



DIVIDEND DISTRIBUTION POLICY

LCC PROJECTS LIMITED

(Formerly known as LCC Projects Private Limited)

CIN: U45500GJ2017PLC100301

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1. **BACKGROUND:**

This Policy is formulated in accordance with regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 (“**SEBI Listing Regulations**”). The Board of Directors (“**Board**”) of LCC Projects Limited (“**LPL**” or “**Company**”) have formulated this Dividend distribution Policy (“**Policy**”) to maintain a consistent approach to dividend pay-out plans of the Company.

This Policy shall be effective from the date of listing of the equity shares of the Company on the stock exchanges in India.

2. **OBJECTIVE:**

The objective of this Policy is to lay down the criteria and parameters that are to be considered by the Board while deciding on the declaration of dividend from time to time and also to lay down the circumstances under which the shareholders of the Company may or may not expect dividend; and to provide the manner of utilization of retained earnings of the Company.

This Policy is applicable to dividend declared/recommended on the equity shares of the Company and does not cover dividend on preference shares, if any, where the rate of dividend is governed by the terms of the issue of preference shares or any other form of dividend.

The Policy is not an alternative to the decision of the Board for recommending/declaring dividend, which takes into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided by the Board.

3. **FACTORS TO BE CONSIDERED:**

The Board may declare interim dividend, recommend final dividend for consideration of shareholders of the Company.

The Company’s dividend pay-out will be determined by the Board from time to time based on the available financial resources, investment requirements and other factors more fully described hereunder. The Board of the Company will consider the following parameters while recommending/declaring dividend.

3.1 Financial Parameters/Internal Factors:

- (i) Standalone/net operating profit after Tax;
- (ii) Operating cash flow of the Company for the year;
- (iii) Liquidity position, aggregate debt of the Company (both standalone and consolidated), debt service coverage position etc.,
- (iv) Loan repayment and working capital requirements;
- (v) Capital expenditure requirements;
- (vi) Resources required for funding acquisitions, mergers and / or new businesses;

- (vii) Cash flow required for meeting tax demands and other contingencies;
- (viii) Regulatory and growth requirement of capital adequacy;
- (ix) Regulatory and growth requirement of solvency;
- (x) Trend of dividends paid in the past years;
- (xi) Any other factor not explicitly covered above but which is likely to have a significant impact on the Company.

3.2 External Factors

- (i) Prevailing legal requirements, regulatory restrictions laid down under the applicable laws including tax laws and changes made in accounting laws;
- (ii) Dividend pay-out ratios of companies in the same industry;
- (iii) Economic and business conditions;
- (iv) Protective covenants in a bond indenture or loan agreement that may include leverage limits and restrictions on payment of cash dividends (In order to preserve the Company's ability to service its debt);
- (v) Capital Market conditions;
- (vi) Any other factor that has a significant influence/impact on the Company's working/financial position of the Company.

The Board of the Company may additionally recommend special dividend in special circumstances.

4. **CIRCUMSTANCES WHEN SHAREHOLDERS SHOULD NOT EXPECT DIVIDEND:**

The shareholders of the Company may not expect Dividend under the following circumstances:

- (i) In the event of inadequacy of profits or whenever the Company has incurred losses;
- (ii) Significant cash flow requirements towards higher working capital requirements/tax demands/or others, adversely impacting free cash flows;
- (iii) An impending/ongoing capital expenditure program or any acquisitions or investment in joint ventures requiring significant allocation of capital;
- (iv) Allocation of cash required for alternative forms of distribution of funds to shareholders, e.g. buy-back of securities;
- (v) Any of the above referred internal or external factors restraining the Company from considering dividend.

5. **UTILIZATION OF RETAINED EARNINGS:**

The Company may declare dividend out of the profits of the Company for the year or out of the profits of any previous year or years or out of the free reserves available for distribution of dividend, after having due regard to the parameters laid down in this Policy. Profits retained in the business will be invested in the business/operations of the Company and may be used for augmenting working capital, repayment of borrowings, funding capital expenditure/acquisition(s) and for all other corporate purposes.

6. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES:

Presently, the Company has issued only one class of Equity Shares with equal voting rights and therefore all Shareholders of the Company are entitled to receive the same amount of dividend per Equity Share. Parameters for dividend payments in respect of any other class of share(s) will be as per the respective terms of issue and in accordance with the applicable laws in India.

7. PROCEDURE:

The dividend proposal placed before the Board for consideration shall be in terms of this Policy. The Company shall ensure compliance of provisions of applicable laws and this Policy in relation to dividend declared by the Company.

8. DISCLOSURES:

The Company shall make appropriate disclosures as required under the SEBI Listing Regulations and any other acts and regulations applicable, if any.

9. GENERAL:

This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by the Ministry of Corporate Affairs, the Securities Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter.

The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy. Further, this policy will be hosted on the website of the company.

Any subsequent amendment/modification in applicable laws including the SEBI Listing Regulations in this regard shall automatically apply to this Policy.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

10. EFFECTIVE DATE:

This Policy has been approved by the Board of Directors and is effective from 18.02.2025.