ASTRA MICROWAVE PRODUCTS LIMITED
Regd. Office: ASTRA Towers, Survey No. 12(P), Kothaguda Post
Kondapur, HITEC City, Hyderabad, Telangana, INDIA - 500084
Tel : +91 40 46618000, 46618001. Fax : +91 40 46618048
Email : mktg@astramwp.com, website : www.astramwp.com
CIN: L29309TG1991PLC013203

REPORT ADOPTED BY THE COMMITTEE OF INDEPENDENT DIRECTORS OF ASTRA MICROWAVE PRODUCTS LIMITED ("AMPL" OR "DEMERGED COMPANY" OR "COMPANY"), RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT BETWEEN COMPANY AND ASTRA SPACE TECHNOLOGIES PRIVATE LIMITED ("ASTPL" OR "RESULTING COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS UNDER SECTIONS 230-232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AT ITS MEETING HELD ON SATURDAY, 06TH JUNE, 2026.

1. Background

1.1. A meeting of the Committee of the Independent Directors of the Company was held on **Saturday**, 06th June 2026, in order to consider and accordingly make a recommendation to the Board of Directors of the Company (**"Board"**) the draft Scheme of Arrangement between the Company and ASTPL and their respective shareholders and creditors under Section 230 to Section 232, and other applicable provisions of the Companies Act, 2013 (**"the Act"**) on the terms and conditions as stated therein (**"Scheme"**).

1.2. In terms of the Circular bearing no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 'Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub- rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 dated 20 June, 2023) (**"SEBI Master Circular"**) or any other circulars issued by the Securities and Exchange Board of India (**"SEBI"**), prescribing the compliance requirements for schemes of arrangement involving listed companies in each case, as amended from time to time, (collectively, the **"SEBI Scheme Circulars"**), a report from the Committee of Independent Directors recommending the draft Scheme is required, taking into consideration, inter alia, that the Scheme is not detrimental to the shareholders of the Company. This report of the Committee of Independent Directors is made in compliance with the requirements of the SEBI Scheme Circulars issued by SEBI pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**).

2. Overview of the Scheme

The Scheme is pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act and provides for, inter alia, the following:

i. demerger, transfer and vesting of the Demerged Undertaking, comprising of the Space, Meteorology and Hydrology Business from the Demerged Company into the Resulting Company on a going concern basis, and issue of shares by the Resulting Company to the shareholders of the Demerged Company, in accordance with Share Entitlement Ratio in consideration thereof, in accordance with the provisions of Section 2(35) of the Income Tax Act, 2025 (or any corresponding provisions thereof upon statutory re-enactment thereof) and other relevant provisions thereto ("IT Act");

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ii. various other matters consequential or otherwise integrally connected therewith in the manner set out in the Scheme.

Words and expressions, used in capitalized form but not defined in this Report, shall have the meaning ascribed to them in the Scheme.

3. Rationale of the Scheme

i. The Demerged Company is engaged in the business of design, development and manufacture of sub-systems for Radio Frequency and microwave systems used in defence, space, meteorology and telecommunication. The Demerged Company is engaged in multiple businesses, including Radar Electronics, Electronic Warfare, Telemetry, Space, Meteorology and Hydrology. As part of its strategic re-alignment, the Demerged Company proposes to hive off its Space, Meteorology and Hydrology business into a separate entity;

ii. The proposed demerger is intended to create two sector-focused listed entities, namely: (a) Radar Electronics, Electronic Warfare and Telemetry business focused entity; and (b) Space, Meteorology and Hydrology focused entity;

iii. The Space, Meteorology and Hydrology business operates in a sector with distinct industry characteristics, competitive dynamics, regulatory environment, and risk profile, necessitating a differentiated growth strategy aligned with its specific market opportunities.

iv. A standalone Space, Meteorology and Hydrology entity would be better positioned to attract investors, strategic partners, lenders, and other stakeholders with sector-specific interests.

v. The demerger is expected to, inter alia:

(a) enable focused management attention and operational efficiency by creating an independent company exclusively dedicated to the Space, Meteorology and Hydrology business;

(b) facilitate adoption of tailored growth strategies and capital allocation suited to the Space, Meteorology and Hydrology sector;

(c) to position the Space, Meteorology and Hydrology business to pursue tailored growth strategies and market opportunities for its growth; and

(d) unlocking the value of the Demerged Undertaking for the shareholders of the Demerged Company.

The Scheme is in the interests of all stakeholders of the Demerged Company and the Resulting Company.

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The Appointed Date for the proposed Scheme means the opening of business on 01 April 2027. The Effective Date for the proposed Scheme means the date which will be the first day of the month following the month in which the Parties mutually acknowledge in writing that all the conditions precedent set forth in Clause 18 of the Scheme are fulfilled or waived.

4. **Consideration for the Scheme**

4.1 Upon effectiveness of the Scheme, in consideration of the transfer and vesting of the Demerged Undertaking from the Demerged Company to the Resulting Company in terms of the Scheme, each shareholder of the Demerged Company whose name is recorded in the Register of Members and records of the depository as a shareholder of the Demerged Company as on the Record Date (as defined in the Scheme) shall be issued and allotted one (1) fully paid-up equity share of the Resulting Company, having a face value of Rs. 2 (Rupees Two) each, for every one (1) fully paid-up equity share of the Demerged Company having a face value of Rs. 2 (Rupees Two) each as held by such shareholder in the Demerged Company **("Share Entitlement Ratio")** without any further application, act or deed. These shares issued pursuant to the Share Entitlement Ratio **("New Equity Shares")** shall be subject to the Scheme, the memorandum and articles of association of the Resulting Company and Applicable Law. Further, once the Scheme is effective, the Resulting Company will have replica / mirror shareholding of the Demerged Company.

4.2 Post the effectiveness of the Scheme, the Resulting Company shall apply for and procure the listing of its Resulting Company New Equity Shares (*as defined in the Scheme*) on the BSE and NSE in terms of and in compliance with the SEBI Master Circular. The Resulting Company New Equity Shares allotted by Resulting Company pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission has been provided by the designated stock exchange.

4.3 Upon allotment of the New Equity Shares, the entire pre-scheme paid up share capital of ASTPL (held by AMPL) shall stand cancelled and reduced, without any consideration and without any further act, instrument or deed.

4.4 The effectiveness of the Scheme is conditional upon and subject to the following conditions precedent as set out in Clause 18 of the draft Scheme:

a) Receipt of no-objection/ observation letter from the Stock Exchanges in relation to this Scheme under Regulation 37 of the SEBI LODR Regulations;

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b) Approval of this Scheme by the requisite majority of each class of shareholders and creditors of the Parties as applicable or as may be required under the Act and as may be directed by the Tribunal;

c) The Demerged Company complying with other provisions of the SEBI Circular, including seeking approval of its shareholders through e-voting;

d) Sanction of the Scheme by the Tribunal under Sections 230 to 232 of the Act;

e) Approvals from Appropriate Authority for the transaction contemplated in Part II of the Scheme;

f) The Demerged Company and the Resulting Company having filed the certified copy of the order of the NCLT with the relevant Registrar of Companies in terms of Section 232(5) of the Act; and

g) The conversion/cancellation of all of the outstanding 20,13,885 convertible warrants in the Demerged Company, each convertible into, or exchangeable for, one fully paid-up equity share of the Demerged Company, having a face value of Rs. 2.

5. Documents placed before the Committee of Independent Directors

i. The draft Scheme;

ii. Report on recommendation of the Share Entitlement Ratio dated 06th June 2026 issued by **Finvox Analytics**, registered valuer (IBBI registered number: **IBBI/RV-E/06/2020/120) ("Registered Valuer"**) recommending the share entitlement ratio in relation to the Scheme (**"Share Entitlement Ratio Report"**);

iii. Fairness Opinion dated 06th June 2026 issued by **3DIMENSION CAPITAL SERVICES LIMITED**, an independent Category-I Merchant Banker opining on the fairness of the Share Entitlement Ratio (**"Fairness Opinion"**);

iv. Draft Auditors' Certificate issued by **Price Waterhouse Chartered Accountants LLP**, Chartered Accountants, certifying that the accounting treatment in the draft Scheme is in conformity with the applicable accounting standards;

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v. Undertaking of the Company confirming non-applicability of the conditions specified in Paragraph (A) (10) (b) of Part I of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93, on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Subrule (7) of Rule 19 of the Securities Contracts (Regulation) Rules, 1957 dated June 20, 2023 **("Scheme Circular")** along with the draft certificate by **Price Waterhouse Chartered Accountants LLP**, Chartered Accountants, the Statutory Auditors of the Company, certifying the said undertaking under Paragraph (A)10(c) of Part I of Scheme Circular; and

vi. Other presentations, reports, documents and information made to / furnished before the Committee of the Independent Directors pertaining to the draft Scheme.

6. Scheme not detrimental to the shareholders of the Company

The Committee noted that in consideration for the transfer and vesting of the Demerged Undertaking of the Company to ASTPL, all the equity shareholders (both promoter and non-promoter) of the Company as on the Record Date shall receive New Equity Shares of ASTPL in the same proportion as their holding in the Company. There will therefore be no change in the economic interest of the shareholders of the Company before and after the Scheme. Further, once the Scheme is effective, shareholding of ASTPL will mirror the shareholding of AMPL. Therefore, the Scheme is not detrimental to the shareholders of the Company. Additionally, the Committee noted that the Share Entitlement Ratio under the Scheme is fair and in light of the rationale set out in the Scheme and hereinabove, noted that the Scheme was beneficial to the shareholders of the Company.

7. Recommendation of the Committee of Independent Directors

The Committee of Independent Directors, after due deliberation and detailed discussions, taking into consideration all the documents on record including the Draft Scheme, the Share Entitlement Ratio Report and Fairness Opinion, have noted the rationale, benefits and impact of the Scheme on shareholders and concerned stakeholders of the Company. Based on the foregoing, the Committee of Independent Directors is of the informed opinion that the Scheme is not detrimental to the shareholders of the Company and hereby recommends the Scheme to the Board of Directors of the Company for their consideration and approval.

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For and on behalf of the Committee of Independent Directors of the Company

Name: Dr. Avinash Chander

DIN: 05288690

Chairperson of the Committee of Independent Directors

Date: 06th June 2026

Place: Hyderabad