

**(COMPANIES ACT, 1956)**  
**COMPANY LIMITED BY SHARES**

**MEMORANDUM**  
**&**  
**ARTICLES OF ASSOCIATION**  
  
**OF**  
  
**HINDUSTAN ZINC LIMITED**  
**(As amended )**



सत्यमेव जयते

FORM I.R.

**COPY**

Company No.1208

Allotted Computerised  
Company Number : 17/1208

## **CERTIFICATE OF INCORPORATION**

No.11 OF 1965-66

I hereby certify that

**Hindustan Zinc Limited**

is this day incorporated under the  
Companies Act, 1956 (No.1 of  
1956) and that the Company is  
Limited.

Given under my hand at Jaipur  
this tenth day of January one  
thousand nine hundred and sixty  
six (Saka 20th Pausa 1887)

Seal of  
Registrar of Companies  
Rajasthan, Jaipur

Sd/Daulat Ram  
Registrar of Companies  
Rajasthan, Jaipur

COMPANY LIMITED BY SHARES  
MEMORANDUM OF ASSOCIATION  
OF

Name	* I	The Name of the company is Hindustan Zinc Limited.
Registered Office	II	The Registered office of the Company will be situated in the State of Rajasthan.
Objects	III A.	The main objects for which the Company is established are:
	**1.	To acquire, take over, manage and develop the undertaking formerly belonging to the Metal Corporation of India Limited which shall be deemed to include all assets, rights, lease holds, including mining leases, if any, powers, authorities and privileges and all property, movable and immovable, including lands, buildings, works, mines, workshops, projects, smelters, refineries, stores, instruments, machinery, locomotives, automobiles, and other vehicles, mined or extracted zinc or lead ores, concentrate and metals, in process or in stock or in transit, cash balances, cash on hand, reserve fund investments and book debts and all other rights and interests arising out of such property as were immediately before the 22nd day of October, 1965 in the ownership, possession, power or control of the Metal Corporation of India Limited in relation to the undertaking, whether within or outside India, and all books of account, registers, maps, plans, sections, drawings, records of survey and all other documents of whatever nature relating thereto and shall also be deemed to include all borrowings, liabilities and obligations of whatever kind then subsisting of the Metal Corporation of India Limited in relation to the undertaking which has been transferred to and vested in the Central Government by virtue of the Metal Corporation of India (Acquisition of Undertaking) Act, 1966, (No.36 of 1966), and shall also be deemed to include all other properties, assets, liabilities and obligations acquired or incurred for purposes of the undertaking since the transfer thereof to and vesting thereof in the Central Government by virtue of the said Act.
	2.	To carry on in India and elsewhere trades or business of metallurgists and miners including beneficiation of minerals, mineral dressing, concentration, smelting, refining and the extraction, manufacture and fabrication, purchase and sale of and generally dealing in all metals and their products and alloys and in particular to manufacture and/or produce and/or otherwise engage generally in the manufacture or production of or dealing in ores and concentrates of zinc and lead, zinc and lead metals and their products and by-products of all kinds including fertilizers and the sale, dealing or other disposition of such products and by-products.
	3.	To search, prospect, get, win, workraise, beneficiate, make merchantable, sell, dispose of and deal in all minerals and substances and the manufacture and sale of produce obtained thereby.
	4.	To buy, sell, smelt, refine, manufacture, fabricate and deal in minerals and metals and alloys of all kinds.
	5.	To act as consulting engineers and metallurgists in all fields of engineering and metallurgy and to carry on the business of mechanical, metallurgical, mining, chemical, electrical and civil engineering including in particular the work of selling, erecting, installing, operating, maintaining and repairing all types of plant, machinery and equipment.

\*\* Amended at 4th A.G.M. held on 30.9.1970

6. To undertake, carry on or cause to be carried on and assist, contribute in any form, research in all fields of metallurgy and engineering in India or elsewhere and to construct, execute, carry out, equip, improve, work, purchase or otherwise acquire, hire, lease, develop, administer, manage, control in India or elsewhere laboratories, technical training, educational institutes, school or colleges.
- \*7. To do the business as power producer either individually as a holding company or in collaboration, consortium, partnership, joint venture, majority or minority or equal equity participation with another person or a special purpose vehicle or entity, corporate or otherwise and in that capacity to develop, assemble, modify, restructure, generate, accumulate, transmit, distribute, purchase, sell and supply in India and/or abroad efficient thermal, hydroelectric and wind power generated electric energy including steam from conventional /non conventional renewable & non renewable energy sources or any other form of energy for captive use/ consumption or to other enterprises on commercial basis and to undertake or to carry on the business of managing, owning, controlling, erecting, commissioning, operating, running, leasing or transferring power plants, wind energy plants, mechanical, electrical, thermal hydel, civil engineering works and similar projects, selling steam, disposal of by-products.
8. To lay down, establish, operate and maintain such power/energy generating stations and sub stations including main transmission line, structures, machineries, equipments cables as may be required to be established by the competent authority or authorities.
9. To carry on business of consultancy services in power generation, establishment of power plants and related areas and execution of turnkey jobs for other organizations, bodies whether private or government owned and to deal in all apparatus and thing required for or capable of being used in connection with the generation, distribution, supply, accumulation of electric and to supply light to cities, towns, streets, docks, markets, theaters, buildings and places, with public and private, suppliers and dealers in electrical and other related appliances.
10. To generate, acquire by purchase in bulk, develop and accumulate electrical power at the place or places contemplated by the said License and to transmit, distribute and supply such power throughout the area of supply named therein, and generally to generate acquire by purchase in bulk develop and accumulate power at any other place or places and to transmit, distribute and supply such power.
11. To carry on the business of an electric Power, Light and Supply Company in all its branches, and in particular to construct lay down, establish, fix and carry out all necessary power stations, cables, wires, lines accumulators, lamps and works, and to generate acquire by purchase in bulk, accumulate distribute and supply electricity, and to light cities, towns, streets, docks, markets, theatres, buildings and places, both public and private.
12. To carry on the business of electrician, mechanical engineers, suppliers of electricity for the purposes of light heat, motive power or otherwise, and manufacturers of and dealers in apparatus and things required for or capable of being used in connection with the generation, distribution, supply, accumulation and employment of electricity, galvanism, magnetism or otherwise.
13. To carry on in India or elsewhere the business of establishing, commissioning, setting up, operating and maintaining electric power generating stations based on conventional/non-conventional resources, tie-lines, sub-stations and

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\* Inserted Main Objects No. 7 to 14 Vide Postal Ballot result declared on 16.9.2006.

transmission lines on build, own and transfer (BOT), and/or build, own, lease and transfer (BOLT and/or build, own, operate and transfer (BOOT) basis and to carry on in India or elsewhere the business of acquiring, operating, managing and maintaining existing power generation stations, tie-lines, sub-stations and transmission lines, either owned by the private sector or public sector or the Government or Governments or other public authorities and for any or all of the aforesaid purposes, to do all the necessary or ancillary activities as may be considered necessary or beneficial or desirable.

14. To acquire concessions or licenses granted by, and enter into contracts with the Government of India or the Government of any Province in India or the Government of any State in India or any municipal or local authority, company or person in India, or elsewhere, for the construction and maintenance of an electric installation for the production, transmission or use of electric power for lighting, heating, pumping, signaling, telephonic, or traction or motive purposes, including the application thereof to tramcars, omnibuses, carriages, ships, conveyances and objects, or any other purpose.

**B.** The Company shall also be entitled to carry on all or any of the undermentioned objects as being incidental or ancillary to the attainment of the main objects specified in clause A hereof :-

1. (a) To mine, quarry, beneficiate, dress, smelt, refine, manufacture, process, fabricate, purchase or otherwise acquire, sell or otherwise dispose of or deal in ores containing lead, zinc or cadmium, concentrates of lead and zinc, lead and zinc alloys and compounds, lead and zinc goods, wares and products of all kinds, fertilizers, chemicals, compounds of metals and minerals or other materials of every kind needed for or resulting from the mining, production, purchase or processing of ores containing lead and zinc or cadmium, lead, zinc, cadmium metals and their products of every kind.
- (b) To search for, inspect, prospect, examine, explore, mine, quarry, purchase or otherwise acquire in the Union of India or elsewhere in the world, ores containing lead, zinc or cadmium, concentrates of lead and zinc, lead and zinc metal and their products and all other metals, minerals and mineral substances of every kind, which may be of direct or indirect use in the production of lead, zinc, cadmium and other metals or which may result as incidental to or as by-products of any of the foregoing.
2. To carry on the trades or business of :
  - (a) general metal foundries, casters, spinners, rollers and workers of and in metals and their alloys including aluminium and sodium and their alloys and metallic combinations of all kinds.
  - (b) electrical, civil and/or mechanical engineers,
  - (c) metal and mineral merchants,
  - (d) miners,
  - (e) carriers, merchants and contractors,
  - (f) iron masters, steel makers, steel converters, colliery and mine proprietors, coke manufacturers, smelters, refiners, tinplate makers and iron foundries, in all their respective branches,
  - (g) boiler makers, millwrights, machinists and smiths in all their respective branches,
  - (h) chemicals, in all their different branches, manners and distillers,
  - (i) gas makers,

- (j) manufacturers of machinery, tool-makers, brass founders, metal workers, wood workers, and to buy, sell, manufacture, repair, convert, alter, let on hire, and deal in machinery, implements, rolling stock and hardware of all kinds,
  - (k) metallurgists and chemists,
  - (l) manufacturing and dealing in all kinds of industrial and other preparations and articles and compounds,
  - (m) dye-making, paint including oilpaint, pigments and varnishes,
  - (n) electrical, chemical, photographic and scientific apparatuses and materials,
  - (o) an electric power, light and supply company in all its branches, in accordance with the law in force for the time being and in particular to construct, laydown, establish, fix and carry out all necessary power stations, cables, wires, lines, accumulators, lamps and works, and to generate, acquire by purchase in bulk, accumulate, distribute and supply by sale, exchange or otherwise electricity, and to light cities, towns, streets and building and places, both public and private.
  - (p) electricians, mechanical engineers, supplies of electricity for the purpose of light, heat, motive power or otherwise, and manufacturers of and dealers in all kinds of electrical machinery and apparatus and things required for or capable of being used in connection with the generation, distribution, supply, accumulation and employment of electricity, galvanism, magnetism or otherwise.
  - (q) quarry masters and stone merchants, and to buy, sell, get, work, shape, hew, carve, polish, crush, and prepare for market or use stone of all kinds.
  - (r) road and pavement makers and repairers and manufacturers of and dealers in lime, cement, mortar, concrete and building materials of all kinds, and as builders and constructors for the execution of works and buildings of all kinds in the construction of which stone is required.
  - (s) printers, Lithographers and binders.
3. To purchase, take on lease or in exchange or under amalgamation, licence or concession or otherwise acquire mines, mineral beneficiation, dressing, concentration and refining plants, Lands, buildings, workshops, power houses, barges, steamers, ships and all kinds of crafts rope-ways, tram, plants and equipments, machinery, sidings, locos, works and any rights and privileges or interest therein and to explore, prospect, work, develop administer, manage or control and to turn to account the same.
  4. To acquire by lease, grant assignment, transfer or otherwise, any grants or concessions of any mineral fields, mines, mineral and mine contracts, works and premises from any person or persons, corporation, company, Government or local body in India or elsewhere, and to perform and fulfil the conditions thereof.
- C.** The other object for which the Company is established are :
1. To construct, execute, carry out, equip, improve, work, purchase or otherwise acquire, hire, lease develop, administer, manage or control in India or elsewhere works and conveniences of all kinds which experssion in this memorandum includes mines, beneficiation, mineral dressing, concentration, smelting, refining and fabrication plants, workshops and engineering establishments of all kinds, quarries, barrages, dams, sluices, locks, embankments, mole, breakwaters, docks, quays, harbours, piers, wharves, canals, tanks, bridges, aqueducts, reservoirs, irrigation reclamation, improvement, river works of all kinds, barges, steamers, ships and all kinds of craft capable of being used for transport of all kinds of

goods and articles on water, railways, ropeways, tramways roads, sewage-drainage, sanitary, paving, water, gas, electric, light, telephonic, telegraphic, wireless, telegraphic, hydro-electric, and power supply works and hotels and warehouses, markets, cinemas, theaters, schools, colleges and all kinds of educational institutions, and building, private or public dhowras and houses, villages, sheds, dwellings, offices, shops and stores and all other works or conveniences whatsoever.

2. To sink wells and shafts, lay down pipes, construct, maintain and improve any tramways, roads, sidings, railways, telegraph and telephone lines, wharves, piers, docks, canals, reservoirs, watercourses, warehouses, sheds and other buildings and works calculated directly or indirectly to advance the interests of the Company and to pay or contribute to the expenses of constructing, maintaining and improving any such works.
3. To apply for, tender, purchase or otherwise accuire any contract and concessions for or in relation to the construction, execution, carrying out, equipment, improvement, management, administration or control of works and conveniences and to undertake, execute, carry out, dispose of or otherwise turn to account the same.
4. To enter into contracts with any other company or person as to interchange of traffic, running power, sidings, carriage of goods, wares and merchandise or otherwise which the Company may deem expedient.
5. To acquire, use, develop or otherwise turn to account any method, system or process of construction by the use of steel, iron, cement, concrete, wood or other material or any combination thereof in connection with the business of the Company.
6. To buy, sell, manufacture, repair, refine, manipulate, alter, improve, exchange, let out on hire, import, export and deal in all factories, engines, works, plants, machinery, wagons, rolling stock, tools, implements, utensils, appliances, apparatus, products, materials, substances, articles and things capable of being used in any business which this Company is competent to carry on or required by any customers of or persons having dealings with the company or commonly dealt in by persons engaged in any such business which may seem capable of being profitably dealt with in connection there with and to manufacture, experiment with, render marketable and deal in all products of residual and by-products incidental to or obtained in any of the business carried on by the Company.
7. To manufacture, construct, maintain, lay down, carry out, work, sell, let on hire and deal in telephonic and all kinds of works, machinery, apparatus, conveniences, and things capable of being used in connection with any of the objects of the company and in particular, manufacture any cables, wires, lines, stations, exchanges, reservoirs accumulators, lamps, meters and engines.
8. To purchase, take on lease, licence or tenancy or in exchange, hire, take options over or otherwise acquire for any estate or interest whatsoever and to hold, develop, work, cultivate, deal with and turn to account, concessions, grants, decrees, licences, privileges, options, claims, lease property movable or immovable or rights or powers of any kind which may appear to be necessary or convenient for any business of the Company.
9. To purchase, charter, hire, build or otherwise acquire vehicles and vessels of any or every sort or description for use on or under land or water or in the air and to employ, equip and load the same for the carriage of merchandise of all kinds of passengers, and to let out, to hire and to trade with any such vehicles, vessels or any part thereof when not required for the Company's business at such rate of



- freight and on such terms as may be considered advantageous to the Company.
10. To develop generally the resources of any lands, properties and rights or privileges to be at any time acquired by the Company.
  11. To sell, exchange, mortgage, let on lease, royalty or tribute, grant licences, easements, options and other rights over and in any other manner deal with or dispose of the undertaking, property, assets, rights and effects of the Company or any part thereof for such consideration as may be thought fit and in particular for stocks, share (whether fully or partly paid-up), debentures or securities of any other Company.
  12. To manage, improve, develop and turn to account or otherwise deal with all or any part of the property and rights of the Company whether movable or immovable.
  13. To employ, engage, accept experts, consultants, collaborators, Indian and foreign, in connection with any of the operations of the Company and pay them in any manner in particular by issue of stocks, shares, debentures of Company.
  14. To establish, regulate, branches or agencies of the Company at any place in India or elsewhere and to dis-continue the same.
  15. To purchase or by other means acquire and protect, prolong and renew whether in India or elsewhere any patents, patent rights, brevets d'invention, licences, protections and concessions which may appear likely to be advantageous or useful to the Company and to use and turn to account and manufacture and to spend money in experimenting upon and testing and improving or seeking to improve any patent, inventions or rights which the Company may acquire or propose to acquire.
  16. To subsidise or contribute to or otherwise assist in or take part in the construction, maintenance, improvement, management, working control or superintendence of any operations of works or buildings useful or expedient or convenient or adoptable for the purposes of the company which may be constructed or may belong to or be worked by or be under the control or superintendence of others, and to subsidise or otherwise assist any persons or Companies responsible for or concerned or interested in any undertaking or operation in conjunction with the Company.
  17. To buy, sell, manufacture, and deal in goods, ware and merchandise (including all conveniences or necessities of life which may be used or required by workmen or others whether employed by the Company or not) and to open and keep shops or stores, and generally to carry on manufacturing, trading or other business.
  18. To pay for any lands, business, property, assets or rights acquired by the company, wholly or partially in shares, debentures or other securities or obligations of the Company or belongings of the Company and whether fully or partly paid and as part of the terms of any such purchase or otherwise to grant options upon any unissued shares of the Company.
  19. To advance, deposit with or lend money, securities and property to or receive loans or grants or deposits from the Government, Banks or Financial Institutions.
  20. To lend money, either with or without security, and generally to such persons and upon such terms and conditions as may seem expedient and in particular to customers of and persons having dealings with the Company but not to do any banking business.
  21. To undertake financial and commercial obligations, transaction and operations of all kinds.
  22. To guarantee the performance of the obligation of and the payment of dividends



and interest on any stocks, shares or securities of any company, corporation, firm or person in any case in which such guarantee may be considered likely directly or indirectly to further the objects of the Company or the interest of its shareholders.

23. To guarantee the payment of money unsecured by or payable under or in respect of promissory notes, bonds, debenture stock, debentures, contracts, mortgages, charges, obligations instruments and securities of any company or of any authority, supreme, municipal, local or otherwise or any person, firm, or company whomsoever whether incorporated or not and generally to guarantee or become sureties for the performance of any contracts and obligations.
24. To subscribe for, absolutely or conditionally, purchase or otherwise acquire and to hold, dispose of and deal in shares, stocks, and securities or obligations of any other company, whether Indian or foreign.
25. To issue, place, under write or guarantee the subscription of or concur or assist in the issuing or placing, underwriting or guaranteeing the subscription of shares, debenture, debenture-Stocks, bonds, stocks and securities of any company, whether limited or unlimited or incorporated in India or elsewhere at such time as may be agreed upon.
26. To invest any moneys of the Company not for the time being required for any of the purposes of the Company in such investments (other than shares or stocks in the Company) as may be thought proper and to hold, sell or otherwise deal with such investments.
27. To borrow or raise money by the issue of or upon bonds, debentures, bills of exchange, promissory notes or other obligations or securities of the Company, or by mortgage, hypothecation, pledge or charge of all or any part of the property of the Company or of its uncalled capital or in such other manner as the Company shall think fit.
28. To draw, make, accept, discount, execute and issue cheques, bills of exchange, promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments or securities.
29. To pay all costs, charges and expenses on account of advertisements, underwriting commission, brokerage, printing, stationery and such other things incurred by the Company in the promotion, and establishment of the Company or considered as preliminary by the Company.
30. (a) To establish, maintain and operate general educational institutions, schools and colleges and hostels for the benefit of the children of the employees or ex-employees of the Company, their dependents or connection of such persons and others and to make grant and awards and grant scholarships.  
(b) To establish, maintain and operate technical training institutions, hostels for mining engineers, chemical engineers, power engineers, civil engineers, mechanical engineers, drilling engineers, production engineers and other engineers of all types, mineral and other technologists, surveyors, draftsmen, overmen, sirdars, chemists and all other technical staff and artisans and mechanics of all types and kind, and accountants and others in India or in any part of the world, to make such other arrangements as may be expedient for the training of all categories of officers, workers, clerks, storekeepers and other personnel likely to be useful to or assist in any business which the Company is authorised to carry on.  
(c) To establish, maintain and operate hospitals,dispensaries, first-aid centers and other medical institutions, pubic health installations, markets, shops and stores, clubs, cinemas and entertainment places, motor transport services,

housing colonies, hotels and restaurants, guest houses, hostels, dhobykhanas, dairies, fire service stations for the benefit of employees and their families and others.

- (d) To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments to undertake and carry on scientific and technical researches, experiments, and tests of all kinds, to promote studies and researches both scientific and technical investigations and inventions by providing, subsidising, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing or contributing to the remuneration of scientific or technical professors or teachers and by providing or contributing to the award of scholarships, prizes, grants to students otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any business which the Company is authorised to carry on.
- 31. To purchase or otherwise acquire all or any part of the business property including all assets such as machinery, housing, buildings, workshops etc. and liabilities of any person, corporation, government or company the business of which is capable of being conducted so as directly or indirectly to benefit this Company.
- 32. To procure and arrange for registration, incorporation or recognition of the Company in or under the laws of any country, to appoint agencies to the Company and do all acts necessary for carrying on in any foreign country any business of the Company, to petition either singly or jointly with others to legislature, authorities, local, municipal and other foreign bodies for the purpose of getting enacted acts and laws or for obtaining decrees, interests, orders, rights and privileges that are conducive to the interests of the Company or to protest against such petitions and transactions as are likely to be prejudicial to the interest of the Company to give the Company the rights and privileges in any part of the world as are possessed by local Companies or partnership of a similar nature.
- 33. (a) To form, incorporate or promote any joint stock company or companies for carrying into effect any of the objects of this Company and to take or otherwise acquire and hold shares in any such company and generally in any company the business of which is capable of being conducted so as directly or indirectly to benefit this Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation.
- (b) To promote and undertake the formation of any institution or company for the purpose of acquiring all or any of the property and liabilities of this Company, or for any other purpose which may seem directly or indirectly calculated to benefit the Company or from any subsidiary company or companies.
- (c) to remunerate any person, firm, or company for services rendered or to be rendered in obtaining subscriptions for or placing or assisting to place or to obtain subscriptions for or for guaranteeing the subscription of or the placing of any shares in the capital of the company or any bonds, debentures, obligations or securities of the Company or any stock, shares, bonds, debentures, obligations or securities of any other company held or owned by the Company or in which the Company may have an interest in or about the formation or promotion of the Company or the conduct of its business in or about the promotion or formation of any other Company in which the Company may have any interest.
- 34. To enter into partnership or into any arrangement for sharing profits or into any

union of interest, co-operation, joint adventure, reciprocal concession or amalgamation either in whole or in part with any other companies or persons carrying or engaged in or about to carry on or engage in any business or transaction which this Company is authorised to carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company and to lend money, to guarantee the contracts of or otherwise assist any such person or company and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue with or without guarantee or otherwise deal with the same.

35. (a) To obtain Order, or Act of Legislature in India, or from the authorities of any other country, as may be necessary for enabling the Company to obtain all powers and authorities, necessary or expedient and to carry out or extend any of the objects of the Company, or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interest.
- (b) To enter into any arrangements with the Government of India or any local or State Government in India or with the government of any other State, or with any authorities, local or otherwise or other persons that may seem conducive to the Company's objects or any of them and to obtain from them any rights, powers and privileges, licence, grants and concession which the Company may think it desirable to obtain and to carry out, exercise, and comply with any such arrangement, rights, privileges and concessions.
36. To adopt such means of making known the products of the Company as may seem expedient and in particular by advertising in the press, circulars, publication of books and periodicals any by granting prizes, rewards and donation.
37. To undertake and execute any trusts the undertaking of which may seem to benefit the Company either gratuitously or otherwise.
38. To apply the assets of the Company in any way or towards the establishment, maintenance or extension of any association, institution or funds in anyway connected with any particular trade or business or with trade or commerce generally and particularly with the trade including any association, institution or funds for the protection of the interest of masters, owners and employers against loss by bad debts, strikes, combination, fire accidents or otherwise or for the benefit of any clerks, workmen or others at any time employed by the Company or any of its predecessors' business or their families or dependents.
39. To aid, pecuniarily or otherwise, any association, body or movement having for an object the solution, settlement, or surmounting of industrial or labour problems or troubles or the promotion of industry or trade.
40. (a) To subscribe or otherwise to assist or to guarantee money for any charitable, benevolent, religious, scientific, national or other institution or for any exhibition, the object of which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or public and general utility or otherwise.
- (b) To dedicate, present or otherwise dispose of either voluntarily or for value any property of the Company deemed to be of national, public or local interest to any national trust, public body, museum, corporation or authority or any trustees on behalf of any of the same or of the public.
41. To provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connections of such persons by building or contributing to the building of houses, dwelling or chawls or grants of money, pensions, allowances, bonus or other payment or by creating and from time to

time subscribing to provident and other associations, institutions, funds, or trust and by providing or subscribing or contributing towards places of instructions and recreations, hospitals and dispensaries, medical and other attendance and other assistance as the company shall think fit.

42. To do all or any of the above mentioned things and all such other things as are incidental or may be thought conducive to the attainment of the above objects or any of them and as principals, agents, contractors, trustees, or otherwise and either alone or in conjunction with others.
43. To take up all or any one or more of the above mentioned objects simultaneously or one after the other or to keep any one more of the objects in abeyance for any period of time if and when necessary.

**D.** It is hereby declared that the word, 'company' in this Memorandum when applied otherwise than to this Company shall be deemed to include any authority, partnership or other body of persons whether incorporated or not incorporated.

**IV.** The liability of the members is limited.

**\*V.** The authorised share capital of the company is Rs. 1000 crores divided into 500,00,00,000 equity shares of Rs. 2/- each with the rights, privileges and conditions attaching thereto as may be provided by the Articles of Association of the company for the time being, with power to increase and reduce the capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, guaranteed, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company, and to vary, modify, amalgamate or abrogate any such right, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company, but subject always to the provision of the Companies Act, 1956.

We, the several persons whose name and addresses are subscribed are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of equity shares in the capital of the Company set opposite our respective names.

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\* Amended at:

- (1) 5th A.G.M. held on 27.9.1971
- (2) 9th A.G.M. held on 23.9.1975
- (3) E.O.G.M. held on 17.11.1978
- (4) E.O.G.M. held on 29.4.1981
- (5) E.O.G.M. held on 8.3.1982
- (6) E.O.G.M. held on 12.7.1982
- (7) 22nd A.G.M. held on 28.9.1988
- (8) E.O.G.M. held on 8.9.1989
- (9) E.O.G.M. held on 6.1.1992
- (10) Vide postal ballot result declared on 22.02.2011

Name of subscriber	Address, description & occupation if any	No. of shares taken by each subscriber	Signature of Subscriber	Signature of witnessess and their description & occupation
1. President of India	For and on behalf of the President of India R. N. Vasudeva, Joint Secretary, Department of Mines & Metals, Ministry of Steel & Mines, New Delhi	One Equity	Sd/- R. N. Vasudeva	
2. C. S. Venugopala Rao	Deputy Secretary Department of Mines & Metals, Ministry of Steel & Mines, New Delhi	One Equity	Sd/- Venugopala Rao	Sd/- S. S. Rawat, S/o Shri Shekher Singh Rawat U.D.C., Department of Mines & Metals, Ministry of Steel & Mines, New Delhi
3. P. G. Gavai	Deputy Secretary Department of Mines & Metals, Ministry of Steel & Mines, New Delhi	One Equity	Sd/- P. G. Gavai	

Dated this 10th day of January, 1966

COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF  
**HINDUSTAN ZINC LIMITED**  
PRELIMINARY

Definitions

1. In these Articles unless there be something in the subject or context inconsistent therewith:
    - “Board” means the Board of Directors of the Company.
    - “Capital” means the capital for the time being raised or authorised to be raised for the purposes of the Company.
    - “Corporation” includes Government.
    - “Dividend” includes bonus.
    - “Executor” or “Administrator” means a person who has obtained Probate or Letters of Administration, as the case may be, from some competent court.
    - “In writing” and “Written” include printing, lithography and other modes representing or reproducing words in a visible form.
    - “Month” means a calendar month,
    - “Persons” includes corporations and firms, as well as individuals.
    - “Articles” means the Articles at Association of the Company for the time being in force.
    - “Regulations of the Company” means the regulations for the time being in force for the management of the Company.
    - “Seal” means the common seal for the time being of the Company.
    - “Shares” means the shares or stock into which the capital is divided and the interest corresponding with such shares or stock.
    - “The Act” or “the said Act” means the Companies Act (1 of 1956) or the Act or Acts for the time being in force concerning Joint Stock Companies and affecting the Company.
    - “The Company” means the above named Company.
    - “The Directors” means the Directors for the time being of the Company.
    - “The office” means the Registered Office for the time being of the Company.
    - “The President” means the President of India.
    - “The Governor” means the Governor of a State in India.
    - “The Register” means the register of members to be kept pursuant to the Act.
    - \* “Government” shall mean the President of India, acting through the Ministry of Coal and Mines, Department of Mines of Government of India.
    - \* “Shareholders Agreement” means the agreement entered into between the President and Strategic Partner (SP) to record the manner in which the business of the Company is to be conducted as between the President and the SP.
    - \* “SP” means Sterlite Opportunities and Ventures Limited the Strategic Partner that is the Party to the Shareholders Agreement and shall include the Affiliates of the SP.
- Words importing the singular number include the plural number and vice versa.  
Words importing the masculine gender also include the feminine gender.

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\* Inserted at E.O.G.M. held on 10.5.2002



Expression in the Act to bear same meaning in Articles

Subject as aforesaid, and words or expressions defined in the Act shall except where the subject or context forbid, bear the same meaning in these Articles.

Company to be Private Company

\* 2. Deleted.

Table "A" not to apply 3.

The regulations contained in Table 'A' in Schedule-I to the Act shall not apply to the Company.

Company to be governed by these articles

4.

The regulations for the management of the Company and for the observance of the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of or addition to its regulations by special resolution as prescribed or permitted by the Act be such as are contained in these Articles.

## CAPITAL

Capital

\*\*5.

The Share capital of the Company is Rupees 1000 crores divided into 500,00,00,000 equity shares of Rs. 2/- each, provided that the Company may alter the conditions of its Memorandum so as to increase its share capital by such amount as it thinks expedient by issuing new shares in the manner prescribed in Section 94 of the Act.

Company's shares not to be purchased

6.

No part of the funds of the company shall be employed in the purchase of or in loans upon the security of the Company's shares.

Allotment of shares \*\*\*7.

\*\*\*7.

Subject to the provisions of the Act and these Articles, the shares shall be under the control of the Directors who may allot or otherwise dispose off the same to such persons on such terms and conditions as they think fit provided that option or right to call on shares shall not be given to any person without the sanction of the Company in General Meeting.

## COMMISSION AND BROKERAGE

Commission for placing shares

8.

The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures or debenture stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in or debentures or debenture stock of the Company but so that if the commission in respect of shares shall be paid or payable out of capital or out of profits the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed 5 per cent of the price at which shares are issued and 2.50 percent of the price at which debenture or debenture stock are issued in each case subscribed or to be subscribed. The commission may be paid or satisfied in cash or in shares, debentures or debenture stock of the Company.

\* Amended at E.O.G.M. held on 8.9.1989

\*\* Amended at:

(1) 5th A.G.M. held on 27.9.1971

(2) 9th A.G.M. held on 23.9.1975

(3) E.O.G.M. held on 17.11.1978

(4) E.O.G.M. held on 29.4.1981

(5) E.O.G.M. held on 8.3.1982

(6) E.O.G.M. held on 12.7.1982

(7) 22nd A.G.M. held on 28.9.1988

(8) E.O.G.M. held on 6.1.1992

(9) Vide postal ballot result declared on 22.02.2011

\*\*\* 26th A.G.M. held on 30.9.1992

## SHARE CERTIFICATES

- |  |     |  |
|--|-----|--|
| Share certificate  | 9.  | <p>(1) Every person whose name is entered as a member in the register shall, without payment, be entitled to a certificate under the common seal of the Company specifying the share or shares held by him and the amount paid thereon. Provided that, in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint-holders shall be sufficient delivery to all.</p> <p>(2) The certificate of any shares or share in the Company shall be issued in accordance with the Companies (Issue of Share Certificates) Rules, 1960.</p> |
| Issue of new share certificate in place one defaced, lost, destroyed | 10. | If a share certificate is defaced, lost or destroyed it may be renewed on payment of such fee, if any, and on such term, if any, as to evidence and indemnity as the Directors may think fit.  |

## CALL

- |                               |     |  |
|-------------------------------|-----|--|
| Calls on shares               | 11. | The Directors may from time to time, make calls upon the members in respect of any moneys unpaid on their shares and specify the time or times of payments, and each member shall pay to the Company at the time or times so specified the amount called on his shares. Provided, however, that the Directors may, from time to time, at their discretion extend the time fixed for the payment of any call.   |
| When interest on call payable | 12. | If the sum payable in respect of any call be not paid on or before the day appointed for payment thereof the holder for the time being or allottee of the share in respect of which a call shall have been made, shall pay interest on the same at such rate not exceeding 6 percent per annum as the Directors shall fix, from the day appointed for the payment thereof to the time of actual payment, but the Directors may waive payment of such interest wholly or in part. |

## FORFEITURE

- |                      |     |   |
|----------------------|-----|---|
| Forfeiture of shares | 13. | <p>(1) If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalments remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued.</p> <p>(2) The notice aforesad shall:</p> <p style="padding-left: 40px;">(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and</p> <p style="padding-left: 40px;">(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made will be liable to be forfeited.</p> <p>(3) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.</p> <p>(4) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.</p> <p>(5) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</p> |
| Effect of forfeiture | 14. | <p>(1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.</p>  |

	(2) The liability of such persons shall cease if and when the Company shall have received payments in full of all such moneys in respect of the shares.
Declaration of forfeiture	15. (1) A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. (2) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of. (3) The transferee shall thereupon be registered as the holder of the share. (4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
Provisions regarding forfeiture to apply in the case of non-payment of sums payable at a fixed time	16. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
Payment in anticipation of calls may carry interest	*17. The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the moneys so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding 6 percent per annum as the members paying such sum in advance and the Directors agree upon, and the Directors may, at any time, repay the amount so advanced upon giving to such member three months notice in writing. Money paid in advance of calls shall not in respect thereof confer a right to dividend or to participate in the profits of the Company.
Joint-holder's liability to pay	18. The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

## LIEN

Company lien on shares	*19. The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien if any, on such shares. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this Clause.
Enforcement of lien by sale	20. The Company may sell, in such a manner as the Directors think fit, any shares on which the Company has lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing stating and demanding payment of such

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\* Amended in 26th A.G.M. held on 30.9.1992

part of amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled by reason of his death or insolvency to the share.

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|----------------------------------|-----|--|
| Application of proceeds of sales | 21. | The proceeds of the sale shall be received by the Company and shall be applied in payment of such part of the amount in respect of which lien exists as is presently payable and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the persons entitled to the shares at the date of the sale. The purchaser shall be registered as the holder of the shares and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale. |
|----------------------------------|-----|--|

## TRANSFER AND TRANSMISSION

- |   |        |   |
|---|--------|---|
| Transfer and transmission of shares   | *22.   | Deleted   |
| Notice of refusal to Register transfer  | **23.  | If the Directors refuse to register the transfer of any shares, they shall within one month of the date on which the instrument of transfer is delivered to the Company, send to the transferee and the transferor notice of the refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person as persons indebted to the Company on any account, whatsoever except a lien on the shares.  |
| Company not bound to recognise any interest in shares other than that of the registered holders | 24.    | Subject to the provisions of the Act and same as herein otherwise provided, the Directors shall be entitled to treat the person whose name appears on the register of members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered a court of competent jurisdiction or as by law required) be bound to recognise any benami trust or equity or equitable contingent or other claim to or interest in such share on the part of any person whether or not it shall have express or implied notice thereof. |
| Execution of transfer   | 25.    | The instrument of transfer of any share in the Company shall be executed both by the transferor and transferee and the transferor shall be deemed to remain holder of the share until the name of the transferee is entered in the register of members in respect thereof.  |
| Form of transfer  | ***26. | The instrument of transfer shall be in writing and all the provisions of Section 108 of the Companies Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and registration thereof.  |
| Transfer to be left at office and evidence of titles to be given                                | 27.    | Every instrument of transfer shall be delivered to the Company at the office for registration, accompanied by the certificates of the shares to be transferred and such evidence as the Company may require to prove the title of the transferor or his right to transfer the shares. All instruments of transfer shall be retained by the Company, but any instrument of transfer which the Directors may decline to register shall on demand, be returned to the person depositing the same.  |
| When register of members; debenture holders may be closed                                       | 28.    | The register of members or the register of debenture holders may be closed for any period or periods not exceeding in the aggregate 45 days in each year but not exceeding 30 days at any one time after giving not less than 7 days previous notice by advertisement in some newspaper circulating in the district in which registered office of the Company is situated.  |

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Amended at:

- \* E.O.G.M. held on 8.9.1989
- \*\* 26th A.G.M. held on 30.9.1992
- \*\*\* 9th A.G.M. held on 23.9.1975, E.O.G.M. held on 8.9.1989, 26th A.G.M. held on 30.9.1992

Director's right to refuse registration subject to the provision of section 111 of the act 29. The Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee, as if he were the transferee named in any ordinary transfer presented for registration.

- \*29. A. Debentures/Bonds etc., of the Company shall be transferred or transmitted in accordance with the procedures prescribed for shares in Section 108 of the Companies Act and the prevailing rules made thereunder by Central Government from time to time unless different provisions are made specifically in the terms of issue governing such debentures/bonds etc. No fee shall be charged either for transfer or transmission of bonds/debentures issued by the Company.

### **Increase, Reduction and Alteration of Capital**

Power to increase capital \*\*30. The Directors may with the sanction of the Company in general meeting, increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

On what condition new shares may be issued \*\*31. New shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct and if no direction be given as the directors shall determine.

How far new shares to rank with shares \*\*32. Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall rank *pari passu* with the existing shares in all respects except for the purposes of dividend that shall be pro-rated to the period for which such newly issued shares are in existence and shall be subject to the provision herein contained with reference to the payment of calls and instalments, transfer and transmission, lien, voting, surrender and otherwise.

New shares to be offered to members \*\*\*33. Where at anytime after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation whichever is earlier it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital, then such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company in proportion, as nearly as circumstances admit to the capital paid upon these shares at that date and such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting a time within which the offer, if not accepted will be deemed to be declined; and after the expiration of such time or on receipt of an intimation from the member to whom such notice is given that he declines to accept the shares offered, the Directors may dispose of the same in such manner as they think most beneficial to the Company.

Reduction of capital etc. \*\*34. Subject to the provisions of Sections 100 to 104 of the Act, the Company may, from time to time, by special resolution reduce its capital by paying off capital or cancelling capital which has been lost or is unrepresented by available assets, or is superfluous or by reducing the liability on the shares or otherwise as may seem expedient, and capital may be paid off upon the footing that it may be called upon again or otherwise, and the Directors may, subject to the provisions of the Act, accept surrender of shares.

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\* Amended at E.O.G.M. held on 8.9.1989

\*\* Amended at E.O.G.M. held on 10.5.2002

\*\*\* Amended at 26th AGM held on 30.9.1992



Sub-division and consolidation of shares	*35.	The Company in general meeting may, from time to time, sub-divide or consolidate its shares or any of them and exercise any of the other powers conferred by Section 94 of the Act and shall file with the Registrar such notice of exercise of any such powers as may be required by the Act.
Power to modify	36.	If at any time, the Capital of the Company by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights attached to the shares of each class may, subject to the provisions of Section 106 and 107 of the Act be varied with the consent in writing of the holders of at least three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of issued shares of that class and all the provisions hereinafter contained as to general meeting shall mutatis mutandis apply to every such meeting, except that the quorum thereof shall be members holding or representing by proxy one-fifth of the nominal amount of the issued shares of that class.
Buy Back of Shares	***36A	The company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid-up Shares, at such rates and on such terms and conditions as the Board may deem appropriate and make the payment for such purchase(s) as approved; and to keep them alive and / or reissue from time to time such number(s) of Shares so purchased at such rate(s) and on such terms and conditions as the Board may deem fit and appropriate.

## **BORROWING POWER**

Power to borrow	*37.	The Directors may, from time to time, borrow and/or secure the payment of any sum or sums of moneys for the purposes of the Company, by means of resolution passed at a meeting of the Board.
Condition on which money may be borrowed	*38.	The Directors may, secure the repayment of such moneys in such manner and upon such terms and conditions in all respects as they think fit and in particular, by the issue of bonds, perpetual or redeemable debentures or debenture stock or any mortgage, charge or other security on the undertaking of the whole or any part of the property of the company, (both the present and future) including its uncalled capital for the time being.
Securities may be assignable free from equities	39.	Debentures, debenture-stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
Issue of discount, etc. or with special privileges	**40.	Subject to the provisions of section 117 of the Act any debentures, debenture stock, bonds or other securities may be issued at a discount premium or otherwise and with any special privilege as to redemption, surrender, drawings, allotment of shares, attending meetings of the company, appointment of Directors and otherwise. Debentures, Debenture stock, bonds or other securities with the right to allotment of or conversion into shares shall be issued only with the consent of the Company in General meeting.
Persons not to have priority over any prior charge	41.	Whenever any uncalled capital of the Company is charged all persons taking any subsequent charge thereon shall take the same subject to such prior charge and shall not be entitled by notice to the share-holders or otherwise, to obtain priority over such prior charge.
Indemnity may be given	42.	If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting

\* Amended at E.O.G.M. held on 10.5.2002

\*\* Amended at A.G.M. held on 30.9.1992 and E.O.G.M. held on 10.5.2002

\*\*\* Inserted in 46 AGM held on 06.07.2012



the whole or any part of the assets of the company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

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|---|---|
| General Meeting                         | 43. The Company shall in each year hold in addition to any other meetings a general meeting, as its annual general meeting and shall specify the meeting, as such in the notice calling it, and not more than 15 months shall elapse between the date of one annual general meeting of the Company and that of the next unless the time has been extended as provided in Section 166. The first Annual General Meeting of the Company shall be held, within 18 months from the date of its incorporation and if it is so held, the Company may not hold any annual general meeting in the year of its incorporation or in the following year. Every annual general meeting shall be held during business hours on a day other than a public holiday either at the Registered office of the Company or at some other place as the Central Government may approve in this behalf. Such general meetings shall be called "annual general meeting" and all other meetings shall be called "extraordinary general meeting".  |
| When Extraordinary meeting to be called | <p>44. Subject to the provisions of Section 169 of the Act the Directors may, whenever they think fit and they shall, on the requisition of the holders of not less than one-tenth of the paid up capital of the Company as at date carries a right of voting in regard to that matter and on which all calls or other sums then due have been paid forthwith proceed to convene an extraordinary meeting of the Company and in the case of such requisition the following provisions shall have effect :</p> <ol style="list-style-type: none"> <li>(1) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the office and may consist of several documents, in like form each signed by one or more requisitionists.</li> <li>(2) If the Directors of the Company do not proceed within twenty-one days from the date of the requisition being so deposited to cause a meeting to be called for the consideration of these matters of a day not later than forty-five days from the date of the deposit of the requisition, the requisitionists or a majority of them in value may themselves convene the meeting, but any meetings so convened shall be held within three months from the date of the deposit of the requisition.</li> <li>(3) Any meeting convened under this Article by the requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Directors</li> </ol> <p>If after a requisition has been received, its not possible for a sufficient number of Directors to meet in time so as to form a Quorum, any Director may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.</p> |
| Notice of general meeting               | <p>45. A general meeting of the Company may be called by giving not less than twenty one day's notice in writing specifying the place, day and hour of meeting, with a statement of the business to be transacted at the meeting. Such notice shall be served on every member in the manner hereinafter provided, but with the consent in writing of all the members entitled to receive notice of same any particular meeting may be convened by such shorter notice and in such manner as those members may think fit.</p> <p>Provided however, that where any resolution is intended to be passed as a special resolution at any general meeting as required by Section 189 (2) of the Act, notice of such meetings specifying the intention to propose the resolution as a special resolution shall be served.</p>  |
| Omission to give notice                 | 46. The accidental omission to give any such notice to or the non receipt of any such   |

		notice by any member shall not invalidate the proceeding at any meeting.
Business of annual general meeting	47.	The business of an Annual General Meeting shall be to receive and consider the profit and loss account, the balance sheet, and the report of the Directors and of the Auditors, to declare dividends, and to transact any other business which under these Articles ought to be transacted at an annual general meeting. All other business transacted at an annual general meeting and all business transacted at an extraordinary meeting, Shall be deemed special.
Quorum	*48	(1) No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business.
	**	(2) Same as herein otherwise provided, five members present in person shall be quorum for a general meeting of the company.
Right of President to appoint any person as his representative	49.	(1) The President or the Governor so long as he is a share holder of the Company, may from time to time, appoint a person (who need not be a member of the Company) to represent him at all or any meetings of the Company.
		(2) Any one of the persons appointed under sub-clause (1) of this Article who is personally present at the meeting shall for the purpose of the Act be deemed to be a member and shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) as the president or the Governor could exercise as a member of the Company.
		(3) The President or the Governor may from time to time, cancel any appointment made by him under sub-clause (1) of this Article and make fresh appointment.
		(4) The production at the meeting of an order of the President or the Governor evidenced as provided in the Constitution of India shall be accepted by the Company as sufficient evidence of any such appointment or cancellation as aforesaid.
Chairman of general meeting	50.	The Chairman of the Directors shall be entitled to take the chair at every general meeting or if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act as Chairman, the member present shall choose another Director as Chairman, and, if no Director shall be present, or if all the Directors present decline to take the chair then, the members present shall choose one of their members to be Chairman.
When, if quorum not present, meeting to be dissolved and when to be adjourned	51.	If within fifteen minutes from the time appointed for the meeting a quorum is not present, the meeting if convened upon such requisition as aforesaid, shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week at the same time and place and if at such adjourned meeting a quorum is not present those members who are present shall be a quorum and may transact the business for which the meeting was called.
How questions to be decided at meetings	**52.	Every question submitted to a meeting shall be decided in the first instance by a show of hands.
What is to be evidence of the passing of a resolution where poll not demanded	53.	At any general meeting a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is, before or on the declaration of the result of the show of hands demanded by a member present in person or proxy or by duly authorised representative, and unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands been carried or carried unanimously or by a particular majority or lost, and an entry to that effect in the book of proceedings of the Company, shall be conclusive evidence of the fact,

\* Amended at E.O.G M. held on 8.9.1989

\*\* Amended at E.O.G M. held on 10.5.2002

		without proof of the number or proportion of the vote recorded in favour of or against that resolution.
Poll	54.	If a poll is demanded, it shall be taken in such manner and at such time and place as the Chairman of the meeting directs and either at once, or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn.
Power to adjourn general meeting	55.	The Chairman of a general meeting may, with the consent of the meeting, adjourn the same, from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
In what cases poll taken without adjournment	56.	Subject to the provisions of Section 180 of Act, any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.
Business may proceed notwithstanding demand of poll	57.	The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the Question on which a poll has been demanded.
Chairman's decision conclusive	58.	The Chairman of any meeting shall be sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
Vote of members	59.	Upon a show of hands every member present in person or by proxy or by duly authorised representative shall have one vote and upon a poll every such member shall have one vote for every share held by him.
Votes in respect of shares of deceased and bankrupt members	60.	Any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such share provided that seventy-two hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares, unless the Directors shall have previously admitted his right to such shares or his right to vote at such meeting in respect thereof.
Joint holders	61.	Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of the clause be deemed joint holders thereof.
Votes in respect of shares of members of unsound mind	62.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote whether on a show of hands or on poll by his committee or other legal guardian, and any such committee or guardian may on a poll, vote by proxy.
Instrument appointing proxy to be in writing	63.	A member entitled to attend and vote at a meeting may appoint another person (whether a member or not) as his proxy to attend a meeting and vote on show of hands or on a poll. No member shall appoint more than one proxy to attend on the same occasion. A proxy shall be entitled to speak at a meeting. The instrument appointing a proxy shall be in writing and be signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.

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| Instrument appointing proxy to be deposited at office | 64. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the registered office of the company not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll not less than 24 hours before the time appointed for taking of the poll and in default the instrument of proxy shall not be treated as valid. |
| When vote by proxy valid though authority revoked     | 65. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given provided that no intimation in writing of such death, insanity, revocation, or transfer or transmission shall have been received at the office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.      |
| Form of proxy   | 66. An instrument appointing a proxy may be in the following form, or in any other form which the Directors shall approve:  |

### HINDUSTAN ZINC LIMITED

"I .....of .....in the district of..... being member of the above named Company hereby appoint .....of.....in the district of..... as my proxy to vote for me on my behalf at the annual/ extra-ordinary general meeting of the Company to be held on the .....day of ..... and at any adjournment thereof.

Signed this.....day of....." (Signature)

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| No member entitled to vote etc. while call due to Company | 67. No member shall be entitled to be present, or to vote on any question either personally or by proxy, or by duly authorised representative at any general meeting or upon a poll, or be reckoned in a quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member.       |
| Time for objection to vote                                | 68. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by proxy, or by duly authorised representative not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever. |

## DIRECTORS

No. of Directors      \*69. The number of Directors of the Company shall not be less than three and more than twelve.

\*\*\*69A Debenture trustees, on behalf of the debenture holders, shall have a right to recommend and appoint and nominate in writing a Director on the Board of Directors of the Company (hereinafter referred to as the "Debenture Trustee Nominee Director") in the event of:

1. two consecutive defaults in payment of interest to the debenture holders; or
2. default in creation of security for debentures; or
3. default in redemption of debentures.

The right to appoint the Debenture Trustee Nominee Director shall be exercised by the debenture trustees as per the statutory guidelines as may be applicable from time to time. The Debenture Trustee Nominee Director appointed pursuant to above clauses shall neither be liable to retire by rotation nor shall be required to hold any qualification shares."

The Directors are not required to hold any qualification shares.

Appointment of  
Directors

70. (1) (a) Deleted at E.O.G.M. held on 10.5.2002  
 (b) Deleted at E.O.G.M. held on 10.5.2002  
 (c) Deleted at E.O.G.M. held on 10.5.2002  
 (d) Deleted at E.O.G.M. held on 10.5.2002  
 (e) Deleted at E.O.G.M. held on 10.5.2002  
 (f) Deleted at E.O.G.M. held on 10.5.2002  
 (2) Deleted at E.O.G.M. held on 10.5.2002

\*\* (3) At every Annual General Meeting of the Company all Directors as will have been in office for three years, except the Chairman and/or Managing Director

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\* Amended at 5th AGM held on 27.9.1971

\*\* Amended at E.O.G.M. held on 10.7.1985

\*\*\* Amended at 57<sup>th</sup> AGM held on 24.08.2023

and Whole-time Director(s), shall retire from office. The Chairman and/or Managing Director and the Whole-time Director(s) shall retire on their ceasing to hold the office of the Chairman and/or Managing Director and Whole-time Director(s) respectively. A retiring Director shall be eligible for re-appointment.

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| General power of Company vested in Directors | ***71. Subject to the provisions of the Act, the business of the company shall be managed by the Directors who may pay all expenses incurred in getting the company registered and may exercise all such powers of the company as are not, by the Companies Act, 1956 or any statutory modification thereof for the time being in force or by these Articles, required to be exercised by the Company in general meetings. The Directors shall exercise the powers subject nevertheless to the provisions of these articles to the provisions of the said Act and to such regulation being not inconsistent with the aforesaid provisions, as may be prescribed by the Company in general meeting but no regulation made by the company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.  |
| Specific power to Directors                  | <p>72. Without prejudice to the general powers conferred by the last preceding Article and the other powers conferred by these Articles but subject to the provisions of Section 293, 293-A and 294 of the Act, the Directors shall have the following powers that is to say power.</p> <ol style="list-style-type: none"> <li>(1) To acquire property :- to purchase, take on lease or otherwise acquire for the Company property, rights or privileges which the Company is authorised to acquire at such price, and generally on such terms &amp; conditions as they think fit.</li> <li>(2)* "To undertake works of a capital nature"</li> <li>(3) To pay for property in debentures etc. :- to pay for any property, rights or privileges acquired by or service rendered to the company either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon, and any such bond, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;</li> <li>(4) To secure contracts by mortgage :- to secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they may think fit;</li> <li>** (5) To appoint officers, etc. :- to appoint and at their discretion remove or suspend such managers, secretaries, officers, clerks, agents, and servants for permanent or temporary or special services as they may, from time to time,</li> </ol> |

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\* Amended at E.O.G.M. held on 10.5.2002

\*\* Amended at:

- (1) E.O.G.M. held on 16.5.1966
- (2) E.O.G.M. held on 29.8.1966
- (3) E.O.G.M. held on 8.8.1969
- (4) E.O.G.M. held on 21.7.1971
- (5) 9th A.G.M. held on 23.9.1975
- (6) E.O.G.M. held on 10.5.2002

\*\*\* Amended at E.O.G.M. held on 10.5.2002



think fit and to determine their powers and duties and fix their specific scales of pay and allowances and to acquire securities in such instances and to such amount as think fit. The power for creation of and appointment to all posts below Board level, irrespective of pay, shall vest with the Board of Directors.

- (6) To appoint trustees :- to appoint any person or persons (whether incorporated or not), to accept and hold in trust for the Company, any property belonging to the Company or in which it is interested or for any other purposes, and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees;
- (7) To bring and defend action, etc. :- to institute, conduct, defend, compound or abandon any legal proceedings by or against the company or its officers, or other wise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any claims or demands by or against the Company;
- (8) To refer to arbitration :- to refer any claims or demands by or against the company to arbitration and observe and perform the awards;
- (9) To give receipt :- to make and give receipts, release, and other discharges for money payable to the Company, and for the claims and demands of Company;
- (10) To authorise acceptance etc : - to determine who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents;
- (11) To appoint attorneys: - from time to time to provide for the managements of the affairs of the company outside the mining areas which in the context includes the townships and sites of operations of the Company in such manner as they think fit, and in particular to appoint any person to be the attorney or agent of the Company with such powers (including power to sub-delegate) and upon such terms as may be thought fit;
- \*(12) To invest moneys :- to invest in securities and deal with any of the moneys of the Company upon such investments authorised by the Memorandum of Association of the Company (not being shares in this Company) and in such manner as they think fit and from time to time to vary or realise such investments.
- (13) To give security by way of indemnity :- to execute in the name and on behalf of the Company in favour of any Director or other persons who may incur or be about to incur any personal liability for the benefit of the Company such mortgage of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on;
- \*\* (14) To give percentage :- to give to any person employed by the Company a commission on the profits of any particular business transaction, or a share in the general profits of the Company and such commission or share of profits shall be treated as part of the working expenses of the Company;
- (15) To make bye-laws :- from time to time make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants;
- (16) To give bonus:- to give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company or his widow, children or

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\* Amended at E.O.G.M. held on 10.5.2002

\*\* Amended at E.O.G.M. held on 21.7.1971

dependents, that may appear to the Directors just or proper, whether such employee, his widow, children or dependents have or have not a legal claim upon the Company;

- \*(17) To create Provident Fund :- before declaring any dividend to set aside such portion of the profit of the Company as they may think fit, to form a fund to provide for such pensions, gratuities or compensation or to create any provident or benefit fund in such manner as the Directors may deem fit;
- (18) To establish Local Board :- from time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India, or out of India and to appoint any person to be members of such Local Board and to fix their remuneration, and from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Directors other than their power to make call and to authorise the members for the time being of any such Local Board or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made in such terms, and subject to such conditions as the Directors may think fit and the Directors may at any time remove any person so appointed and may annul or vary any such delegation;
- (19) to make contracts, etc :- to enter into all such negotiations and contracts, and rescind and vary all such contracts, execute and do all such acts deeds, and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the company; and
- \*\* (20) Sale, lease or disposal otherwise of the whole or substantially the whole of the undertaking of the Company.
- \*\* (21) The formation of a subsidiary Company.
- (22) To Sub-delegate Powers :- Subject to Section 292 of the act to Sub-delegate all or any of the Powers, authorities, and discretion for the time being vested in them, subject however, to the ultimate control and authority being retained by them.

73. Deleted at E.O.G.M. held on 10.5.2002

Directors to cause minutes to be made in the books

- \*\*\*74. (1) The Directors shall cause minutes of all proceedings of every General Meeting and of all proceedings of every meeting of the Board of Directors of every Committee of the Board to be kept, by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with pages consecutively numbered.
- (2) Each page of every such book shall be initialled signed and the last page of the record of proceedings of such meeting in such books shall be dated and signed:
  - (a) in the case of minutes of proceedings of a meeting of the Board or a Committee thereof, by the Chairman of the said meeting, or the Chairman of next succeeding meeting;
  - (b) in case of minutes of proceedings of a general meeting, by the Chairman of the same meeting within the aforesaid period of fourteen days or in the event of the death or inability of that Chairman within that period, by

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\* Amended at the E.O.G.M. held on 21.7.1971

\*\* Added at the E.O.G.M. held on 10.5.2002

\*\*\* Amended at 4th A.G.M. held on 30.9.1970

a Director duly authorised by the Board for the purpose

- (3) In no case minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

Seal

75. The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and except in the presence of at least one Director or such other person as the Board may appoint for the purpose; and the said Director or the person aforesaid shall sign every instrument to which the seal of the Company is so affixed in his presence.

Vacation of office by  
Directors

76. (1) The office of a Director shall become vacant if:
- (a) he is found to be of unsound mind by a Court of competent jurisdiction;
  - (b) he applies to be adjudicated an insolvent;
  - (c) he is adjudged an insolvent;
  - (d) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months;
  - (e) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government has by notification in the official Gazette, removed the disqualification incurred by such failure;
  - (f) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three months, which ever is longer, without obtaining leave of absence from the Board;
  - (g) he (whether by himself or by any person for his benefit or on his account), or any firm in which he is a partner or any private Company of which he is a Director, accepts a loan, for any guarantee or security for a loan, from the Company in contravention of Section 295;
  - (h) he acts in contravention of Section 299;
  - (i) he becomes disqualified by an order of Court under Section 203;
  - (j) he is removed in pursuance of Section 284; or
  - (k) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.
- (2) Not with standing any thing in clauses (c), (d) and (i) of sub section (1), the disqualification referred to in those clauses shall not take effect:
- (a) for thirty days from the date of the adjudication, sentence or order;
  - (b) Where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence, or conviction resulting in the sentence, or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or
  - (c) Where within the 7 days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction, or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.
- (3) Subject to the provisions of sub-section (1) and (2), if a person functions as a Director when he knows that the office of Director held by him has become

vacant on account of any of the disqualification, specified in the several clauses of sub-section (1) he shall be punishable with fine which may extend to five hundred rupees for each day on which he so functions as a Director.

- Alternate Director      \*77. The Board of Directors of the Company may by resolution passed by the Company in general meetings appoint at the instance of the Share holder whose nominee Director is absent an alternate Director to act for a Director (hereafter in this article called the original Director) during his absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held and such appointment shall have effect, and such appointee whilst he holds office as an Alternate Director shall be entitled to notice of meeting of the Directors and to attend and to vote thereat accordingly; but he shall ipso facto vacate office when the original Director returns to the state in which the meeting ordinarily held or vacates office as a Director. If the term of office of the original Director is determined before he so returns to the State aforesaid, any provision for the automatic re-appointment of retiring Director in default of another appointment shall apply to the original and not to be alternate Director.

## PROCEEDINGS OF DIRECTORS

- Meeting of Directors and quorum      78. The Directors may meet together for the despatch of business once at least in every three calendar months, and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings and proceedings as they may think fit. The quorum necessary for the transaction of business of the Directors shall be one third of the total strength of Directors (any fraction contained in that one-third being rounded of as one) or two Directors whichever is higher as provided in Section 287 of the Act.
- Place of Meetings      79. The meeting of the Board may be held at the Registered Office or anywhere else within India if in the interest of the Company.
- Director may summon meeting. How questions to be decided      80. A Director may at any time convene a meeting of the Directors. Question arising at any meeting shall be decided by majority of votes. The Chairman shall have a second or casting vote.
- Power of quorum      81. A meeting of the Directors for a time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under the Articles of the Company for the time being vested in or exercisable by the Directors generally.
- Chairman of Directors' meeting      82. The President may nominate a Director as Chairman of the Directors' meetings and determine the period for which he is to hold office If such Chairman is nominated or if at any meeting the Chairman is not present within 5 minutes after the time for holding the same, the Directors present may choose one of their members to be Chairman of the meeting.
- Power of Chairman      83. (1) Deleted at E.O.G.M. held on 10.5.2002  
(2) Deleted at E.O.G.M. held on 10.5.2002
- Delegation of powers to Committees      84. The Director may, subject to restrictions laid down in Section 292 of the Act, delegate any of their powers to committees consisting of such member or members of their body as they think fit and may, from time to time revoke such delegation. Any Committee so formed shall in the exercise of the powers so delegated, confirm to any regulation that may, from time to time be imposed upon it by the Directors. The proceedings of such a committee shall be placed before the Board of Directors at its next meeting.
- Chairman of meetings      85. A committee may elect a Chairman of their meetings. If no such Chairman is

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\* Amended at the E.O.G.M. held on 10.5.2002

of Committees		elected or if at any meeting the Chairman is not present within 5 minutes after the time appointed for holding the same the members present may choose one of their members to be Chairman of the meeting.
When acts of Directors of committee valid notwithstanding defective appointment etc.	86.	All acts done by any meeting of the Directors or of a Committee of Directors, or by any person acting as a Director shall notwithstanding that it be afterwards discovered that there was some defect in the appointment such Directors or persons acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be Director. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.
Resolution without Board meeting valid	87.	Subject to the provisions of Section 292 of the Act, resolutions of the Board of Directors can be passed by circulation and they shall be as valid and effectual as if they have been passed at a meeting of the Directors duly called and constituted. No resolution shall, however, be deemed to have been duly passed by the Board or by a Committee thereof by circulation unless the resolution has been circulated indraft, together with the necessary papers, if any to all the Directors, or to all the members of the Committee then in India (not being less in number than the quorum fixed for a meeting of the Board of Committee, as the case may be), and to all other Directors or members at their usual address in India and has been approved by such of the Directors as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.

## **RESERVES AND DIVIDENDS**

Reserve Fund	*88.	The Directors may, before recommending any dividend set apart out of the profits of the Company such sums as they think proper as a reserve fund to meet contingencies or for equalising dividends, or for special dividends, or for repairing, improving and maintaining any of the property of the Company, and for amortization of capital and for such other purposes as the Directors shall in their absolute discretion think conducive to the interest of the Company, and may invest the several sums so set aside upon such investments (other than shares of the Company) as they may think fit from time to time, deal with and vary such investments, and dispose of all or any part thereof for the benefit of the Company, and may divide the reserve funds into such special funds, as they think fit and employ the reserve funds or any part thereof in the business of the Company and that without being bound to keep the same separate from the other assets.
Dividends	**89.	The profits of the Company available for payment of dividend subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of these Presents as to the reserve fund and amortization of capital shall be divisible among the members in proportion to the amount of capital paid up by them respectively. Provided always that (subject as aforesaid) any capital paid up on a share during the period in respect of which a dividend is declared shall only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment.
Capital paid up in advance	90.	Where capital is paid up on any shares in advance of calls upon the footing that the same shall carry interest such capital shall not, whilst carrying interest, confer a right to participate in profits.
Declaration of	91.	The Company in general meeting may declare a dividend to be paid to the

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\* Amended at the E.O.G.M. held on 21.7.1971

\*\* Amended at E.O.G.M. held on 10.05.2002



dividends		members according to their rights and interests in the profits and may fix the time for payment, but no dividend shall exceed the amount recommended by the Directors.
Dividends out of profits only and not to carry interest	*92.	No dividend shall be declared or paid by the Company for any financial year except out of profits of the Company for that year arrived at after providing for the depreciation in accordance with the provisions of sub section (2) of Section 205 of the Act or out of profits of the Company for any previous financial year or years arrived at after providing for the depreciation in accordance with those provisions and remaining undistributed or out of both. No dividend shall carry interest against the Company.
When to be deemed net profits	93.	For the purpose of the last preceding Article and declaration of the Directors as to the amount of the profits of the Company shall be conclusive.
Interim dividend	94.	The Directors may, from time to time, pay to the members such interim dividends as in their judgement the position of the Company justifies.
Debts may be deducted	95.	The Directors retain any dividends in respect of shares on which the Company has a lien, and may apply in the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
Dividends and call together	96.	Any general meeting declaring a dividend may take a call on the members of such amount as the meeting fixes, but the call on each member shall not exceed the dividends payable to him and the call be made payable at the same time as the dividend, and the dividend may, If so arranged between the Company and the members, be set off against the call. The making of a call under this clause shall be deemed to be ordinary business of an Annual General Meeting which declares a dividend.
Dividends to be paid in cash	97.	Subject to the provisions of Section 205 of the Act as amended, no dividend shall be payable except in cash.
Effect of transfer	98.	A transfer of shares shall not pass the right to any dividend declared thereon after transfer and before the registration of the transfer.
Dividends to joint holders	99.	Any one of the several persons who are registered as the joint holders of any share, may give effectual receipts for all dividends and payments on account of dividends in respect of such shares.
Payment by post	**100.	Unless otherwise directed any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or persons entitled or in the case of joint holders to the registered address of that one whose name stands first in the register in respect of the joint holding and every cheque and warrant so sent shall be made payable to the order of the person to whom it is sent. No un-claimed dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with all the provisions of Section 205-A of the Act in respect of unclaimed or unpaid dividend.
Notice of dividends	101.	Notice of the declaration of the any dividends, whether interim or otherwise, shall be given to the holders of registered shares in the manner hereinafter provided.
Capitalisation of Reserve	102	General Reserve of the company can be capitalized for issue of bonus share.

## ACCOUNTS

Account to be kept	103.	The Company shall cause to be Kept proper books of accounts with respect to:
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\* Amended at the E.O.G.M. held on 10.5.2002

\*\* Amended at the 26th A.G.M. held on 30.9.1992



		(a) All sums of money received and expended by the Company and the matters in respect which the receipt and expenditure takes place.
		(b) All sales and purchases of goods by the Company.
		(c) The assets and liabilities of the Company.
Inspection of Account Books	104.	The books of account shall be kept at the Registered Office of the Company or such other place as the Directors shall think fit and shall be open to inspection by the Directors during business hours.
Inspection by members	105.	The Directors shall, from time to time, determine whether and to what extent and what time and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members (not being Directors) and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by the Company in general meeting.
Annual account and Balance sheet	106.	At the first Annual General Meeting and subsequently at each Annual General Meeting, the Directors shall lay before the Company a balance sheet and profit and loss account, in the case of first account since the incorporation of the Company, and in any other case since the preceding account made upto a date not earlier than the date of the meeting by more than six months of where an extension of time has been granted or holding the meeting by more than six months and the extension so granted.
Annual Report of Directors	107.	The Directors shall make out in accordance with Section 217 of the Act and attach to every balance sheet a report with respect to the state of the Company's affairs, the amount, if any, which they recommend should be paid by way of dividend and the amount, if any which they propose to carry to the Reserve Fund, General Reserve or Reserve Accounts shown specifically on the balance sheet. The report shall be signed by the Chairman of the Board of Directors on behalf of the Directors if authorised in that behalf by the Directors and when he is not so authorised shall be signed by such number of Directors as are required to sign the balance sheet and the profit and the loss account by virtue of sub-section (1) and (2) of Section 215 of the Act.
Contents of profit and loss account	108.	Forms of balance sheet and profit and loss account shall be in accordance with the provisions of Section 211 of the Act. The profit and loss account shall in addition to the matters referred to in Section 211 of the Act, show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived and the amount of the gross expenditure distinguishing the expenses of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account so that a just Balance of profit and loss may be laid before the meeting, and in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated with the addition of the reason why only a portion of such expenditure is charged against the income of the year.
Balance sheet and profit and loss account to be sent to members	*109.	Subject to the provisions of Section 219 of the Act, the Company shall send a copy of such balance sheet and profit and loss account together with a copy of the auditor's report or such documents as may be prescribed in lieu thereof to the registered address of every member of the Company or every trustee for the holders of any debentures issued by the Company and to all persons other than such members of trustees, being persons so entitled, in the manner in which

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\* Amended at the E.O.G.M. held on 6.1.1992

notices are to be given hereunder at least twenty-one days before the meeting at which it is to be laid before members of the Company and shall deposit a copy at the Registered Office of the Company for inspection of the members of the Company during a period at least twenty-one days before that meeting.

- Directors to comply with Sections 209 to 222 of the Act      110. The Directors shall in all respects comply with the provisions of Section 209 to 222 of the Act, or any statutory modification thereof for the time being in force as may be applicable to the Company.

## AUDIT

- Accounts to be audited annually      111. Once at least in every year the accounts of the Company shall be examined and the correctness of the profit and loss account and balance sheet ascertained by one or more auditors as provided in the Act.
- Appointment of Auditors      \*112. The Auditor (s) of the Company shall be appointed in accordance with the provisions of the Act and such Auditors (s) shall discharge their duties in accordance with the provisions of the Act.
- Auditor's right to attend meeting      113. The auditors of the Company shall be entitled to receive a notice of and to attend any general meeting of the Company at which any accounts which have been examined or reported on by them are to be laid before the Company and make any statement or explanation they desire with respect to the accounts.

## PRESIDENT'S RIGHT

- Rights of the President      \*\*114. Notwithstanding anything contained in any of these Articles but subject to the provisions of the Act, the President may, from time to time, issue such directives or instructions as he may consider necessary in regard to the conduct of the affairs of the Company and in like manner may vary and annul any such directive. The Directors shall give immediate effect to directives or instructions so issued. Under this Article, the President has the right:
- (a) To give directions to the enterprise as to the exercise and performance of its functions in matters involving national security or substantial public interest and to ensure that the enterprise gives effect to such directions;
  - (b) to call for such returns, account and other information with respect to the property and activities of the enterprise and its constituent units as may be required from time to time.
- \*\*\* Provided that all directives issued by the President shall be in writing addressed to the Chairman. The Board shall, except where the President considers that the interest of the national security requires otherwise, incorporate the contents of directives issued by the President in the annual report of the company and also indicate its impact on the financial position of the Company.
- How notices to be served on members      115. A notice may be given by the Company to any member either personally or by sending it by post to him to his registered address; if he has no registered address, to the address, if any, supplied by him to the company for the giving of notice to him.
- Notification of address by a holder of registered shares      116. A holder of registered shares who has no registered place of address may, from time to time, notify in writing to the Company his address, which shall be deemed his registered place of address within the meaning of the last preceding Article.

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Amended at:

- \* E.O.G.M. held on 8.9.1989 and 10.5.2002
- \*\* E.O.G.M. held on 5.1.1970 and 21.7.1971
- \*\*\* 22nd A.G.M. held on 28.9.1988

having no registered  
place of address

When notice may be  
given by advertisement

117. If a member has no registered address and has not supplied to the Company a address for the giving of notices to him, a notice addressed to him and advertised in newspaper circulating in the neighbourhood of the Registered Office of the Company, shall be deemed to be duly given to him on the day on which the advertisement appears.

Notice of Joint holders

118. A notice may be given by the Company to the joint holders of a share by giving the notice to joint holder named first in the register in respect of the share.

How notice to be given  
to a deceased or  
bankrupt member

119. A notice may be given by the Company to the person entitled to share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representative of the deceased or assignee of the insolvent or by any like description, at the address (if any) supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by giving notice in any manner in which the same might have been given if the death or insolvency had not occurred.

To whom notice of the  
general meeting to be  
given

120. Notice of every general meeting shall be given in the same manner hereinbefore authorised to :

- (a) every member of the Company except those members who having no registered address, have not supplied to the Company an address for the giving of notice to them, and also to
- (b) every person entitled to a share in consequence of the death or insolvency of a member who, but for his death or insolvency, would be entitled to receive notice of the meeting, provided the Company has been given due notice.

Transferees etc. bound  
by prior notice

121. Every person who by operation of law, transfer or other means whatsoever, shall become entitled to any share shall be bound by every notice in respect of such share, which previously to his name and address and title to the share being notified to and registered by the Company, shall be duly given to the person from whom he derives his title to such share.

How notice to be signed

122. The signature to any notice to be given by the Company may be written or printed.

How time to be counted

123. Where a given number of days notice or notices extending over any other period is required to be given, the day of service shall unless it is otherwise provided, be counted in such number or other period.

## **WINDING UP**

Distribution of assets on  
winding up

124. If the company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. And if in a winding up the assets, available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up the excess shall be distributed amongst the members in proportion to the capital paid up or which ought to have been paid up on the shares held by them respectively. But this clause is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

## **SECRECY**

Secrecy Clause

125. Every Director, Secretary, Trustee for the Company, its members, or debenture-holders, member of a committee, officer, servant, agent, accountant or other person

employed in or about the business of the Company shall, if so required by the Board before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by any general meeting or by a court of law and except so far as may be necessary in order to comply with any of the provisions in these Articles contained.

- Restriction on entry upon property      126. No shareholder or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the premises or properties of the Company without the permission of the Board or, subject to Article 105, to require discovery of or any information respecting any detail of the trading of the Company or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to communicate.

## **INDEMNITY AND RESPONSIBILITY**

- Indemnity      127. Subject to the provisions of Section 201 of the Act, every Director, Manager, Auditor, Secretary and other Officer or servant of the Company shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the Company to pay all costs losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into, or act or thing done by him as such officer or servant or in any way in the discharge of his duties; and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the members over all other claims

- Individual Responsibility of Directors      128. No Director or other officer of the Company shall be liable for the acts, receipts, neglect or defaults of any other Director or officer of the Company or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by the order of the Directors for or on behalf of the Company or for the sufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error of judgement or oversight on his part or for any other loss, damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own negligence, default, misfeasance breach of duty, or breach of trust.

- \*129. The Company acknowledges that the Government and the SP have entered into the Shareholders Agreement which is binding voting and inter se Shareholders Agreement between them or any transferees from them and any successors in interest. Salient terms of the Shareholders Agreement are set out in Annexure-A hereto to notify the shareholders of their covenants. The Company has undertaken that it shall not aid and /or abet any violation of the Shareholders Agreement.

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Inserted at:

\* E.O.G.M. held on 10.5.2002

## Annexure A

### Relevant extracts of the Shareholders Agreement

#### 3.2 Additional Capital

- (a) Notwithstanding any other provision of this agreement, if the Board, in exercise of good faith and in its reasonable judgement, determines that the Company requires additional funds, the Board may request, by issuance of a notice (the “**Funding Notice**”) to all the shareholders of the Company, to contribute, within 90 (ninety) Business Days after the issuance of the Funding Notice (the “**Funding Period**”), additional capital to the Company, on a pro rated basis upon the number of Shares of the Company then held by such shareholders, by way of subscription for additional Shares in accordance with Section 81(1) of the Act or provide a loan to the Company, as determined by the Board and set forth in the Funding Notice.
- (b) If additional capital is to be contributed pursuant to Sub-Clause 3.2(a) by way of subscription for additional Shares of the Company, then the subscription price for each such additional Shares shall be determined by the board and set out in the Funding Notice. The SP shall cause the Company to, promptly upon the receipt of such subscription price, issue to its shareholders the appropriate number of Shares based upon the payment received from each such shareholder. Such Shares shall rank pari passu with the existing Shares in all respects except for the purposes of dividend that shall be pro rated to the period for which such newly issued Shares are in existence.
- (c) If any offer to shareholders to subscribe for Shares of the Company made pursuant to Clause 3.2(a) (such offer, the “**Right**”) includes a right to a renounce the Right in favour of any Third Party, then, no Shareholder shall renounce such Right in favour of any such Third Party (other than an Affiliate of the renouncing Shareholder) without first giving the other Shareholder a reasonable opportunity to acquire such Right, either directly or through its nominee, on the terms and conditions that are not less favourable to the terms and conditions on which such Right is proposed to be renounced in favour of any such Third party (other than an Affiliate of the renouncing Shareholder). The Person in whose favour the Right is renounced shall execute a Deed of Adherence undertaking to adhere to the terms and conditions of this Agreement prior to becoming a shareholder in the Company.
- (d) Any Person other than a Party hereto, which acquires any Shares pursuant to Clause 3.2(c), shall execute a Deed of Adherence undertaking to adhere to the terms and conditions of this Agreement. The rights of such Person shall be determined in the following manner:
  - i) In the event that the non-renouncing Shareholder exercises its option to cause its nominee to acquire the Right, such non-renouncing Shareholder shall exercise all the rights and privileges on behalf of such nominee and shall be responsible for all the duties and obligations of such nominee under the terms of this Agreement. The rights of the non-renouncing Shareholder and such nominee shall be the rights available to the non-renouncing Shareholder under this Agreement and no additional right shall accrue to or be available to the non-renouncing Shareholder or the nominee.
  - ii) In the event that the non-renouncing Shareholder does not exercise its option to acquire or cause its nominee to acquire the Right and the



renouncing Shareholder offers the Right to a Third Party, such renouncing Shareholder shall exercise all the rights and privileges on behalf of such Third Party and shall be responsible for all the duties and obligations of such Third Party under the terms of this Agreement. The rights of the renouncing Shareholder and such Third Party shall be the rights available to the renouncing Shareholder under this Agreement and no additional right shall accrue to or be available to the renouncing Shareholder or the Third Party.

- (e) For the avoidance of doubt, under no circumstances shall a failure to provide funds by a Shareholder pursuant to a Funding Notice be considered to be a default by such Shareholder under this Agreement or make such Shareholder in any way liable for the payment of such funds.

## **ARTICLE 4**

### **MANAGEMENT OF THE COMPANY**

#### **4.1 Board of Directors**

- (a) The Parties agree that, immediately after the sale and purchase of the Purchase Shares between the Government and the SP, with effect from the Closing Date the Board shall comprise of 11 (eleven) directors. On the Closing Date, the SP shall have the right to nominate 6 (six) directors (“**Purchaser Nominee Directors**”), including the managing director of the Company (“**Managing Director**”). The Government shall have the right to nominate the remaining 5 (five) directors (“**Government Nominee Directors**”), who shall all be non-executive directors of the Company.
- (b) So long as the SP, directly or indirectly through its Affiliates, continues to hold at least 26% of the Share Capital, the SP shall have the right to appoint such number of Purchaser Nominee Directors that are at least one more than the total number of the Government Nominee Directors and/or any nominee directors of any other Person.
- (c) The Parties agree that, so long as the SP holds atleast 26% of the Share Capital:
  - (i) the SP shall have the right to appoint one of the Purchaser Nominee Directors as the Managing Director; and
  - (ii) the SP shall, subject to applicable Laws, have the right to appoint such number of whole time directors on the Board, from amongst the Purchaser Nominee Directors, as it may deem appropriate.
- (d) Provided that:
  - (i) till such time that the Government holds atleast 26% of the Share Capital, the Government shall have right to appoint atleast 5 (five) Government Nominee Directors;
  - (ii) throughout the term of this Agreement, the Government shall have the right to appoint atleast 1 (one) Government Nominee Director.
- (e) Notwithstanding anything to the contrary in sub-clause 4.1(a) and 4.1(d)(i), the Parties agree that, in the event that the Company is required to have any Independent Directors on its Board, in pursuance of any applicable Law, including without limitation, any regulations of the SEBI, then, subject to the Government at all times during the terms of this Agreement having the right to appoint atleast one director as per Sub-Clause 4.1(d)(ii), the Parties shall:



- (i) either increase the total number of directors on the Board so as to appoint such number of independent directors in terms of such applicable Law; or
- (ii) cause such number of their nominee directors appointed under Sub-Clause 4.1(a), to resign, in proportion to the number of directors that each of them are entitled to appoint under Sub-Clause 4.1(a), so as to cause the Company to comply with the terms of such applicable Law, In so far as permissible, such Independent Directors shall be nominated by the Parties to give effect to the provisions of Sub-Clauses 4.1(a) and (b).
- (f) The Chairperson of the Board shall be from among the Government Nominee Directors till such time as the SP holds less than 51% of the Share Capital. In the event that the SP holds 51% or more of the Share Capital, the Chairperson of the Board shall be nominated by the Board.
- (g) Both the Government and the SP shall exercise their voting rights in relation to the Shares held by them so that the Board functions in accordance with this Agreement.
- (h) The Chairperson shall not have a casting vote.
- (i) In the event that none of the Government Nominee Directors is present at any Board meeting, the directors present shall nominate a chairperson from among themselves for the purposes of that meeting.

#### **4.2 Removal and Replacement of Nominees**

The Government and the SP shall be entitled to remove any director nominated by them by notice to such director and the other Parties. Any vacancy occurring on the Board including by reason of the death, disqualification, inability to act, shall be filled by the Party whose nominee was so affected so as to maintain a Board that is consistent with the provisions of Clause 4.1.

#### **4.3 Meeting of Board**

The Board shall meet at least once every calendar quarter period during the term of this Agreement, and in the event that a meeting of the Board is not held during any such quarter period, any director may call a meeting of the Board on 48 hours prior notice in writing to the other directors.

#### **4.4 Quorum**

- (a) The quorum requirements for the Board and shareholders' meeting of the Company shall be governed by the provisions of the Act, and the SP shall ensure that the Government is given reasonable notice of all such meetings in a timely manner.
- (b) Notwithstanding anything to the contrary in Sub-Clause 4.4(a) above, the presence of at least one nominee Director/authorised representative each of the Government and the SP shall be necessary to constitute quorum for any Board or shareholders' meeting, as the case may be, in which a resolution for any of the matters specified in Schedule 4.5 is to be passed, and a notice of not less than 7 (seven) days shall be given to the Government and the SP for any such meeting, unless the Government and the SP agree to a shorter notice in writing. Provided that the presence of any Government Nominee Director/authorised representative of the Government under this Sub-clause 4.4(b) shall not be required in the event that the Government shareholding in the Company falls below 26% of the Share Capital, unless the Board or shareholders' meeting involves any matter related to items 11, 17, 18, 23 and 25 of Schedule 4.5.

- (c) In the event that no nominee director or authorised representative of either the Government or the SP is present at a meeting referred to in sub-clause 4.4(b) above, such meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such later day as may be notified to the Government or the SP as the case may be.
- (d) In the event that no nominee director or authorised representative of the same Shareholder, whose nominee director/authorised representative was not present in the meeting referred to in sub-clause 4.4(b), is present at the adjourned meeting referred to in sub-clause 4.4(c) above, such meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such later day as may be notified to such Shareholder.
- (e) Notwithstanding anything to the contrary in sub-clause 4.4(b) above, in the event that no nominee director/authorised representative of the same Shareholder, whose nominee director/authorised representative was not present in the meetings referred to in sub clauses 4.4(b) and 4.4(c), is present at the adjourned meeting referred to in sub-clause 4.4(d), it shall be deemed that the presence of the nominee director/authorised representatives, of such Shareholder is not required for such meeting and the directors/shareholders present at such adjourned Board/general meeting shall be entitled to proceed with the items on the agenda in such manner as they deem fit even though such items may be relating to matters listed in Schedule 4.5.

#### **4.5 Affirmative Voting Rights**

- (a) Notwithstanding any other provision of this Agreement or otherwise permitted or provided under the Act, no obligation of the Company or any of its subsidiaries, shall be entered into, no decision shall be made and no action shall be taken by or with respect to the Company or any of its subsidiaries in relation to the matters identified in Schedule 4.5, unless such obligation, decision or action, as the case may be, is approved:
  - (i) if at any meeting of the Company's shareholders duly called for the purpose of considering such obligation, decision or action, then subject to Sub-clause 4.4(e) of this Agreement by the affirmative vote of both the Government and the SP cast at such meeting.
  - (ii) if at any meeting of the Board, then subject to Sub-clause 4.4(e) of this Agreement, by an affirmative vote of at least one Government Nominee Director and one Purchaser Nominee Director.

Provided that the affirmative vote of the Government or the Government Nominee Director shall not be required in relation to the matters identified in Schedule 4.5 in the event that the Government shareholding in the Company falls below 26% of the Share Capital, unless the Board or shareholders' meeting involves any matter related to items 11, 17, 18, 23 and 25 of Schedule 4.5.

- (b) The grant of approval by the Government to any matter provided in Sub-Clause 4.5(a) resolution shall be valid for a period of 3 (three) months from the date of the shareholders' meeting or Board meeting, as the case may be, or such other period as may be prescribed by the Government as a condition of the grant of its approval, at the expiry of which period, such approval shall be deemed to have lapsed and thereafter, fresh approval of the Government as provided in Sub-Clause 4.5(a) would be required.
- (c) The SP agrees that it shall cause each Affiliate or Third Party, to which any Share(s) are transferred by the SP, and each nominee of the SP to whom any Share(s) are issued under Sub-Clause 3.2(c), to execute a Deed of

Adherence undertaking to adhere to the rights and obligations of the SP in this Agreement. Further, the SP agrees that, notwithstanding any, transfer of Shares by the SP to any of its Affiliates or to any Third Party, or issue of Share(s) to any nominee of the SP, under Sub-Clause 3.2(c), the SP shall exercise all the rights, including the voting rights under this Clause 4.5, and the right to appoint nominee directors under Clause 4.1 on behalf of such Affiliate, Third Party or nominee.

#### **4.6 Voting Arrangements**

Till such time that the shareholding of the SP in the Company is less than 50% of the Share Capital, the Government or any other entity nominated by it shall, excepting in relation to such matters as are listed in Schedule 4.5 and such matters that require a special resolution under the provisions of the Act, at all shareholders' meeting of the Company, exercise the voting rights attached to the Shares of the company held by the Government in the manner directed in writing by the SP. For purposes of clarity and avoidance of doubt, on any resolution that directly or indirectly relates to matters specified in Schedule 4.5 or such matters that require a special resolution under the provisions of the Act, the Government shall be free to exercise the voting rights attached to the Shares held by it in the manner it deems fit.

#### **4.7 Managing Director**

- (a) Throughout the term of this Agreement, the Company shall have a Managing Director appointed by the Board in accordance with Sub-Clause 4.1(c)(i).
- (b) The Managing Director shall be a member of the Board and shall manage the daily operations of the Company.
- (c) The term of the office of the Managing Director shall be determined by a resolution of the Board.
- (d) At each quarterly meeting of the Board, unless waived in writing, prior to such meeting of the Board, by atleast 1 (one) Purchaser Nominee Director and 1 (one) Government nominee Director, the Managing Director of the Company shall report duly to the Board with respect to the current-status of the operations of the Company and with respect to all major developments or planned action involving the Company, and shall present to the meeting, the complete current financial information with respect to the Company.
- (e) The Managing Director shall function under the supervision, control and direction of the Board and shall, subject to such supervision, control and direction, have the authority to manage the business operations of the Company.
- (f) The powers and duties of the Managing Director shall include the powers and duties to:
  - (i) incur capital expenditure which has been previously approved by the Board and any other operational expenditure;
  - (ii) appoint and terminate any buyers, suppliers, ancillaries, franchisees and distributors;
  - (iii) appoint, retrench and/or dismiss employees, consultants and contract labour of the Company, subject to Clause 6.1.2 and other applicable provisions of this Agreement, the applicable staff regulations, the standing orders of the Company and applicable Law.
  - (iv) make decisions regarding the marketing of the Company's products, including fixing the price, margins, discounts and determining the advertisement policy and budgets;

- (v) make operational decisions regarding the quality and product constituents for the customers; and
- (vi) take such actions or execute such contracts on behalf of the Company that are in the ordinary course of business of the Company, except as specified in Schedule 4.5.

Provided however that the powers and duties of the Managing Director under this Sub-Clause 4.7(f) shall not include any matters specified in Schedule 4.5 of this Agreement.

#### 5.1 Restrictions on Transfer of Shares

- (a) The SP shall not, for a period of 3 (three) years from Closing Date, directly or indirectly, sell, or transfer or in any other way dispose ("**Transfer**") any Purchase Shares or the legal or beneficial ownership of Purchase Shares or any of its rights or obligations under this Agreement, to any Person.
- (b) The Government shall not, from the date hereof till the expiry of a period of 18 (eighteen) months from the Closing Date or the expiry of the Call Period in the event of exercise of call option by the SP under Clause 5.8, whichever is earlier, sell (other than pursuant to exercise of its put option under Clause 3.3 or pursuant to any offer to purchase by the SP, except the public offer pursuant to the purchase of the Purchase Shares) any of the Called Shares (as defined in clause 5.8 of the Shareholders Agreement).

#### 5.2 Pledge of Shares

Subject to the terms of the NDA, the SP may pledge, charge or mortgage any Purchase Shares for supporting any financial arrangements, provided it gives a written notice to the Government, at least 15 (fifteen) days prior to the creation of any such pledge, charge or mortgage, specifying the identity of the Person in whose favour the SP proposes to pledge, charge or mortgage any Purchase Shares and the material terms and conditions concerning such pledge, charge or mortgage. Similarly, the Government may pledge, charge or mortgage any Shares held by it, provided it gives a written notice to the SP, at least 15 (fifteen) days prior to the creation of any such pledge, charge or mortgage, specifying the identity of the Person in whose favour the Government proposes to pledge, charge or mortgage any Shares held by it and the material terms and conditions concerning the creation of such pledge, charge or mortgage.

#### 5.3 Notice of Restrictions

- (a) If any Shareholder holds any Shares in the physical form, and in the event that any or all of the Purchase Shares held by the SP are rematerialized (the "**Rematerialized Shares**") prior to the expiry of 3 (three) years from the Closing Date, each share certificate of the Company in respect of such Shares of the Company held by any Shareholder in the physical form and the Rematerialized Shares, shall bear the following legend either as an endorsement or on the face of such share certificate:

**"THIS CERTIFICATE AND THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT IN ALL RESPECTS TO THE PROVISIONS OF THE SHARE PURCHASE AGREEMENT BY AND AMONG THE PRESIDENT OF INDIA, STERLITE OPPORTUNITIES AND VENTURES LIMITED AND HINDUSTAN ZINC LIMITED, AND THE SHAREHOLDERS AGREEMENT BY AND AMONG THE PRESIDENT OF INDIA AND STERLITE OPPORTUNITIES AND VENTURES LIMITED, BOTH OF WHICH ARE DATED APRIL 4, 2002, COPIES OF WHICH ARE ON FILE AT THE CORPORATE OFFICE OF THE COMPANY. SUCH SHAREHOLDERS**

AGREEMENT, AMONG OTHER THINGS, IMPOSES VARIOUS RESTRICTIONS ON THE TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION, GIFT, PLACEMENT IN TRUST (VOTING OR OTHERWISE), OR OTHER ENCUMBRANCE OR DISPOSAL OF AN INTEREST IN, DIRECTLY OR INDIRECTLY AND WHETHER OR NOT VOLUNTARILY, BY OPERATION OF LAW OR OTHERWISE, OF THE COMPANY'S EQUITY SHARES, PAR VALUE Rs 10/- PER SHARE (THE "EQUITY SHARES"), AND GRANTS TO CERTAIN SHAREHOLDERS OF THE COMPANY CERTAIN OPTIONS TO PURCHASE AND SELL THE EQUITY SHARES.

THE ABOVE LEGEND SHALL BE VALID FOR A PERIOD COMMENCING FROM APRIL 11, 2002 (*date of Closing*) till APRIL 10, 2005 (*three years from date of closing*) AND SHALL BE DEEMED TO HAVE AUTOMATICALLY LAPSED UPON THE EXPIRY OF THREE YEARS FROM THE CLOSING DATE OR THE EXPIRY OF THE SHAREHOLDERS AGREEMENT, WHICHEVER IS EARLIER."

- (b) Upon the expiry of 3 (three) years from Closing Date, the Shareholders shall have the right to submit the share certificate for the Rematerialized Shares and any Shares held by any Shareholder in the physical form, if any, bearing the legend to the Company and seek the substitution by a new share certificate without the legend.

#### 5.4 Right of First Refusal

- (a) Subject to Sub-Clauses 5.1(b), if the Government desires to sell all or any of the Shares held by it, or, subject to Sub-Clause 5.1(a), if the SP desire to sell all or any of the Purchase Shares, or any other Shares acquired pursuant to Clause 3.2, Clause 3.3 and/or Article 5, the Government or the SP, as the case may be, (the "**Offeror**") shall first offer (the "**Offer**" for the purposes of this Clause 5.4) to sell such Shares to the other Shareholder (the "**Other Shareholder**"). The Offeror shall send a notice of the Offer (the "**Sale Notice**") to the Other Shareholder irrevocably offering to sell the Offer Shares, for cash to the Other Shareholder.
- (b) The Sale Notice shall clearly stipulate among other things, the number of Shares that the Offeror desires to sell (the "**Offer Shares**"), the price at which the Offeror proposes to sell the Offer Shares (the "**Offer Price**"), details of any willing Third Party buyer, if any and other terms and conditions of the sale.
- (c) Upon the Sale, Notice being given, the Other Shareholder shall have the right, exercisable at its sole discretion, to purchase all, but not less than all, of the Offer Shares.
- (d) Within 30 Business Days of the Sale Notice (the "**Offer Period**") the Other Shareholder may give to the Offeror, a notice in writing accepting the offer contained in the Sale Notice (an "**Acceptance Notice**"). If the Acceptance Notice is given by the Other Shareholder, the transaction of purchase and sale shall be completed within 60 Business Days of the expiry of the Offer Period.
- (e) If the Other Shareholder does not give Acceptance Notice in accordance with the provisions of Sub-Clause 5.4(d), the rights of the Other Shareholder, subject to the terms provided in this Clause 5.4, to purchase the Offer Shares shall cease and the Offeror may sell the Offer Shares to any Third Party within 30 (thirty) Business Days after the expiry of the Offer Period, for a price and at terms no more favourable to such Third Party than those set out



in the Sale Notice. Provided, however that such Person(s) shall along with the deed of transfer execute a Deed of Adherence undertaking to adhere with the terms and conditions of this Agreement including the duties, obligations and responsibilities of the Offeror contained herein, prior to becoming a shareholder in the Company. The Shareholders agree that on the transfer of the Offer Shares to such Person(s), such Person(s) shall be subrogated in the position of the Offeror with respect to the Offer Shares. Provided that in the event the Offeror proposes to make a public offer under this Sub-clause 5.4(e), then the Government and SP shall cause such resolutions to be passed at the shareholders' meeting and Board meeting, as may be required for the such public offer, under applicable Law, including without limitation SEBI guidelines, listing conditions etc. Further, the SP and the Government shall cause the Company to comply with all SEBI guidelines, issue norms and listing guidelines and all relevant provisions under applicable Law.

- (f) If the Offer Shares are not sold within such 30 (thirty) Business Days period on such terms contained in the Sale Notice, the rights of the Other Shareholder pursuant to this Clause 5.4 shall again take effect with respect to any sale of Shares held by the Offeror, and so on from time to time.
- (g) Notwithstanding the provisions of Sub-Clause 5.4(e), the Other Shareholder shall be entitled to require proof that the purchase and sale of the Offer Shares was completed at a price and at terms no more favourable than those that would have been applicable had the Other Shareholder agreed to purchase the Offer Shares.
- (h) All Sale Notices, Acceptance Notices or any other notices given under this Clause shall be given concurrently to the Company.
- (i) Notwithstanding anything to the contrary in this Article 5, the Government, shall at any time and at its sole discretion, have the option of selling Shares from its shareholding in the Company, representing not more than 5% of the Share Capital of the Company existing as of date of this Agreement, to the employees of the Company ("**Employee Sale Shares**"). In the event that the Government exercises its option to sell part of its Shares to the employees, the employees shall be issued fresh share certificates for the Shares transferred to the employees, without the endorsement of the legend provided in Sub-Clause 5.3(b). The Shareholders agree that, upon the completion of transfer, the Shares transferred to the employees pursuant to this sub-clause (i) shall not be subject to any restrictions in this Agreement, whether by way of a voting arrangement or a right of first refusal.
- (j) Notwithstanding anything to the contrary contained in this Clause 5.4, upon the expiry of a period of 18 (eighteen) months from the Closing Date or the expiry of the Call Period in the event of exercise of call option by the SP under Clause 5.8, whichever is earlier, if the Government, as an Offeror proposes to make a sale of all or any of its Shares by a public offer under Sub-clause 5.4 (e) the SP shall not have any rights as an "Other Shareholder" provided in this Clause 5.4.

#### 5.5 Insolvency of Strategic Partner

- (a) Subject to applicable Law, if an Event of Bankruptcy occurs in relation to the SP, the SP shall give notice of such Event of Bankruptcy ("**Insolvency Offer Notice**") to the Government within 15 (fifteen) Business Days of such Event of Bankruptcy, and the Government shall have the right to require the SP to sell all, but not less than all, of the Shares beneficially owned by the SP (the



“**SP’s Shares**”) to the Government or its nominee at the Market Value of the SP’s Shares.

- (b) Within 60 (sixty) Business Days of the Insolvency Offer Notice (for the purposes of this Clause the “**Insolvency Offer Period**”), the Government may give to the SP, with a copy to the Company, a notice in writing exercising its right to purchase the SP’s Shares under this Clause 5.5 (an “**Insolvency Acceptance Notice**”). If the Insolvency Acceptance Notice is given by the Government, the transaction of purchase and sale shall be completed within 60 (sixty) Business Days of the expiry of the Insolvency Offer Period.
- (c) Upon the completion of the purchase of the SP’s Shares by the Government pursuant to this Clause 5.5, the Government shall be constituted as successors in interest of the SP to the extent of the Shares held by the SP, and the Government shall be entitled to succeed to, and be transmitted as the successor shareholders on the register of members of the Company.
- (d) If an Event of Bankruptcy occurs in relation to the Principal the provisions of this Clause shall apply to the Shares held by the Shareholder which the Principal Controls, mutatis mutandis.

#### 5.6 Permitted Transfers

- (a) Notwithstanding anything contained in this Article 5, any shares of the SP held by the Principal, and Shares held by the SP, may be Transferred to a Person who is an Affiliate of the SP, provided that, in connection with any such Transfer (i) the transferee shall, through a Deed of Adherence, assume all rights and obligations of the transferor under this Agreement, and (ii) effective provision is made whereby the transferee and the transferor are bound, prior to the transferee ceasing to be an Affiliate of SP to effect the Transfer back to the SP, or the Principal, as the case may be, all (but not less than all) such Shares held by the transferee.
- (b) Notwithstanding the completion of any Transfer of Shares of the SP to a Person pursuant to this Clause 5.6, the SP and the Principal shall continue to be bound by all the obligations under this Agreement as the principal obligator.

## SCHEDULE 4.5

### Matters Requiring Special Consent

1. Alterations of provisions of the Articles of Association.
2. Commencement of any new line of business.
3. Change of the name of the Company.
4. Issue of any Shares, in any manner whatsoever, prior to the expiry of two years from the Closing Date.
5. Issue of further Shares without pre-emptive rights to members or convert loans or debentures into Shares.
6. Issue of any Shares, or any other instrument, including without limitation, preference shares, debentures, warrants, which would amount to a Proposal for Dilution as defined hereinafter.
7. Any issue by way of a rights issue, at a discount to the Market Value of the Shares.
8. Determination that any portion of the Share Capital not already called up shall not be called up except in the event of, and for the purpose of, winding up the Company.

9. Reduction of the Share Capital.
10. Approval of variation of rights of special classes of Shares.
11. Removal of the registered office of the Company outside the local limits of the state, town, or village in which it is situated.
12. Keeping registers and returns at any other place than within city, town or village in which the registered office of the Company is situated.
13. Authorisation of the payment of interest on the paid-up amount of the Share Capital raised for the purpose of defraying the expenses of construction of any work or building or the provisions of any plant that cannot be made profitable for a lengthy period.
14. Consent to a Director or his relative or partner or firm or private company holding an office or place of profit, except that of Managing Director, manager, banker, or trustee for debenture-holders of the Company for entering into any agreement with the Company.
15. Appointment of sole selling or buying or purchasing agent.
16. Making of loans or provision of guarantees or security to other companies under the same management.
17. Application to a Court to wind-up the Company.
18. Winding up of the Company voluntarily.
19. Binding of the Company by a scheme of arrangement made under Section 517 of the Act.
20. For various other matters pertaining to the winding up of the Company under Sections 433(a), 494(1)(b), 507, 512(1), 546(1)(b), 550(1)(b) of the Act.
21. Any buy-back by the Company of Shares under the provisions of section 77A of the Act.
22. The granting of any security or creation of any encumbrances on the assets of the Company or guaranteeing the debts of any Person which in aggregate exceeds 50% of the book value of Company's net fixed assets as per the latest audited financial statements of the Company, but excluding those necessary to secure operating lines of credit/working capital requirements of the Company with institutional investors, multilateral agencies, scheduled banks and financial institutions.
23. Any one or a series of transactions, which causes a sale, lease, exchange or disposition of fixed assets of the Company or its subsidiary having an aggregate value exceeding 10% of the total value of the net fixed assets of the Company as specified in the latest audited financial statement of the Company. For the avoidance of doubt it is clarified that for the purposes of this Clause, any sale, lease, exchange or disposition of fixed assets after the Closing Date shall be included in determining whether the aggregate value of 10% has been exceeded. Further, nothing in this Clause shall be construed as approval to permit one or a series of transactions, year to year, that disposes or has the effect of disposing off the fixed assets of the Company or its subsidiaries upto the rate of 10% of the total value of the net fixed assets of the Company as specified in the latest audited financial statement of the Company, annually, in an attempt to dispose off the fixed assets of the Company.
24. The making directly or indirectly, of loans or advances, in any one or a series of transactions, in excess of Rs. 200 million to any Person in the course of one calendar year.

25. Any transfer, sale, lease, exchange or disposition of any mining leases of the Company granted to the Company under the Mines and Minerals (Development and Regulation) Act, 1957 and the rules made thereunder.
26. Vesting or delegation of such powers to the Managing Director or the Chief Executive Officer or officer of equivalent position in the Company that are in excess of the powers and authority of the Managing Director as specified in Clause 4.7.
27. Any commitment or agreement to do any of the foregoing.

The expression “**Proposal for Dilution**” means any issue of Shares including, without limitation an issue by way of rights, or any other instrument, including without limitation, preference shares, debentures, warrants, that are capable of being converted into Shares, which issue may result in dilution of the Government’s shareholding to below 26% of the total issued and paid up equity share capital of the Company, whether at the time of issue of such Shares or other instrument or at the time of conversion of Shares or other instrument or at any other time.

Name of subscriber	Address, description & occupation if any	No. of shares taken by each subscriber	Signature of Subscriber	Signature of witnessess and their description & occupation
1. President of India	For and on behalf of the President of India R. N. Vasudeva, Joint Secretary, Department of Mines & Metals, Ministry of Steel & Mines, New Delhi	One Equity	Sd/- R. N. Vasudeva	
2. C. S. Venugopala Rao	Deputy Secretary Department of Mines & Metals, Ministry of Steel & Mines, New Delhi	One Equity	Sd/- C. S. Venugopala Rao	Sd/- S. S. Rawat, S/o Shri Shekher Singh Rawat U.D.C., Department of Mines & Metals, Ministry of Steel & Mines, New Delhi
3. P. G. Gavai	Deputy Secretary Department of Mines & Metals, Ministry of Steel & Mines, New Delhi	One Equity	Sd/- P. G. Gavai	

Dated this 10th day of January, 1966