

HYUNDAI MOTOR INDIA LIMITED

DIVIDEND DISTRIBUTION POLICY

(Effective Date of the Policy: 12th June 2024)

Version Control

Version	Approval date	Approved by
1	12 th June 2024 (effective)	Board of Directors
2	14 th October 2025 (amended)	Board of Directors

Index

S. NO.	PARTICULARS	PAGE NO
I.	Objective of the policy	4-5
II.	Category of Dividends	5-6
III.	Dividend Payout Range	6
IV.	Circumstances under which the shareholders may or may not expect dividend	6
V.	Financial/Internal parameters that shall be considered while declaring a dividend	7
VI.	External Factors	7-8
VII.	Utilization of Retained Earnings	8
VIII.	Parameters that shall be adopted with regard to various classes of shares	8
IX.	Review of this policy	9
X.	Disclosure of this policy	9
XI.	Disclaimer	9
XII.	Limitations and Amendments	10

Dividend Distribution Policy

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

The Board of Directors (the “Board”) of Hyundai Motor India Limited (the “Company”) at its meeting held on 12th June, 2024, had adopted this Dividend Distribution Policy (the “Policy”) in accordance with the provisions of the Companies Act, 2013 and rules thereunder (“Act”) and the Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”) and shall be effective from the date of its adoption by the Board.

Further, the Company felt desirable to amend the Policy in line with Industry standards and to improve transparency on dividend payouts. The Board of the Company at its meeting held on 14th October 2025, has approved the amendments to the dividend policy in accordance with the extant provisions/rules under applicable laws and shall be effective from the date of its adoption by the Board.

The Company shall declare and pay dividend in accordance with the provisions of the Act and Listing Regulations. This Policy sets out the circumstances and different factors for consideration by the Board at the time of making decisions of the distribution or retention of profits, in the interest of providing transparency to its shareholders.

I. OBJECTIVE OF THE POLICY:

The objective of this Policy is to establish the parameters to be considered before declaring or recommending dividend by the Board of Directors of the Company including subsequent approval by the shareholders in the General Meeting and lay down a broad framework for decisions to be made with regard to:

- a. Distribution of Dividend and
- b. Retaining profits so as to maintain a consistent approach of improving returns to the shareholders, to ensure transparency on the Company’s view on dividend and for further prospects of the business for creation of value to shareholders in longer run

The Company would endeavour to pay sustainable dividends keeping in view the Company's policy of meeting the mid-to-long-term growth objectives from internal cash accruals.

The Policy is not an 'alternative' but a 'Guide' to the decision of the Board for recommending dividend which may be made after taking into consideration all the relevant circumstances enumerated hereunder, and such other factors as may be decided as relevant by the Board.

While recommendation of Dividend shall be guided by this Policy, in extraordinary circumstances, the Board shall have complete liberty to recommend dividend in deviation to this policy, if so, deemed necessary in the best interests of the Company and its stakeholders.

II. CATEGORY OF DIVIDENDS:

The Companies Act provides for two forms of Dividend- final & interim. The Board of Directors shall have the power to recommend the final dividend to the shareholders for their approval in the general meeting of the Company.

The Board of Directors shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit.

A. Final Dividend

The final dividend is paid once in a financial year after the annual accounts are prepared, based on the profits arrived as per the audited financial statements. The Board of Directors of the Company has the power to recommend the payment of a Final Dividend to the shareholders in a general meeting in line with this policy.

B. Interim Dividend

Interim dividend may be declared by the Board of Directors one or more times in a financial year, in line with this policy. The Board of Directors of the Company would declare an interim dividend based on the profits arrived as per the quarterly or half-yearly financial statements.

III. PAYOUT RATIO

The Company would endeavour to maintain the Dividend payout ratio, within the range of 20% to 40% of standalone net profits every financial year, subject to the discretion of the Board. The actual dividend for each year would be decided by the Board considering the availability of cash, the profit level that year and the future cash accruals available to shareholders after considering the financial parameters and external factors as defined in V and VI of this policy.

IV. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The decision regarding the payment of Dividend is crucial as it determines the amount of profit to be distributed among shareholders and the amount of profit to be retained in business for future capex, strategic investments and to deal with possible cyclicity in business environment.

Some conceivable circumstances under which shareholders may or may not expect a dividend inter- alia include:

- i. adverse market conditions and business uncertainty,
- ii. inadequacy of profits earned during the fiscal year,
- iii. inadequacy of cash balance,
- iv. large forthcoming capital requirements which are funded through internal accruals, regulatory / market exigencies, changing regulations, etc.

The Company shall comply with the relevant statutory requirements that apply to the Company in declaring dividend or retained earnings. Generally, the Board shall determine the dividend for a particular period after taking into consideration the financial performance of the Company and other parameters described in this policy.

In case the Board proposes not to distribute the profit; the grounds thereof and information on utilization of the undistributed profit, if any, shall be disclosed to the shareholders in the Annual Report of the Company.

V. FINANCIAL/INTERNAL PARAMETERS THAT SHALL BE CONSIDERED WHILE DECLARING A DIVIDEND

The Board of Directors of the Company shall consider the following parameters while declaring a dividend or recommending a dividend to shareholders.

- Profits earned during the financial year.
- Accumulated reserves, including retained earnings stability
- Present and future capital expenditure plans/working capital requirements of the Company.
- Strategic and additional Investments including business diversification / buyouts/investment in new business, modernization and growth
- Reinvestment opportunities
- Capital restructuring
- Past dividend trends and sustainability of the future dividend
- Any share buy-back plan
- Provisioning for financial implications arising out of contingencies or unforeseen events
- Distributable surplus available statutorily
- Overall financial performance and liquidity position of the Company
- Expected cash requirements of the Company towards working capital
- Contractual and / or legal obligations / restrictions
- Tax Implications, if any, for distribution of dividends
- Debt repayment schedules, Leverage profile and liabilities of the Company, if any
- Any other relevant factors and material events as may be deemed fit by the board.

VI. EXTERNAL FACTORS

- **Industry Benchmark** - Dividend pay-out ratios of Companies in the same industry and industry outlook for the future years.
- **Macro-economic environment / Industry Scenario** – Significant changes in the macro-economic environment & changing industry dynamics materially affecting the businesses in which the Company is engaged in the geographies in which the Company operates.
- **Regulatory changes** – Introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements, which

significantly affect the businesses in which the Company is engaged including volatility in the financial markets.

- **Technological changes** – Development in technology which necessitate significant new investments in any of the businesses in which the Company is engaged.
- **Capital Markets Scenario** – Dividend pay-out may depend upon the capital market environment and cost of capital to raise fresh funds through alternate resources.
- **Taxation Policy** – The tax policy of a country also influences the dividend policy of a company. The rate of tax directly influences the amount of profits available to the company for declaring dividends.
- Net worth requirements
- Cost of external financing, if any
- Any other factors as deemed fit by the Company.

VII. UTILIZATION OF RETAINED EARNINGS:

The Company shall utilize the retained earnings for making investments in new business(es) and/or additional investment in existing business(es), for future growth and expansion plans, to generate higher returns for the shareholders, to incur capital expenditure for working capital, General corporate purposes, including contingencies, or for any other specific purpose outlined in clause Ib and III above or such other criteria as the Board may deem fit from time to time, it can be distributed to the shareholders as approved by the Board of Directors of the Company.

VIII. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES:

The provisions contained in this policy shall apply to all classes of shares of the Company. It may be noted that currently, the Company has only one class of shares, namely, Equity Shares.

IX. REVIEW OF THIS POLICY

This Policy shall be reviewed by the Board of Directors of the Company as and when necessary, and in any case, at least once every three years, and shall be updated accordingly. Any amendments to the relevant provisions of the Act/ Listing Regulations will automatically become applicable to this Policy, without any amendment.

In case of any conflict in the Policy with the Act / Listing Regulations, the provisions of the Act/ Listing Regulations shall prevail.

X. DISCLOSURE OF THIS POLICY

The Company shall make appropriate disclosures as per the Listing Regulations and/or other applicable laws and shall disclose this Policy on its website (www.hyundai.com/in/en), including the amendments as specified.

If the Company proposes to declare dividend on any parameter in addition to III to VII or proposes to change such additional parameters or the 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.

XI. DISCLAIMER:

The Policy does not constitute a commitment regarding the future dividends of the Company but only represents a general guidance regarding dividend 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 the policy as and when circumstances so warrant.

Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward- looking statements in the Policy.

XII. LIMITATIONS AND AMENDMENTS:

This policy is framed pursuant to the provisions of the Listing Regulations, and in compliance with provisions of the Act.

In case of any subsequent changes in the provisions of the Act or any other regulations which make any of the provisions in the policy inconsistent then the Act or regulations shall prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This Policy will be reviewed periodically by the Board and amended as appropriate.