

HZL/2020-SECY/

October 30, 2021

Bombay Stock Exchange Ltd.  
P.J. Towers, Dalal Street,  
Mumbai - 400001

National Stock Exchange of (India) Ltd.  
"Exchange Plaza"  
Bandra-Kurla Complex,  
Mumbai – 400051

Kind Attn: - General Manager,  
Dept. of Corporate Services

Kind Attn:- Head - Listing & Corporate  
Communications

**Scrip Code: 500188**

**Trading Symbol: HINDZINC-EQ**

Dear Sir(s),

**Sub: - Corporate Announcement-  
SEBI/HO/CFD/CMD1/OW/P/2021/30834/1 dated October 29, 2021**

Dear All,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), 2015, copy of the letter no. SEBI/HO/CFD/CMD1/OW/P/2021/30834/1 dated October 29, 2021 received from SEBI (Securities and Exchange Board of India) is enclosed.

We would like to state that the Company has always been meticulous in complying with all the provisions of the Companies Act and SEBI Regulations and will continue to do so.

This is for information and record.

Thanking you,  
Yours faithfully,  
For **Hindustan Zinc Limited**,



(R Pandwal)  
Company Secretary  
Encl: As above

**Hindustan Zinc Limited**

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



General Manager  
Compliance and Monitoring Division  
Corporation Finance Department

भारतीय प्रतिभूति  
और विनियम बोर्ड  
Securities and Exchange  
Board of India

SEBI/HO/CFD/CMD1/OW/P/2021/30834/1

October 29, 2021

To

Hindustan Zinc Limited  
Yashad Bhawan, Udaipur,  
Rajasthan, 313004

Kind attention:- Mr. Rajendra Pandwal, Compliance Officer

Sir,

**Sub: Warning in relation to non-compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

1. This has reference to the disclosure made by Hindustan Zinc Limited ("HZL" / "Company") on August 17, 2021 regarding deferment of the Board meeting scheduled to consider interim dividend for Financial Year 2021-22 and the qualified opinion of the Independent Auditor in the Annual Report of the Company for FY 2020-21.

**Deferment of the Board Meeting:-**

2. It is observed from the disclosures made by the Company, on August 11, 2021, that a meeting of its Board of Directors was scheduled to be held on August 17, 2021 to consider interim dividend, if any, for the Financial Year 2021-22.
3. Subsequently, on August 17, 2021, the Company informed that the meeting scheduled to consider the inter dividend for FY 2021-22 has been deferred. The Company neither disclosed the reasons for deferment nor the tentative date of the next Board meeting.
4. In response to NSE's query, the Company, vide email dated September 16, 2021, had stated that due to lengthy discussions in the Audit committee and prior commitments of some of its directors, the Board meeting scheduled on August 17, 2021 had to be deferred. The Company had also stated that the discussion on the agenda i.e., interim dividend, was yet to be concluded by the Audit Committee and therefore was not recommended to the Board for its consideration and approval.
5. Based on the price information available on the Exchange website, it is observed that the closing price of the scrip shot-up from INR 316.05 on 11<sup>th</sup> August (date of announcement of board meeting) to INR Rs. 331.1 on 16<sup>th</sup> August (the day before the scheduled board meeting) and subsequently fell down to INR 317.5 on 17<sup>th</sup> August (after deferment of the board meeting). Considering that the Board meeting scheduled on August 17, 2021 was supposed to consider a price-sensitive agenda, the Company must have disclosed the reasons for deferment of such meeting, to the investors.

सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बान्द्रा कुर्ला कॉम्प्लेक्स, बान्द्रा (पूर्व), मुंबई - 400 051.  
दूरभाष : 2644 9950 / 4045 9950 (आई.वी.आर. एस.), 26449000 / 40459000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in



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Securities and Exchange  
Board of India

6. With respect to Company's submissions that the discussion on the agenda of interim dividend could not be concluded by the Audit Committee on August 17, 2021, it is noted that the Audit Committee and the Board of Directors subsequently met on October 22, 2021 *inter-alia* to consider the unaudited financial results for the quarter ended September 30, 2021. However, there is no mention of interim dividend in the Outcome of the Board meeting.
7. In this context, it is pertinent to have a look at the principles governing disclosures and obligations of listed entities as provided in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"). Regulations 4(1)(d) and 4(1)(e) of the LODR are reproduced below:
- "(d) The listed entity shall provide adequate and timely information to recognised stock exchange(s) and investors.*
- (e) The listed entity shall ensure that disseminations made under provisions of these regulations and circulars made thereunder, are adequate, accurate, explicit, timely and presented in a simple language."*
8. It is evident from the sequence of events discussed above that the Company has failed to comply with the aforementioned principles specified in the SEBI LODR. The Company is advised to provide necessary updates to the investors on the issue discussed above.

**Qualified Opinion of Independent Auditor:-**

9. With regard to the qualified opinion in respect of the company executing related party transaction worth Rs. 1407 Crores without prior approval of audit committee, the company has submitted that the said transaction was ratified later (after a period of approximately 2 months from the date of transaction) by the Audit Committee. The company has further submitted that the transaction was reviewed by its statutory auditors and was in instruments that the company has been historically investing in.
10. In this regard, attention is drawn to Regulation 23(2) of SEBI (LODR) Regulations, 2015, which states that all related party transactions shall require prior approval of the audit committee. Accordingly, the submissions of the company are not tenable.
11. The aforesaid lapses in compliance are viewed very seriously and the Company is hereby warned for its failure in ensuring compliance with appropriate provisions of law while making disclosures to the investors. The Company is advised to ensure compliance with the SEBI LODR, both in letter and in spirit, in future.



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Board of India*

12. You are advised to disclose this Warning letter under Regulation 30 of the SEBI LODR to the Stock Exchanges, who are advised to take it on record. You are also advised to place this letter before the Board of Directors in its next meeting for consideration.

Yours faithfully,

  
Surabhi Gupta

Copy to

BSE and NSE (via email)