



LANCO INFRATECH LIMITED

Dividend Distribution Policy

1.0 PREAMBLE

Under the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

2.0 OBJECTIVE

The Objective of this Policy is to reward the shareholders of the Company and to establish the circumstances under which the Company is eligible to distribute dividend and the financial parameters and the internal and external factors to be considered by the Board of Directors for declaration of dividend from time to time.

3.0 DEFINITIONS

“**Act**” means the Companies Act, 2013 read along with the applicable Rules made thereunder and as amended from time to time.

“**Applicable Laws**” shall mean and include the Companies Act, 2013 read along with the applicable Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other laws which provides for the declaration and distribution of Dividend.

“**Board**” or “**Board of Directors**” shall mean Board of Directors of the Company.

“**Company or Lanco**” shall mean Lanco Infratech Limited.

“**Dividend**” shall mean Dividend as defined under Companies Act, 2013.

“**Policy or this Policy**” shall mean the Dividend Distribution Policy as may be amended from time to time.

4.0 POLICY

The Policy includes the following parameters:

- a. The circumstances under which the shareholders of the Company may or may not expect dividend;
- b. The financial parameters / Internal factors that shall be considered while declaring dividend;
- c. The external factors that shall be considered while declaring dividend;
- d. Utilization of Retained Earnings and
- e. Parameters that shall be adopted with regard to various classes of shares.

- a. The circumstances under which the shareholders of the Company may or may not expect dividend:
 - i. When the Company undertakes or proposes to undertake capital expenditure needs;
 - ii. Working Capital requirement which can impact the cash flows of the Company;
 - iii. When the Company has inadequate profits or incurs losses;
 - iv. Utilization of surplus cash for buy-back of securities;
 - v. Allocation of capital for the purpose of acquisitions or joint venture arrangements etc.

- b. The financial parameters / internal factors that shall be considered while declaring dividend:
 - i. Servicing of Debt and cost of borrowings;
 - ii. Funding Gap requirements;
 - iii. Operating Cash Flows;
 - iv. Growth and Capital Expenditure needs;
 - v. Current Year's Profit;
 - vi. Obligations to Creditors;
 - vii. Additional Investments in subsidiaries and associate companies;
 - viii. Other such criteria as the Board may deem fit from time to time.

- c. The external factors that shall be considered while declaring dividend:
 - i. Changes in Government Policies;
 - ii. Changes / Restrictions in legal and regulatory regime.

- d. Utilization of Retained Earnings:

The Company's aim is to maximise the wealth of all the stakeholders. Towards this, the Company shall utilize the Retained Earnings for meeting the business requirements of acquisitions, project expansions, diversification plans etc., In line with the parameters laid down in the Policy, the Board of Directors will decide the payment of dividend to the shareholders.

- e. Parameters that shall be adopted with regard to various classes of shares:

The Company's capital currently comprise of Equity Share Capital only. The Board shall recommend the dividend payout, if any on Equity Shares in a particular year which shall be confirmed or approved by the Shareholders of the Company.

5.0 AMENDMENT TO THE POLICY

The Board of Directors shall review and amend the Policy from time to time on account of change in law relating to Dividend and other applicable criteria.