



22<sup>nd</sup> February, 2021

<b>BSE Limited</b> Phiroze Jeejeebhoy Towers Dalal Street Mumbai: 400 001 <b>Scrip Code: 500440</b>	<b>National Stock Exchange of India Limited</b> Exchange Plaza, 5th Floor Plot No. C/1, G Block Bandra Kurla Complex Bandra (East) Mumbai – 400 051 <b>Scrip Code: HINDALCO</b>
<b>Mr. Daniel Schammo</b> Banque Internationale A Luxembourg Societe Anonyme 69, Route d'Esch L-2953 Luxembourg Fax No. 00 352 4590 2010 Tel. No. 00 352 4590-1	

**Sub: Intimation regarding Dividend Distribution policy of Hindalco Industries Limited ('the Company')**

**Ref: Regulation 43A of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 ('Listing Regulations')**

**Dear Sir/ Madam,**

Pursuant to Regulations 43A of the Listing Regulations, the Board of Directors of the Company at its meeting held today on Monday, 22<sup>nd</sup> February, 2021 has approved amending the Dividend Distribution Policy as attached.

This for your information & record.

Thanking You

Yours faithfully

**For HINDALCO INDUSTRIES LIMITED**

**ANIL MALIK**  
**President & Company Secretary**

Encl: As above

# **HINDALCO INDUSTRIES LIMITED**

## **Dividend Distribution Policy**

### **1. Introduction**

- 1.1. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company is required to formulate and disclose its Dividend Distribution Policy. Accordingly, the Board of Directors of the Company ('the Board') has approved this Dividend Distribution Policy for the Company at its meeting held on 13<sup>th</sup> February 2017 as amended on 22<sup>nd</sup> February 2021.
- 1.2. The objective of this policy is to provide clarity to stakeholders on the dividend distribution framework to be adopted by the Company. The Board of Directors shall recommend dividend in compliance with this policy, the provisions of the Companies Act, 2013 and Rules made thereunder and other applicable legal provisions.

### **2. Target Dividend Payout**

- 2.1. Dividend will be declared for any financial year out of the profits of the company for that year or out of the profits of the company for any previous financial year or years arrived at after providing for depreciation and remaining undistributed, or out of both;
- 2.2. The Board will endeavor to distribute a dividend in the range of 8 % to 10% of the Free Cash Flow at Hindalco Consolidated Level (defined as Cash Flow after meeting interest, tax, other statutory dues, maintenance capital expenditure and working capital requirements at Hindalco Consolidated Level but before considering strategic capital expenditure and debt repayments/pre-payments) of the relevant year subject to compliances of the Companies Act 2013 and all other applicable Regulations.

### **3. Factors to be Considered for Dividend Payout**

The Board will consider various internal and external factors, including but not limited to the following before making any recommendation for dividends:

- Free Cash Flow of the relevant year (as defined above)
- Stability of earnings
- Future capital expenditure, inorganic growth plans and reinvestment opportunities
- Industry outlook and stage of business cycle for underlying businesses
- Leverage profile and capital adequacy metrics
- Overall economic / regulatory environment
- Contingent liabilities
- Past dividend trends
- Buyback of shares or any such alternate profit distribution measure
- Any other contingency plans

### **4. Review**

This policy would be subject to revision / amendment on a periodic basis as may be necessary.

### **5. Disclosure**

This policy (as amended from time to time) will be available on the company's website and in the annual report.

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