



## HFCL Limited

(formerly Himachal Futuristic Communications Ltd.)

8, Commercial Complex, Masjid Moth, Greater Kailash - II,  
New Delhi - 110048, India

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HFCL/SEC/21-22

September 07, 2021

<b>The BSE Ltd.</b> 1 <sup>st</sup> Floor, New Trading Wing, Rotunda Building Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai – 400001 <a href="mailto:corp.relations@bseindia.com">corp.relations@bseindia.com</a> <b>Security Code No.: 500183</b>	<b>The National Stock Exchange of India Ltd.</b> Exchange Plaza, 5 <sup>th</sup> Floor, C – 1, Block G Bandra – Kurla Complex, Bandra (E) Mumbai – 400051 <a href="mailto:cmlist@nse.co.in">cmlist@nse.co.in</a> <b>Security Code No.: HFCL</b>
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**RE: Disclosures under Regulation 30 and 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI Listing Regulations”).**

**Subject: Submission of Annual Report for the financial year 2020-21, including Notice of the 34<sup>th</sup> Annual General Meeting.**

Dear Sir(s)/ Madam,

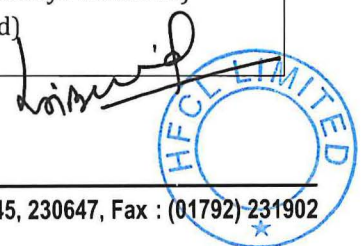
In terms of Regulation 30 read with Para A of Part A of Schedule III and Regulation 34 of the SEBI Listing Regulations, we hereby submit a copy of the **Annual Report of the Company for the financial year 2020-21, including Notice of the 34<sup>th</sup> Annual General Meeting (“AGM”)** of the members of the Company, scheduled to be held on **Thursday, the 30<sup>th</sup> day of September, 2021 at 11:00 A.M. (IST)** through Video Conferencing / Other Audio Visual Means (“VC” / “OAVM”) Facility.

The same are also available on the website of the Company at <http://www.hfcl.com>.

Please note that the Notice of the 34<sup>th</sup> AGM along with the Annual Report for the financial year 2020-21, has been sent to the eligible shareholders of the Company, **only through electronic mode** on the e-mail IDs registered with the Depositories/ Depository Participants/ Company/ RTA and will also be disseminated on the websites of the Company and the Stock Exchanges i.e. the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

For ease of participation of the members at AGM, **the key details with respect to AGM** are provided below:-

S. No.	Particulars	Details
1.	Cut-off Date	Thursday, 23 <sup>rd</sup> September, 2021
2.	Time Period for Remote e-Voting	<b>Commencement of remote e-Voting:</b> 09:00 A.M. IST on Monday, 27 <sup>th</sup> September, 2021 <b>End of remote e-Voting:</b> 05:00 P.M. IST on Wednesday, 29 <sup>th</sup> September, 2021
3.	Book Closure Period	Friday, 24 <sup>th</sup> September, 2021 to Thursday, 30 <sup>th</sup> September, 2021 (both days inclusive) (for the purpose of AGM and Dividend)



**secretarial@hfcl.com**

4.	Process for updating the e-mail id	Physical Mode - Write to: Company at <a href="mailto:secretarial@hfcl.com">secretarial@hfcl.com</a> ; and/or RTA at <a href="mailto:admin@mcsregistrars.com">admin@mcsregistrars.com</a> .
5.	Contact details of participation through VC or remote e-Voting / e-Voting	<b>Ms. Pallavi Mhatre, Manager,</b> <b>National Securities Depository Limited,</b> Trade World, 'A' Wing, 4 <sup>th</sup> Floor, Kamala Mills Compound Senapati Bapat Marg, Lower Parel Mumbai - 400 013 Designated email address: <a href="mailto:pallavid@nsdl.co.in">pallavid@nsdl.co.in</a> / <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> Telephone no. +91 22 2499 4545
6.	Company's Contact details	<b>Mr. Manoj Baid</b> Senior Vice-President (Corporate) & Company Secretary 8, Commercial Complex, Masjid Moth, Greater Kailash - II New Delhi - 110048 Tel: +91-11-3520 9400 Fax: +91-11-292 26015 Email: <a href="mailto:secretarial@hfcl.com">secretarial@hfcl.com</a>
7.	Scrutinizer to scrutinize remote e-Voting process and e-Voting during the AGM	<b>Mr. Baldev Singh Kashtwal,</b> Practicing Company Secretary having Membership No. FCS 3616 and C. P. No. 3169, having office at 106, 1 <sup>st</sup> Floor, Madhuban Tower, A-1, VS Block, Shakarpur Crossing, Delhi - 110092


***In view of the COVID-19 pandemic, the 34<sup>th</sup> AGM of the Company is being held through VC/OAVM on Thursday, 30<sup>th</sup> September, 2021 at 11:00 a.m. (IST), without the physical presence of the members at a common venue, in compliance of the various directions issued by the Ministry of Corporate Affairs ('MCA') and the Securities and Exchange Board of India ('SEBI').***

You are requested to take the above information on records and upload the same on your respective websites.

Thanking you.

Yours faithfully,  
**For HFCL Limited**

*(Formerly Himachal Futuristic Communications Limited)*



**(Manoj Baid)**

Senior Vice-President (Corporate) &  
Company Secretary

**Encl:** HFCL Annual Report 2020-21 along with Notice of 34<sup>th</sup> AGM.

# HFCL LIMITED

(FORMERLY HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED)

Registered Office: 8, Electronics Complex, Chambaghat, Solan – 173213 (Himachal Pradesh)  
Tel: +91-1792-230644; Fax: +91-1792-231902; Website: www.hfcl.com; E-mail: secretarial@hfcl.com  
(Corporate Identity Number: L64200HP1987PLC007466)

## NOTICE

(PURSUANT TO SECTION 101 OF THE COMPANIES ACT, 2013)

NOTICE is hereby given that the **34<sup>th</sup> (Thirty Fourth) Annual General Meeting ("AGM")** of the Members of **HFCL Limited** (formerly Himachal Futuristic Communications Limited) will be held on **Thursday, the 30<sup>th</sup> day of September, 2021 at 11:00 A.M. (IST)** through Video Conferencing / Other Audio Visual Means ("**VC**" / "**OAVM**") Facility, to transact the following business:

### ORDINARY BUSINESS:

#### 1. Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021, the reports of the Board of Directors and the Auditors thereon and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended March 31, 2021, along with the reports of the Board of Directors and the Auditors thereon as laid before this meeting, be and are hereby received, considered and adopted."

#### 2. Adoption of Consolidated Financial Statements

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 and the report of the Auditors thereon and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021, along with the report of the Auditors thereon as laid before this meeting, be and are hereby received, considered and adopted."

#### 3. Declaration of Dividend

To declare a Dividend of ₹0.15 (Fifteen Paise only) i.e. @15% per fully paid-up equity share of face value of ₹1/- (Rupee One only) for the financial year ended March 31, 2021 and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** a Dividend at the rate of ₹0.15 (Fifteen Paise only) i.e. @ 15% per fully paid-up equity share of face value of ₹1/- (Rupee One only) of the Company, be and is hereby declared for the financial year ended March 31, 2021 and the same be paid as recommended by the Board of Directors of the Company, out of the distributable profits of the Company for the financial year ended March 31, 2021."

#### 4. Appointment of Director in place of the retiring Director

To appoint a Director in place of Dr. (Mr.) Ranjeet Mal Kastia (DIN: 00053059), Director (Non-Executive), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment and in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to Section 152(6) of the Companies Act, 2013 and Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Dr. (Mr.) Ranjeet Mal Kastia (DIN: 00053059), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director (Non-Executive), liable to retire by rotation, of the Company."

### SPECIAL BUSINESS:

#### 5. Appointment of Mr. Ramakrishna Eda (DIN: 07677647) as a Director (Nominee Director– IDBI Bank Limited)

To appoint Mr. Ramakrishna Eda (DIN: 07677647) as a Director (Nominee Director– IDBI Bank Limited) and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 152, 161 and other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Ramakrishna Eda (DIN: 07677647) who had been appointed as an Additional Director (Non-Executive) in the category of Nominee Director of IDBI Bank Limited, be and is hereby appointed as a Director (Nominee Director– IDBI Bank Limited) of the Company, liable to retire by rotation."

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### 6. Re-appointment of Mr. Surendra Singh Sirohi (DIN: 07595264) as an Independent Director

To approve the re-appointment of Mr. Surendra Singh Sirohi (DIN: 07595264) as an Independent Director of the Company for a second term of three consecutive years and in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and 160 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (**the "Act"**) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**the "SEBI Listing Regulations"**) [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force] and on the recommendation of the Nomination, Remuneration and Compensation Committee and the Board of Directors, Mr. Surendra Singh Sirohi (DIN: 07595264), Independent Director of the Company, whose current term of office was up to August 26, 2021 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of

the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, from a Member, signifying his intention to propose Mr. Surendra Singh Sirohi's candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of three consecutive years commencing from August 27, 2021 up to August 26, 2024.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**7. Re-appointment of Dr. (Ms.) Tamali Sengupta (DIN: 00358658) as an Independent Director**

To approve the re-appointment of Dr. (Ms.) Tamali Sengupta (DIN: 00358658) as an Independent Director of the Company for a second term of three consecutive years and in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and 160 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (**the "Act"**) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**the "SEBI Listing Regulations"**) [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force] and on the recommendation of the Nomination, Remuneration and Compensation Committee and the Board of Directors, Dr. (Ms.) Tamali Sengupta (DIN: 00358658), Independent Director of the Company, whose current term of office is expiring on December 23, 2021 and who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, from a Member, signifying his intention to propose Dr. (Ms.) Tamali Sengupta's candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of three consecutive years commencing from December 24, 2021 up to December 23, 2024.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**8. Re-appointment and Remuneration of Mr. Mahendra Nahata (DIN: 00052898) as Managing Director and a Key Managerial Personnel**

To approve the re-appointment and remuneration of Mr. Mahendra Nahata (DIN: 00052898) as a Managing Director and a Key Managerial Personnel of the Company, who is also a Promoter of the Company, for a period of three years and in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 (**the "Act"**), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (**the "SEBI Listing Regulations"**) (including any statutory modification(s) or re-enactment thereof for the time being in force) and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be required or imposed by any of the authorities while granting such approvals, permissions and sanctions and pursuant to the provisions of the Articles of Association of the Company, on the recommendation of the Nomination, Remuneration and Compensation Committee and the Board of Directors, consent of the Members of the Company, be and is hereby accorded for re-appointment of Mr. Mahendra Nahata (DIN: 00052898) as a Managing Director, not liable to retire by rotation and a Key Managerial Personnel of the Company, who is also a Promoter of the Company, whose current term of office is expiring on September 30, 2021, for a further period of 3 (three) years, with effect from October 01, 2021, on the terms and conditions including remuneration as set out in the Statement pursuant to Section 102 of the Act annexed to this Notice, notwithstanding the annual remuneration payable to him exceeding Rupees 5 Crores or 2.5 per cent of the net profits of the Company, calculated as per the provisions of Section 198 of the Act, whichever is higher, with liberty to the Board of Directors (hereinafter referred to as the **"Board"** which term shall be deemed to include the Nomination, Remuneration and Compensation Committee of the Board) to alter and vary the terms and conditions of the re-appointment and/or remuneration.

**RESOLVED FURTHER THAT** in the absence or inadequacy of profits in any financial year during the tenure of Mr. Mahendra Nahata as the Managing Director of the Company, he shall be paid the remuneration as set out in the Statement referred to above as the Minimum Remuneration in accordance with the provisions of Schedule V to the Act, without any further reference to the members of the Company in general meeting.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**9. Approval for Material Related Party Transactions with HTL Limited**

To approve the material related party transactions with HTL Limited, a material subsidiary of the Company and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**the "SEBI Listing Regulations"**) and the applicable provisions, if any, of the Companies Act, 2013 (**the "Act"**) read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the "Policy on Related Party Transactions" of the Company and pursuant to the approvals

given by the Audit Committee from time to time, approval of the shareholders of the Company, be and is hereby accorded to the Audit Committee and/or the Board of Directors of the Company to enter into material related party contract(s)/arrangement(s)/transaction(s) with HTL Limited, a material subsidiary and related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, on such terms and conditions, as the Audit Committee/the Board of Directors may deem fit, up to a maximum aggregate value of ₹750 Crores (Rupees Seven Hundred Fifty Crores only), during the financial year 2021-22, which is in excess of 10% of the annual consolidated turnover of the Company, for the financial year 2020-21, based on the expected value of the proposed transactions, provided that the said contract(s)/ arrangement(s)/ transaction(s) to be carried out shall be at arm's length basis and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board of Directors of the Company (hereinafter referred to as the **Board**, which term shall include any committee constituted by the Board of Directors of the Company or any person authorised by the Board to exercise the powers conferred on the Board of Directors of the Company by this resolution), be and is hereby authorized to agree, make, accept and finalize all such terms, condition(s), modification(s) and alteration(s) as it may deem fit from time to time and the Board is also hereby authorized to resolve and settle, from time to time all questions, difficulties or doubts that may arise with regard to above transactions and to finalize, execute, modify and amend all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental as the Board in its absolute discretion may deem fit without being required to seek any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have been given approval thereto expressly by the authority of this resolution."

#### 10. Raising of Funds

To approve raising of funds and in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 23, Section 42, Section 55, Section 62, Section 71 and other applicable provisions of the Companies Act, 2013, read with the applicable provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules and regulations made thereunder (including any amendment(s), statutory modification(s) and/or re-enactment(s) thereof for the time being in force) (**"Act"**), the provisions of the Memorandum of Association and the Articles of Association of the Company, all other applicable laws, rules and regulations, including the provisions of the Foreign Exchange Management Act, 1999 as amended and rules and regulations framed thereunder including Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended, the current Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce, Government of India, as amended and the applicable rules and regulations made thereunder including applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (**"SEBI ICDR Regulations"**), the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (**"SEBI IL-NCS Regulations"**), the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015, as amended (**"SEBI Listing Regulations"**) the Securities Contracts (Regulation) Rules, 1957, as amended (**"SCRR"**), the Companies (Issue of Global Depository Receipts) Rules, 2014, the Depository Receipts Scheme, 2014, as amended, the Framework for issue of Depository Receipts notified by SEBI vide circular dated October 10, 2019, as amended, Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 as amended and such other statutes, clarifications, rules, regulations, circulars, notifications, guidelines, if any, as may be applicable, as amended from time to time issued by the Government of India, the Ministry of Corporate Affairs (**"MCA"**), the Securities and Exchange Board of India (**"SEBI"**), the Reserve Bank of India (**"RBI"**), BSE Limited (**"BSE"**), National Stock Exchange of India Limited (**"NSE"**, and together with BSE, the **"Stock Exchanges"**) where the equity shares of the Company of face value of ₹1/- (Rupee One only) each (**"Equity Shares"**) are listed, and any other appropriate authority under any other applicable laws and subject to all other approval(s), consent(s), permission(s) and/or sanction(s) as may be required from various regulatory and statutory authorities, including the Government of India, the RBI, SEBI, MCA and the Stock Exchanges (hereinafter singly or collectively referred to as **"Appropriate Authorities"**) and subject to such terms, conditions and modifications as may be prescribed by any of the Appropriate Authorities while granting any such approval(s), permission(s) and sanction(s), consent of the members of the Company, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the **Board**, which term shall be deemed to mean and include any duly constituted committee thereof for the time being exercising the powers conferred by the Board), to create, issue, offer and allot (including with provisions for reservations on firm and/or competitive basis, or such part of issue and for such categories of persons as may be permitted) such number of Securities (as defined hereinafter), for cash, in one or more tranches, with or without green shoe option, whether Rupee denominated or denominated in foreign currency, for an aggregate amount up to ₹750 Crores (Rupees Seven Hundred Fifty Crores only), by way of one or more public and/or private offerings and/or on a preferential allotment basis and/or a qualified institutions placement (**"QIP"**) to "qualified institutional buyers" as defined in the SEBI ICDR Regulations and/or any combination thereof, and/or any other permitted modes through issue of prospectus and/or an offer document and/or a private placement offer letter and/or placement document and/or such other documents/ writings/ circulars/ memoranda in such a manner, in such tranche or tranches, by way of an issue of Equity Shares or by way of an issue of any instrument or security including convertible/ redeemable preference shares, fully/partially convertible debentures or by way of a composite issue of non-convertible debentures and warrants entitling the warrant holder(s) to apply for Equity Shares, issue of Global Depository Receipts (**"GDR's"**), American Depository Receipts (**"ADR's"**) or any other eligible securities (instruments listed above collectively with the Equity Shares to be hereinafter referred to as the **"Securities"**) or any combination of Securities with or without premium, to be subscribed to in Indian and /or any foreign currencies by all eligible investors, including, residents or non-resident investors/ whether institutions, foreign portfolio investors and/or incorporated bodies and/or trusts or otherwise/ qualified institutional buyers/ mutual funds/ pension funds/ venture capital funds/ banks/ alternate investment funds/ Indian and/or multilateral financial institutions, insurance companies/ trusts/ stabilising agents and any other category of persons or entities who are authorised to invest in the Securities of the Company as per

extant regulations/ guidelines or any combination of the above as may be deemed appropriate by the Board in its absolute discretion and, whether or not such investors are members of the Company (collectively called **"Investors"**), to all or any of them, jointly or severally through a prospectus and/or an offer document and/or a private placement offer letter and/or placement document and/or such other documents/writings/ circulars/ memoranda in such a manner on such terms and conditions, considering the prevailing market conditions and other relevant factors wherever necessary in one or more tranche or tranches, at such price or prices (*whether at prevailing market price(s) or at permissible discount or premium to market price(s) in terms of applicable laws and regulations*), with authority to retain over subscription up to such percentage as may be permitted under applicable regulations, including the discretion to determine the categories of Investors to whom the offer, issue and allotment of Securities shall be made to the exclusion of others, in such manner, including allotment to stabilising agent in terms of green shoe option, if any, exercised by the Company, and where necessary in consultation with the book running lead manager (s), global coordinator(s) and book running lead manager(s) and/or underwriters and/or stabilising agent and/or other advisors or otherwise on such terms and conditions, including the security, rate of interest etc., issue of Securities as fully or partly paid, making of calls and manner of appropriation of application money or call money, in respect of different class(es) of investor(s) and/or in respect of different Securities, deciding of other terms and conditions like number of securities to be issued, face value, number of Equity Shares to be allotted on conversion/ redemption/ extinguishment of debt(s), rights attached to the warrants, terms of issue, period of conversion, fixing of record date or book closure terms if any, as the Board may in its absolute discretion decide, in each case subject to applicable laws and on such terms and conditions as may be determined and deemed appropriate by the Board in its absolute discretion and without requiring any further approval or consent from the members at the time of such issue and allotment considering the prevailing market conditions and other relevant factors in consultation with the merchant banker(s) to be appointed by the Company so as to enable the Company to list on any stock exchange in India or overseas jurisdictions;

**RESOLVED FURTHER THAT** in case of issue and allotment of Securities by way of QIP in terms of Chapter VI of the SEBI ICDR Regulations (hereinafter referred to as **"Eligible Securities"** within the meaning rendered to such term under Regulation 171(a) of the SEBI ICDR Regulations):

- (i) The allotment of Securities shall only be made to qualified institutional buyers as defined in the SEBI ICDR Regulations (**"QIBs"**);
- (ii) The Eligible Securities to be so created, offered, issued, and allotted, shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Company;
- (iii) The allotment of the Eligible Securities, or any combination of the Eligible Securities as may be decided by the Board and subject to applicable laws, shall be completed within 365 days from the date of passing of the special resolution of the shareholders of the Company or such other time as may be allowed under the SEBI ICDR Regulations;
- (iv) The Equity Shares issued and allotted under the Issue or allotted upon conversion of the equity linked instruments issued in QIP shall rank pari-passu inter se in all respects

including with respect to entitlement to dividend, voting rights or otherwise with the existing Equity Shares of the Company in all respects;

- (v) The number and/or price of the Eligible Securities or the underlying Equity Shares issued on conversion of Eligible Securities convertible into Equity Shares shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division, reclassification of equity shares into other securities, issue of shares issue of equity shares by way of capitalisation of profit or reserves, or any such capital or corporate restructuring;
- (vi) The Eligible Securities (excluding warrants) under the QIP shall be issued and allotted as fully paid up securities;
- (vii) In the event Equity Shares are issued, the **"relevant date"** for the purpose of pricing of the Equity Shares to be issued, shall be the date of the meeting in which the Board or the committee of directors authorised by the Board decides to open the proposed issue of such Equity Shares, subsequent to the receipt of members' approval in terms of provisions of the Act and other applicable laws, rules, regulations and guidelines in relation to the proposed issue of the Equity Shares;
- (viii) In the event that Eligible Securities issued are eligible convertible securities, the relevant date for the purpose of pricing of the convertible securities to be issued, shall be, either the date of the meeting which the Board or a committee of directors authorised by the Board decides to open the proposed issue or the date on which the holders of such eligible convertible securities become entitled to apply for Equity Shares, as decided by the Board;
- (ix) The tenure of the convertible or exchangeable Eligible Securities issued through the QIP shall not exceed sixty months from the date of allotment;
- (x) Issue of Eligible Securities made by way of a QIP shall be at such price which is not less than the price determined in accordance with Regulation 176(1) under Chapter VI of the SEBI ICDR Regulations (**"QIP Floor Price"**) and applicable law. The Board may, however, at its absolute discretion in consultation with the book running lead managers, issue Eligible Securities at a discount of not more than five percent or such other discount as may be permitted under applicable regulations to the QIP Floor Price;
- (xi) No single allottee shall be allotted more than fifty per cent of the issue size and the minimum number of allottees shall be as per the SEBI ICDR Regulations;
- (xii) No allotment shall be made, either directly or indirectly, to any QIB who is a promoter, or any person related to the promoters of the Company;
- (xiii) The Eligible Securities allotted in the QIP shall not be eligible for sale by the respective allottees, for a period of one year from the date of allotment, except on a recognised stock exchange or except as may be permitted from time to time by the SEBI ICDR Regulations; and

- (xiv) Any subsequent QIP shall not be undertaken until the expiry of two weeks (or such other period as may be prescribed) from the date of the prior QIP made pursuant to this special resolution.

**RESOLVED FURTHER THAT** the Securities issued in foreign markets shall be deemed to have been made abroad and/or in the market and/or at the place of issue of the Securities in the international market and may be governed by the applicable laws;

**RESOLVED FURTHER THAT** in the event of issue of GDRs/ADRs, the pricing shall be determined in compliance with principles and provisions set out in the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through the Depository Receipt Mechanism) Scheme 1993, the Companies (Issue of Global Depository Receipts) Rules, 2014, the Depository Receipts Scheme, 2014, the Framework for issue of Depository Receipts notified by SEBI vide circular dated October 10, 2019, as amended, and other applicable pricing provisions issued by the Ministry of Finance and other applicable laws, the Relevant Date for the purpose of pricing the Securities to be issued pursuant to such issue shall be the date of the meeting at which the Board decides to open such issue after passing of this Special Resolution. Preferential issuance and allotment of Securities (other than as issued and allotted to QIBs by way of QIP) shall be subject to the requirements prescribed under the Act and Chapter V of the SEBI ICDR Regulations and other applicable laws;

**RESOLVED FURTHER THAT** the Board, be and is hereby authorised to enter into any arrangement with any agencies or bodies for the issue of GDRs and/or ADRs represented by underlying equity shares in the share capital of the Company with such features and attributes as are prevalent in international/domestic capital markets for instruments of this nature and to provide for the tradability and free transferability thereof in accordance with market practices as per the domestic and/or international practice and regulations and under the norms and practices prevalent in the domestic/international capital markets and subject to applicable laws and regulations and the Articles of Association of the Company;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, the Board be and is hereby authorised to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including but not limited to finalisation and approval of the offer document(s), private placement offer letter, determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, fixing the record date, execution of various transaction documents, and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilisation of the proceeds as it may in its absolute discretion deem fit;

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of dividend, issue of additional Equity Shares, variation of the conversion price of the Securities or period of conversion of Securities into Equity Shares during the duration of the Securities and the Board, be and is hereby authorised, in its absolute discretion, in such manner as it may deem fit, to dispose-off such of the Securities that are not subscribed;

**RESOLVED FURTHER THAT** the Securities to be created, issued allotted and offered in terms of this resolution shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Company and the fully paid-up Equity Shares that may be issued by the Company (including issuance of Equity Shares pursuant to conversion of any Securities as the case may be in accordance with the terms of the offering) shall rank pari passu with the existing Equity Shares of the Company in all respects;

**RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue, or allotment of Securities or instruments representing the same, as described above, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the nature of the issuance, terms and conditions for the issuance of Securities including the number of Securities that may be offered in domestic and international markets and proportion thereof, issue price and discounts permitted under applicable law, premium amount on issue/ conversion of the Securities, if any, rate of interest, timing for issuance of such Securities and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, opening and maintaining bank accounts, entering into and executing arrangements for managing, underwriting, marketing, listing, trading and entering into and executing arrangements with merchant bankers, lead managers, legal advisors, depository, custodian, registrar, stabilising agent, paying and conversion agent, trustee, escrow agent and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalise, approve and issue any document(s) or agreements including but not limited to the placement document and filing such documents (in draft or final form) with any Indian or foreign regulatory authority or stock exchanges and sign all deeds, documents and writing and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and take all steps which are incidental and ancillary in this connection, including in relation to utilisation of the issue proceeds, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution and all actions taken by the Board, to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed, in all respects;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate (to the extent permitted by law) all or any of the powers conferred by this resolution herein, to any committee of directors formed, Directors or one or more executives/officers of the Company to give effect to the above resolutions, in accordance with applicable law."

**Registered Office:**  
8, Electronics Complex  
Chambaghat  
Solana-173213 (H. P.)

Place: New Delhi  
Date: September 03, 2021

**By Order of the Board**  
  
(Manoj Baid)  
Senior Vice-President (Corporate) &  
Company Secretary  
Membership No: FCS 5834

**NOTES:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') vide its General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 02/2021 dated January 13, 2021 and the Securities and Exchange Board of India ('SEBI') vide its Circular Nos. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (hereinafter collectively referred to as "the Circulars"), has allowed the companies to conduct the AGM through Video Conferencing/ Other Audio Visual Means ('VC/OAVM'), without the physical presence of members at a common venue during the calendar year 2021. Hence, in compliance with the Circulars, the Companies Act, 2013 (the "Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), **the 34<sup>th</sup> AGM of the Company is being held through VC/OAVM on Thursday, 30<sup>th</sup> September, 2021 at 11:00 a.m. (IST).**

The deemed venue for the AGM will be the place from where the Chairperson of the Meeting conducts the AGM.

2. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI Listing Regulations (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-Voting on the date of the AGM will be provided by NSDL.
3. As per the provisions of Clause 3.A.II of the General Circular No. 20/2020 dated May 5, 2020, issued by the MCA, the matter of Special Business as appearing at item no. 5 to 10 of the accompanying Notice, is considered to be unavoidable by the Board and hence, forms part of this Notice.
4. The relative Statement pursuant to Section 102 of the Act in respect of the business under item nos. 4 to 10 set out above and the relevant details of the Directors seeking re-appointment/ appointment at this AGM in respect of business under item no. 4 to 10, as required under Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ('Secretarial Standard-2') are annexed hereto.

5. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS AND THE SEBI CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**

6. Institutional Investors, who are members of the Company, are encouraged to attend and vote at the 34<sup>th</sup> AGM through VC/OAVM facility. Corporate members intending to appoint their authorized representatives pursuant to Sections 112 and 113 of the Act, as the case maybe, to attend the AGM through VC/ OAVM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at [scrutinizer@hfcl.com](mailto:scrutinizer@hfcl.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and the Company at [secretarial@hfcl.com](mailto:secretarial@hfcl.com).
7. Only registered members of the Company may attend and vote at the AGM through VC/OAVM facility. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. The Members can join the AGM in the VC/OAVM mode at least 15 minutes before and till 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
9. **ELECTRONIC DISPATCH OF NOTICE AND ANNUAL REPORT:** In line with the General Circular No. 20/2020 dated May 5, 2020, issued by the MCA and the SEBI Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those members whose email addresses are registered with the Company/Depositories. The Notice of AGM and Annual Report 2020-21 are available on the Company's website viz. [www.hfcl.com](http://www.hfcl.com) and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. the BSE Limited and the National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively. The AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
10. Electronic copies of all the documents referred to in the accompanying Notice of the AGM and the Statement shall be made available for inspection. During the 34<sup>th</sup> AGM, members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act; the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act; the certificate from the Statutory Auditors of the Company stating that the Company has implemented the "Himachal Futuristic Communications Limited Employees' Long Term Incentive Plan-2017" ("HFCL Plan-2017") in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the special resolution passed by the members of the Company approving HFCL Plan 2017 in their 30<sup>th</sup> AGM held on September 25, 2017. Members desiring inspection of statutory registers and other relevant documents may send their request in writing to the Company at [secretarial@hfcl.com](mailto:secretarial@hfcl.com).



11. **SCRUTINIZER FOR E-VOTING:** Mr. Baldev Singh Kashtwal, Company Secretary in whole-time-practice having Membership No. FCS 3616 and C.P.No. 3169 has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
12. **BOOK CLOSURE:** The Register of Members and Transfer Books of the Company will be closed from **Friday, September 24, 2021 to Thursday, September 30, 2021 (both days inclusive)** for the purpose of AGM and payment of dividend on equity shares.
- The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date on **Thursday, September 23, 2021**. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **Thursday, September 23, 2021**, may obtain the login ID and password by sending a request at **evoting@nsdl.co.in** or the Company at: **secretarial@hfcl.com** and/or RTA at: **admin@mcsregistrars.com**.
13. Members desiring any information with regard to Annual Accounts/ Annual Report are requested to submit their queries addressed to the Company Secretary at **secretarial@hfcl.com** at least 10 (ten) days in advance of the Meeting so that the information called for can be made available to the concerned shareholder(s).
14. The requirement to place the matter relating to appointment of Auditors for ratification by members at every AGM is done away with vide notification dated May 07, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the AGM held on September 25, 2017.
15. **NOMINATION:** As per the provisions of Section 72 of the Act, the facility for making nomination is available for the members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their Depository Participants in case the shares are held by them in electronic form and to the Company's Registrar and Transfer Agent ('RTA') in case the shares are held by them in physical form, quoting your folio number.
16. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company's RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such members after making requisite changes.
17. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
18. Non-Resident Indian members are requested to inform the Company's RTA immediately of:
- Change in their residential status on return to India for permanent settlement.
  - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
19. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank details/NECS/ mandates, nominations, power of attorney, change of address/ name, Permanent Account Number ('PAN') details, etc. to their Depository Participant only and not to the Company/ the Company's RTA. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its RTA provide efficient and better service to the members.
- In case of members holding shares in physical form, such information is required to be provided to the Company's RTA in physical mode, after restoring normalcy or in electronic mode at **admin@mcsregistrars.com**, as per instructions mentioned in the form.
20. **SEBI HAS MANDATED SUBMISSION OF PAN BY EVERY PARTICIPANT IN THE SECURITIES MARKET. MEMBERS HOLDING SHARES IN ELECTRONIC FORM ARE, THEREFORE, REQUESTED TO SUBMIT THEIR PAN DETAILS TO THEIR DEPOSITORY PARTICIPANTS. MEMBERS HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO SUBMIT THEIR PAN DETAILS TO THE COMPANY'S RTA.**
21. **TRANSFER OF SHARES PERMITTED IN DEMAT FORM ONLY:** As per Regulation 40 of the SEBI Listing Regulations, as amended, transfer of securities would be carried out in dematerialized form only with effect from April 1, 2019, except in case of transmission or transposition of securities. However, members can continue to hold shares in physical form. In view of the same and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's RTA for assistance in this regard.
22. To support the '**Green Initiative**', members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company's RTA in case the shares are held by them in physical form. All such members are requested to kindly get their e-mail addresses updated immediately which will not only save your Company's money incurred on the postage but also contribute a lot to save the environment of this Planet.
23. The Company has made arrangement with the RTA/NSDL/CDSL for registration of e-mail addresses in terms of the MCA Circulars for members who wish to receive the Annual Report along with the AGM Notice electronically and to cast the vote electronically.
- Eligible members whose e-mail addresses are not registered with the Company/ DPs are required to provide the same to RTA, pursuant to which, any member may receive on the e-mail address provided by the member the Notice of this AGM along with the Annual Report 2020-21 and the procedure for remote e-Voting along with the login ID and password for remote e-Voting.

24. **UNCLAIMED DIVIDEND / IEPF:** Members are requested to note that, dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, members are requested to claim their dividends from the Company, within the stipulated timeline.

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended, the Company has uploaded the details of unpaid and unclaimed dividend amounts, pertaining to FY18 and FY19, lying with the Company, on the website of the Company at <https://www.hfcl.com> and also on the website of the MCA at <http://www.iepf.gov.in>.

The following table provides a list of years for which unclaimed dividends and their corresponding shares would become eligible to be transferred to the IEPF on the dates mentioned below:

Financial Year	Dividend per Share (₹)	Date of Declaration	Due Date for Transfer	Amount (₹) (Unpaid as on March 31, 2021)
2017-18	0.06	September 29, 2018	December 04, 2025	10,36,599.60
2018-19	0.10	September 28, 2019	December 03, 2026	16,40,858.90

Further, please refer to our e-mail communication dated September 02, 2021, to the shareholders in respect of Deduction of Tax at Source on Dividend under relevant provisions of the Income-Tax Act, 1961. Please provide necessary documents/ information for claiming exemption form TDS on Dividend to be paid for the FY21.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on **Monday, September 27, 2021 at 09:00 A.M. and ends on Wednesday, September 29, 2021 at 05:00 P.M.**

The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/ Beneficial Owners as on the record date (cut-off date) i.e. **Thursday, September 23, 2021**, may cast their vote, electronically.

The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **Thursday, September 23, 2021**.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned hereafter:

**Step 1: Access to NSDL e-Voting system:**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode:**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by listed companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**Login method for Individual shareholders holding securities in demat mode is given below:**

Type of share holders	Login Method
Individual Share-holders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; e-Voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; e-Voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

**NSDL Mobile App is available on**

 App Store  Google Play



Individual Share-holders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at the following weblink: <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual Share-holders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & e-Voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <b>evoting@nsdl.co.in</b> or call at toll free no.: 1800 1020 990 and 1800 22 44 30.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at: <b>helpdesk.evoting@cdslindia.com</b> or contact at 022- 23058738 or 022-23058542-43.

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: **https://www.evoting.nsdl.com/** either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon **“Login”** which is available under **‘Shareholder/Member’** section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at **https://eservices.nsdl.com/** with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

**4. Your User ID details are given below:**

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  Forexample, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company.  For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on **“Forgot User Details/Password?”** (If you are holding shares in your demat account with NSDL or CDSL) option available on **www.evoting.nsdl.com**.
  - b) **“Physical User Reset Password?”** (If you are holding shares in physical mode) option available on **www.evoting.nsdl.com**.
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at **evoting@nsdl.co.in** mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to **“Terms and Conditions”** by selecting on the check box.
8. Now, you will have to click on **“Login”** button.

After you click on the **“Login”** button, Home page of e-Voting will open.

### **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system:-**

#### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies **“EVEN”** in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select **“EVEN”** of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on **“VC/OAVM”** link placed under **“Join General Meeting”**.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on **“Submit”** and also **“Confirm”** when prompted.
5. Upon confirmation, the message **“Vote cast successfully”** will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for Shareholders:**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc, to the Scrutinizer by e-mail to **scrutinizer@hfcl.com** with a copy marked to **evoting@nsdl.co.in**.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **“Forgot User Details/ Password?”** or **“Physical User Reset Password?”** option available on **www.evoting.nsdl.com** to reset the password.
3. In case of any queries, you may refer the **Frequently Asked Questions (FAQs)** for Shareholders and e-voting user manual for Shareholders available at the download section of **www.evoting.nsdl.com** or call on toll free no.: 1800-222-990 or send a request to **Ms. Pallavi Mhatre, Manager at evoting@nsdl.co.in**.

#### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this Notice:**

1. In case shares are held in physical mode please provide Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self- attested scanned copy of Aadhaar Card) by email to **secretarial@hfcl.com**.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to **secretarial@hfcl.com**. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **Step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively shareholder/members may send a request to **evoting@nsdl.co.in** for procuring user id and password for e-Voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat accounts.

#### **THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

#### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for

**Access to NSDL e-Voting system.** After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [secretarial@hfcl.com](mailto:secretarial@hfcl.com). The same will be replied by the Company suitably.

#### **SPEAKER REGISTRATION BEFORE AGM:**

Members of the Company, holding shares as on the cut-off date i.e. **Thursday, September 23, 2021** and who would like to speak or express their views during the AGM may register themselves as speakers by sending their request in advance from **Friday, September 24, 2021 (09:00 A.M. IST) up to Saturday, September 25, 2021 (05:00 P.M. IST)**, mentioning their name, demat account number/folio number, e-mail ID, mobile number at [secretarial@hfcl.com](mailto:secretarial@hfcl.com). The Company reserves the right to restrict the number of speakers as well as the speaking time depending upon the availability of time for the AGM. Only Registered Speakers will be allowed to speak during the meeting.

#### **SUBMISSION OF QUESTIONS / QUERIES PRIOR TO AGM:**

For ease of conduct of AGM, members who wish to ask questions/ express their views on the items of the businesses to be transacted at the meeting are requested to write to the Company at [secretarial@hfcl.com](mailto:secretarial@hfcl.com), during **Friday, September 24, 2021 (09:00 A.M. IST) up to Saturday, September 25, 2021 (05:00 P.M. IST)** mentioning their name, demat account no./ folio number, email ID, mobile number etc. The Company will, at the AGM, endeavor to address the queries received till aforesaid dates from those Members who have sent queries from their registered email IDs. Please note that Members' questions will be answered only if they continue to hold shares as on the cut-off date. Such questions by the Members shall be taken up during the meeting or replied within 7 days from AGM date by the Company suitably, if necessary.

Members who will participate in the AGM through VC/OAVM can also pose question/feedback through question box option. Such questions by the Members shall be taken up during the AGM or replied within 7 days from AGM date by the Company suitably, if necessary.

#### **DECLARATION OF RESULTS ON THE RESOLUTIONS:**

1. The Scrutinizer shall, immediately after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), within 2 (two) working days from the conclusion of the AGM, submit a Consolidated Scrutinizer's Report of the total votes cast in favour and against the resolution(s) and whether the resolution(s) has/have been carried or not, to the Chairperson or a person authorized by him in writing.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.hfcl.com](http://www.hfcl.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com), immediately after the result is declared. The Company shall simultaneously forward the results to the BSE Limited and the National Stock Exchange of India Ltd., where the securities of the Company are listed.
3. Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. **September 30, 2021**.

**Details of Directors proposed to be appointed/ re-appointed, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India:**

<b>Name of the Director</b>	<b>Dr. (Mr.) Ranjeet Mal Kastia</b>	<b>Mr. Ramakrishna Eda</b>	<b>Mr. Surendra Singh Sirohi</b>	<b>Dr. (Ms.) Tamali Sengupta</b>	<b>Mr. Mahendra Nahata</b>
<b>DIN</b>	00053059	07677647	07595264	00358658	00052898
<b>Date of Birth</b>	October 10, 1941	June 14, 1972	July 23, 1955	September 27, 1962	May 19, 1959
<b>Date of first appointment</b>	February 7, 1996	February 22, 2021	August 27, 2018	December 24, 2018	May 11, 1987
<b>Experience/Expertise in Specific Functional Areas</b>	<p>Dr. Ranjeet Mal Kastia holds Doctorate degree in Chemistry and Fellowship from British Institute of Management (London). Dr. Kastia has to his credit more than 59 years of business experience.</p> <p>Dr. Kastia has occupied various important positions in well-known industries. He has in-depth knowledge of manufacturing of telecom equipment.</p>	<p>Mr. Ramakrishna Eda holds a Master's degree in Science from Andhra University and MBA from Symbiosis Centre. Mr. Eda has 20 years of experience in Corporate Banking in the Banking Industry.</p>	<p>Mr. Surendra Singh Sirohi holds a degree from IIT Kanpur and has more than 36 years experience in telecom industry particularly in the areas of National Policy, Sectorial Regulations, Planning &amp; Development, Corporate &amp; Business Strategy, R&amp;D, Project Management and management of Telecom Service Operations etc.</p> <p>Mr. Sirohi has been a Member-Technology in Telecom Commission and was instrumental in formulating several regulatory and strategic initiatives for inclusive growth in the telecom sector.</p>	<p>Dr. (Ms.) Tamali Sengupta is a Doctorate and Masters in Law from Stanford Law School, California and has over 32 years experience in the legal field and a specialist in transnational legal transactions in media, real estate development, insurance and infrastructure Ms. Sengupta is Legal professional with vast experience in international JV's, collaboration and licensing agreements, M&amp;As.</p>	<p>Mr. Mahendra Nahata is a Commerce Graduate from St. Xavier's College Kolkata and has business experience of over 38 years.</p> <p>Mr. Nahata is the Promoter and Managing Director of HFCL Limited. He is the visionary behind the Company's R&amp;D, technology partnerships, business development and marketing initiatives. He is the pioneer of New Age Telecom Sector in India.</p>
<b>Qualification(s)</b>	<p>Doctorate degree in Chemistry. Fellow of British Institute of Management (London).</p>	<p>Master's degree in Science from Andhra University and MBA from Symbiosis Centre.</p>	<p>Bachelor's degree in Electrical Engineering from IIT, Kanpur.</p>	<p>Bachelor of Arts in Economics (Honours), LLB and Doctorate and Masters in Law from Stanford Law School, California.</p>	<p>Bachelors in Commerce (Hons.) from St. Xavier's College, Kolkata.</p>
<b>Directorship in other companies including listed companies</b>	<ol style="list-style-type: none"> <li>HTL Limited</li> <li>HFCL Advance Systems Private Limited</li> <li>Moneta Finance Private Limited</li> <li>Anupriya Fincap Private Limited</li> <li>Cosmic Associates Private Limited</li> </ol>	<ol style="list-style-type: none"> <li>Jaiprakash Power Ventures Limited (listed company)</li> </ol>	<ol style="list-style-type: none"> <li>SREI Infrastructure Finance Limited (listed company)</li> <li>SREI Equipment Finance Limited</li> <li>TSG Legal Consulting Private Limited</li> <li>Aria Hotels and Consultancy Services Private Limited</li> </ol>	<ol style="list-style-type: none"> <li>HTL Limited</li> <li>Reliance Jio Infocomm Limited</li> <li>DragonWave HFCL India Private Limited</li> <li>HFCL Advance Systems Private Limited</li> <li>MN Ventures Private Limited</li> <li>Krishiv Ventures Private Limited</li> <li>Pranatharthi Ventures Private Limited</li> <li>HFCL Technologies Private Limited</li> </ol>	<ol style="list-style-type: none"> <li>HTL Limited</li> <li>Reliance Jio Infocomm Limited</li> <li>DragonWave HFCL India Private Limited</li> <li>HFCL Advance Systems Private Limited</li> <li>MN Ventures Private Limited</li> <li>Krishiv Ventures Private Limited</li> <li>Pranatharthi Ventures Private Limited</li> <li>HFCL Technologies Private Limited</li> </ol>

Name of the Director Listed entities from which the person has resigned in the past three years	Dr. (Mr.) Ranjeet Mal Kastia	Mr. Ramakrishna Eda	Mr. Surendra Singh Sirohi	Dr. (Ms.) Tamali Sengupta	Mr. Mahendra Nahata
Chairmanship/ Memberships of Committees (across all public companies in Audit Committee and Stakeholders' Relationship Committees)	<p>NIL</p> <p><b>HFCL Limited:-</b> Stakeholders' Relationship Committee- Member</p> <p><b>HTL Limited:-</b> Audit Committee- Member</p>	<p>Orchid Pharma Limited (Ceased as Nominee Director w.e.f. 18/09/2018, consequent upon withdrawal of nomination by lending bank)</p> <p><b>Jaiprakash Power Ventures Limited:-</b> Audit Committee- Member</p>	<p>Bharat Electronics Limited (Ceased as Independent Director w.e.f. 10/09/2020, consequent upon completion of tenure)</p> <p><b>HFCL Limited:-</b> Audit Committee- Member</p>	<p>Asian Hotels (West) Limited (Ceased as Independent Director w.e.f. 25/06/2020, consequent to her personal reasons)</p> <p><b>HFCL Limited:-</b> Audit Committee- Member Stakeholders' Relationship Committee- Member</p> <p><b>SREI Infrastructure Finance Limited:-</b> Audit Committee – Member</p> <p><b>Aria Hotels &amp; Consultancy Services Private Limited (Deemed Public Company):-</b> Audit Committee- Chairperson</p>	<p>NIL</p>
Shareholding in the listed entity, including shareholders as a beneficial owner	NIL	NIL	NIL	NIL	45,60,091 (0.36%) Equity Shares Significant Beneficial Ownership of 22.08%.
Relationship with other Directors and KMPs of the Company	N.A.	N.A.	N.A.	N.A.	N.A.
No. of Board Meetings held/Attended	4 / 4	Nil (Appointed w.e.f. February 22, 2021 and no board meeting was convened thereafter till March 31, 2021)	4 / 4	4 / 4	4 / 4
Details of Remuneration sought to be paid	<p>Except, Sitting Fee for attending the Board and/or Committee Meetings or Profit based Commission, approved by the Shareholders and as may be determined by the Nomination, Remuneration &amp; Compensation Committee and/ or Board of Directors, no other remuneration is payable.</p> <p>₹6 lakhs only</p> <p>(Towards Sitting fee for Board and its Committee meetings for FY 2020-21)</p>	<p>Except, Sitting Fee for attending the Board and/or Committee Meetings or Profit based Commission, approved by the Shareholders and as may be determined by the Nomination, Remuneration and Compensation Committee and/ or Board of Directors, no other remuneration is payable.</p> <p>Nil</p> <p>(Appointed w.e.f. February 22, 2021 and no meeting was held thereafter till March 31, 2021)</p>	<p>Except, Sitting Fee for attending the Board and/or Committee Meetings or Profit based Commission, approved by the Shareholders and as may be determined by the Nomination, Remuneration and Compensation Committee and/ or Board of Directors, no other remuneration is payable.</p> <p>₹8.5 Lakhs only</p> <p>(Towards Sitting fee for Board and its Committee meetings for FY 2020-21)</p>	<p>Except, Sitting Fee for attending the Board and/or Committee Meetings or Profit based Commission, approved by the Shareholders and as may be determined by the Nomination, Remuneration and Compensation Committee and/ or Board of Directors, no other remuneration is payable.</p> <p>₹6.5 Lakhs only</p> <p>(Towards Sitting fee for Board and its Committee meetings for FY 2020-21)</p>	<p>As per Item No. 8 read with Statement under Section 102 of the Companies Act, 2013, annexed thereto of the Notice of this AGM.</p>
Last Remuneration drawn (per annum)	₹6 lakhs only	Nil	₹8.5 Lakhs only	₹6.5 Lakhs only	₹5.27 Crores only
Disclosure of relationships between directors inter-se	Nil	Nil	Nil	Nil	Nil



## STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (THE "ACT")

The following Statement given hereunder sets out all material facts relating to the Special Resolutions/Special Business mentioned in the accompanying Notice:

### ITEM NO. 4

Dr. (Mr.) Ranjeet Mal Kastia (DIN: 00053059) was last appointed as a Director (Non-Executive) liable to retire by rotation, by the shareholders in the 31<sup>st</sup> Annual General Meeting ("AGM") of the Company held on September 29, 2018.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 (the "Act"), he retires by rotation at this AGM and being eligible, has offered himself for re-appointment.

In terms of Section 102 of the Act, the re-appointment of a rotational director at the annual general meeting is an Ordinary Business. However, Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations") provides that no listed company shall appoint or continue the directorship of any person as Non-executive Director who has attained the age of 75 (Seventy Five) years, unless a Special Resolution is passed to that effect and justification thereof is disclosed in the explanatory statement annexed to the Notice for such appointment.

Accordingly, the re-appointment of Dr. Ranjeet Mal Kastia, aged 79 years, is recommended at this 34<sup>th</sup> AGM by way of Special Resolution in compliance of the SEBI Listing Regulations.

Dr. Kastia has to his credit more than 59 years of business experience. Dr. Kastia has occupied various important positions in well-known industries. He has in-depth knowledge of manufacturing of telecom equipment.

Dr. Ranjeet Mal Kastia doesn't hold any equity shares in the Company.

A brief profile of Dr. Ranjeet Mal Kastia to be re-appointed as a Non-Executive Director is given under the heading "*Details of Directors proposed to be appointed and re-appointed, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India*" or elsewhere in the Notice.

This Statement may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and SS-2 on General Meetings issued by the Institute of Company Secretaries of India.

In view of above, the Board of Directors, in its meeting held on May 10, 2021, has approved the re-appointment of Dr. (Mr.) Ranjeet Mal Kastia aged 79 years as a Director (Non-Executive), liable to retire by rotation and recommends the same for the approval of the shareholders of the Company by way of a Special Resolution.

Mr. Kastia is interested in the resolution set out at Item No. 4 of the Notice with regard to his appointment and remuneration payable as a non-executive director. The relatives of Mr. Kastia may be deemed to be interested in the aforesaid resolution to the extent of their shareholding, if any, in the Company.

Save and except the above, none of the other Directors and Key Managerial Personnel of the Company and their relatives, is in anyway concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

### ITEM NO. 5

IDBI Bank Limited ("IDBI") vide its letter no. LCG-SSCB.53/35/Nom.8 dated February 1, 2021 has withdrawn the nomination of Mr. Ranjeet Anandkumar Soni (DIN: 07977478) from the Board of Directors of the Company and in his place has nominated Mr. Ramakrishna Eda (DIN: 07677647), as its Nominee Director on the Board of the Company.

In view of the above, the Board of Directors of the Company, on the recommendation of the Nomination, Remuneration and Compensation Committee, has appointed Mr. Ramakrishna Eda as an Additional Director (Non-Executive) in the category of Non-Executive Director (Nominee-IDBI Bank Limited), liable to retire by rotation, in place of Mr. Ranjeet Anandkumar Soni w.e.f. February 22, 2021, subject to his appointment as Director (Nominee-IDBI Bank Limited), by the members in the ensuing AGM.

Mr. Ramakrishna Eda, holds a Master's Degree in Science from Andhra University and MBA from Symbiosis Centre. He started his career in Canara Bank in 2001, and later moved to IDBI Bank Limited in 2007. He has handled several key assignments in Corporate Banking in IDBI Bank Limited.

Mr. Ramakrishna Eda has already given his consent in form DIR-2 to act as Director and declaration in form DIR-8 that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

Also, in compliance with the SEBI Order dated June 14, 2018 to the Stock Exchanges and further SEBI Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, this is to confirm that Mr. Ramakrishna Eda has not been debarred from holding the office of director by virtue of any SEBI order or any other such authority.

A brief profile of Mr. Ramakrishna Eda to be appointed as a Non-Executive Director is given under the heading "*Details of Directors proposed to be appointed and re-appointed, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India*" or elsewhere in the Notice.

This Statement may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and SS-2 on General Meetings issued by the Institute of Company Secretaries of India.

The Board recommends the appointment of Mr. Ramakrishna Eda as a Non-Executive Director (Nominee Director-IDBI Bank Limited) of the Company as set out in Item No. 5 of the Notice for the approval of Members.

Mr. Eda is interested in the resolution set out at Item No. 5 of the Notice with regard to his appointment and remuneration payable as a non-executive director. The relatives of Mr. Eda may be deemed to be interested in the aforesaid resolution to the extent of their shareholding, if any, in the Company.

Save and except the above, none of the other Directors and Key Managerial Personnel of the Company and their relatives, is in anyway concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

#### ITEM NO. 6

Mr. Surendra Singh Sirohi (DIN: 07595264) was appointed as an Independent Director on the Board of your Company, w.e.f. August 27, 2018, for one term of three consecutive years, by the shareholders at the 31<sup>st</sup> Annual General Meeting ("AGM") of the Company held on September 29, 2018, in terms of the provisions of Section 149 of the Companies Act, 2013 (the "Act") read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations").

Mr. Surendra Singh Sirohi held office as an Independent Director of the Company up to August 26, 2021 ("First Term") in line with the explanation to Sections 149(10) and 149(11) of the Act.

Mr. Surendra Singh Sirohi holds a Bachelor's degree in Electrical Engineering from IIT, Kanpur. Mr. Sirohi had been Member (Technology), Telecom Commission and ex-officio Secretary to the Government of India in Ministry of Communication & IT.

As Member (Technology) in Telecom Commission, he was instrumental in formulating several regulatory and strategic initiatives and key policies for an inclusive growth of all segments of the Telecom Sector.

During his career spanning thirty six years in Indian Telecom Service, Mr. Sirohi held numerous techno-managerial senior leadership positions in various organizations in Telecom Sector viz. Department of Telecom, Government of India, Mahanagar Telephone Nigam Limited, Telecommunications Consultants India Ltd. (TCIL), Bharat Sanchar Nigam Limited (BSNL) and made a positive difference by providing dynamic and visionary leadership with pragmatic and strategic approach in his each assignment.

Mr. Sirohi has a rich experience of over thirty six years in the field of telecommunication particularly in the area of National Policy, Sectoral-regulations, Planning & Development, Corporate & Business Strategy, Network Planning & Operations, Research & Development, Project Management, Management of Telecom Services Operations etc.

Mr. Sirohi has widely travelled with varied international exposure and has represented India on global fora on several occasions.

The performance evaluation of Independent Directors was based on various criteria, inter-alia, including attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry and global trends, etc.

Pursuant to the recommendation of the Nomination, Remuneration and Compensation Committee, the Board of Directors of the Company passed a resolution at its meeting held on July 12, 2021 approving re-appointment of Mr. Surendra Singh Sirohi as an Independent Director, not liable to retire by rotation, for a second term of consecutive three years commencing from August 27, 2021 to August 26, 2024, based on his skills, experience, knowledge and positive outcome of

performance evaluation done by the Nomination, Remuneration and Compensation Committee and the substantial contribution made by him during his tenure and are of the view that continued association of Mr. Surendra Singh Sirohi as an Independent Director of the Company would be immensely beneficial to the Company and it is desirable to avail his services as an Independent Director.

Mr. Surendra Singh Sirohi has given his consent in form DIR-2 to act as Director in terms of Section 152(5) of the Act and declaration in form DIR-8 that he is not disqualified from being appointed as a Director in terms of Section 164(2) of the Act.

Also, in compliance with the SEBI Order dated June 14, 2018 to the Stock Exchanges and further SEBI Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, this is to confirm that Mr. Surendra Singh Sirohi (DIN: 07595264) has not been debarred from holding the office of director by virtue of any SEBI order or any other such authority.

The Company has received declaration from Mr. Surendra Singh Sirohi stating that he meets the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

In the opinion of the Board of Directors, Mr. Surendra Singh Sirohi fulfils the conditions specified in the Act read with the rules made thereunder and the SEBI Listing Regulations, for his re-appointment as an Independent Director of the Company and is independent of the Management.

Mr. Surendra Singh Sirohi doesn't hold any equity shares in the Company.

In terms of Section 160 of the Act, the Company has received a notice in writing from a Member proposing the candidature of Mr. Surendra Singh Sirohi to be re-appointed as an Independent Director of the Company.

A copy of the draft letter of appointment of Mr. Surendra Singh Sirohi setting out terms and conditions of appointment are available for inspection by the Members in physical or electronic form at the Registered Office of the Company between 10.00 a.m. to 12.00 noon, on all working days (except Saturdays, Sundays and Public Holidays), up to the date of the Annual General Meeting (AGM) and are also available at the website of the Company at <http://www.hfcl.com/wp-content/uploads/2017/05/Terms-and-conditions-of-appointment-of-Independent-Directors-10.05.17.pdf>.

The terms and conditions of current re-appointment of Mr. Surendra Singh Sirohi are same as during his First Term as an Independent Director.

A brief profile of Mr. Surendra Singh Sirohi to be re-appointed as a Non-Executive Independent Director is given under the heading "Details of Directors proposed to be appointed and re-appointed, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India" or elsewhere in the Notice.

This Statement may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and SS-2 on General Meetings issued by the Institute of Company Secretaries of India.

Pursuant to the provisions of Section 149(10) and other applicable provisions of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, and shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in Board's report.

Accordingly, the Board recommends the re-appointment of Mr. Surendra Singh Sirohi as a Non-Executive Independent Director of the Company as set out in Item No. 6 of the Notice for the approval of Members by way of a special resolution.

Mr. Sirohi is interested in the resolution set out at Item No. 6 of the Notice with regard to his re-appointment and remuneration payable as a non-executive independent director. The relatives of Mr. Sirohi may be deemed to be interested in the aforesaid resolution to the extent of their shareholding, if any, in the Company.

Save and except the above, none of the other Directors and Key Managerial Personnel of the Company and their relatives, is in anyway concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

#### ITEM NO. 7

Dr. (Ms.) Tamali Sengupta (DIN: 00358658) was appointed as an Independent Director on the Board of your Company, w.e.f. December 24, 2018, for one term of three consecutive years, by the shareholders at the 32<sup>nd</sup> Annual General Meeting ("AGM") of the Company held on September 28, 2019, in terms of the provisions of Section 149 of the Companies Act, 2013 (**the "Act"**) read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**the "SEBI Listing Regulations"**).

Dr. Tamali Sengupta holds office as an Independent Director of the Company up to 23<sup>rd</sup> December, 2021 ("**First Term**") in line with the explanation to Sections 149(10) and 149(11) of the Act.

Dr. Tamali Sengupta completed Bachelor of Arts in Economics (Honours) from University of Delhi and LL.B from Law faculty, University of Delhi. She did her Doctorate and Masters in Law from the Stanford Law School, Stanford University, California.

Dr. Sengupta has 34 years' experience in the legal field and is a specialist in transnational legal transactions in media, real estate development, insurance and infrastructure.

She is the Principal of T. Sengupta & ASSOCIATES, a corporate law firm based in New Delhi, which provides advice on corporate law, entertainment law, intellectual property, insurance, project finance, corporate governance, and privatization.

Dr. Sengupta also has extensive experience in international joint-ventures, collaboration and licensing agreements, mergers and acquisitions. She has represented Indian companies in joint-ventures overseas and in relation to joint ventures in India with multinational corporations.

Dr. Sengupta has extensive experience in the structure of projects implemented under Project Finance and on foreign participation in the privatization of infrastructure. Sectors worked on include roadways, railways, ports, and power and township development, both in India and overseas.

She has wide experience in negotiations and drafting documents for privatization projects and has dealt with various forms of contractual agreements for project finance, including inter-alia, Concession agreements (Build-Operate-Transfer (BOT), Build-Own-Operate-Transfer (BOOT) and Build-Own-Lease-Transfer (BOLT) as well as EPC & O&M Contracts.

She has advised on telecom Project for installing a fibre optic link throughout railway network of the Indian Railways and commercializing the service to provide basic telecom services to telecom companies.

She is a widely published author and written books on various subjects including Telecom. She is a Fellow of the Center of International Legal Studies at Salzburg.

The performance evaluation of Independent Directors was based on various criteria, inter-alia, including attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry and global trends, etc.

Pursuant to the recommendation of the Nomination, Remuneration and Compensation Committee, the Board of Directors of the Company passed a resolution at its meeting held on July 12, 2021 approving re-appointment of Dr. (Ms.) Tamali Sengupta as an Independent Director, not liable to retire by rotation, for a second term of consecutive three years commencing from December 24, 2021 to December 23, 2024, based on her skills, experience, knowledge and positive outcome of performance evaluation done by the Nomination, Remuneration and Compensation Committee and the substantial contribution made by her during her tenure and are of the view that continued association of Dr. (Ms.) Tamali Sengupta as an Independent Director of the Company would be immensely beneficial to the Company and it is desirable to avail her services as an Independent Director.

Dr. (Ms.) Tamali Sengupta has given her consent in form DIR-2 to act as Director in terms of Section 152(5) of the Act and declaration in form DIR-8 that she is not disqualified from being appointed as a Director in terms of Section 164(2) of the Act.

Also, in compliance with the SEBI Order dated June 14, 2018 to the Stock Exchanges and further SEBI Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, this is to confirm that Dr. (Ms.) Tamali Sengupta (DIN: 00358658) has not been debarred from holding the office of director by virtue of any SEBI order or any other such authority.

The Company has received declaration from Dr. (Ms.) Tamali Sengupta stating that she meets the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

In the opinion of the Board of Directors, Dr. (Ms.) Tamali Sengupta fulfils the conditions specified in the Act read with the rules made thereunder and the SEBI Listing Regulations, for her re-appointment as an Independent Director of the Company and is independent of the Management.

Dr. (Ms.) Tamali Sengupta doesn't hold any equity shares in the Company.

In terms of Section 160 of the Act, the Company has received a notice in writing from a Member proposing the candidature of Dr. (Ms.) Tamali Sengupta to be re-appointed as a Independent Director of the Company.

A copy of the draft letter of appointment of Dr. (Ms.) Tamali Sengupta setting out terms and conditions of appointment are available for inspection by the Members in physical or electronic form at the Registered Office of the Company between 10.00 a.m. to 12.00 noon, on all working days (except Saturdays, Sundays and Public Holidays), up to the date of the AGM and are also available at the website of the Company at <http://www.hfcl.com/wp-content/uploads/2017/05/Terms-and-conditions-of-appointment-of-Independent-Directors-10.05.17.pdf>.

The terms and conditions of current re-appointment of Dr. (Ms.) Tamali Sengupta are same as during her First Term as an Independent Director.

A brief profile of Dr. (Ms.) Tamali Sengupta to be re-appointed as a Non-Executive Independent Director is given under the heading "*Details of Directors proposed to be appointed and re-appointed, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India*" or elsewhere in the Notice.

This Statement may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and SS-2 on General Meetings issued by the Institute of Company Secretaries of India.

Pursuant to the provisions of Section 149(10) and other applicable provisions of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, and shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in Board's report.

Accordingly, the Board recommends the re-appointment of Dr. (Ms.) Tamali Sengupta as a Non-Executive Independent Director of the Company as set out in Item No. 7 of the Notice for the approval of Members by way of a special resolution.

Dr. (Ms.) Tamali Sengupta is interested in the resolution set out at Item No. 7 of the Notice with regard to her re-appointment and remuneration payable as a non-executive independent director. The relatives of Dr. (Ms.) Tamali Sengupta may be deemed to be interested in the aforesaid resolution to the extent of their shareholding, if any, in the Company.

Save and except the above, none of the other Directors and Key Managerial Personnel of the Company and their relatives, is in anyway concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

#### ITEM NO. 8

Mr. Mahendra Nahata (DIN: 00052898) is a Promoter and holds position on the Board of Directors of the Company w.e.f. May 11, 1987, i.e. since inception of the Company.

Mr. Mahendra Nahata (DIN: 00052898) was previously re-appointed as a Managing Director on the Board of your Company, by the shareholder of the Company in their 31<sup>st</sup> Annual General Meeting held on September 29, 2018, w.e.f. October 01, 2018, for a period of 3 (Three) years from the expiry of his previous term which expired on September 30, 2018.

Current term of appointment of Mr. Mahendra Nahata, as a Managing Director of the Company is expiring on September 30, 2021.

The performance evaluation of Directors/ Executive Directors was based on various criteria, inter-alia, including attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, performance of the Company, understanding of industry and global trends, etc.

Based on the skills, experience, knowledge and positive outcome of performance evaluation and the substantial contribution made by Mr. Mahendra Nahata during his tenure as Managing Director of the Company and on the recommendation of the Nomination, Remuneration and Compensation Committee ("**NRC Committee**"), the Board of Directors of the Company, subject to approval of members, passed a resolution at its meeting held on July 12, 2021 approving re-appointment of Mr. Mahendra Nahata as a Managing Director, not liable to retire by rotation and a Key Managerial Personnel, for a period of consecutive three years commencing from October 01, 2021 to September 30, 2024, on the terms and conditions including remuneration as recommended by the NRC Committee and approved by the Board in accordance with the provisions of Section 196, 197 and 203 read with Schedule V to the Companies Act, 2013 (the "**Act**") and Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**SEBI Listing Regulations**").

Mr. Mahendra Nahata has given declaration as per Section 196(3) read with Part I of Schedule V to the Act that he fulfils the conditions for the re-appointment of a managing director and declaration in form DIR-8 that he is not dis-qualified from being appointed as a Director in terms of Section 164(2) of the Act.

Also, in compliance with the SEBI Order dated June 14, 2018 to the Stock Exchanges and further SEBI Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, this is to confirm that Mr. Mahendra Nahata (DIN: 00052898) has not been debarred from holding the office of director by virtue of any SEBI order or any other such authority.

It is proposed to seek the member's approval for re-appointment of and remuneration payable to Mr. Mahendra Nahata as a Managing Director of the Company.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Mahendra Nahata as a Managing Director are as under:

- (a) Basic Salary: ₹5.00 crore per annum
- (b) Perquisites and Allowances: ₹1.20 crore per annum
- (c) Remuneration based on net profits:

In addition to Basic Salary, Perquisites and Allowances as set out above, Mr. Mahendra Nahata, Managing Director shall be entitled to receive remuneration based on net profits calculated in accordance with the provisions of Section 198 of the Act, which will be determined by the Board and/or the NRC Committee, subject to the conditions that such payment shall be within the overall ceiling of the remuneration permissible under the Act.

The Perquisites and Allowances, as aforesaid, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and/or allowances for utilization of gas, electricity, water, furnishing and repairs; medical reimbursement; leave travel concession for self and family including dependents; medical insurance and such other perquisites and/or allowances.

The Perquisites and Allowances, as aforesaid, shall be evaluated, wherever applicable, as per the provisions of the Income Tax Act, 1961 read with rules thereunder including any statutory modification(s) or re-enactment thereof. In the absence of any such rules, Perquisites and Allowances shall be evaluated at actual cost.

Further, Mr. Mahendra Nahata shall be eligible for the following perquisites which shall not be included in the computation of the ceiling on his overall remuneration:-

- (a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961 (43 of 1961);
- (b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- (c) encashment of leave at the end of his current tenure.

The increment in the Basic Salary, Perquisites and Allowances as may be determined by the Board and/or the NRC Committee of the Board is not to be included for the purpose of computation of the aforesaid ceiling of remuneration provided that such payments shall be within the overall ceiling of remuneration permissible under the Act.

- (d) Reimbursement of Expenses: Reimbursement of expenses incurred for travelling, boarding and lodging including for his spouse and attendant(s) during business trips; provision of cars for use on the Company's business; telephone expenses at residence and club memberships shall be reimbursed and not considered as the Perquisites.

Notwithstanding anything to the contrary contained herein, where in a financial year, during the currency of the tenure of Mr. Mahendra Nahata, the Company has no profit or its profits are inadequate, the Company shall subject to the requisite approvals/sanctions, if any, wherever required and subject to the provisions of Sections 196, 197 and 203 of the Act and subject to the conditions and limits specified in Schedule V to the Act, pay Mr. Mahendra Nahata, Basic Salary, Perquisites and Allowances, as set out herein above, as the minimum remuneration.

**(e) General:**

- (i) The Managing Director will perform the duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board, from time to time in all respect and confirm to and comply with all such directions and regulations as may from time to time, be given and made by the Board.

- (ii) The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.

- (iii) The Managing Director shall adhere to the Company's Code of Conduct.

- (iv) The office of the Managing Director may be terminated by the Company or by the Managing Director by giving 6 (six) months' prior notice in writing, by either party.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Mahendra Nahata, Managing Director, in terms of Section 190 of the Act.

Mr. Mahendra Nahata holds a Bachelor's degree in Commerce from St. Xavier's College, Kolkata and has business experience of over 38 years. He leads the overall strategy and planning, business development and marketing activities of the HFCL Group. Mr. Mahendra Nahata is also on the Board of Reliance Jio Infocomm Limited, a subsidiary of Reliance Industries Limited.

Mr. Nahata's contribution to the telecom sector is commendable and many milestones in the sector have been achieved due to his initiatives and entrepreneurship.

He is one of the pioneers in the New Age Telecom sector of India and has been associated with many esteemed forums related to the telecom industry. In the past, Mahendra Nahata had been member of Board of Governors of the Indian Institute of Technology, Bombay and the Indian Institute of Technology Madras.

He had also been the Member of the Board of Governors of the Indian Institute of Information Technology, Allahabad and Member of the Council of Scientific & Industrial Research, Government of India.

Mahendra Nahata had been President of the Telecom Equipment Manufacturers Association of India (TEMA), Co-Chairman of the Telecom Committee of the Federation of Indian Chamber of Commerce and Industry, Chairman-Telecom Committee of PHD Chamber of Commerce & Industry.

Mahendra Nahata was given "Telecom Man of the Millennium" award by Voice & Data in 2003.

A brief profile of Mr. Mahendra Nahata to be re-appointed as Managing Director is given under the heading "*Details of Directors proposed to be appointed and re-appointed, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards 2 on General Meetings issued by the Institute of Company Secretaries of India*" or elsewhere in the Notice.

This Statement may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and SS-2 on General Meetings issued by the Institute of Company Secretaries of India.

Mr. Mahendra Nahata holds 45,60,091 (0.36%) equity shares and is Significant Beneficial Owner of 22.08% paid-up equity share capital of the Company as on June 30, 2021.

Except for the proposed re-appointment, remuneration and shareholding interest, Mr. Mahendra Nahata does not have any pecuniary relationship with the Company or with any other key managerial personnel.

Mr. Mahendra Nahata is interested in the resolution as set out at Item No. 8 of the Notice. The relatives of Mr. Mahendra Nahata may be deemed to be interested in this resolution to the extent of their shareholding, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/ their relatives, is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

It is, therefore, proposed to seek the members' approval for re-appointment and remuneration payable to Mr. Mahendra Nahata as Managing Director, in terms of the applicable provisions of the Act and the SEBI Listing Regulations.

Your Board recommends the Special Resolution set out at Item no. 8 of the Notice for your approval.

#### ITEM NO. 9

Members may note that the Company and one of its subsidiaries, namely, HTL Limited, based at Chennai ("**HTL**"), are in the similar line of business, inter-alia, manufacturing and dealing in various kinds of optical fibre cables and telecom accessories.

In line with the above business activities and in the best interest of the Company and to ensure stability of supplies in terms of quality and logistics, the Company has been entering into various business transactions with HTL, in the ordinary course of business and at arms' length basis and pursuant to the approvals of the Audit Committee and the Board of Directors, wherever required, obtained from time to time, inter-alia, for purchase/ sale of goods or materials and/or availing/ supplying of services.

Further, HTL has obtained credit facilities from various banks/lenders for meeting the requirement of its business operations and expansion plans and such lenders have sanctioned the credit facilities to HTL on the condition that the Company shall give its corporate guarantee and other collateral security, viz., first pari-passu charge over existing pledge of 23.90% of the paid-up equity share capital of HTL held by the Company and Non-Disposible Undertaking on remaining 50.10% of the paid-up equity share capital of HTL, in favour of the lenders, amongst various other conditions.

The aforesaid collateral security, including corporate guarantee given in favour of the lenders of HTL stood at ₹219 Crores, till July 31, 2021, out of which corporate guarantee amounting to ₹85 Crores has been given vide resolutions passed by the Audit Committee and the Board of Directors, in their respective meetings held on April 05, 2021, i.e. during the current financial year 2021-22.

In terms of Explanation to Regulation 23(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**SEBI Listing Regulations**"), as amended, a transaction 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 ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

The annual consolidated turnover of the Company was ₹4,422.96 Crores for the financial year 2020-21 and accordingly, in view of the aforesaid provisions, the overall quantum of the related party transactions with HTL, during the financial year 2021-22, is likely to exceed the stipulated threshold of ten percent of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

All transactions in terms of the above mentioned omnibus approval/ security/ guarantee between the Company and HTL, have been/will be executed in the ordinary course of business and at arms' length basis. Hence, the provisions of Section 188(1) of the Companies Act, 2013 and the Rules made thereunder are not applicable on transactions between these entities.

However, all the transactions taken together during the financial year 2021-22, between the Company and HTL were/ may be exceeding 10% of the last year's turnover, due to which these transactions are considered as material related party transactions, in terms of the SEBI Listing Regulations.

Therefore, in terms of Regulation 23(4) of the SEBI Listing Regulations, approval of the shareholders through ordinary resolution is required, if the transaction(s) to be entered into individually or taken together with the previous transaction(s) during a financial year with a related party, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

In view of the above, the Board, in its meeting held on September 03, 2021, considered and recommended the material related party transactions entered/ to be entered into with HTL, for an aggregate amount of up to ₹750 Crores (Rupees Seven Hundred Fifty Crores only) during the financial year 2021-22, to the shareholders for their approval by way of an ordinary resolution.

Mr. Mahendra Nahata, Managing Director of the Company is Chairman and also a Non-Executive Director on the Board of HTL. Dr. Ranjeet Mal Kastia, Non-Executive Director of the Company is also a Non-Executive Director on the Board of HTL.

Save as above, none of the other Directors/Key Managerial Personnel of the Company/ their relatives, is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

Your Board recommends the Ordinary Resolution set out at Item no. 9 of the Notice for your approval.

#### ITEM NO. 10

Members may note that there are massive growth opportunities for the Company for its existing lines of business and related areas in telecom, defence, railways and security surveillance sectors, which could be pursued either directly or indirectly through its subsidiaries.

Further, the Company, through its recently incorporated wholly-owned subsidiary, namely, HFCL Technologies Private Limited ("**HTPL**"), has applied for availing the benefits under the "The Production Linked Incentive Scheme" (hereinafter referred to as the "**PLI Scheme**") issued by the Ministry of Communications (Department of Telecommunications) vide

its notification no. 13-01/2020-IC dated 24.02.2021, to promote telecom and networking products manufacturing in India. The PLI Scheme is expected to boost export of telecom and networking products under “Make in India” initiative.

Once the approval is in place, HTPL would be required to set-up in-house facilities for the manufacture of various telecom products including Wi-Fi, UBR, Switches, Routers, 5G small cell & 5G macro Radio Unit (RU), DU (Distributed Unit) Aggregation Router, CU (Centralised Unit) Aggregation Router etc.

Besides, followed by huge market opportunities emerging out of 4G network expansions, FTTH roll outs, BharatNet projects and evolution of 5G networks, the Company intends to expand its optical fibre and optical fibre cable facilities by 10 mn fkm each, through HTPL.

In addition, the Company also plans to set-up a new green field facility for the manufacture of Defence equipment like electronic fuses, electro optic devices, software defined radios etc.

The Company expects capital outlay of ~₹750 Crores for setting-up of new facilities for the manufacture of telecom products (eligible for benefits under the PLI Scheme) & Defence products and capacity expansions of optical fibre & optical fibre cables.

Further, the Company also requires funding arrangements for the modernisation of its existing facilities, repayment of high cost borrowings, Research & Development activities, payment of ToT (Transfer of Technology) fee, organic/inorganic growth opportunities, augmentation of working capital resources, general corporate purposes etc.

The above expenditure is proposed to be financed through internal accruals, borrowings and partly through this fund raise by way of issue of equity shares or preference shares or any other instrument or security(ies), subject to all statutory and other approvals.

It is proposed that the Board of Directors be authorised by way of an enabling resolution to raise funds to part finance the above requirements.

Further, pending utilisation of the proceeds for the purposes described above, the Company intends to temporarily invest such proceeds in creditworthy instruments, including money market, mutual funds and deposits with banks and corporates or other securities. Such investments would be in accordance with the investment policies, as approved by the Board and/or a duly authorized committee(s), from time to time and all applicable laws and regulations.

In view of the above, the Board, in its meeting held on September 03, 2021, considered raising of funds for an aggregate amount of up to ₹750 Crores (Rupees Seven Hundred Fifty Crores only), through Qualified Institutions Placement to QIBs as defined in SEBI ICDR Regulations or Private Placement or Preferential Issue or Public Issue or through any other permissible mode and/or combination thereof as may be considered appropriate under applicable law.

The issue of securities may be consummated in one or more tranches at such time or times at such price, whether at a discount or premium to market price or prices in such manner and on such terms and conditions as the Board may in its absolute discretion decide, taking into consideration prevailing market conditions and other relevant factors and wherever necessary in consultation with advisors, book running lead managers, underwriters and such other authority or authorities as may be necessary and subject to, as applicable, the SEBI ICDR Regulations, the Depository Receipts Scheme, 2014 and other applicable guidelines, notifications, rules and regulations, each as amended.

Pursuant to Sections 42, 55, 71 and 62(1)(c) and other applicable provisions of the Companies Act, 2013 (the “Act”), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any (including any amendments, statutory modification(s) and/ or re-enactment thereof for the time being in force), the SEBI ICDR Regulations and any other law, approval of the members is required to be obtained by way of a special resolution.

Therefore, consent of the members is being sought by way of a special resolution in this Annual General Meeting, pursuant to applicable provisions of the Act, the SEBI ICDR Regulations and any other law for the time being in force and being applicable.

The special resolution also seeks to give the Board powers to issue equity shares and/or Eligible Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and/or individuals or otherwise as the Board in its absolute discretion deem fit.

The detailed terms and conditions for the issue(s)/offering(s) will be determined by the Board in its sole discretion considering prevailing market conditions, practices and in accordance with the applicable laws and other relevant factors, in consultation with the advisors, lead managers, underwriters and such other authority or authorities as may be necessary.

Accordingly, the Board recommends passing of Resolution at Item No. 10 as a special resolution.

None of the directors, promoters and key managerial personnel of the Company or their respective relatives, except to the extent of their shareholding entitlements, if any, is concerned or interested financially or otherwise, in the Resolution set out at Item No. 10 of the Notice.

**Registered Office:**  
8, Electronics Complex  
Chambaghat  
Solani-173213 (H. P.)

Place: New Delhi  
Date: September 03, 2021

**By Order of the Board**  
  
**(Manoj Baid)**  
Senior Vice-President (Corporate) &  
Company Secretary  
Membership No: FCS 5834