



YASH HIGHVOLTAGE LIMITED

Company CIN

NO.

U40109GJ2002PLC040833

DIVIDEND DISTRIBUTION POLICY

This Policy shall come into effect from 29th June 2024

DIVIDEND DISTRIBUTION POLICY

1. INTRODUCTION

The Securities and Exchange Board of India (SEBI), on July 8, 2016, has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 and inserted new Regulation 43A after the Regulation 43 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Regulation 43A states that top five hundred listed companies based on market capitalization (calculated as on 31st March of every financial year) shall formulate Dividend Distribution Policy, which shall be disclosed in their annual reports and on their websites.

2. OBJECTIVE AND SCOPE

The Company, is in the process of filing DRHP before SEBI and though the said guidelines under Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to YASH, then also Company would like to adopt this policy as a good conduct of business. Therefore, the Company has formulated Dividend Distribution Policy which is approved by the Board of Directors at its Board meeting held on 29th June, 2024.

3. DEFINITIONS

“Act” means the Companies Act, 2013 and Rules framed thereunder, including any amendments, modifications, clarifications or re-enactment thereof.

“Board of Director or Board” means Board of Directors of the Company.

“Company” means YASH HIGHVOLTAGE Limited.

“Dividend” means Dividend as defined under the Companies Act, 2013.

“Policy” means this Dividend Distribution Policy.

“Listing Regulations” means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendments, modifications, clarifications or re-enactment thereof.

4. APPLICABILITY AND EFFECTIVE DATE

This Policy shall be applicable to the Company with effect from the date of its approval by the Board, i.e. 29th June 2024.

This Policy shall not apply to –

- a. Determination and declaring dividend on preference shares, if any, to be issued by YASH at a later date, as the same will be as per the terms of issue to be approved by the shareholders;
- b. Distribution of dividend in kind i.e. Issue of bonus shares or other securities by the Company;
- c. buyback of equity shares.

5. STATUTORY REQUIREMENTS

The Board while taking decision of a dividend payout during a particular financial year, will comply with the statutory requirements including the Companies Act, 2013 and rules made thereunder.

Further, the Board of Directors will also take a decision to declare/recommend dividend after taking into account the Profits of the Company after providing depreciation as per the provisions of the Companies Act, 2013 and after transferring to the reserves such amount as may be required under Law and/or as may be considered appropriate by the Board.

In case of Interim Dividend, the profits as per the unaudited results for/up to the last quarter (after providing depreciation as per the Companies Act, 2013) which have been approved by the Board and for which limited review as per “Listing Regulations” has been carried out shall be considered. The Board will also take into consideration, the perception of the management with regard to, likely profits in the remaining part of the Financial Year, the prevailing and likely future prices of the products, future capital expenditure plans, likely maturity of short term liabilities/investments etc.

6. FINANCIAL PARAMETERS THAT SHALL BE CONSIDERED WHILE DECLARING DIVIDEND

The Board decision in respect of dividend payout or retention of profits will, inter-alia, be based on the following Financial Parameters:

- i. Magnitude of current year's earnings of the Company;
- ii. Operating cash flow of the Company;
- iii. Return on invested capital;
- iv. Cost of borrowings;
- v. Obligations to lenders;
- vi. Inadequacy of profits;
- vii. Post dividend EPS;
- viii. Agreements with lending institutions/ Bondholders/Debenture Trustees;
- ix. Proposals for major capital expenditures;
- x. Any other factors as may be deemed fit by the Board.

7. INTERNAL AND EXTERNAL FACTORS

The Board decision in respect of dividend payout or retention of profits will, inter-alia, be based on the following factors:

Internal Factors:

- i. Profits earned during the year and profits available for distribution;
- ii. Operating cash flow of the Company;
- iii. Past performance and dividend history of the Company;
- iv. Return on capital invested;
- v. Earning Per Share;
- vi. Capital expenditure requirements for future expansion plans / projects of the Company;
- vii. Additional investments in subsidiaries / associates;
- viii. Resources required for acquisition of business / brand or joint venture formation;
- ix. Provisions for contingencies;
- x. Cost of borrowings and outstanding loans;
- xi. Any other factors as may be deemed fit by the Board.

External Factors:

- i. Economic environment;
- ii. Global conditions;
- iii. Statutory provisions;
- iv. Taxation and other regulatory matters;
- v. State Government / Central Government Guidelines
- vi. As may be directed by the Promoter(s) of the Company from time to time.

8. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAYNOT EXPECT DIVIDEND

The Shareholders of the Company may or may not expect dividend under following circumstances:

- (i) Whenever the Company undertakes or proposes to undertake expansion project / plan which requires significant amount of capital investments;
- (ii) When the Company undertakes any acquisition or joint venture or restructuring;
- (iii) When the Company plans to utilise surplus cash for buy-back of its securities;
- (iv) When the Company plans to build-up its reserves for future business plans;
- (v) Circumstances which affect the free cash flow position of the Company;
- (vi) In the event of absence of profits or inadequacy of profits;
- (vii) Such other factors as the Board may consider appropriate to declare or not to declare the dividend.

9. MANNER OF UTILIZATION OF RETAINED EARNINGS

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company will be based on the following factors:

- Strategic and long term plans of YASH;
- Diversification & expansion opportunities;
- Revamp of ageing plants and for achieving better energy efficiency;
- Non-fund based need of YASH, its Subsidiary and Joint Ventures which may require YASH to have healthy consolidated balance sheet;
- Any other criteria which the Board of YASH may consider appropriate.

10. PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company has presently issued only one class of equity shares with equal voting rights. The policy will be revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

11. POLICY REVIEW AND AMENDMENTS

This Policy will be subject to modification in accordance with the guidelines / clarifications as may be issued by the Regulatory Authorities. The Board of Directors may modify, add, delete or amend any of the provisions of this Policy.
