



HZL/2016-Secy

21.10.2016

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Dept. of Corporate Services,
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Mumbai 400 051

Scrip Code 500188
Fax No. : 2272 3121 / 2272 2037

Scrip Code : HINDZINC-EQ
Fax No. 022 – 26598120 / 26598237

Sub:- Policy on Dividend Distribution

Dear Sir,

As per SEBI Notification dated 8th July 2016, we are enclosing herewith policy on dividend distribution approved by the Board of Directors in its meeting held on 19th Oct. 2016 for information and record.

Thanking you,

Yours Sincerely

Rajendra Pandwal
Company Secretary

Encl:- As above.

Hindustan Zinc Limited

Registered Office: Yashad Bhawan, Udaipur (Rajasthan) - 313 004
Tel.: (91-294)6604000-02, Fax: (91-294) 2427739
CIN: L27204RJ1966PLC001208
www.hzindia.com

POLICY ON DIVIDEND DISTRIBUTION

In every financial year, the Board shall declare a total dividend which is :

1. **MINIMUM** : not less than the higher of (a) 30% of Profit after tax for the year; and (b) 5% of opening Net Worth (share capital plus reserves and the balance in Profit and Loss account).
2. **MAXIMUM** : maximum dividend permissible as per applicable laws including Shareholders' Agreement with Government of India ('SHA').

This Policy will come into effect from the financial year 2016-17.

3. The following shall also be part of the overall policy :

(a) **the circumstances under which the shareholders of the listed entities may or may not expect dividend :**

Expect Dividend : Generally, it would be the Company's policy to pay dividend at the rate specified in the range specified in 1 and 2 above

Not Expect Dividend: In situations like :

- a. When Company does not have any profit or positive Net Worth
- b. When there are prolonged lockouts or strikes, natural calamities, regulatory actions, major accidents or any other events significantly impacting production volumes
- c. When prices of company's products have fallen suddenly, impacting future profits in substantial manner
- d. When Company's liquidity is jeopardized for any reason, impairing its ability to pay the dividend

(b) **the main financial parameters that shall be considered while declaring dividend :**

- a. Net Worth including balance in Profit & Loss account
- b. Availability of cash and liquid investments to pay dividend
- c. Current financial year's profits

(c) **Key internal and external factors that shall be considered for declaration of dividend :**

- a. Company's future prospects including its continued ability to sustain its production volumes
- b. External factors like acceptance of Company's products in market, prevailing & expected price in the market etc. will also be considered
- c. Cash required to meet planned capital expenditure in the foreseeable future and for sustaining any increase in the scale of business operations

(d) **policy as to how the retained earnings shall be utilized :**

The retained earnings may be utilised for dividends, corporate actions like special dividends, buy-back and issue of bonus shares or other purposes as may be permitted by applicable laws or by the SHA.

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Provided that if the Board proposes to declare dividend on the basis of parameters in addition to clauses (a) to (d) 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.


(Sunil Duggal)
CEO & Whole-time Director