

**ASTRA MICROWAVE PRODUCTS LIMITED**

Regd. Office : ASTRA Towers, Survey No. 12(P), Kothaguda Post,  
Kondapur, Hitechcity, Hyderabad, Telangana, INDIA - 500084.  
Tel : +91-40-30618000, 30618001. Fax : +91-40-30618048  
E-mail : info@astramp.com, website : www.astramp.com  
CIN : L29309TG1991PLC013203

May 9, 2019

To  
The General Manager  
Department of Corporate Relations  
**BSE Limited**  
Sir Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai -400 001

To  
The Vice President,  
Listing Department  
**The National Stock Exchange of  
India Limited**  
Exchange Plaza  
Bandra Kurla Complex, Bandra (East)  
Mumbai 400 051

**Scrip code: 532493**

**Scrip code: ASTRAMICRO**

Dear sir,

**Sub: Outcome of Board Meeting - Reg.**

In continuation of our letter dated April 30, 2019, we wish to inform you that at its meeting held today, the Board of Directors of the Company approved the Audited Financial Results (Standalone and Consolidated) for the quarter / year ended March 31, 2019.

The Board of Directors have recommended for members approval payment of **Equity dividend @ Rs.0.25/- per share** (Face value: Rs.2/-) for the financial year 2018-19.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the following:

- 1) Statements showing the Audited Financial Results (Standalone and Consolidated) for the quarter/year ended March 31, 2019.
- 2) Auditors' Report on the Audited Financial Results - (Standalone and Consolidated).

We hereby confirm that the Statutory Auditors of the Company i.e. M/s.Price Waterhouse Chartered Accountants LLP, Chartered Accountants have issued the Audit Reports on Standalone and Consolidated Financial Statements of the Company for the Financial year ended March 31, 2019 with unmodified opinion.



Works :

Unit 1 : Plot No. 12, ANRICH Industrial Estate, Bollaram, Medak Dist., T.S. - 502325

Unit 2 : Plot No. 56A, ANRICH Industrial Estate, Bollaram, Medak Dist., T.S. - 502325

Unit 3 : Sy. No. 1/1, Imarath Kancha, Raviryala (Vil), Maheshwaram (Mdl) R.R.Dist., T.S. - 500005

Unit 4 : Sy. No. 1/1, Plot No. 18 to 21, Imarath Kancha, Hardware Park, Raviryala (V), Maheshwaram (M), R.R.Dist, T.S. - 500005

R&D Centre : Y.D.Archade, No. 327, 4th Cross, Opp: Sivaparvathi Kalyan Mantapa, OMBR Layout, Banaswadi, Bangalore, Karnataka - 560043



The board considered various fund raising options, including by way of issue of equity shares or any other instruments or security including fully/partly convertible equity shares/debentures or issue of warrants through qualified institutions placement, private placement/public issue of equity/debt securities, preferential issue, rights issue or through any other permissible mode and/or combination thereof as may be considered appropriate, subject to such approvals as may be required including the approval of the members at a general meeting or through postal ballot and further subject to such other statutory/regulatory approvals, as applicable.

Further the Board of Directors of the Company approved the request(s) received from the promoter group persons mentioned below for reclassifying themselves as "public" as permitted under Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 subject to the approval of shareholders, stock exchange and other regulatory authorities, if any:

Name	Shares	Percentage
K MURALI MOHAN	826500	0.95
A S S R REDDY	298727	0.34
LAKSHMI REDDY CHITTEPU	195450	0.23
PADMAVATHI CHITTEPU	161780	0.19
BHUMIREDDY LAKSHMI	112500	0.13
CHANDRASEKARA REDDY G	50620	0.06
SUBRAMANYAM J	29995	0.03
G THULASI DEVI	200	0.00
VENKATAMMA CHITTEPU	1672	0.00
NARAPU REDDY C V	50	0.00
T.SITARAMA REDDY	870000	1.00

The meeting of the Board of directors commenced at 12.00 A.M and concluded at 5.00 P.M.

We request you to take note of the above and arrange to bring this to the notice of all concerned.

Thanking you,

Yours faithfully,

**For Astra Microwave Products Ltd**

**T. Anjaneyulu**  
**Dy.G.M - Company Secretary**



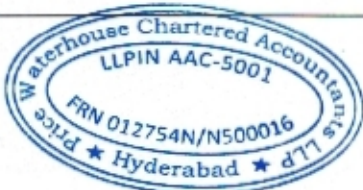


**ASTRA MICROWAVE PRODUCTS LIMITED**  
Registered Office : Astra Towers, Sy.No: 12(P), Kothaguda Post, Kondapur,  
HITECH City, Hyderabad, Telangana - 500084  
CIN: L29309TG1991PLC013203

Statement of Audited Standalone and Consolidated Financial Results for the quarter and year ended March 31, 2019 (Ind AS)

(Rs. In Lakhs)

Sl. No.	Particulars	Standalone Quarters ended			Standalone Year ended		Consolidated Year ended	
		31-Mar-19	31-Dec-18	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
<b>1</b>	<b>Income</b>							
	a) Revenue from operations	11,323.31	7,489.19	16,924.99	28,615.77	36,053.70	29,349.32	36,586.90
	b) Other income	251.45	256.73	304.76	2,449.22	834.86	2,452.20	845.66
	<b>Total income (a+b)</b>	<b>11,574.76</b>	<b>7,745.92</b>	<b>17,229.75</b>	<b>31,064.99</b>	<b>36,888.56</b>	<b>31,801.52</b>	<b>37,432.56</b>
<b>2</b>	<b>Expenses</b>							
	a) Cost of materials consumed	5,567.47	5,161.08	4,305.58	17,488.70	14,289.24	18,008.42	14,199.02
	b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	991.12	(798.84)	4,895.17	(1,560.15)	547.73	(1,786.14)	512.54
	c) Excise duty	-	-	-	-	365.68	-	366.72
	d) Employees benefits expense	1,726.48	1,474.25	2,312.73	6,148.57	6,589.02	6,502.55	6,949.55
	e) Depreciation and amortisation expenses	742.12	720.29	772.07	2,856.52	2,702.84	2,890.13	2,740.85
	f) Other expenses	1,047.87	738.27	1,018.29	3,560.67	3,308.03	3,746.94	3,469.94
	g) Finance costs	319.65	147.00	260.86	895.81	1,192.40	926.31	1,219.57
	<b>Total Expenses (a to g)</b>	<b>10,394.71</b>	<b>7,442.05</b>	<b>13,564.70</b>	<b>29,390.12</b>	<b>28,994.94</b>	<b>30,288.21</b>	<b>29,458.19</b>
<b>3</b>	<b>Profit before share of net profit of investment in Joint Venture accounted for using equity method and tax (1 - 2)</b>	<b>1,180.05</b>	<b>303.87</b>	<b>3,665.05</b>	<b>1,674.87</b>	<b>7,893.62</b>	<b>1,513.31</b>	<b>7,974.37</b>
<b>4</b>	Share of profit /(Loss) of Joint Venture accounted for using the equity method	-	-	-	-	-	(177.51)	-
<b>5</b>	<b>Profit before tax (1 - 2)</b>	<b>1,180.05</b>	<b>303.87</b>	<b>3,665.05</b>	<b>1,674.87</b>	<b>7,893.62</b>	<b>1,335.80</b>	<b>7,974.37</b>
<b>6</b>	Tax expenses							
	- Current tax expense/(credit)	301.45	104.20	393.33	452.82	1,691.27	452.82	1,718.62
	- Deferred tax expense/(credit)	144.09	15.82	547.01	(31.93)	380.51	(93.22)	410.63
	- MAT (credit)/utilisation	-	-	(247.20)	-	(247.20)	-	(264.04)
<b>7</b>	<b>Net profit for the period (3 - 4)</b>	<b>734.51</b>	<b>183.85</b>	<b>2,971.91</b>	<b>1,253.98</b>	<b>6,069.04</b>	<b>976.20</b>	<b>6,109.16</b>
<b>8</b>	<b>Other comprehensive income</b>							
	a) Items that will not be reclassified to profit or loss							
	(i) Remeasurements of post-employment benefit	252.78	18.45	73.77	308.11	73.77	311.82	76.14
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(88.34)	(6.45)	(25.53)	(107.67)	(25.53)	(108.82)	(26.61)
	b) Items that will be reclassified to profit or loss	-	-	-	-	-	-	-
	(i) Exchange differences on translation of foreign operations	-	-	-	-	-	0.41	(7.31)
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	-
	<b>Total other comprehensive income</b>	<b>164.44</b>	<b>12.00</b>	<b>48.24</b>	<b>200.44</b>	<b>48.24</b>	<b>203.41</b>	<b>42.22</b>
<b>9</b>	<b>Total comprehensive income (7 + 8)</b>	<b>898.95</b>	<b>195.85</b>	<b>3,020.15</b>	<b>1,454.42</b>	<b>6,117.28</b>	<b>1,179.61</b>	<b>6,151.38</b>
<b>10</b>	Profit for the period attributable to Owners of the Company	-	-	-	-	-	976.20	6,109.00
	Non-controlling interest	-	-	-	-	-	-	0.16
<b>11</b>	Other Comprehensive Income attributable to Owners of the Company	-	-	-	-	-	203.41	42.22
	Non-controlling interest	-	-	-	-	-	-	-
<b>12</b>	Total Comprehensive Income attributable to Owners of the Company	-	-	-	-	-	1,179.61	6,151.22
	Non-controlling interest	-	-	-	-	-	-	0.16
<b>13</b>	Earnings per equity share (in Rs.)							
	a) Basic	0.85	0.21	3.43	1.45	7.01	1.13	7.05
	b) Diluted	0.85	0.21	3.43	1.45	7.01	1.13	7.05
<b>14</b>	Paid-up equity share capital (Rs. 2/- per equity share)	1,732.23	1,732.23	1,732.23	1,732.23	1,732.23	1,732.23	1,732.23





**Notes:**

- 1 The above Financial results as recommended by the Audit Committee were considered and approved by the Board of Directors at their meeting held on May 09, 2019.

Effective April 01, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. The Company has adopted Ind AS 115 using the modified retrospective approach. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 01, 2018). The standard is applied only to contracts that are not completed as at the date of initial application and the comparative information in the audited financial results is not restated. The adoption of the standard has:

- (a) resulted in a decrease of Rs. 73.88 Lakhs (net of taxes) in the opening retained earnings as on April 01, 2018.  
 (b) resulted in an increase in the Revenue from operations for the quarter ended March 31, 2019 by Rs. 80.87 Lakhs and for the year ended March 31, 2019 by Rs. 113.26 Lakhs, respectively.  
 (c) resulted in increase in Finance costs for the quarter ended March 31, 2019 by Rs. 289.63 Lakhs and for the year ended March 31, 2019 by Rs. 442.20 Lakhs, respectively.

The impact is on account of significant financing component in respect of advances received from customers. Had the company not applied Ind AS 115, the Company's Earnings per Share for the quarter ended March 31, 2019 would have been Rs. 1.00 per share instead of Rs. 0.85 per share and the Company's Earnings per Share for the year ended March 31, 2019 would have been Rs. 1.69 per share instead of Rs. 1.45 per share, respectively.

- 3 The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter of the current financial year.
- 4 The Board of Directors have recommended a dividend of Rs.0.25 per equity share of Rs.2/- for the year ended March 31, 2019 at their meeting held on May 09, 2019 to be approved by the shareholders at the Annual General Meeting
- 5 The Company has only one business segment i.e. it deals in RF & Microwave products and hence segment wise reporting is not applicable.
- 6 The company has an order book of Rs. 1,167 Crores as at March 31, 2019 which is executable in the next 12 to 24 months period. Orders booked during the year are Rs. 1,002 Crores.
- 7 The Company created a Debenture Redemption Reserve account and transferred from its profits an amount of Rs. 12.50 crores as at March 31, 2018. These debentures were repaid during the current year and accordingly the balance in Debenture Redemption Reserve was transferred to General Reserve as at the date of repayment i.e. October 29, 2018
- 8 Post the applicability of Goods and Service Tax (GST) Act with effect from July 1 2017, revenue from operations is disclosed net of GST, whereas till June 30 2017 it included excise duty. Accordingly the revenue from operations for the year ended March 31 2019 is not comparable with the previous periods presented in the results.

- 9 As required by Listing Obligations and Disclosure Requirements 2015, additional information is given below.

Particulars	Formula	31-Mar-19	31-Mar-18
Asset coverage ratio	$\frac{((\text{Total assets} - \text{Intangible assets}) - (\text{Current liabilities} - \text{Short term debt}))}{\text{Total Debt}}$	35.80	5.78
Debt Equity Ratio	$\frac{\text{Gross total borrowings}}{(\text{Equity share capital} + \text{Other equity})}$	0.03	0.19
Debt service coverage ratio	$\frac{(\text{Profit before tax} + \text{Finance costs} + \text{Depreciation and amortisation expenses})}{(\text{Finance costs} + \text{Principal repayments for long term loans})}$	4.07	6.71
Interest service coverage ratio	$\frac{(\text{Profit before tax} + \text{Finance costs} + \text{Depreciation and amortisation expenses})}{\text{Finance costs}}$	11.96	9.89
Net worth (Rs. In lacs)	Equity Share Capital + Other Equity	50,295.08	50,167.52
Credit rating		Long term - CRISIL A/Stable Short term - CRISIL A1/(Reaffirmed)	Long term - CRISIL A+/Stable (Reaffirmed) Short term - CRISIL A1/(Reaffirmed)
Debenture redemption reserve (Rs. In lacs)		-	1,250.00

- 10 Previous period/year figures have been regrouped /rearranged wherever considered necessary.

For and on behalf of the Board of Directors

Dr. Avinash Chander  
Chairman



Place: Hyderabad  
Date: May 09, 2019





**Statement of Assets and Liabilities**

	Particulars	Rs. In Lacs		Rs. In Lacs	
		Standalone (Ind AS)		Consolidated (Ind AS)	
		As at	As at	As at	As at
		31-Mar-19 (Audited)	31-Mar-18 (Audited)	31-Mar-19 (Audited)	31-Mar-18 (Audited)
<b>A</b>	<b>ASSETS</b>				
	<b>1) Non-current assets</b>				
	Property, plant and equipment	17,643.62	19,278.72	17,817.42	19,447.84
	Capital work-in-progress	243.39	72.50	243.39	72.50
	Investment in Subsidiaries	763.29	557.56	-	-
	Investment in Joint Venture	1,625.00	0.10	1,447.49	0.20
	Financial Assets				
	Other financial assets	1,288.67	1,703.69	1,289.01	1,707.91
	Deferred Tax Asset	-	-	87.10	26.97
	Other non-current assets	124.45	65.15	125.21	65.16
	<b>Total non-current assets</b>	<b>21,688.42</b>	<b>21,677.72</b>	<b>21,009.62</b>	<b>21,320.58</b>
	<b>2) Current assets</b>				
	Inventories	13,043.83	10,376.09	13,977.06	10,717.55
	Financial assets				
	i. Investments	2,023.46	12,573.31	2,023.46	12,573.31
	ii. Trade receivables	18,965.24	18,772.78	19,214.06	19,040.59
	iii. Cash and cash equivalents	707.53	2,064.46	981.19	2,134.31
	iv. Other Bank Balances	1,809.31	833.27	1,809.31	833.27
	Current Tax assets(net)	524.67	-	538.20	-
	Other current assets	2,582.67	1,079.78	2,057.37	1,010.52
	<b>Total current assets</b>	<b>39,656.71</b>	<b>45,699.69</b>	<b>40,600.65</b>	<b>46,309.55</b>
	<b>Total assets</b>	<b>61,345.13</b>	<b>67,377.41</b>	<b>61,610.27</b>	<b>67,630.13</b>
<b>B.</b>	<b>EQUITY AND LIABILITIES</b>				
	<b>1) Equity</b>				
	Equity share capital	1,732.23	1,732.23	1,732.23	1,732.23
	Other equity	48,562.85	48,435.29	48,224.10	48,371.35
	<b>Equity attributable to Owners of the Company</b>	<b>50,295.08</b>	<b>50,167.52</b>	<b>49,956.33</b>	<b>50,103.58</b>
	Non-controlling interests	-	-	0.17	0.16
	<b>Total equity</b>	<b>50,295.08</b>	<b>50,167.52</b>	<b>49,956.50</b>	<b>50,103.74</b>
	<b>LIABILITIES</b>				
	<b>2) Non-current liabilities</b>				
	Financial liabilities				
	Borrowings	475.44	1,426.10	475.44	1,426.10
	Provisions	-	118.60	23.81	133.29
	Deferred tax liabilities(net)	471.73	435.67	471.72	435.67
	<b>Total non-current liabilities</b>	<b>947.17</b>	<b>1,980.37</b>	<b>970.97</b>	<b>1,995.06</b>
	<b>3) Current liabilities</b>				
	Financial liabilities				
	i. Borrowings	5.31	2,000.00	253.76	2,172.67
	ii. Trade payables	2,240.83	1,395.39	2,459.11	1,468.53
	iii. Other financial liabilities	1,133.13	6,580.08	1,144.04	6,580.08
	Provisions	321.94	472.13	324.21	499.41
	Current tax liabilities (Net)	-	160.46	-	145.66
	Other current liabilities	1,271.02	2,271.16	1,316.45	2,304.30
	Contract liabilities	5,130.65	2,350.30	5,185.23	2,360.68
	<b>Total current liabilities</b>	<b>10,102.88</b>	<b>15,229.52</b>	<b>10,682.80</b>	<b>15,531.33</b>
	<b>Total liabilities</b>	<b>11,050.05</b>	<b>17,209.89</b>	<b>11,653.77</b>	<b>17,526.39</b>
	<b>Total equity and liabilities</b>	<b>61,345.13</b>	<b>67,377.41</b>	<b>61,610.27</b>	<b>67,630.13</b>



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# Price Waterhouse Chartered Accountants LLP

## Independent Auditor's 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, 2019, 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, 2019 and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.
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.



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Hyderabad - 500 034

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Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002


Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)



## Price Waterhouse Chartered Accountants LLP

### Key audit matters

4. 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 description	How our audit addressed the key audit matter:
<p><b>Finance cost recognised on transitioning to Ind AS 115, Revenue from contracts with customers</b></p> <p>(Refer Note 41 to the standalone financial statements)</p> <p>The Company is engaged in the business of design, development and manufacture of sub-systems for Radio Frequency and microwave systems which involves sale of products and services.</p> <p>Ind AS 115 (Revenue from contracts with customers) is applicable to the Company from April 01, 2018.</p> <p>In applying the guidance specified in Ind AS 115 in respect of certain long term contracts entered into for sale of products, the Company has identified significant financing component in respect of advances received from customers and has recognised finance cost as explained in the aforesaid note.</p> <p>This is a key audit matter as the amount is significant to the financial statements and involves Management evaluation of assumptions and estimates in determining the discount rate and the duration of the project.</p>	<p>Our procedures, in relation to revenue recognition for those contracts, included:</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating the design and testing the operating effectiveness of controls in respect of revenue recognition</li> <li>• Reading the underlying contracts with customers and understanding the nature of advances received</li> <li>• Assessing the appropriateness of information, such as sale orders, and stage of completion of the project including expected completion date, used by the Management, to determine the duration of the project</li> <li>• Evaluating the assumptions used by the Management in calculating the discount rate such as incremental borrowing rate and interest on working capital arrangement in accordance with Ind AS 115.</li> </ul> <p>Based on the above procedures performed, we did not find any significant exceptions in the finance cost recognized on transitioning to Ind AS 115, Revenue from contracts with customers.</p> <div style="text-align: right;">  </div>

## Price Waterhouse Chartered Accountants LLP

Key audit matter description	How our audit addressed the key audit matter:
<p><b>Appropriateness of the Expected credit loss (“ECL”) provision in respect of trade receivables carried at amortized cost</b></p> <p>(Refer Note 7 and Note 38 to the standalone financial statements)</p> <p>The Company has trade receivables aggregating to Rs. 19,552.99 lakhs as at March 31, 2019, 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. The provision for ECL as at March 31, 2019 is Rs. 587.75 lakhs.</p> <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>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> <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> <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

5. The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Directors’ report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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. If, based on the work we have performed and the reports of the other auditors as furnished to us, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.





## **Price Waterhouse Chartered Accountants LLP**

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

6. 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.
7. 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**

8. 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.
9. 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.



## Price Waterhouse Chartered Accountants LLP

- 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.
10. 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.
  11. 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.
  12. 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.






# Price Waterhouse Chartered Accountants LLP

## Report on other legal and regulatory requirements

13. 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.
14. 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 over financial reporting 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 as at March 31, 2019 for which there were no material foreseeable losses. However it did not have any long-term derivative contracts as at March 31, 2019.
    - 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, 2019

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016  
Chartered Accountants

  
Sunit Kumar Basu  
Partner  
Membership Number 55000

Place: Hyderabad  
Date: May 09, 2019

# Price Waterhouse Chartered Accountants LLP

## 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, 2019 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 and joint venture as at March 31, 2019, of consolidated total comprehensive income (comprising of profit and loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.
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 14 of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our opinion.



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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)



# Price Waterhouse Chartered Accountants LLP

Independent Auditor's Report  
To the Members of Astra Microwave Products Limited  
Report on the Consolidated Financial Statements

## Key Audit Matters

4. 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 description	How our audit addressed the key audit matter:
<p><b>Finance cost recognised on transitioning to Ind AS 115, Revenue from contracts with customers</b></p> <p>(Refer Note 41 to the consolidated financial statements)</p> <p>The Group is engaged in the business of design, development and manufacture of sub-systems for Radio Frequency and microwave systems which involves sale of products and services.</p> <p>Ind AS 115 (Revenue from contracts with customers) is applicable to the Group from April 01, 2018.</p> <p>In applying the guidance specified in Ind AS 115 in respect of certain long term contracts entered into for sale of products, the Group has identified significant financing component in respect of advances received from customers and has recognised finance cost as explained in the aforesaid note.</p> <p>This is a key audit matter as the amount is significant to the consolidated financial statements and involves management evaluation of assumptions and estimates in determining the discount rate and the duration of the project.</p>	<p>Our procedures, in relation to revenue recognition for those contracts, included:</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating the design and testing the operating effectiveness of controls in respect of revenue recognition.</li> <li>• Reading the underlying contracts with customers and understanding the nature of advances received</li> <li>• Assessing the appropriateness of information, such as sale orders, and the stage of completion of the project including expected completion date, used by the management, to determine the duration of the project</li> <li>• Evaluating the assumptions used by the management in calculating the discount rate such as incremental borrowing rate and interest on working capital arrangement in accordance with Ind AS 115.</li> </ul> <p>Based on the above procedures performed, we did not find any significant exceptions in the finance cost recognized on transitioning to Ind AS 115, Revenue from contracts with customers.</p>



# Price Waterhouse Chartered Accountants LLP

Independent Auditor's Report  
To the Members of Astra Microwave Products Limited  
Report on the Consolidated Financial Statements

Key audit matter description	How our audit addressed the key audit matter:
<p><b>Appropriateness of the Expected credit loss ("ECL") provision in respect of trade receivables carried at amortized cost</b></p> <p>(Refer Note 7 and Note 38 to the consolidated financial statements)</p> <p>The Group has trade receivables aggregating to Rs. 19,803.06 lakhs as at March 31, 2019, 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, 2019 is Rs. 589 lakhs.</p> <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>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> <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> <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

5. 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 auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 14 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.





# Price Waterhouse Chartered Accountants LLP

Independent Auditor's Report  
To the Members of Astra Microwave Products Limited  
Report on the Consolidated Financial Statements

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. 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.
7. 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 and 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.
8. 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

9. 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.





# Price Waterhouse Chartered Accountants LLP

Independent Auditor's Report  
To the Members of Astra Microwave Products Limited  
Report on the Consolidated Financial Statements

10. 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 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 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 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.
11. 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.
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





# Price Waterhouse Chartered Accountants LLP

Independent Auditor's Report  
To the Members of Astra Microwave Products Limited  
Report on the Consolidated Financial Statements

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 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

14. We did not audit the financial statements of 3 subsidiaries whose financial statements reflect total assets of Rs. 2,002.35 lakhs and net assets of Rs. 602.21 lakhs as at March 31, 2019, total revenue of Rs. 1,377.42 lakhs, total comprehensive Loss (comprising of profit and loss and other comprehensive income) of Rs. 97.75 lakhs and net cash flows amounting to Rs. 203.60 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of loss of Rs. 177.51 lakhs for the year ended March 31, 2019 as considered in the consolidated Ind AS 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 Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, 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 venture, is based solely on the reports of the other auditors.
15. The financial statements of 1 subsidiary entity located outside India, included in the consolidated financial statements, which constitute total assets of Rs. 396.43 lakhs and net assets of Rs. 299.01 lakhs as at March 31, 2019, total revenue of Rs. 273.74 lakhs total comprehensive income (comprising of profit and loss and other comprehensive income) of Rs. 33.97 lakhs and net cash flows amounting to Rs. 195.01 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 or financial information certified by the management.



# Price Waterhouse Chartered Accountants LLP

Independent Auditor's Report  
To the Members of Astra Microwave Products Limited  
Report on the Consolidated Financial Statements

## Report on Other Legal and Regulatory Requirements

16. 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, 2019 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 and joint venture incorporated in India is disqualified as on March 31, 2019 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, of pending litigations on the consolidated financial position of the Group. Refer Note 33 to the consolidated financial statements.
  - ii. The Group, its joint venture had long-term contracts as at March 31, 2019 which there were no material foreseeable losses. However it did not have any long-term derivative contracts as at March 31, 2019.



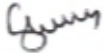


## **Price Waterhouse Chartered Accountants LLP**

Independent Auditor's Report  
To the Members of Astra Microwave Products Limited  
Report on the Consolidated Financial Statements

- 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, 2019.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016  
Chartered Accountants



Sunit Kumar Basu  
Partner  
Membership Number 55000

Place: Hyderabad  
Date: May 09, 2019