

HINDUSTAN ZINC LIMITED

Related Party Transaction Policy

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1. Preamble

The Board of Directors (“the **Board**”) of Hindustan Zinc Limited (the “**Company**” or “**HZL**”) on the recommendation of the Audit and Risk Management Committee has adopted this Policy on Related Party Transactions (“**Policy**”). This Policy envisages the procedures governing Related Party Transactions required to be followed by the Company to ensure compliance with the Law and Regulation.

This policy is to regulate transactions between the Company, its subsidiaries and their Related Parties based on the laws and regulations applicable to the Company.

The policy will be effective from January 19, 2026. The Board of Directors of the Company, on the recommendation of Audit & Risk Management Committee of the Company shall periodically review the policy at least once every 3 years and may amend the policy from time to time to align with the regulatory amendments under the Companies Act, 2013 or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. Purpose

This policy is framed as per the requirements of Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any modification(s) / amendment(s)/re-enactment(s) thereof] (“**Listing Regulations**”) and in terms of Section 188 of the Companies Act, 2013 (“**the Act**”) and is intended to ensure proper approval, disclosure and reporting requirements of transactions between the Company and its Related Parties.

3. Definitions

3.1 “Arm’s length Transaction” means a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest.

3.2 “Industry Standards” shall mean the Industry Standards on “Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction (RPT)” as notified by SEBI from time to time.

3.3 “Material Related Party Transactions” shall have the same meaning as defined under Regulation 23(1) of the Listing Regulations.

3.4 “Material Modification” in relation to the Related Party Transaction(s) shall mean any change / variation / modification in an existing related party transaction / contract / arrangement, the financial effect of which is an increase in the per annum value of the relevant related party transaction / contract / arrangement by more than 20% or Rs. 25 Crore in the contract value, whichever is higher, would require fresh approval of the Audit & Risk Management Committee.

However, any changes in contractual price on account of fluctuation in published index like LME, Exchange Rate etc. will not be considered as material modification.

3.5 “Ordinary Course of Business” A transaction will be treated as transaction in the ‘Ordinary Course of Business’ if it is:

- (i) covered in the object clause of the Memorandum of Association of the Company
- (ii) repetitive/ frequent in nature

- (iii) normal and otherwise routine in the particular business
- (iv) in furtherance of business objectives and/ or business purposes of the Company.

The above list is indicative, and the Company shall assess each transaction basis its type & nature.

3.6 “Related Party” shall have the meaning as defined under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations or under the applicable accounting standards.

Provided that:

- a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
- b) any person or any entity, holding equity shares of ten per cent or more, in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Act, at any time, during the immediate preceding financial year; shall be deemed to be a related party.

3.7 “Related Party Transaction” shall have the meaning as defined under Regulation 2(1)(zc) of the Listing Regulations and as envisaged in Section 188(1) of the Act.

However, the transactions specifically exempted under Regulation 2(1)(zc) of Listing Regulations (including any statutory modification or re-enactment thereof for the time being in force) or any other applicable laws shall not be considered as Related Party Transactions.

3.8 “Unforeseen Related Party Transaction” means a Related Party Transaction, where the need for such transaction cannot be foreseen, and the value of such transaction does not exceed Rupees one crore per transaction.

3.9 “Relative” in relation to a Related Party shall have the same meaning as defined under Section 2(77) of the Act and rules prescribed thereunder.

3.10 “Wholly Owned Subsidiary Company” (“WOS”) shall include a company in which the holding company exercises or controls 100% of the total voting power of that company, either directly on its own or directly or indirectly through its other wholly owned subsidiary companies; OR controls the composition of the Board of Directors of that company.

Any other term not defined herein shall have the same meaning as defined in the Act, the SEBI Listing Regulations or any other applicable law or regulation, each as amended.

4. Materiality Threshold

Regulation 23 of the Listing Regulations requires a Company to provide materiality thresholds for transactions beyond which the shareholders’ approval will be required by way of an ordinary resolution and no related party of the Company will vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Proviso to Regulation 23(1) prescribes that a transactions with a related party shall be considered “material” if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds the thresholds specified in Schedule XII of the Listing regulations.

Notwithstanding the above, in terms of Regulation 23(1A) of the Listing Regulations, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds five percent of the annual consolidated turnover of the listed entity as

per the last audited financial statements of the listed entity.

It is clarified that in terms of Regulation 23(4), approval of shareholders of the Company shall also be required for transactions and subsequent material modifications for Material Related Party Transactions to which an unlisted subsidiary of the Company is a party but the Company is not a party unless otherwise exempted.

5. Identification of Related Parties

The Compliance Officer shall maintain a list of Related Parties as defined in Section 2(76) of the Act read with Companies (Specification of Definitions Details) Rules, 2014 and under the applicable accounting standards

1. Each Director and Key Management Personnel shall disclose in Form MBP-1, at the time of appointment, beginning of every financial year and whenever there is any change in the disclosure made, about all the persons, entities in which he or she is interested, whether directly or indirectly.
2. Each director and Key Management Personnel shall provide a declaration, at the time of appointment, beginning of every financial year and whenever there is any change in the disclosure so made of:
 - its relatives
 - firms in which such Director/ Manager or his relative is a partner
 - private Companies in which a Director or Manager or his relative is a member or Director
 - public companies in which a Director or manager is a Director and holds along with the relatives more than 2% of the paid-up share capital.
3. The Compliance Officer shall:
 - Basis the declaration of Directors and KMPs, identify and keep on record in the form of an updated database the information pertaining to Related Parties, along with their personal/company details;
 - At the beginning of the financial year and on any subsequent changes, identify and maintain information in the database about the related parties in association with the Company. Identify and maintain database on persons/entities forming a part of the promoter or promoter group of the Company or any person or any entity, holding equity shares of ten per cent or more in the Company either directly or on a beneficial interest basis as provided under section 89 of the Act, at any time, during the immediate preceding financial year.
 - Update the database of Related Parties of the Company or its subsidiary whenever necessary and review on a quarterly basis.

6. Identification of Related Party Transactions

1. Each Director, Key Managerial Personnel & Senior Management will be responsible for providing notice to the Company or Audit & Risk Management Committee of any potential Related Party Transaction involving him or her or his or her relative.
2. The Compliance Officer shall ensure that all Directors, Key Managerial Personnel and Senior Management make an annual declaration relating to all material, financial and commercial transactions where they have personal interest that may have a potential conflict with the interest of the Company at large.
3. The Compliance Officer would collate a list of Related Party Transactions as follows:

- Continuing RPTs as per the disclosure made in Company's financial statements;
- Transactions which are likely to be entered into with each related party and estimated value of such transactions before the beginning of each financial year to obtain necessary approvals in accordance with this Policy.

7. Review and Approval of Related Party Transactions

A. Audit & Risk Management Committee

1. All the transactions which are identified as Related Party Transactions and modifications thereof, shall require prior approval of the Audit & Risk Management Committee. The Audit and Risk Management Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.
2. With respect to modification of Related Party Transaction involving subsidiaries wherein the listed entity is not a transacting party, only material modifications, would require the prior approval of the Audit & Risk Management Committee of HZL.
3. Only those members of the Audit & Risk Management Committee, who are independent Directors, shall approve Related Party Transactions. Any member of the Audit and Risk Management Committee who has a potential interest in any Related Party Transaction shall recuse himself and abstain from discussion and voting on the proposal for approval of the said transaction. A Related Party Transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length basis, would require the approval of the Board or shareholders as may be applicable.
4. A Related Party Transaction with Ultimate Holding Companies of the Company including their subsidiaries to which the subsidiary of the Company is a party but Company is not a party, shall require prior approval of the Audit & Risk Management Committee of the Company.
5. A Related Party Transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Audit & Risk Management Committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds the lower of the following:
 - i. ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary or;
 - ii. the threshold for material related party transactions of listed entity as specified in Schedule XII of Listing Regulations.
6. A related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of a listed entity is a party but the listed entity is not a party and such subsidiary does not have audited financial statements for a period of at least one year, prior approval of the audit committee of the listed entity shall be obtained if the value of such transaction exceeds the lower of the following:
 - i. ten percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or
 - ii. the threshold for material related party transactions of listed entity as specified in Schedule XII of these regulations.
7. A transaction executed by the Company on one hand, with any other unrelated person or entity on the other hand and the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries, shall require prior approval of the Audit & Risk Management Committee of the Company.

8. A transaction executed by the subsidiary of Company on one hand, with any other unrelated person or entity on the other hand and the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries, shall require prior approval of the Audit & Risk Management Committee of the Company, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds the lower of the following:
 - i. 10% of the annual standalone turnover of the Company's subsidiary as per the last audited financial statements of the subsidiary; or
 - ii. the threshold for material related party transactions of listed entity as specified in Schedule XII of Listing Regulations.
9. The Audit and Risk Management Committee shall review, on a quarterly basis, the details of Related Party Transactions and Material modifications thereof, entered into by the Company or its subsidiary pursuant to the omnibus approval. Certain procedural aspects concerning review of a Related Party Transaction may be modified or waived by the Committee, at its discretion.
10. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.
11. A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit and Risk Management Committee for consideration, and ratification, if appropriate.
12. Audit & Risk Management committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiary subject to the following conditions, namely-
 - a) such approval shall be applicable in respect of transactions which are repetitive in nature;
 - b) The Audit & Risk Management Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the listed entity;
 - c) the omnibus approval shall specify:
 - the name/s of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,
 - the indicative base price / current contracted price and the formula for variation in the price if any;
 - Minimum information about the RPTs as per the provisions of the Industry Standards and
 - such other conditions as the Audit & Risk Management Committee may deem fit.
13. The transactions below cannot be approved through omnibus route:
 - Transactions in respect of selling or disposing of the undertaking of the Company;
 - Transactions which are not in ordinary course of business or not at arm's length price;
 - Transactions which are not repetitive in nature;
 - Transactions that exceed the threshold specified by the Board;
 - Any other transaction as may be specified under the Act or rules made there under or SEBI Listing Regulations.
14. Where the need for Related Party Transaction cannot be foreseen and details are not available, Audit & Risk Management Committee may grant omnibus approval for such transactions subject to their value not exceeding one crore rupees per transaction.
15. Quarterly information of all RPTs, which has been approved in accordance with this Policy, shall be

placed by the Company and its subsidiary for the review of Audit & Risk Management Committee. The management shall also submit a report to the Audit & Risk Management Committee providing a comparison between the approvals granted and the actual transactions.

The Audit & Risk Management Committee, at the time of approval of RPTs, shall take into consideration the certificate to be placed before it by the Chief Executive Officer/Managing Director /Whole time Director/Manager and Chief Financial Officer or any other KMP of the Company, confirming that the terms of RPTs proposed to be entered into are in the interest of the Listed Entity. This certificate shall be placed before the Committee in terms of the Industry Standards.

The Company shall place all the information, as specified in Industry Standards read with the provisions of Listing Regulations, the Act as well as additional information specified by SEBI from time to time, for review of the Audit & Risk Management Committee while seeking prior approval of the RPTs.

18. Exceptions to Audit & Risk Management Committee Approval

Prior approval of the Audit & Risk Management Committee shall not be required for:

1. Prior approval of the Audit & Risk Management Committee of the Company shall not be required for a Related Party Transaction to which the listed subsidiary and unlisted subsidiaries of such listed subsidiary are both parties but the Company is not a party, if Regulation 23 and sub-regulation (2) of Regulation 15 of the Listing Regulations are applicable to such listed subsidiary and the prior approval of the Audit & Risk Management Committee of the listed subsidiary shall suffice.
2. Remuneration and sitting fees paid by the listed entity or its subsidiary to its Director, key managerial personnel or senior management, except who is part of promoter or promoter group provided that the same is not material in terms of the provisions of sub-regulation (1) of Regulation 23 of the Listing Regulations.
3. All transactions including all subsequent modifications which are in the ordinary course of business and are at arm's length price and entered into between the company and its wholly owned subsidiary whose accounts are consolidated with such company and placed before the shareholders at the general meeting for approval; and
4. All transactions including all subsequent modifications, entered between two wholly owned subsidiaries of the listed holding company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
5. Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand.

Approval of the Board of the Company:

- In case any Related Party Transactions are i) not in the ordinary course of business, or (ii) not at an arm's length price, will be approved by approval of the Board (would be required and the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction.
- All Material Related Party Transactions including subsequent material modifications shall require prior approval of the Board;

- Any member of the Board or Key Managerial Personnel who has any interest in any Related Party Transaction shall abstain from discussion and voting on the Related Party Transaction.

Approval of the Shareholders of the Company

Listing Regulations

- All material Related Party Transactions and subsequent material modifications as defined by the Audit & Risk Management Committee shall require prior approval of the shareholders through ordinary resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not;
- The Company shall comply with the requirement of approval under the Act and the Listing Regulations separately and independently.
- The Company shall place all the information, as specified in Industry Standards read with the provisions of Listing Regulations, Act as well as additional information specified by SEBI from time to time, in the Statement to the notice being sent to shareholders seeking their approval for proposed RPTs as applicable.

Exceptions to Shareholders' Approval under Listing Regulations:

- The requirement for shareholders' approval for Material Related Party Transactions shall not be applicable in the following cases:
 - a) All transactions, including all subsequent modifications entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
 - b) All transactions including all subsequent modifications entered into between two wholly- owned subsidiaries of the Company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- Prior approval of the shareholders of the Company shall not be required for a Related Party Transaction to which the listed subsidiary is a party but the Company is not a party, if regulation 23 and sub regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.
- Further, the above requirements shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
- Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand.

The Companies Act, 2013

- Related party Transactions as defined in Section 188 of the Act which are: (a) not in the ordinary course of business or not at arm's length; and (b) which are in excess of the limits prescribed under the Act including any modifications or amendments, requiring the approval of shareholders, shall require an approval of the shareholders by way of a resolution passed at the general meeting of the Company; and in such cases, the Related Party/(ies) to the transaction shall abstain from voting on such resolution.

- The Company shall comply with the requirement for approval under the Act and the Listing Regulations separately and independently.

9. Ratification of Transactions

1. Where, owing to exigencies, Related Party Transactions have been entered into without being placed for prior approval by the Audit & Risk Management Committee upto an amount of rupees one Crore, reasoned explanation for the same must be provided to the satisfaction of the Audit & Risk Management Committee. The Audit & Risk Management Committee shall evaluate such transactions by taking into account all relevant considerations and may subsequently ratify such transactions within a period of 3 months of entering into such transaction or in the immediate next audit committee, whichever is earlier.
2. In any case, where the Audit & Risk Management Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Audit & Risk Management Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the related party, etc.
3. The Audit & Risk Management Committee/ Board of Directors (as applicable) shall consider all the relevant facts & circumstances regarding the said transaction and shall evaluate all the options available to the Company such as ratification, revision, termination etc. of the said Related Party Transaction in terms of the provisions of applicable laws. While reviewing and evaluating the aforesaid transaction, Audit & Risk Management Committee/ Board of Directors (as applicable) shall have the power to modify or waive any procedural requirement of this Policy.
4. The post-factor approval/ ratification granted by the Audit & Risk Management Committee, the Board and/ or shareholders shall not be deemed to violate this policy, and the said transaction would not be invalid or unenforceable, subject to compliance of the provisions of SEBI (LODR) Regulations, 2015 and Companies Act, 2013.
5. As per regulation 23(2) of SEBI (LODR) Regulations, failure to seek ratification of the Audit & Risk Management Committee shall render such transactions voidable at the option of the Audit & Risk Management Committee and if the transaction is with a related party to any Director, or is authorised by any other Director, the Director(s) concerned shall indemnify the Company against any loss the Company incurs.

10. Reporting & Disclosures

1. This Policy shall be disclosed on the website of the Company and a web link to the policy shall be provided in the Annual Report.
2. Details of all material Related Party Transactions including any subsequent material modifications with related parties shall be disclosed quarterly along with the compliance report on corporate governance;
3. The particulars of contracts or arrangement with related parties referred in section 188(1) of the Act to be disclosed in the Directors Report in Form AOC-2;
4. In terms of Regulation 23(9), listed entity shall make disclosure of Related Party Transactions every six months on the date of publication of its standalone and consolidated financial results to the stock

exchanges in the format as specified by the Securities and Exchange Board of India from time to time and publish the same on its website.

5. Appropriate disclosures as specified under the Act and the SEBI Listing Regulations, shall be made by the Company in the Annual Report and to the Stock Exchanges.

6. Limitation & Amendment

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.