



JASH ENGINEERING LIMITED

DIVIDEND DISTRIBUTION POLICY

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➤ **INTRODUCTION**

The Securities and Exchange Board of India vide SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 05th May, 2021, introduced Regulation 43A in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top 1000 listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a dividend distribution policy, which shall be disclosed in their annual reports and on their websites.

The Company being amongst top 1000 listed entities based on aforesaid criteria for the period ended on December 31, 2022, has formulated this policy on dividend distribution with a view to inform the shareholders about how it aims to utilize extra profits and the parameters that shall be adopted with regard to the shares.

The Board of Directors of **JASH ENGINEERING LIMITED** have adopted a progressive Dividend Distribution Policy (**Policy**) which endeavors for fairness, consistency, sustainability, future growth and long-term interests of the Company and its stakeholders while distributing profits to the shareholders.

➤ **SCOPE AND OBJECTIVES OF THE POLICY**

This Dividend Distribution Policy ("Policy") sets forth the broad principles that would guide the Board of Directors ("Board") of Jash Engineering Limited ("Company") in matters concerning recommendation and distribution of dividend. The objective of this Policy is to establish the parameters to be considered by the Board of the Company before declaring or recommending dividend. The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company thus maximizing shareholders' value.

The intent of the Policy is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilized, etc.

➤ **CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND**

The Board of Directors of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013 and Listing Regulations. The Board of Directors, while determining the dividend to be declared or recommended, shall take into consideration the advice of the executive management of the Company and plan for further investments for growth apart from other parameters set out in this Policy.

The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the ongoing or planned business expansion or other factors which may be considered by the Board.

➤ **THE FINANCIAL/INTERNAL PARAMETERS THAT SHALL BE CONSIDERED WHILE DECLARING DIVIDEND**

The Board of Directors of the Company shall consider the following financial/internal parameters while declaring dividend or recommending dividend to shareholders:

- Profits earned during the financial year
- Expected cash requirements of the Company towards working capital, capital expenditure in technology and Infrastructure etc.;
- General financial condition
- Funds required for any acquisitions that the Board of Directors may approve;
- Adherence to requirement of SEBI Listing Regulations, Companies Act, 2013 and Rules made thereunder and as amended from time to time; and
- other factors as may be considered and relevant by the Board of Directors.

➤ **EXTERNAL FACTORS THAT SHALL BE CONSIDERED FOR DECLARATION OF DIVIDEND**

The Board of Directors of the Company shall consider the following external parameters while declaring dividend or recommending dividend to shareholders:

- Significant changes in Macroeconomic environment materially affecting the businesses in which the Company is engaged in the geographies in which the Company operates.
- Introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements, which significantly affect the businesses in which the Company is engaged.
- Technological changes which necessitate significant new investments in any of the businesses in which the Company is engaged.

➤ **POLICY AS TO HOW THE RETAINED EARNINGS SHALL BE UTILIZED**

The Company shall endeavor to utilize the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders. The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of the Company.

➤ **PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES**

The provisions contained in this policy shall apply to all classes of Shares of the Company. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

It may be noted that currently the Company has only one class of shares, namely, Equity Shares. Preference Shares of the company are not issued to public as on date, in case of issue of new class of shares in the future, the policy will be reviewed accordingly.

➤ **REVIEW**

The Policy would be reviewed on an annual basis by the Board of Directors. In case, there are any regulatory changes requiring modifications to the Policy, the Policy shall be reviewed and amended with due approval from the Board of Directors. However, the amended regulatory requirements will supersede the existing Policy till the time Policy is suitably amended.

➤ **DISCLOSURE**

This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report.

➤ **LIMITATION AND AMENDMENT**

The Board may, from time to time, make amendments to this Policy to the extent required due to change in applicable laws and Listing Regulations or as deemed fit on a review.