

**CHAIRMAN'S ADDRESS TO THE MEMBERS OF
ASTRA MICROWAVE PRODUCTS LIMITED**



**At The 30th Annual General Meeting through Video Conferencing/Other
Audio Visual Means
on Thursday, the 26th August, 2021 at 3.00 P.M**

Ladies and Gentlemen,

Welcome to the 30th Annual General Meeting of Astra Microwave Products Ltd., It is a pleasure to connect with all of you again, although virtually. On behalf of Astra Board of Directors, I want to thank you for taking your time out to join us today. Your support and confidence in us, even in uncertain times like these, drive us to look for more ways to do more, and create greater value.

Before we get into discussion of formal agenda, with your permission I would like to place on record valuable service rendered by Mr.V.V.R.Sastry, Independent Director and Chairman of the Audit Committee and Mr.B.L.N.Raju, Independent Director and Chairman of Nomination and Remuneration Committee and thank them for the same. Mr.V.V.R.Sastry and Mr.B.L.N.Raju, were associated with the Company for a period of 5 years and retired on 28th January, 2021.

COVID-19 Impact

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.

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. The Company has vaccinated its entire work force as of June, 2021 and is able to continue their operations following all precautions and compliance to COVID-19 instructions.

The Company 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.

Results of Operations:

The Company could achieve around 40% top line growth for the year despite COVID-19 challenges. The bottom line has not grown in proportion to top line growth as the mix of sales skewed to exports which carries low gross margin. We are confident to improve profit margins in the coming years.

Orders booked for the year is more than Rs.900 cr and the Company carries an order book of more than Rs1500 cr at the end of the year.

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, 2021.

Business Highlights:

During the year your company successfully executed major contracts like :

#Proto AAAU for SBR project

AATRU for LCA plat forms .

#Commissioned Doppler weather Radars in IMD Network.

Successful in bagging turnkey projects like setting up High power Radiation mode T&E facility and 7.3 Mtr telemetry systems.

Expanding technology base, with more thrust on Radars and Home land Security product segment, which will contribute sustainable growth in years to come.

Business prospects:

With an order backlog of close to Rs.1500Cr, your company is expected to deliver at least 10 to 15 % YOY growth for next few years. As highlighted above, your Company is investing resources in developing technologies, which can drive its top line growth much faster. Your Company is also investing to add products in Robotic segment which find application in Defence and civilian applications.

Expansion programs:

The company will continue to look at organic and in organic options to stabilize top line performance as present business which is largely driven by sub-systems and project driven is lumpy in nature.

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

Joint Venture and Subsidiary Companies:

Astra Rafael joint venture is up and running from August 2019 and has started commercial production during the current financial year. It has shipped its first consignment to M/s Rafael, Israeli on 11/06/2021. Presently it has an order book of more than Rs.700 cr and is expected to turn profitable by the end of FY 2023.

Your joint venture Company is one of few Companies selected to develop and demonstrate Software Defined Radios for Indian Army on NCNC basis. This opportunity will open doors for top line growth in the years to come if your Company comes out successful in NCNC trails.

It is also attempting to enter new product areas like Electro Optics etc.,

M/s. Aelius Semiconductor, Singapore, wholly owned subsidiary is engaged in design and development of MMICs. It is doing well on technology front and reported Rs.4.37 cr of revenues for the year.

M/s Bhavya Bhanu Electronics, wholly owned subsidiary which was set-up for meeting captive consumption of AMPL has reported Rs.212.49 crores of revenues for the year.

Both the subsidiaries are in good shape and expected to do well in the coming years.

I would like to conclude by saying that your company has delivered excellent performance during the year and the coming years are promising.

(Dr. Avinash Chander)

Chairman