

“DIVIDEND DISTRIBUTION POLICY”

[Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]



Laser Power & Infra Limited
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1. Preamble

This **Dividend Distribution Policy** is made pursuant to the applicable provisions of Regulation 43A of the *Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015*, as amended (hereinafter referred to as the 'Listing Regulations'). The Board of Directors of "**Laser Power & Infra Limited**" (the "**Company**"), herein after referred as "**the Board**", has approved the Dividend Distribution Policy of the Company ("the Policy") and shall disclose the same in the annual reports and on the website of the Company. This Policy sets out the general parameters for declaration of dividend by the Company.

2. Objective

The term "**Dividend**" refers to the share of profits of a Company that is distributed amongst its shareholders in proportion to the amount paid up on the shares held by the shareholders. As per the provisions of the Companies Act, 2013, the dividend can be paid as interim or final.

The Board of Directors of the Company may declare or recommend dividend for a particular period as per section 123 of the Companies Act, 2013, if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board.

The Company aimed at maximization of shareholders' value and believes that this can be attained by driving growth. The Policy endeavours to strike an optimum balance between rewarding shareholders through dividend and ensuring that sufficient profits are retained for growth of the Company. The objective of the Policy is to lay down a consistent approach to dividend pay out plans.

3. Effective date

The Policy will come into effect from the date of listing of equity shares of the Company on the stock exchanges. The policy was approved by the Board of Directors on **17th September, 2025**.

4. Definitions

"**Act**" shall mean the Companies Act, 2013 and the rules made thereunder, including any modifications, amendments or re-enactment thereof.

"**Applicable Laws**" shall mean the Companies Act, 2013 and the 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 act, rules or regulations which provides for the distribution of Dividend.

"**Board or Board of Directors**" shall mean the Board of Directors of the Company.

“Company” shall mean Laser Power & Infra Limited and wherever the context requires, shall signify the Company acting through its Board.

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

“Final Dividend” means the Dividend recommended by the Board of Directors and declared by the Members at an Annual General Meeting.

“Interim Dividend” means the Dividend declared by the Board of Directors.

“Financial Year” shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.

“Equity Shareholder” means who owns equity shares of the Company.

“Preference Shareholder” means a holder of such shares which carry a preferential right, in respect of payment of Dividend, of a fixed amount or an amount calculated at a fixed rate and in respect of capital, to repayment of capital.

“SEBI Regulations” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

5. Category of Dividend

The Act provides for two types of dividends: **Interim and Final**.

A) INTERIM DIVIDEND

- i. The Board of Directors of the Company shall declare the interim dividend at its discretion from time to time.
- ii. The interim dividend can be declared by the Board of Directors one or more times in a financial year.
- iii. The interim dividend, if declared, shall be paid to the eligible shareholders, as per provisions of the Companies Act, 2013, SEBI Regulations and other laws, to the extent applicable.
- iv. In case no final dividend is declared by the Company, interim dividend paid during the financial year, if any, shall be considered as final dividend at the Annual General Meeting of the Company.

B) FINAL DIVIDEND

- i. The final dividend, if any, is paid once in a financial year after the preparation of the Annual Financial Statements to the eligible shareholders subject as per provisions of the Companies Act, 2013, SEBI Regulations and other laws, to the extent applicable.
- ii. The Board of Directors shall recommend the final dividend to the Shareholders for their approval in the Annual General Meeting of the Company for the financial year.

6. Parameters to be considered

The Board shall consider following parameters, factors and circumstances before declaring or recommending dividend:

a) Statutory Requirements:

- i. The Board shall comply with the provisions of the Companies Act, 2013 and rules applicable there under including those with respect to mandatory transfer of a certain portion of profits to any specific reserve which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.
- ii. The Board may not recommend dividend if, in its opinion, it is financially not prudent to do so.

b) Financial / Internal Factors:

The Board shall consider following internal factors:

- i. Financial performance of the Company for the year for which dividend is recommended;
- ii. Company's liquidity position including its present and expected obligations;
- iii. Profits of the Company;
- iv. policy as to how the retained earnings shall be utilized;
- v. Earnings outlook for next three to five years;
- vi. Expected future capital / liquidity requirements;
- vii. the circumstances under which the shareholders of the listed entities may or may not expect dividend;
- viii. internal and external factors that shall be considered for declaration of dividend;
- ix. parameters that shall be adopted with regard to various classes of shares;
- x. Present and future capital expenditure plans of the Company including organic /inorganic growth opportunities including but not limited to: - Expected cash requirements of the Company towards working capital, capital expenditure in technology and infrastructure etc.; - Investments required towards execution of the Company's strategy; - Funds required for any acquisitions that the Board may approve; and - Any plans for buy-back of shares;

- xi. Financial commitments with respect to the outstanding borrowings and interest thereon.
- xii. Financial requirement for business expansion and/or diversification, acquisition etc of new businesses.
- xiii. Past dividend payout trend of the Company and the industry. The dividend payout ratio will be calculated as a percentage of dividend (including dividend tax, as applicable) recommended for the year to the net profit for that year.
- xiv. Cost of borrowings and funds required to service any outstanding loans;
- xv. Minimum cash required for contingencies or unforeseen events;
- xvi. Cash flows and earning stability;
- xvii. Other corporate action options (For example, Bonus issue, Buy back of shares).
- xviii. Any other relevant or material factor as may be deemed fit by the Board.

Provided that if the Company proposes to declare dividend then in accordance with Regulation 43A(2)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, these parameters in addition to clauses above or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

c) External Factors: The Board shall consider following external factors:

- i. State of economy and capital markets;
- ii. Macro-economic environment – Significant changes in Macroeconomic environment materially affecting the businesses in which the Company is engaged in the geographies in which the Company operates;
- iii. Technological changes which necessitate significant new investments in any of the businesses in which the Company is engaged;
- iv. Applicable taxes including dividend distribution tax;
- v. Regulatory Changes: Introduction of new or changes in existing tax or regulatory requirements (including dividend distribution tax) having significant impact on the Company's operations or finances;
- vi. Any political, tax and regulatory changes in the geographies in which the Company operates;
- vii. Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model;
- viii. Any change in inflation;
- ix. Any changes in the competitive environment requiring significant investment; and
- x. Any other relevant or material factor as may be deemed fit by the Board.

7. Circumstances under which the shareholders may or may not expect Dividend.

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

- i. Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital.
- ii. Significant higher working capital requirements adversely impacting free cash flow.
- iii. Whenever it undertakes any acquisitions or restructuring or joint ventures requiring significant allocation or reduction of capital.
- iv. Whenever it proposes to utilise surplus cash for buy-back of securities or
- v. In the event of inadequacy of profits or whenever the Company has incurred losses.
- vi. Restrictions in loan / NCD agreements on account of covenants therein.
- vii. Weak industry / business outlook whereby it is prudent in the eyes of the Board to conserve cash than pay out dividend.

Retained earnings may be utilized for capital expenditure, acquisitions, expansion or diversification, long term working capital, general corporate purposes or it can be distributed to the shareholders by way of dividend, bonus shares, buy-back of shares or for such other purpose as the Board may deem fit from time to time.

8. Entitlement and timelines for Dividend payments

- a) Entitlement: The dividend shall be paid to the shareholders entitled to receive dividend on the record date / book closure date as per applicable laws.
- b) Timelines: The payment of dividend shall be made within the time prescribed under the Act or the rules made there under. Presently, dividend is to be paid within 30 days from the date of declaration by the Board in case of Interim Dividend and within 30 days from the declaration by the shareholders in the AGM in case of Final Dividend.

9. Parameters adopted with regard to various Classes of Shares

The Company has the following class of shares: -.

- a) Equity shares and, hence, the aforementioned parameters disclosed above shall apply to the equity shareholders.
- b) Preference shareholders shall receive dividend at the fixed rate as per the terms of allotment and shall stand in priority to the equity shareholders for payment of dividend.

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.

10. Manner of Utilisation of Retained Earnings

The Company shall endeavour to utilize its retained earnings in a manner which shall be beneficial to the interest of the Company and also its shareholders. The decision of utilization of the retained earning shall, inter alia, be based on the factors like ensuring maintenance of a healthy level of liquidity, strategic and long term plans of the Company, future acquisitions, market expansion plan, product expansion plan, diversification opportunities or any other criteria that may be considered relevant by the Board in this regard.

11. Dividend Pay-Out Ratio

Dividend for every financial year shall be decided by Board considering various statutory requirements, financial performance of the Company and other internal and external factors enumerated earlier in the policy. However, efforts should be made to maintain a dividend pay-out ratio as guidelines of the Central Govt. applicable to the Company. The Company is committed to continuous growth and has plans requiring significant capital outlay. The retained earnings, after distribution of dividend, shall primarily be utilized towards this purpose.

12. Policy Amendment

In the event of the Policy being inconsistent with any new regulatory provision, such regulatory provision shall prevail upon the corresponding provision of this policy and the policy shall be construed to be amended accordingly from the effective date of such provision. The Company reserves its right to alter, modify, add, delete or amend any or all of the provisions of the Policy as it may deem fit or in accordance with the guidelines and regulations as may be issued by Securities and Exchange Board of India, Government of India or any other regulatory authority.

Declaration of Dividend on the basis of parameters in addition to the elements of this policy or resulting in amendment of any element or the Policy will be regarded as deviation. Any such deviation on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, along with the rationale will be disclosed in the Annual Report by the Board.

The change in the policy shall, however, be disclosed on the Company's website and in the ensuing annual report of the Company in accordance with the extant regulatory provisions.

13. Disclosure

This Policy, as approved by the Board of Directors shall be disclosed in the Annual Reports and hosted on the website of the Company voluntarily.

14. Disclaimer

The Policy does not constitute a commitment regarding the future dividends of the Company but only represents general guidance regarding this policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the dividend to be distributed in the year and the Board reserves the right to depart from this Policy as and when circumstances so warrant.

15. Conflict in Policy

In the event of any conflict between this Policy and the provisions contained in the Listing Regulations, the Regulations shall prevail.