

# CHL Limited

## Dividend policy

The Dividend Distribution Policy establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company as well as enable the Company strike balance between pay-out and retained earnings, in order to address future needs of the company.

The objective of this Policy is to reward its shareholders by returning a portion of its profits after retaining sufficient funds for growth of the company thus maximizing shareholders' value. The Policy set forth's the broad principles for guiding the Board and the Management in matters concerning declaration and distribution of dividend, with a view to ensure fairness, transparency, sustainability and consistency in the decision for distributing profits to shareholders.

Dividend pay-out would also be subject to profitability under Standalone Financial Statements and while determining the nature and quantum of the dividend pay-out, the Board would take into account the following factors:

### **Financial Parameters and Internal Factors:**

- Operating cash flow of the company
- Profit after Tax during the year and Earnings Per Share (EPS)
- Working capital requirements
- Capital expenditure requirement
- Business expansion and growth
- Likelihood of crystallization of contingent liabilities, if any
- Additional investment in subsidiaries and associates of the company
- Up gradation of technology and physical infrastructure
- Debt levels and cost of borrowings
- Past dividend pay-out ratio/trends