

**UNDERTAKING IN RELATION TO NON-APPLICABILITY OF PARAGRAPH 10(b) READ WITH PARAGRAPH 10(a) OF PART I OF SEBI MASTER CIRCULAR NO. SEBI/HO/CFD/DIL1/CIR/P/2020/249 DATED DECEMBER 22, 2020 ("SEBI MASTER CIRCULAR")**

**1. Background**

- 1.1. This is with reference to the proposed Scheme of Arrangement between Hindustan Zinc Limited ("**Company**") and their respective shareholders ("**Scheme**") under Section 230 and other applicable provisions of the Companies Act, 2013 ("**Act**").
- 1.2. The Scheme provides for capital reorganization of the Company, *inter alia*, providing for transfer of amounts standing to the credit of the General Reserves (*as defined in the Scheme*) to the Retained Earnings (*as defined in the Scheme*) of the Company.

**2. Consideration under the Scheme**

Pursuant to the Scheme, there is no outflow of/ payout of funds from the Company. The Scheme does not entail any discharge of consideration by the Company to its shareholders.

**3. Requirement of SEBI Master Circular**

- 3.1. SEBI Master Circular mandates all the listed companies to ensure that the scheme submitted with the jurisdictional National Company Law Tribunal for sanction, shall be acted upon in certain cases **as mentioned in of Paragraph 10(a) of Part I of the SEBI Master Circular**, if the votes cast by public shareholders in favour of the Scheme are more than the votes cast by the public shareholders against the Scheme.
- 3.2. The SEBI Master Circular further provides that in cases where the Scheme does not fall within the cases mentioned in Paragraph 10(a) of Part I of the SEBI Master Circular, the listed entity shall furnish an undertaking certified by the auditor and duly approved by the Board of the company, clearly stating the reasons for non-applicability of the aforesaid requirement.
- 3.3. In terms of the Scheme and as mentioned in Paragraph 2 above, no consideration shall be issued pursuant to the Scheme.
- 3.4. Thus, in terms of Paragraph 10(a) read with Paragraph 10(b) of Part I of the SEBI Master Circular, the Company hereby undertakes that the requirements under the SEBI Master Circular pertaining to obtaining approval of the majority of public shareholders of the Company to the Scheme is not applicable to the Company.

**4. Reasons for non-applicability**

The detailed reasons for non-applicability of obtaining approval of the majority of public shareholders to the Scheme are as follows:



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**Hindustan Zinc Limited**

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4.1. Paragraph 10 (b)(i):

*"Where additional shares have been allotted to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the listed entity, or"*

Reason for non – applicability

Thus, this requirement of the SEBI Master Circular is not applicable as the Scheme does not contemplate any issue of consideration or any additional allotment of shares.

4.2. Paragraph 10 (b)(ii)

*"Where the Scheme of Arrangement involves the listed entity and any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group."*

Reasons for non-applicability

This requirement of SEBI Master Circular is not applicable as the proposed Scheme is an arrangement between the Company and its shareholders only.

4.3. Paragraph 10 (b)(iii)

*Where the parent listed entity has acquired, either directly or indirectly, the equity shares of the subsidiary from any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the parent listed entity, and if that subsidiary is being merged with the parent listed entity under the Scheme.*

Reasons for non-applicability

This requirement of the SEBI Master Circular is not applicable as the Scheme only provides for reduction and reorganization of capital of the Company, further no merger is proposed under the Scheme.

4.4. Paragraph 10 (b)(iv)

*"Where the scheme involving merger of an unlisted entity results in reduction in the voting share of pre-scheme public shareholders of listed entity in the transferee / resulting company by more than 5% of the total capital of the merged entity;"*

Reasons for non-applicability

This requirement of the SEBI Master Circular is not applicable as the Scheme does not involve any merger of unlisted entity, further there would be no reduction in the voting share of the public shareholders pursuant to the Scheme.



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4.5. Paragraph 10(b)(v)

*"Where the scheme involves transfer of whole or substantially the whole of the undertaking of the listed entity and the consideration for such transfer is not in the form of listed equity shares"*

Reasons for non-applicability

This requirement of the SEBI Master Circular is not applicable as the Scheme does not involve any transfer of whole or substantially whole of the undertaking.

In view of the aforesaid, the requirement of obtaining consent of majority of public shareholders voting, as stated at Paragraph 10 (b) read with Paragraph 10(a) of the SEBI Master Circular is not applicable to the proposed Scheme.

For Hindustan Zinc Limited



(Arun Misra)  
CEO & Whole-time Director



(Rajendra Pandwal)  
Company Secretary

Place: Udaipur

Date: January 21, 2022