.46</b>
<b>Aggregate book value of unquoted investments -Non-current</b>	<b>1,318.60</b>	<b>1,447.49</b>
<b>Aggregate book value and market value of quoted investments - Current</b>	<b>1,304.70</b>	<b>2,023.46</b>

**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 4 : Other financial asset**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>a) Non-current, carried at amortised cost</b>		
<b>Unsecured, considered good</b>		
Security deposits	80.48	47.57
<b>Margin money deposits against guarantees</b>		
- maturity period of more than 12 months	1,059.80	1,169.93
<b>Total Non current other financial assets</b>	<b>1,140.28</b>	<b>1,217.50</b>
<b>b) Current, carried at fair value through profit or loss</b>		
<b>Derivatives</b>		
- Foreign-exchange forward contract	45.66	-
<b>Total current other financial assets</b>	<b>45.66</b>	<b>-</b>

**Note 5 : Other assets**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>a) Non-current</b>		
<b>Unsecured, considered good</b>		
Capital advances	27.83	3.10
Deposits with government departments	82.17	71.51
Prepaid expenses	121.46	122.11
<b>Total non-current assets</b>	<b>231.46</b>	<b>196.72</b>
<b>b) Current:</b>		
<b>Unsecured, considered good</b>		
Prepaid expenses	478.63	264.01
Balance with government authorities	2,973.47	288.08
Employee benefits - gratuity, net*	-	64.91
Advances to suppliers		
- to others	5,441.93	1,440.37
<b>Total current assets</b>	<b>8,894.03</b>	<b>2,057.37</b>

\*Refer Note 31 (c)

## Notes to consolidated financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Note 6 : Inventories

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Raw materials	14,202.16	6,689.68
Packing material	50.35	11.79
Work-in-progress	13,990.85	7,046.25
Finished goods	111.45	229.34
<b>Total</b>	<b>28,354.81</b>	<b>13,977.06</b>

Raw materials include good-in-transit INR 2,423.55 lakhs (2019 : INR 151.68 lakhs)

Write downs of inventories to net realisable value amounted to INR 13.33 lakhs (2019: INR 53.37 lakhs). These were recognised as an expense during the year and included in 'changes in value of inventories of finished goods and work-in-progress' in statement of profit and loss.

### Note 7 : Trade receivables

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Trade receivables</b>		
Unsecured, considered good	24,935.84	19,214.06
Credit impaired	966.55	589.00
Less: Allowance for doubtful debts	(966.55)	(589.00)
<b>Total</b>	<b>24,935.84</b>	<b>19,214.06</b>

\* Includes dues from related parties aggregating to INR 118.31 lakhs (2019: INR 14.97 lakhs). Refer note 30

### Note 8 : Cash and Bank Balances

#### Note 8A: Cash and Cash Equivalents

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
in current accounts	903.86	978.93
Cash on hand	4.52	2.26
<b>Total</b>	<b>908.38</b>	<b>981.19</b>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods

#### NOTE 8B: Other Bank balances

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Margin money deposits against guarantees	4,332.72	1,717.89
<b>Earmarked balances with banks :</b>	-	-
Unpaid dividend account	82.14	91.42
<b>Total</b>	<b>4,414.86</b>	<b>1,809.31</b>

Margin money deposit above includes Fixed Deposits under lien amounting to INR 352.51 Lakhs (2019: INR 332.00 Lakhs)

**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 9: Tax assets (net)**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>a. Non-current tax assets/ (liabilities)</b>		
Advance income tax (net of provision for income tax of INR 434.04 lakhs (2019: INR 434.04 lakhs))	577.43	538.20
<b>Total</b>	<b>577.43</b>	<b>538.20</b>

**Note 10: Equity share capital**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Authorised share capital:</b>		
150,000,000 (2019 : 150,000,000 ) equity shares of Rs. 2/- each	3,000.00	3,000.00
<b>Total</b>	<b>3,000.00</b>	<b>3,000.00</b>
<b>Issued and subscribed capital:</b>		
86,611,675 (2019 : 86,611,675) equity shares of Rs. 2/- each fully paid	1,732.23	1,732.23
<b>Total</b>	<b>1,732.23</b>	<b>1,732.23</b>

**(a) Details of shares held by each shareholder holding more than 5% shares in the company**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% holding of equity shares	Number of shares held	% holding of equity shares
Ratnabali Investment Pvt.Ltd.,	46,34,272	5.35%	46,34,272	5.35%
Sundaram Mutual Fund	4,717,671	5.45%	4,789,398	5.53%

**(b) Movement in equity share capital**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	86,611,675	1,732.23	86,611,675	1,732.23
Add: Number of shares issued and subscribed during the year	-	-	-	-
<b>At the end of the year</b>	<b>86,611,675</b>	<b>1,732.23</b>	<b>86,611,675</b>	<b>1,732.23</b>

**(c) Terms and rights attached to equity shares:**

The company has one class of equity shares having a par value of Rs. 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

The Company has not issued any share as fully paid up without payment being received in cash or as bonus shares nor any share has been bought back by the Company since its incorporation.



**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 11**
**11A: Other equity**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Reserves and surplus:</b>		
General reserve	7,482.80	7,482.80
Securities premium reserve	6,856.20	6,856.20
Debenture redemption reserve	-	-
Foreign currency translation Reserve	12.81	(0.46)
Retained earnings	37,931.04	33,885.56
<b>Total</b>	<b>52,282.85</b>	<b>48,224.10</b>
<b>General Reserve</b>	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Opening balance	7,482.80	6,232.80
Transferred from Debenture Redemption Reserve	-	1,250.00
<b>Closing balance</b>	<b>7,482.80</b>	<b>7,482.80</b>
<b>Securities premium reserve</b>	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Opening balance	6,856.20	6,856.20
Add: Movement during the year	-	-
<b>Closing balance</b>	<b>6,856.20</b>	<b>6,856.20</b>
<b>Debenture Redemption Reserve</b>	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Opening balance	-	1,250.00
Transferred to General Reserve on Redemption	-	(1,250.00)
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>Retained earnings</b>	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Opening balance	33,885.56	34,033.22
Impact of application of Ind AS 115	-	(73.88)
Add: Net profit for the year	4,404.15	976.20
Add: Remeasurement of Defined benefit obligations (net off tax)	(85.24)	203.00
Adjustment due to change in functional currency of Aelius	(12.39)	-
Dividend paid	(216.53)	(1,039.34)
Dividend Tax paid	(44.51)	(213.64)
<b>Closing balance</b>	<b>37,931.04</b>	<b>33,885.56</b>

**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Foreign Currency Translation Reserve	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Opening balance	(0.46)	(0.87)
Additions during the year	13.27	0.41
<b>Closing Balance</b>	<b>12.81</b>	<b>(0.46)</b>

**11B. Non Controlling Interest**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Opening balance	0.16	0.16
Additions during the year	-	-
<b>Closing Balance</b>	<b>0.16</b>	<b>0.16</b>

**Nature and purpose of reserves****Securities premium reserves:**

Securities premium reserves is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Act.

**Debenture redemption reserve:**

The company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

**General reserve:**

General reserve is used for strengthening the financial position and meeting future contingencies and losses.

**Note 12 : Non-current borrowings**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Secured</b>		
Term loans		
Term Loan from banks		
a. Loan from HDFC Bank	-	475.44
<b>Total non-current borrowings</b>	<b>-</b>	<b>475.44</b>

Refer note 17 for current maturities of non-current borrowings.

Refer note no. 35 for the assets pledged as security

**Nature of security:****Term Loans**

a. Term loan from HDFC Bank is secured by First exclusive charge on the Fixed Assets funded by this term loan. Second pari passu charge on entire unencumbered fixed assets of the company along with term lenders. Pari Passu second charge on all chargeable current assets of the company along with other term lenders and personal guarantee of the former Managing Director and former Chief Operating Officer who are also founders of the Company.

b. Aggregate amount of loans Guaranteed by former Managing Director and former Chief Operating Officer who are also founders of the Company is INR 475.44 lakhs (2019 : INR 1,426.10 lakhs).

## Notes to consolidated financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Terms of repayment:

- i) Term loan from HDFC bank is repayable in 12 quarterly instalments starting after one year from the date of first disbursement (date of first drawdown was June 5, 2017) along with an interest as mutually agreed with the bank payable on a monthly basis. Interest rates are normally reset on an yearly basis. Present rate of interest is in the range of 9.24% to 9.65%.

### Note 13 : Provisions\*

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Non-current</b>		
Provision for compensated absences	303.68	12.46
Provision for gratuity	47.65	11.35
<b>Total non-current provisions</b>	<b>351.33</b>	<b>23.81</b>
<b>Current</b>		
Provision for compensated absences	86.42	321.94
Provision for gratuity	95.38	2.27
<b>Total current provisions</b>	<b>181.80</b>	<b>324.21</b>

\*Refer note 31

### Note 14 : Deferred tax liabilities / (assets)

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Deferred tax Liabilities	863.52	471.72
Deferred tax Assets	(997.48)	(87.10)
<b>Deferred tax liabilities/ (assets) (net)</b>	<b>(133.96)</b>	<b>384.62</b>

### Reconciliation of Deferred tax balances

2019-20	Opening Balance	Recognised in profit or loss	Recognised in Other comprehensive income	Recognised in equity	Closing balance
<b>A. Deferred tax liabilities (net)</b>					
Depreciation	1,453.47	(641.46)	-	-	812.00
On Fair value gain of Mutual funds	43.14	8.37	-	-	51.52
<b>Deferred tax liabilities</b>	<b>1,496.61</b>	<b>(633.09)</b>	<b>-</b>	<b>-</b>	<b>863.52</b>
Provision for gratuity	(4.25)	(3.32)	(28.43)	-	(36.00)
Provision for Leave Encashment	(110.03)	11.85	-	-	(98.18)
Provision for Leave Travel Allowance	-	-	-	-	-
Unabsorbed losses	(66.57)	-	-	-	(100.77)
Deferred revenue	(154.63)	(2.15)	-	-	(156.78)
Provision for expected credit loss	(217.54)	(25.71)	-	-	(243.26)
Forward Contracts	-	0.89	-	-	0.88
Indexation benefit on land	(330.69)	(32.68)	-	-	(363.37)
MAT Credit entitlement	(228.28)	228.28	-	-	-
<b>Deferred tax assets</b>	<b>(1,111.99)</b>	<b>177.16</b>	<b>(28.43)</b>	<b>-</b>	<b>(997.48)</b>
<b>Deferred tax liabilities (net) (A)</b>	<b>384.62</b>	<b>(455.93)</b>	<b>(28.43)</b>	<b>-</b>	<b>(133.96)</b>

**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

2018-19	Opening Balance	Recognised in profit or loss	Recognised in Other comprehensive income	Recognised in equity	Closing balance
<b>A. Deferred tax liabilities (net)</b>					
Depreciation	1,829.75	(379.09)	-	-	1,450.66
On Fair value gain of Mutual funds	198.79	(155.65)	-	-	43.14
<b>Deferred tax liabilities</b>	<b>2,028.54</b>	<b>(534.74)</b>	-	-	<b>1,493.80</b>
Provision for gratuity	(85.02)	(22.63)	107.66	-	-
Provision for Leave Encashment	(121.40)	15.26	-	-	(106.14)
Provision for Leave travel allowance	(117.20)	117.20	-	-	-
Deferred revenue	-	(114.95)	-	(39.68)	(154.63)
Provision for Expected credit loss	(207.77)	(9.38)	-	-	(217.15)
Indexation benefit on land	(327.99)	(2.70)	-	-	(330.69)
MAT Credit entitlement	(733.47)	520.01	-	-	(213.47)
<b>Deferred tax assets</b>	<b>(1,592.85)</b>	<b>502.81</b>	<b>107.66</b>	<b>(39.68)</b>	<b>(1,022.08)</b>
<b>Deferred tax liabilities (net) (A)</b>	<b>435.69</b>	<b>(31.93)</b>	<b>107.66</b>	<b>(39.68)</b>	<b>471.72</b>
<b>B. Deferred tax assets (net)</b>					
Depreciation	3.90	(1.08)	-	-	2.81
<b>Deferred tax liabilities</b>	<b>3.90</b>	<b>(1.08)</b>	-	-	<b>2.81</b>
Provision for gratuity	(4.66)	(0.75)	1.16	-	(4.25)
Provision for Leave Encashment	(9.36)	5.47	-	-	(3.89)
Unabsorbed Losses	-	(66.57)	-	-	(66.57)
Provision for expected credit loss	-	(0.39)	-	-	(0.39)
MAT Credit entitlement	(16.84)	2.03	-	-	(14.81)
<b>Deferred tax assets</b>	<b>(30.86)</b>	<b>(60.21)</b>	<b>1.16</b>	-	<b>(89.91)</b>
<b>Deferred tax assets (net) (B)</b>	<b>(26.96)</b>	<b>(61.29)</b>	<b>1.16</b>	-	<b>(87.10)</b>
<b>Total</b>	<b>408.73</b>	<b>(93.22)</b>	<b>108.82</b>	<b>(39.68)</b>	<b>384.62</b>

The group had not created deferred tax asset on the unused tax losses of foreign subsidiary AELIUS Semiconductors Pte. Ltd amounting to INR 49.83 lakhs (2019: INR 41.09 lakhs). The unused tax losses can be carried forward indefinitely.

**Note 15: Current Borrowings**

Particulars	As at	
	March 31, 2020 Amount	March 31, 2019 Amount
<b>Secured</b>		
<b>From banks</b>		
<b>Working Capital</b>		
Canara Bank	981.60	-
HDFC Bank	3,557.29	248.45
Axis bank	947.34	-
<b>Bank Overdraft</b>		
HDFC Bank	-	5.31
<b>Total</b>	<b>5,486.23</b>	<b>253.76</b>

Refer note no. 35 for the assets pledged as security

## Notes to consolidated financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Nature of security:

#### Prime Security:

Pari Passu first charge on stocks and receivables and other chargeable current assets of the Group along with other working capital lenders

#### Collateral Security:

Pari Passu first charge on entire unencumbered Fixed Assets of the group (other than those financed by term lenders) along with other working capital lenders, including equitable mortgage of company's properties offered as collateral security and Pari Passu second charge on the fixed assets of the group funded by other term lenders.

#### Personal Guarantee:

Personal Guarantee of the former Managing Director and former Chief Operating officer who are also founders of the Company.

#### Terms of repayment:

- i) Working capital Loans taken from Banks are repayable within a period of 90 days to 180 days from the date of taking the loan.
- ii) Interest rates are normally reset on an yearly basis. Present rate of interest is 8.25%.
- iii) Working capital demand loans (bank over draft) are repayable on demand and the interest rate for these loans are in the range of 9.25% to 11.45%.

### Note 16(a): Trade Payables : Dues to Micro and Small enterprises

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Dues to micro enterprises and small enterprises (Refer note 16(c) below)	82.13	57.65
<b>Total</b>	<b>82.13</b>	<b>57.65</b>

### Note 16(b): Trade Payables : Dues to Other than Micro and Small enterprises

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Trade Payables : Others	6,030.83	2,401.46
<b>Total</b>	<b>6,030.83</b>	<b>2,401.46</b>

**Note 16 (c):** The group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	82.13	57.65
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 17: Other financial liabilities**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Current maturities of long term debt ( Refer note 12 above)	475.44	950.66
Unpaid Dividend	82.14	91.42
Interest accrued	13.73	11.67
Capital creditors	72.29	64.40
Employee benefits payable	983.92	851.52
Bonus and incentives	-	8.83
Retention monies	17.43	18.11
Others	0.53	7.78
<b>Total</b>	<b>1,645.48</b>	<b>2,004.39</b>

**Note 18: Current tax liabilities (net)**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Provision for income tax (net of advance tax of Rs. 1751.77, 2019: Rs. Nil)	249.75	-
<b>Total</b>	<b>249.75</b>	<b>-</b>

**Note 19: Other current liabilities**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Payroll taxes payable	60.16	52.23
Statutory dues payable	469.31	403.88
Audit fee	0.11	-
Secreterial Fee	0.09	-
<b>Total</b>	<b>529.67</b>	<b>456.11</b>

**Note 20: Contract liabilities**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Current</b>		
Advance from customers	20,964.64	5,185.23
<b>Total</b>	<b>20,964.64</b>	<b>5,185.23</b>

## Notes to consolidated financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Movement of Contract liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Opening balance of contract liabilities originally reported</b>	<b>5,185.23</b>	2,360.68
Interest accrued on Advances from customers (on initial application of Ind AS 115)	-	113.56
<b>Restated opening balance of contract liabilities</b>	<b>5,185.23</b>	2,474.24
Received during the year	<b>42,348.00</b>	6,175.05
Released to revenue during the year	<b>(22,375.20)</b>	(3,906.26)
Interest accrued on contract liabilities	<b>500.50</b>	442.20
<b>Closing balance of contract liabilities</b>	<b>25,658.53</b>	5,185.23

### Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried forward contract liabilities.

Particulars	As at March 31, 2020	As at March 31, 2019
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Deferred revenue	<b>22,375.20</b>	3,196.93
<b>Total</b>	<b>22,375.20</b>	3,196.93

### Note 21: Revenue from Operations

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Revenue from contracts with customers</b>		
-Sale of Products	<b>43,993.46</b>	26,322.14
-Sale of Services	<b>2,507.65</b>	2,807.89
	<b>46,501.11</b>	29,130.03
<b>Other Operating Revenue</b>		
-Wind Electrical Power	<b>217.12</b>	213.89
-Operating Lease Rent	<b>4.20</b>	5.40
	<b>221.32</b>	219.29
<b>Total</b>	<b>46,722.43</b>	29,349.32

Unsatisfied long-term consulting contracts:

The following table show unsatisfied performance obligations resulting from fixed price long term Sale of Products.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Aggregate amount of the transaction price allocated to long term Sale of Products	<b>138,275.37</b>	117,541.74

**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

The aggregate amount of transaction price allocated to unsatisfied performance obligations represents the open orders which are not yet delivered and the entity will recognise this revenue as the goods are delivered or services are rendered, which is expected to occur over the next 24 months.

**Reconciliation of revenue recognised with contract price:**

Particulars	Year ended	
	March 31, 2020	March 31, 2019
<b>Contract price</b>	<b>46,181.35</b>	29,016.77
Adjustment for:		
Financing component	<b>319.76</b>	113.26
<b>Revenue from operations</b>	<b>46,501.11</b>	29,130.03

**Critical Judgements in recognising revenue**

The group has considered that the advances received from the customers more than one year before the transfer of control of the goods has the significant financing component. As a consequence, the group adjusted the transaction price to reflect the finance component from such customer advances.

**Note 22: Other Income**

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Interest income from financial assets at amortised cost	<b>327.30</b>	156.69
Export incentives	<b>28.56</b>	1,079.07
Net gain/(loss) on disposal of property, plant and equipment	<b>4.87</b>	259.63
Net gain on financial assets mandatorily measured at fair value through profit or loss(Mutual Funds)	<b>82.04</b>	78.05
Net gain/(loss) on sale of current investments(Mutual Funds)	<b>250.33</b>	711.77
Foreign exchange fluctuations	<b>507.21</b>	
Miscellaneous Receipts	<b>14.63</b>	161.41
Changes in expected credit loss in receivables	<b>0.90</b>	5.58
<b>Total</b>	<b>1,215.84</b>	2,452.20

**Note 23: Cost of materials consumed**

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Raw materials at the beginning of the year	<b>6,689.68</b>	5,212.92
Add: Purchases	<b>40,866.52</b>	19,485.18
Less: Raw materials at the end of the year	<b>(14,202.16)</b>	(6,689.68)
<b>Total</b>	<b>33,354.04</b>	18,008.42



**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 24: Changes in inventories of finished goods and work-in-progress**

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Opening Balance:</b>		
Finished goods	229.34	84.21
Work-in-progress	7,046.25	5,405.24
<b>Total(A)</b>	<b>7,275.59</b>	<b>5,489.45</b>
<b>Closing Balance:</b>		
Finished goods	111.45	229.34
Work-in-progress	13,990.85	7,046.25
<b>Total(B)</b>	<b>14,102.30</b>	<b>7,275.59</b>
<b>Changes in inventories of finished goods and work-in-progress (A)-(B)</b>	<b>(6,826.71)</b>	<b>(1,786.14)</b>

**Note 25: Employee benefit expenses**

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Salaries, wages and bonus	6,319.74	5,866.75
Contribution to Provident Fund	327.54	258.13
Contribution to Employee State Insurance	24.00	31.37
Gratuity	82.80	91.41
Leave encashment	194.15	75.93
Staff welfare expenses	201.65	178.96
<b>Total</b>	<b>7,149.88</b>	<b>6,502.55</b>

**Note 26: Depreciation**

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Depreciation of property, plant and equipment	2,575.91	2,890.13
<b>Total</b>	<b>2,575.91</b>	<b>2,890.13</b>

**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 27: Other expenses**

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Power and fuel	362.02	315.72
Repairs and maintenance		
Plant and machinery	576.13	454.90
Buildings	24.91	37.41
Computers	215.09	219.66
Others	317.41	329.27
Travelling and conveyance	702.56	575.86
Printing and stationery	65.11	45.09
Telephone and communication charges	64.20	66.66
Operating lease rent	67.89	60.46
Insurance	73.97	75.10
Rates and taxes	119.54	60.36
Legal and professional fees	473.73	351.96
Auditors Remuneration (Refer note 27 (a))	34.00	20.00
Business promotion expenses	105.27	208.02
Royalty expense	(0.15)	8.33
Donations*	0.25	11.89
Corporate social responsibility expenditure (refer note 27(b))	89.78	130.59
Security charges	158.49	131.85
Payments to non-executive directors	51.27	22.10
Bank charges and commission	630.24	360.23
Changes in expected credit loss in receivables	378.45	-
Selling and distribution expenses	63.55	91.87
Foreign exchange fluctuations	74.59	38.90
Miscellaneous expenses	147.85	130.71
<b>Total</b>	<b>4,796.15</b>	<b>3,746.94</b>

\* Donations above include INR 0.25 lakhs (2019 - INR 1.25 lakhs) paid to the Communist Party of India (Marxist) and INR Nil (2019 - INR Nil) paid to Communist Party of India.

**Note 27(a): Auditors Remuneration**

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>(a) To statutory auditors</b>		
Statutory Audit fee (including fees for quarterly reviews)	34.00	15.00
Fees for other services	-	5.00
<b>Total</b>	<b>34.00</b>	<b>20.00</b>

## Notes to consolidated financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Note 27(b): Corporate Social Responsibility expenditure

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Amount required to be spent as per Section 135 of the Act	109.93	149.05
Amount spent during the year on :		
1. On Purposes other than Construction/ acquisition of any assets	110.60	130.59

\* Net of amount paid to Astra foundation 2020 : INR 20.82 lakhs (2019 - INR 19.5 lakhs).

### Note 27(c) : Reconciliation of tax expenses and accounting profit multiplied by tax rate:

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Profit before income tax expense	5,913.91	1,335.80
Income tax rate	25.17%	34.94%
<b>Income tax expense</b>	<b>1,488.41</b>	<b>466.78</b>
Tax effect on amounts which are not taxable in calculating taxable income:		
<b>Permanent Disallowances</b>		
i) Effect of tax on disallowed expenses	(15.16)	140.62
<b>Additional tax credits</b>		
ii) Effect of weighted deduction on research and development expenditure	-	(305.00)
iii) Effect of share of loss from Joint venture on which no deferred tax asset is created	32.44	62.03
iv) Effect of Deferred tax asset not created on set off or carried forward losses from Subsidiaries	2.75	(5.78)
v) Effect of different rate of tax at subsidiaries	1.32	0.95
<b>Income tax recognised in statement of profit and loss</b>	<b>1,509.76</b>	<b>359.60</b>

Change in Tax rate - From the assessment year 2020-21, the company has adopted a tax rate of 22% as against the rate of 30% applied in the previous year.

### Note 28: Finance cost

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Interest expense</b>		
On term loans	94.03	183.93
On working capital loans	249.66	102.80
On debentures	-	197.25
Interest on delayed payment of income tax	2.01	0.13
Interest on advances received from customers	500.50	442.20
<b>Total</b>	<b>846.20</b>	<b>926.31</b>

**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Net Debt Reconciliation**

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Net opening debt	1,691.53	9,538.99
Repayment of long term borrowings	(961.11)	(5,950.67)
Proceeds from short term borrowings	1,02,409.54	2,005.31
Repayment of short term borrowings	(97,177.07)	(3,924.22)
Other adjustments including Amortisation of Processing charges on borrowings	12.51	22.12
<b>Net closing debt</b>	<b>5,975.40</b>	<b>1,691.53</b>
<b>Components of net debt:</b>		
Non-current borrowings	475.44	1,426.10
Current Borrowings	5,486.23	253.76
Interest accrued	13.73	11.67
<b>Total</b>	<b>5,975.40</b>	<b>1,691.53</b>

**Note 29 Earnings per share**

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Profit after tax attributable to owners of the Company	4,404.15	976.20
<b>Basic:</b>		
Weighted average number of equity shares	8,66,11,675	8,66,11,675
Earnings per share (Rs.)	5.08	1.13
<b>Diluted:</b>		
Earnings per share (Rs.)	5.08	1.13

Note: EPS is calculated based on profits excluding the other comprehensive income

## Notes to consolidated financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Note 30: Related party disclosures

#### A. List of Related Parties:

Name of the Related Party	Nature of Relationship
Astra UBS Technologies Private Limited	Company in which KMP have control-Closed w.e.f. January 24, 2019
Astra Rafael Comsys Private Limited	Company in which KMP have control till June 17, 2018, Joint Venture Company w.e.f. June 18, 2018
Astra Infonets Limited	Company where relative of a director is a director
Mr. S. Krishna Reddy	Relative of a director
<b>Key managerial persons (KMP):</b>	
Mr. B. Malla Reddy,	Managing Director - Resigned w.e.f. March 31, 2019
Mr. P.A. Chitrakar,	Chief Operating Officer-Resigned w.e.f. March 31, 2019
Mrs. C. Prameelamma,	Director (Technical)-Resigned w.e.f. March 31, 2019
Mr. S. Gurunatha Reddy,	Whole-Time Director and CFO till March 31, 2019 - Appointed as M.D.w.e.f. April 01, 2019
Mr. M. Venkateshwar Reddy,	Director - Marketing & Operations till March 31, 2019-Appointed as Joint M.D.w.e.f. April 01, 2019
Dr. Shiban K. Koul,	Non-executive Director-Retired w.e.f. March 31, 2019
Mr. T. Ramachandru,	Non-executive Director-Resigned w.e.f. March 22, 2019
Mr. V. V. R. Sastry	Chairman - Audit Committee and Independent Director
Mr. B. L. N. Raju	Independent Director
Dr. Avinash Chander	Independent Director - Appointed as Chairman of the Board w.e.f. April 01, 2019
Mr. Sunil Kumar Sharma	Independent Director w.e.f. March 22, 2019
Ms. Kiran Dhingra	Independent Director - Appointed w.e.f. June 24, 2019.
Mr. Atim Kabra	Non-Executive Director - Appointed w.e.f. June 24, 2019
Mr. T. Anjaneyulu	Company Secretary
Mr. BVS Narasingaa Rao	Appointed as CFO w.e.f. June 24, 2019

#### B. Details of outstanding balances as at the year end receivable/(payable):

Name of the related parties	Nature of transactions	As at March 31, 2020	As at March 31, 2019
Astra Rafael Comsys Private Limited	Rent Receivable	-	0.66
	Amount receivable from subsidiary company against sales of goods	90.24	-
	Advance recd.	1,658.84	-
	Investment in shares	1,625.00	1,625.00

**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**C. Details of transactions during the year:**

Name of the related parties	Nature of balance	Year ended	
		March 31, 2020	March 31, 2019
Astra Rafael Comsys Private Limited	Investment in Shares	1,624.90	1,624.90
	Amount received from ARC for sale of Land	-	331.66
	Sales	225.29	-
	Professional charges received from ARC	-	69.66
	Rent Received	4.20	5.40
	Joint Venture Expenses Reimbursed to ARC	-	11.03
Astra Infonets Limited	Rent Paid	30.67	29.26
Mr. B. Malla Reddy	Director's remuneration	-	116.98
Mr. P.A. Chitrakar	Director's remuneration	-	86.51
Mrs. C. Prameelamma	Director's remuneration	-	99.06
Mr. S. Gurunatha Reddy	Director's remuneration	127.71	67.45
Mr. M. Venkateshwar Reddy	Director's remuneration	123.24	55.49
Dr. Shiban K. Koul	Payments to non-executive directors	-	4.45
Mr. T. Ramachandru	Payments to non-executive directors	-	4.25
Mr. V. V. R. Sastry	Payments to non-executive directors	8.98	4.45
Mr. B. L. N. Raju	Payments to non-executive directors	8.58	4.30
Dr. Avinash Chander	Payments to non-executive directors	8.58	4.45
Mr. Sunil Kumar Sharma	Payments to non-executive directors	8.98	0.20
Ms. Kiran Dhingra	Payments to non-executive directors	8.18	-
Mr. Atim Kabra	Payments to non-executive directors	7.98	-
Mr. S. Krishna Reddy	Remuneration to relative of a director	19.00	19.01
Mr. T. Anjaneyulu	Company secretary's remuneration	15.71	14.97
Mr. BVS Narasingaa Rao	CFO's remuneration	18.67	-

**Note 31: Employee benefit Obligations****a) Leave obligations**

The leave obligation covers the group's liability for sick and earned leave. Refer Note-13, for details of provision made in this regard.

**b) Defined Contribution Plan**

The group has defined contribution plan namely Provident fund. Contributions are made to provident fund at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined such plan for the financial year 2019-20 is INR 327.54 lakhs and for the financial year 2018-19 is INR 258.13 lakhs.

## Notes to consolidated financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### c) Defined Benefit Plans:

#### Gratuity

The group operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the group scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The group makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

### Defined benefit plans – as per actuarial valuation on March 31, 2020

#### i. Expense recognised in the Statement of Profit and Loss for the year ended March 31, :

	Gratuity	
	March 31, 2020	March 31, 2019
	Amount	Amount
1. Current service cost	86.88	73.86
2. Past Service Credit	-	-
3. Interest cost (net)	(4.08)	17.55
<b>Total expense/(gain) recognised in P&amp;L</b>	<b>82.80</b>	<b>91.41</b>

#### ii. Included in other Comprehensive Income

Particulars	March 31, 2020	March 31, 2019
	Amount	Amount
1. Actuarial (Gain)/Loss on account of :		
- Demographic Assumptions	-	32.14
- Financial Assumptions	51.60	8.80
- Experience Adjustments	62.45	(352.76)
<b>Total expense/(gain) recognised in OCI</b>	<b>114.05</b>	<b>(311.82)</b>

#### iii. Net Liability/(Asset) recognised in the Balance Sheet as at 31st March

Particulars	March 31, 2020	March 31, 2019
	Amount	Amount
1. Present value of defined benefit obligation as at 31st March	831.54	689.43
2. Fair value of plan assets as at 31st March	688.53	740.72
3. (Surplus)/Deficit	143.01	(51.29)
4. Current portion of the above included in other current assets	92.73	(64.91)
5. Current portion of the above included in provisions	2.27	2.27
6. Non current portion of the above included in provisions	48.03	11.35

**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**iv. Changes in Obligation and fair value of plan assets during the year**

Particulars	March 31, 2020	March 31, 2019
	Amount	Amount
<b>A. Change in the obligation during the year ended 31st March</b>		
1. Present value of defined benefit obligation at the beginning of the year	689.43	890.97
2. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	86.88	73.86
- Past Service Cost	-	-
- Interest Expense (Income)	48.39	67.96
3. Recognised in Other Comprehensive Income		
- Actuarial Gain (Loss) arising from:	-	-
i. Demographic Assumptions	-	32.14
ii. Financial Assumptions	51.60	8.80
iii. Experience Adjustments	60.57	(356.02)
4. Benefit payments	(105.33)	(28.28)
<b>5. Present value of defined benefit obligation at the end of the year</b>	<b>831.54</b>	<b>689.43</b>
<b>B. Change in fair value of assets during the year ended 31st March</b>		
1. Fair value of plan assets at the beginning of the year	740.72	632.58
- Interest Income	52.47	50.41
2. Recognised in Other Comprehensive Income	-	-
- Actual Return on plan assets in excess of the expected return	(1.88)	(3.26)
3. Contributions by employer (including benefit payments recoverable)	2.55	85.47
4. Employer direct benefit payments	(2.31)	1.90
5. Benefit payments	(103.02)	(26.38)
<b>6. Fair value of plan assets at the end of the year</b>	<b>688.53</b>	<b>740.72</b>

**The key assumptions used in accounting for gratuity are as below**

v. Actuarial assumptions	March 31, 2020	March 31, 2019
1. Interest rate/Discount rate	7.60%	7.60%
2. Rate of increase in compensation	6.00%	6.00%
3. Attrition rate	6.70%	6.70%

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**Vi. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions would have affected the defined benefit obligation to the amounts shown below:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Amount	Amount
<b>Discount rate (If changed by 1%)</b>		
Increase	767.26	637.81
Decrease	906.24	749.21
<b>Salary escalation rate (If changed by 1%)</b>		
Increase	909.84	752.39
Decrease	763.07	634.18

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the



## Notes to consolidated financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

### Expected cashflow and duration of the plan

Particulars	Gratuity plan	
	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Weighted average duration of DBO	7.33	7.17
1. Expected employer contributions in the next year	-	32.45
2. Expected benefit payments		
Year 1	95.38	73.57
Year 2 - 5	277.46	236.86
Beyond 5 years	325.58	284.07

### Vii. Weighted Average Asset Allocations at end of current period

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Insurance policies	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

### Viii. Risk exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

#### *Interest rate risk:*

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

#### *Salary inflation risk:*

Higher than expected increases in salary will increase the defined benefit obligation.

#### *Demographic risk:*

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

#### **Note 32:**

#### **Segment information**

The Group operates in a single product segment. Additional disclosures required as per Ind AS 108, "Operating Segments" are included below:

#### **a. Geographical Segment revenue by location of customers**

The following is an analysis of the Group's revenue and results from continuing operations by

Particulars	Segment Revenue	
	Year ended March 31, 2020	Year ended March 31, 2019
	Amount	Amount
In India	30,853.04	28,831.63
Outside India*	15,869.38	517.69
<b>Total</b>	<b>46,722.42</b>	<b>29,349.32</b>

**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**b. Geographical Segment assets**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Segment assets</b>		
India	88,503.67	61,213.84
Outside India	322.04	396.43
<b>Consolidated total assets</b>	<b>88,825.71</b>	<b>61,610.27</b>

**Major Customers contributing more than 10 percent of revenue**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Elta Systems Limited	11,050.56	-
Gallium Arsenide Enabling TechCe(GA)	10,974.20	-
Space Applications Centre	5,142.60	-
Antrix Corporation Limited	-	4,099.70
Bharat Dynamics Ltd	-	3,363.13
DCX Cable Assemblies Pvt., Ltd.,	-	3,855.18

**Note 33: Commitments and contingent liabilities**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
A. Claims against the Company not acknowledged as debts in respect of:		
Disputed excise duty matters *	248.19	248.19
<b>Total Contingent liabilities</b>	<b>248.19</b>	<b>248.19</b>
B. Estimated amount of capital contracts remaining to be executed and not provided for	121.61	353.62
<b>Total Capital commitments</b>	<b>121.61</b>	<b>353.62</b>

\* The group has received a favorable order against demand raised by Commissioner of Customs, Central Excise and Service Tax. However, the same has been disclosed as contingent liability as the department has preferred an appeal before Hon'ble High Court, Telangana and Andhra Pradesh.

C. The Hon'ble Supreme Court vide its judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" in February 2019 and subsequent review petition in August 2019, the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation, has ruled in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in the financial statements. The group will continue to monitor and evaluate its position based on further developments on the matter.

## Notes to consolidated financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Note 34: Events Occurring after the reporting period :

Refer to Note 40 for the final dividend recommended by the directors which is subject to approvals of shareholders in the ensuing annual general meeting.

### Note 35: Assets pledged as security

The carrying amount of assets pledged as security for current and non-current borrowings are:

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Current</b>		
Financial assets		
Trade receivables	24,907.15	19,221.77
Non-financial assets		
Inventories	28,243.60	13,842.17
<b>Total current assets pledged as security (A)</b>	<b>53,150.75</b>	<b>33,064</b>
<b>Non-current</b>		
Property, plant and equipment	11,592.99	11,544.22
Capital work-in-progress	1,205.65	243.39
<b>Total non-current assets pledged as security (B)</b>	<b>12,798.64</b>	<b>11,788</b>
<b>Total assets pledged as security* ((A) + (B))</b>	<b>65,949.39</b>	<b>44,851.56</b>

\* In addition, all chargeable current assets are pledged to the banks as security

### Note 36: Research and development

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Expenditure at Department of Scientific and Industrial Research (DSIR) approved R&D centres		
Revenue expenditure	2,224.60	1,745.63
	<b>2,224.60</b>	<b>1,745.63</b>

### Note 37: Financial Instruments

#### Fair value

The management assessed that trade receivables, cash and cash equivalents, other bank balances, other financial assets, short term borrowings, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities or interest bearing nature of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The group has determined fair value of Non current financial assets and liabilities using discounted cash flow of future projected of cash flow.

Set out below, is a comparison by class of the carrying amounts and fair value of the group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

#### Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2020 were as follows:

**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Fair value hierarchy	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
<b>Assets:</b>								
<b>Non-current</b>								
(a) Other financial assets	3	1,140.28	-	-	-	-	1,140.28	1,140.28
<b>Current</b>								
(a) Trade receivables	3	24,935.84	-	-	-	-	24,935.84	24,935.84
(b) Cash and cash equivalents	3	908.38	-	-	-	-	908.38	908.38
(c) Bank balances other than (b) above	3	4,414.86	-	-	-	-	4,414.86	4,414.86
(d) Investments	1	-	-	1,304.70	-	-	1,304.70	1,304.70
(e) Other financial assets	1	-	-	45.66	-	-	45.66	45.66
<b>Total</b>		<b>31,399.36</b>	-	<b>1,350.36</b>	-	-	<b>32,749.72</b>	<b>32,749.72</b>
<b>Liabilities:</b>								
<b>Current</b>								
<b>Financial liabilities</b>								
(a) Borrowings	3	5,486.23	-	-	-	-	5,486.23	5,486.23
(b) Trade payables	3	6,112.96	-	-	-	-	6,112.96	6,112.96
(c) Other financial liabilities	3	1,645.48	-	-	-	-	1,645.48	1,645.48
<b>Total</b>		<b>13,244.67</b>	-	-	-	-	<b>13,244.67</b>	<b>13,244.67</b>

The carrying value and fair value of financial instruments by categories as of March 31, 2019 were as follows:

Particulars	Fair value hierarchy	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
<b>Assets:</b>								
<b>Non-current</b>								
(a) Other financial assets	3	1,217.50	-	-	-	-	1,217.50	1,217.50
<b>Current</b>								
(a) Trade receivables	3	19,214.06	-	-	-	-	19,214.06	19,214.06
(b) Cash and cash equivalents	3	981.19	-	-	-	-	981.19	981.19
(c) Bank balances other than (b) above	3	1,809.31	-	-	-	-	1,809.31	1,809.31
(d) Investments	1	-	-	2,023.46	-	-	2,023.46	2,023.46
<b>Total</b>		<b>23,222.06</b>	-	<b>2,023.46</b>	-	-	<b>25,245.52</b>	<b>25,245.52</b>
<b>Liabilities:</b>								
<b>Non-current</b>								
(a) Borrowings	3	475.44	-	-	-	-	475.44	475.44
<b>Current</b>								
(a) Borrowings	3	253.76	-	-	-	-	253.76	253.76
(b) Trade payables	3	2,459.11	-	-	-	-	2,459.11	2,459.11
(c) Other financial liabilities	3	2,004.39	-	-	-	-	2,004.39	2,004.39
<b>Total</b>		<b>5,192.70</b>	-	-	-	-	<b>5,192.70</b>	<b>5,192.70</b>

## Notes to consolidated financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

### Note 38: Financial risk management

#### Risk management framework

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The group's management risk policy is set by the Board of Directors of the Company. The group's activities expose it to a variety of financial risks : credit risk, liquidity risk and market risk relating to foreign currency exchange rate. The group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. A summary of the risks have been given below.

#### Credit risk

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to maturity financial assets.

The group primarily deals with Public Sector Enterprises and Government undertakings. Regarding credit exposure from customers, the group has a procedure in place aiming to minimise collection losses.

The carrying amount of trade receivables, deposits, cash and bank balances, bank deposits and interest receivable on deposits represents group's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Bank deposits and cash balances are placed with reputable banks and deposits are with reputable government, public bodies and others.

The credit quality of financial assets is satisfactory, taking into account the allowance for credit losses.

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associate with the industry and country in which customers operate.

An impairment analysis is performed at each reporting date on an individual basis for major receivables. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The group also holds deposits as security from certain customers to mitigate credit risk.

#### a. Trade and other receivables

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate and are derived from revenue earned from customers primarily located in India. The group has a process in place to monitor outstanding receivables on a monthly basis.

The group's exposure to credit risk for trade and other receivables where simplified approach of recognising expected credit loss is recognised

Particulars	Carrying amount	
	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Trade receivables (Gross)	25,902.39	19,803.06
Less: Expected credit loss	(966.55)	(589.00)
<b>Trade receivables as per the financial statements</b>	<b>24,935.84</b>	<b>19,214.06</b>

The group's exposure to credit risk for financial assets other than trade receivables, where 12 month expected credit loss is recognised

**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Carrying amount	
	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Cash and cash equivalents	908.38	981.19
Other bank balances	4,414.86	1,809.31
Other financial assets	1,185.94	1,217.50
Less: Expected credit loss	-	-
<b>Trade receivables as per the financial statements</b>	<b>6,509.18</b>	<b>4,008.00</b>

**Movement in Expected Credit loss**

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
	Opening balance	589.00
Add: provided during the year	377.55	(5.58)
Net re-measurement of ECL	966.55	589.00

**Significant estimates and judgements****Provision for expected credit loss on Trade receivables**

The allowance for doubtful debts are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the provision for expected credit loss calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Following are the financial assets carried at amortised cost at the reporting date.

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
	Trade receivables	24,935.84
Cash and cash equivalents	908.38	981.19
Other bank balances	4,414.86	1,809.31
Other financial assets	1,185.94	1,217.50
	<b>31,445.02</b>	<b>23,222.06</b>

**Liquidity risk**

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. The group manages its liquidity risk by ensuring, that it will always have sufficient liquidity to meet its liabilities when due. The group's Management is responsible for liquidity, funding as well as settlement management.

The group monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade payables and other financial liabilities. As at 31 March 2020, the expected cash flows from trade receivables is Rs. 24,935.84. ( As at March 31, 2019 - Rs 19,214.06)

## Notes to consolidated financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### (i) Financing arrangements

The group has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Expiring within one year (bank overdraft and other facilities)	4,790.24	14,251.55

### (ii) Maturities of financial liabilities

#### As at March 31, 2020

Particulars	within 12 months	1-5 Years	More than five years	Total carrying amount
Borrowings	5,486.23	-	-	5,486.23
Trade payables	6,112.96	-	-	6,112.96
Other financial liabilities (excluding trade payables)	1,645.48	-	-	1,645.47
	<b>13,244.67</b>	-	-	<b>13,244.66</b>

#### As at March 31, 2019

Particulars	within 12 months	1-5 Years	More than five years	Total carrying amount
Borrowings	253.76	475.44	-	729.20
Trade payables	2,459.11	-	-	2,459.11
Other financial liabilities (excluding trade payables)	1,144.04	-	-	1,144.04
	<b>3,856.91</b>	<b>475.44</b>	-	<b>4,332.35</b>

### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings and trade receivables. The sensitivity analyses in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post- retirement obligations; provisions; and the non-financial assets and liabilities.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2020 and 31 March 2019.

### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The group's exposure to the risk of changes in foreign exchange rates relates primarily to the trade/ other payables and trade/other receivables. The risks primarily relate to fluctuations in US Dollar, JPY and EURO against the functional currency of the group. The group's exposure to foreign currency changes for all other currencies is not material. The group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. The group has not entered into derivative instruments during the year.

**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

The group's foreign currency payables and receivables are as follows

**Exposure to currency risk**

The summary quantitative data about the group's gross exposure to currency risk is as follows:

Particulars	Currency	As at March 31, 2020		As at March 31, 2019	
		Amount in foreign currency	Amount in functional currency	Amount in foreign currency	Amount in functional currency
Amounts Receivable	USD	104.22	7,885.67	27.39	1,894.08
	EURO	-	-	1.46	113.36
Amounts Payable	USD	28.70	2,171.81	(7.33)	(506.66)
	GBP	0.03	2.48	-	-
	JPY	3.85	2.68	-	-
	CHF	-	-	-	(0.16)
	EURO	1.32	109.15	(0.20)	(15.36)

**Sensitivity analysis:**

A reasonably possible strengthening (weakening) of the USD, against INR would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasts sales and purchases.

Particulars	Profit and loss		Equity, net of tax	
	Strengthening of foreign currency	Weakening of foreign currency	Strengthening of foreign currency	Weakening of foreign currency
<b>31-Mar-2020 (one rupee movement)</b>				
USD	132.92	(132.92)	99.47	(99.47)
GBP	0.03	(0.03)	0.02	(0.02)
JPY	3.85	(3.85)	2.88	(2.88)
EURO	1.32	(1.32)	0.99	(0.99)
<b>31-Mar-19 (one rupee movement)</b>				
USD	20.06	(20.06)	13.05	(13.05)
EURO	1.26	(1.26)	0.82	(0.82)

**Price Risk**

The group invests its surplus funds primarily for short tenor in debt mutual funds measured at fair value through profit or loss. The following table demonstrate the sensitivity to a reasonably possible change in the price of the investments before tax:

Particulars	Increase/(decrease) in profit before tax	
	31 March 2020	31 March 2019
Increase by 1%	13.05	20.23
Decrease by 1%	(13.05)	(20.23)



## Notes to consolidated financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates. As the group has certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	31 March 2020	31 March 2019
<b>Change in interest rate</b>		
-increase by 50 basis points	1.72	2.42
-decrease by 50 basis points	(1.72)	(2.42)

### Note 39: Capital Management

The group's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and
- Maintain an optimal capital structure to reduce the cost of capital.

As at March 31, 2019, the group has only one class of equity shares. Consequent to the above capital structure there are no externally imposed capital requirements.

The group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The group monitors capital using a gearing ratio, which is debt divided by total capital. The group includes within debt, interest bearing loans and borrowings.

### Capital gearing ratio

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
<b>Borrowings</b>		
Current - Short term borrowings	5,486.23	253.76
Non current - Long term borrowings	-	475.44
Current maturities of long term borrowings	475.44	950.66
<b>Debt</b>	<b>5,961.67</b>	<b>1,679.86</b>
<b>Equity</b>		
Equity share capital	1,732.23	1,732.23
Other equity	52,282.85	48,224.10
<b>Total capital</b>	<b>54,015.08</b>	<b>49,956.33</b>
<b>Net debt to equity ratio</b>	<b>11%</b>	<b>3%</b>

**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 40: Dividends**

Particulars	March 31, 2020
a) Proposed dividend Rs. 1.20/- per fully paid-up share subject to the approval of shareholders in ensuing annual general meeting.	1,039.34
b) Final dividend declared for the year ended March 31, 2019 and paid during the year ended March 31, 2020 - Rs. 0.25/- per fully paid-up share	216.53
c) Final dividend declared for the year ended March 31, 2018 and paid during the year ended March 31, 2019 - Rs. 1.20/- per fully paid-up share	1,039.34

**41. Short term Lease**

<b>a) Nature of lease</b>	The company is engaged in one lease as lessee for its office premises
<b>b) Short term lease exemption</b>	The lease is cancellable at option of both the parties by giving 3 months notice in advance. Accordingly, the company has identified the lease as a short term lease and opted the short term lease exemption.
<b>c) Short term lease expenses</b>	Expenses recognised on account of short term leases is INR 67.89 lakhs (refer note 27)
<b>d) Cash outflow</b>	The lease rent paid is INR 67.89 lakhs

**42. Impact of Covid-19 pandemic on the business:**

The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lock-downs, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. The Company is engaged in the business of design, development and management of sub-systems for Radio frequency and microwave systems used in defence, space, meteorology and telecommunication.

Except for the delay due to the lockdown announced by the government, the Company has managed uninterrupted services to its Customers till date and will continue the same for the next 3 to 6 weeks based on Raw Material stocks available at the plant. The Company is able to continue their operations and supply chain with approximately 50% less workforce and following all precautions and compliance to COVID19.

Further, the company has carried out an assessment of the following based on certain assumptions, cumulative knowledge and understanding of the business, current indicators of future economic conditions:

- Going concern - based on the available cash flows and approved annual operating plan;
- the recoverability of receivables – considering past experience and communication with the customers;
- investments in Joint venture, inventories and carrying value of property, plant and equipment - expects to recover the carrying amount of these assets as at the balance sheet date.

Based on the assessment management has concluded that there are no material adjustments required in the financial statements.

The management has conducted the physical verification of inventories subsequent to the year end and the auditors have observed the physical verification.

Management believes that it has taken into account all the possible impact of known events arising from COVID 19 pandemic in the preparation of the financial statements. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The company will continue to monitor any material changes to future economic conditions.

**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 43: Additional Information required by Schedule III**

Name of the entity in the Group	Net Assets		Share in Profit/Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As a % of consolidated Profit/Loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of total comprehensive income	Amount
<b>Parent</b>								
<b>Astra Microwave Products Limited</b>								
Balance as at March 31, 2020	96.82%	52,295.15	110.87%	4,883.03	117.42%	(84.50)	110.76%	4,798.53
Balance as at March 31, 2019	95.90%	47,906.90	128.45%	1,253.98	98.54%	200.44	123.30%	1,454.42
<b>Subsidiaries incorporated in India</b>								
<b>Bhavyabhanu Electronics Private Limited</b>								
Balance as at March 31, 2020	0.21%	114.97	-4.73%	(208.21)	1.03%	(0.73)	-4.82%	(208.94)
Balance as at March 31, 2019	0.60%	301.51	-13.82%	(134.90)	1.25%	2.55	-11.22%	(132.35)
<b>Astra foundation</b>								
Balance as at March 31, 2020	0.01%	2.79	0.02%	1.09	0.00%	-	0.03%	1.09
Balance as at March 31, 2019	0.00%	1.69	0.06%	0.62	0.00%	-	0.05%	0.62
<b>Subsidiaries incorporated outside India</b>								
<b>AELIUS Semiconductors Pte. Ltd. Singapore</b>								
Balance as at March 31, 2020	0.53%	283.73	-0.37%	(16.16)	-18.45%	13.27	-0.07%	(2.89)
Balance as at March 31, 2019	0.60%	299.01	3.48%	34.00	0.20%	0.41	2.92%	34.41
<b>Investment as per equity method</b>								
<b>Joint venture incorporated in India</b>								
<b>Astra Rafael Comsys Private Limited</b>								
Balance as at March 31, 2020	2.44%	1,318.60	-2.93%	(128.89)	0.00%	-	-2.98%	(128.89)
Balance as at March 31, 2019	2.90%	-	-18.18%	(177.51)	0.00%	-	-15.05%	(177.51)
<b>Non Controlling Interests in all subsidiaries</b>								
Balance as at March 31, 2020	0.00%	(0.16)	0.00%	-	0.00%	-	0.00%	-
Balance as at March 31, 2019	0.00%	(0.16)	0.00%	-	0.00%	-	0.00%	-
<b>Total</b>								
Balance as at March 31, 2020		54,015.08		4,404.17		(71.97)		4,332.20
Balance as at March 31, 2019		48,508.95		976.20		203.41		1,179.61

**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Note 44: Interest in other entities**

The consolidated financial statements of the Group includes subsidiaries and jointly controlled entities (JCE) listed in the table below with the nature of Interest and country of incorporation of the entity

Name	Nature of interest	Country of incorporation	% effective equity interest by group		% effective equity interest by NCI	
			31 March 2020	31 March 2019	31 March 2020	31 March 2019
Bhavyabhanu Electronics Private Limited	Subsidiary	India	99.9989%	99.9989%	0.001%	0.001%
AELIUS Semiconductors Pte. Ltd. Singapore	Subsidiary	Singapore	100%	100%	-	-
Astra foundation	Subsidiary	India	99.90%	99.90%	0.10%	0.10%
Astra Rafael Comsys Private Limited	Joint venture	India	50%	50%	NA	NA

**Interest in Joint venture**

The Company has invested 50 % in Astra Rafael, a Joint venture with Rafael to focus on defence communication and specific Electronic Warfare segment and a business plan in terms of potential business opportunities. The Group's interest in Astra Rafael is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below: Joint venture has been consolidated using Equity method of consolidation.

**Commitments and contingent liabilities in respect of Joint Ventures**

Particulars	As at	
	31 March 2020	31 March 2019
Estimated amount of capital contracts remaining to be executed and not provided for	-	593.34

**Summarised financial information of Astra Rafael Comsys Private Limited (Joint venture)**

Particulars	As at	
	31 March 2020	31 March 2019
<b>Current assets</b>		
Inventories	1,631.75	-
<b>Financial assets</b>		
i. Investments	209.32	1,405.47
ii. Cash and cash equivalents	156.20	65.63
iii. Other bank balances	562.20	526.51
Current tax assets (net)	3.97	3.02
Other current assets	1,921.99	52.44
<b>Total Current Assets</b>	<b>4,485.43</b>	<b>2,053.07</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,847.88	356.41
Capital Work-in-progress	268.92	638.13

**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Intangible assets under development	<b>41.35</b>	51.14
<b>Financial assets</b>		
i. Other financial assets	<b>6.35</b>	6.35
Deferred tax assets (Net)	<b>344.38</b>	27.99
Other non-current assets	-	116.82
<b>Total Non Current Assets</b>	<b>2,508.88</b>	1,196.84
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
i. Trade payables		
a) Total outstanding dues of Micro Enterprises and Small Enterprises	<b>113.97</b>	-
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	<b>387.58</b>	7.65
ii. Other financial liabilities	<b>335.10</b>	21.11
Other current liabilities	<b>3,227.44</b>	33.16
<b>Total current liabilities</b>	<b>4,064.09</b>	61.92
<b>Non Current Liabilities</b>	-	-
<b>Total current liabilities</b>	-	-
<b>Net Assets</b>	<b>2,930.22</b>	3,187.99

**Reconciliation of group's share of Net assets in Joint venture with the carrying value**

Particulars	As at	
	31 March 2020	31 March 2019
Group's Share of Net assets in the Joint venture in INR	<b>1,465.11</b>	1,594.00
Less: Unrealised gain on sale of Property, plant and equipment	<b>(146.51)</b>	-
<b>Total</b>	<b>1,318.60</b>	1,594.00
Carrying value of investment under equity method	<b>1,318.60</b>	1,447.49

**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

**Summarised statement of Profit and Loss of Astra Rafael Comsys Private Limited**

Particulars	Year ended	Year ended
	31 March 2020	31 March 2019
<b>Revenue</b>		
Revenue from operations	215.24	232.65
Other income	78.82	144.64
<b>Total Revenue</b>	<b>294.06</b>	<b>377.29</b>
<b>Expense</b>		
Employees benefits expense	480.63	331.99
Depreciation and amortisation expenses	170.56	2.19
Other expenses	217.50	131.26
Tax expense		
- Current tax	-	-
- Deferred tax	(316.65)	27.99
<b>Total Expense</b>	<b>552.04</b>	<b>493.43</b>
Profit from continuing operations	(257.98)	(116.14)
Profit from discontinued operations	-	-
<b>Profit for the year</b>	<b>(257.98)</b>	<b>(116.14)</b>
Other comprehensive income <sup>1</sup>	-	-
<b>Total comprehensive income</b>	<b>(257.98)</b>	<b>(116.14)</b>

45. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosures.

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/ N-500016

For and on behalf of the Board of Directors

**Sunit Kumar Basu**  
Partner  
Membership Number: 55000

**AVINASH CHANDER**  
Chairman  
DIN :- 05288690

**S. GURUNATHA REDDY**  
Managing Director  
DIN :- 00003828

**M.V REDDY**  
Joint Managing Director  
DIN :- 00421401

Place : Hyderabad  
Date : June 24, 2020

**B V S NARASINGA RAO**  
Chief Financial Officer

**T. ANJANEYULU**  
Company Secretary  
FCS :- 5352











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