

ASTRA MICROWAVE PRODUCTS LIMITED
Registered Office: 'ASTRA TOWERS', Survey No:12 (Part),
Kothaguda Post, Kondapur, Hitech City,
Hyderabad – 500084.
CIN: L29309TG1991PLC013203

POLICY ON MATERIAL SUBSIDIARIES

1.Preamble:

The Board of Directors (the “Board”) of Astra Microwave Products Limited (the “Company”), has adopted the following policy and procedures and disclosures with regard to determination of Material Subsidiaries.

The Board may review and amend this policy from time to time.

This Policy will be applicable to the Company. This policy is formulated to identify the material subsidiaries, disclosures pertaining to subsidiaries to the Board of Directors and Audit Committee as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

2.Purpose:

This policy is framed as per Listing Obligations and Disclosure Requirements Regulations, 2015 of the Securities and Exchange Board of India is intended to determine the material subsidiaries, disclosure of significant transactions or arrangement of the material unlisted subsidiaries, policy towards disposal of shares held in the material subsidiary and review of financials, particularly the investments made by all the unlisted subsidiary companies.

3.Definitions:

- i) **Audit Committee:** means Committee of Board of Directors of the Company.
- ii) **“Board of Director or Board”** means the Board of Directors of Astra Microwave Products Limited, as constituted from time to time.
- iii) **“Policy”** means Policy on Material Subsidiary.
- iv) **“Significant Transaction or Arrangement”** shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be of the unlisted subsidiary for the immediately preceding accounting year.
- v) **“Subsidiary”** means a subsidiary as defined in Section 2(87) of the Companies Act, 2013.



4. Appointment of Independent Directors on the Board of Subsidiary Company.

The Company shall appoint atleast one independent Director on its Board as a Director on the Board of Directors of a unlisted material Subsidiary, whether incorporated in India or not.

Explanation- For the purposes of this provision, notwithstanding anything to the contrary contained in regulation 16, the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.”

5.Review by Audit Committee :

The Company shall place before the Audit Committee on a quarterly basis the summary of the financial statements of the Subsidiary Company. The detailed audited financial statements of the subsidiary shall be placed before the Audit Committee at the end of each financial year. The Audit Committee of the Company shall review all investments made by the unlisted subsidiary company on a quarterly basis. The Audit Committee shall recommend to the Board its concerns, if any about the investments made by the unlisted subsidiary companies.

6.Review by the Board of Directors :

The minutes of the Board Meetings of the unlisted subsidiary company shall be placed at the Board meeting of the company on a quarterly basis.

The Management shall bring to the attention of the Board all significant transactions and arrangements entered into by the unlisted subsidiary company on a quarterly basis and the information shall be part of the agenda of every board meeting held for approving quarterly/annual financial results.

7.Material Subsidiary :

“Material Subsidiary” shall mean a subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed company and its subsidiaries in the immediately preceding accounting year.

8. Shareholders’ Approval :

The Company shall take prior approval of the shareholders by way of special resolution.

- a) if it wants to reduce its holding either on its own or with other subsidiaries to less than or equal to 50% or if it wants to cease the exercise of control over the material subsidiary.
- b) for sale, lease or disposal of assets of the material subsidiary amounting to more than 20% of the assets of the material subsidiary.



The above approvals from shareholders shall not be required if the divestment in the subsidiary or sale/lease or disposal of the assets of the material subsidiary is made under a scheme of arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

9. Disclosures:

The Company shall disclose the policy for determining Material Subsidiaries on the Company's website and a web link thereto shall be provided in the Annual Report.

10. Secretarial Audit:

The Company and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex a secretarial audit report given by a company secretary in practice, in such form as may be specified with the annual report of the Company.

Amendments:

The Board of Directors will review the above Policy from time to time and make suitable modifications, as may be necessary.

Conflict of law clause:

Any provision in this policy, insofar as it is inconsistent or contradictory with the provisions of law and/or any statutory enactments shall, to the extent of such inconsistency, be void and the provisions of law/statutory enactment shall prevail.

For Astra Microwave Products Ltd.


S. Gurnatha Reddy
Managing Director