



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

**At The Twenty Ninth Annual General Meeting through Video Conferencing/
Other Audio Visual Means
on Wednesday, the 9th September, 2020 at 3.00 P.M**

Ladies and Gentlemen,

Welcome to the 29th Annual General Meeting of Astra Microwave Products Ltd., It is a pleasure to connect with all of you again, although this time we meet virtually. On behalf of the Astra Board of Directors, I want to thank you for taking the 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.

COVID-19 Impact

Due to the nationwide lockdown announced by the Government of India in the month of March 2020 to respond to the COVID-19 outbreak, the operations of the Company were impacted. The Company has temporary shut-down all its plants from 22/03/2020 to 03/05/2020. Under normal conditions, the company could have executed around Rs.40-50 cr of business during this period. This business is not lost but its execution got postponed. Also, the company made effective use of this time to upgrade /fine tune/ learning of new skills of manpower through online training programs/seminar. Company also facilitated work from home wherever possible to ensure business continuity. Company lost 31 working days because of lock down and re-opened operations partially from 04/05/2020 and presently operating with full capacity. Given the prevailing difficult scenario in the country, it is taking time to get fully going right from supply chain to delivery of goods. COVID-19 break may impact decision at various points in the business cycle and consequently delay in final clearances etc., In few cases getting inputs on time is also critical to convert the potential business to reality.

There is no material impact on Company's financial results as at March 31, 2020 and carrying value of its Assets. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

Results of Operations:

We were able to turn around the business and achieve projected sales and profitability for this year from low level performance of previous year. It has recorded more than 60% growth in sales and over 270% in profitability on standalone basis. 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.

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.

Orders booked for the year is more than Rs.700 cr and the Company carries an order book of more than Rs.1380 cr.

Business Highlights:

- Received First fully phased array Radar order from DRDO.
- Signed contract for Course Correction fuse development under TDF from DRDO.
- Successful in driving the RF AESA based Seekers towards an engagement model.
- Successful in bagging the proto array of a large project in the making.
- Akash-7Sq order for sub-systems from DPSUs started getting in.
- Worked on Good partnership models :
 - With BEL on an Airforce project
- Touched New Business Areas in the form of :
 - Ka band Sub-systems for High Through put Satellites.
 - Sizeable Medical business with an Indian medical OEM.

Business prospects:

With an order book of close to Rs.1, 400 cr, 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 that facilitates its progress into Radar systems of small scale 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:

Your 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 Company budgeted to spend about Rs.30 cr 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 is expected to start commercial production by end of this year. It has an order book of close to Rs.693 cr, which is executable in the next 2 to 3 years.

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.2.46 cr of revenues for the year.

M/s. Bhavyabhanu Electronics, wholly owned subsidiary which was set-up for meeting captive consumption of AMPL has reported Rs136.61 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