

POLICY FOR DISTRIBUTION OF DIVIDENDS

[Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The AMPL Policy for Distribution of Dividends shall come into effect from the date it is approved by the Board of Directors.

The Policy is being framed in compliance with the requirement stipulated under Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for distribution of dividends, based on the following parameters:

1. The Board of Directors may declare one or more interim dividends after considering various financial and other parameters. The Board may recommend final dividend after approval of the final audited accounts.
2. Dividends shall generally be declared out of the annual standalone Profit After Tax of the Company relating to the current financial year, subject to any other regulatory provisions that may be introduced from time to time.
3. The Board will generally endeavor to maintain a dividend payout ratio of 20% of the annual standalone profit after tax for each financial year.
4. The factors, internal and external, to be considered by the Board, for determining the quantum of dividend, will include the following:

a) Financial parameters and Internal Factors:

- Operating cash flow of the Company
- Profit earned during the year
- Profit available for distribution
- Accumulated Profits
- Free reserves
- Working capital requirement
- Capital expenditure requirement
- Business expansion and growth
- Additional investment in subsidiaries and associates of the company



b) External Factors:

- Economic environment
- Changes in governmental policies
- Regulatory changes
- Capital markets

5. Circumstances under which the shareholders of the Company may expect Dividend:

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders of the Company and the amount of profit to be retained in business. The decision seeks to balance the dual objectives of appropriately rewarding shareholders through dividends and retained profits in order to maintain a healthy capital adequacy ratio to support future growth.

The Board of Directors of the Company will assess the Company's financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors and declare Dividend in any financial year.

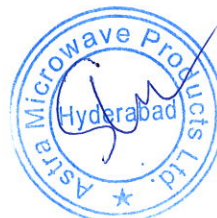
6. Circumstances under which the shareholders of the Company may not expect Dividend:

The shareholders of the Company may not expect dividend in the following circumstances, subject to discretion of the Board of Directors:

- a) Requirement of higher working capital for the purpose of business of the Company.
- b) Proposed expansion plans requiring higher capital allocation.
- c) In the event of loss or inadequacy of profit.

7. The retained earnings of the Company may be used, *inter alia*, for one or more of the following purposes:

- (i) Growth plans
- (ii) Capital expenditure
- (iii) Working capital requirements.
- (iv) Long term strategic plans
- (v) Capitalisation
- (vi) Repayment of debt
- (vii) Meeting contingency plans
- (viii) Dividend payment and
- (ix) Any other purpose as may be permitted by law.



8. Parameters to be adopted with regard to Various classes of shares:

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The Policy shall be suitably modified at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

9. REVIEW AND MONITORING

This policy would be subject to modification in accordance with the guidelines / clarifications as may be issued from time to time by relevant statutory and regulatory authority. The Board may modify, add, delete or amend any of the provisions of this Policy. Any exceptions to the Dividend Distribution Policy must be consistent with the Regulations and must be approved in the manner as may be decided by the Board of Directors.

10. DISCLOSURE OF THE POLICY

The Dividend Distribution Policy shall be disclosed in the annual report of the Company and posted on the website of the Company i.e., at www.astramwp.com.

For Astra Microwave Products Ltd.


S. Gurunatha Reddy
Managing Director