



Project Selection Policy

LCC PROJECTS LTD.

CIN: U45500GJ2017PLC100301

**Registered & Corporate Office: LCC Corporate House, B/S GTPL House, Sindhu Bhavan Road,
Bodakdev, Ahmedabad-380054, Gujarat, India**

Telephone No. +91 79 4848 4453 E-mail: cs@lccprojects.com Website: www.lccprojects.com

Project Selection Policy of LCC Projects Limited

Purpose: This policy outlines the criteria and procedures for selecting projects that align with LCC Projects Limited's strategic goals and financial sustainability, ensuring steady cash flows and minimizing risks.

1. Scope: This policy applies to all business verticals, including water supply projects, irrigation projects, metro projects, mining projects, construction projects, and infrastructure projects in India.

2. Objectives:

- Maintain steady cash flows through periodic payments.
 - Ensure projects align with the company's expertise and strategic goals.
 - Minimize financial, operational, and reputational risks.
 - Achieve long-term financial sustainability and profitability.
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3. Project Selection Criteria: LCC Projects Limited will consider the following criteria when evaluating potential projects:

3.1 Financial Viability:

- **Cash Flow Structure:** Projects must have clearly defined payment schedules with periodic disbursements to ensure positive cash flow throughout the lifecycle.
- **Budget Alignment:** The project budget should align with the company's financial capacity and resources.
- **Client Creditworthiness:** Assess the financial stability and payment history of the client to mitigate the risk of delayed or non-payments.

3.2 Strategic Fit:

- Alignment with LCC's core expertise and experience in water, irrigation, metro, mining, construction, and infrastructure sectors.
- Contribution to the company's long-term strategic objectives, such as market expansion, brand building, and technological advancements.

3.3 Risk Assessment:

- **Design and Construction Risks:** Evaluate potential challenges in the design phase and construction methodologies.
- **Regulatory Risks:** Ensure compliance with local regulations, permits, and environmental laws.
- **External Risks:** Consider risks such as political instability, resource availability, and market fluctuations.

3.4 Resource Availability:

- Adequate availability of skilled labor, equipment, and materials.
- Compatibility with the company's current project portfolio to avoid resource overextension.

3.5 Environmental and Social Impact:

- Projects should adhere to sustainable practices and minimize environmental impact.
 - Assess potential social impacts and align with community and stakeholder interests.
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4. Project Approval Process:

4.1 Initial Screening:

- Projects are subjected to a preliminary evaluation based on the selection criteria outlined above.
- The Business Development team prepares an initial feasibility report.

4.2 Detailed Evaluation:

- Conduct a comprehensive financial analysis, risk assessment, and resource allocation study.
- Obtain approvals from the legal, finance, and operations departments.

4.3 Final Approval:

- The Managing Director and senior management team will review and approve projects based on the detailed evaluation report.

4.4 Monitoring and Review:

- Regularly monitor project performance against financial and operational benchmarks.
 - Periodic reviews to ensure alignment with projected cash flows and timelines.
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5. Policy Review and Updates: This policy will be reviewed annually or as necessary to reflect changes in market conditions, strategic goals, or regulatory requirements.

6. Responsibilities:

- **Business Development Team:** Conduct initial project screening and feasibility analysis.
 - **Finance Team:** Assess financial viability and cash flow structures.
 - **Operations Team:** Evaluate resource requirements and project execution plans.
 - **Senior Management:** Make final decisions on project approval and oversee policy adherence.
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7. Compliance: Failure to adhere to this policy may result in financial or operational risks to the company. All employees involved in project selection and management must familiarize themselves with this policy and ensure compliance.

Approved by:
Managing Director
LCC Projects Limited