

HFCL LIMITED

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(Corporate Identity Number: L64200HP1987PLC007466)

NOTICE

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

NOTICE is hereby given that the **35th (Thirty Fifth) Annual General Meeting (“AGM”)** of the Members of **HFCL Limited** will be held on **Friday the 30th day of September, 2022 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, 2022, along with 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, 2022, 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, 2022 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, 2022, 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 ₹ 0.18 (Eighteen Paise only) i.e. @18% per fully paid-up equity share of face value of ₹ 1/- (Rupee One only) for the financial year ended March 31, 2022 and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT a Dividend of ₹ 0.18 (Eighteen Paise only) i.e. @ 18% 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, 2022 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, 2022.”

4. Appointment of Director in place of the retiring Director

To appoint a director in place of Mr. Arvind Kharabanda (DIN: 00052270), Director (Non-Executive), aged 75 years, 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) Regulations, 2015 as amended from time to time, Mr. Arvind Kharabanda (DIN: 00052270), aged 75 years, 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.”

5. Re-appointment of Statutory Auditors of the Company

To re-appoint M/s S. Bhandari & Co., Chartered Accountants (FRN: 000560C) and M/s Oswal Sunil & Company, Chartered Accountants (FRN: 016520N), as the Statutory Auditors of the Company for the second term of 5 (five) consecutive years, whose first term expires at the conclusion of this Annual General Meeting and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to provisions of Sections 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment (s) thereof for the time being in force), and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, the consent of the members be and are hereby accorded for the re-appointment of M/s S. Bhandari & Co., Chartered Accountants (FRN: 000560C) and M/s Oswal Sunil & Company, Chartered Accountants (FRN: 016520N), as the Statutory Auditors of the Company for the second term of 5 (five) consecutive years, who shall hold office from the conclusion of this 35th Annual General Meeting till the conclusion of 40th Annual General Meeting of the Company to be held in the year 2027, for conducting the audit of accounts of the Company from financial year 2022-23 to 2026-27, at such remuneration as may be approved by the Audit Committee/ the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee), be and are hereby authorized to do all such acts, deeds, matters, things and to take all such steps as may be considered necessary or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto.”

SPECIAL BUSINESS:

6. Re-appointment of Mr. Bharat Pal Singh (DIN: 00739712) as an Independent Director for second term

To re-appoint Mr. Bharat Pal Singh (DIN: 00739712) 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 Regulation 25(2A) of 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. Bharat Pal Singh (DIN: 00739712), Independent Director of the Company, whose first term of office is up to January 20, 2023 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. Bharat Pal Singh’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 January 21, 2023 up to January 20, 2026.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee), be and are hereby authorized to do all such acts, deeds, matters, things and to take all such steps as may be considered necessary or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto.”

7. Ratification of Remuneration payable to the Cost Auditors

To ratify the remuneration payable to M/s SKG & Co., Cost Auditors 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 the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Company hereby ratifies the remuneration amounting to ₹ 2,00,000/- (Rupees Two Lakhs only) plus applicable taxes, travel and out-of-pocket expenses to be incurred in connection with the cost audit, as approved by the Audit Committee/the Board of Directors, payable to M/s SKG & Co., Cost Accountants (Firm Registration No. 000418), who are appointed as the Cost Auditors to conduct the audit of the cost records maintained by the Company, for the financial year ending March 31, 2023.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and to take all such steps as may be necessary, proper, or expedient to give effect to this resolution.”

8. Approval for Material Related Party Transactions with HTL Limited, a Material Subsidiary

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 ₹975 Crore (Rupees Nine Hundred Seventy Five Crore only), during the financial year 2022-23, which is in excess of 10% of the annual consolidated turnover of the Company, for the financial year 2021-22, 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.”

9. Issue of securities on a preferential basis

To issue securities on a preferential basis 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 23(1)(b), 42, 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (**“Act”**) and applicable rules made thereunder, including 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) or re-enactment(s) thereof) (“**Act**”), the enabling provisions of the Memorandum and Articles of Association of the Company and subject to the 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**SEBI Listing Regulations**”), and subject to other applicable Rules / Regulations / Guidelines / Notifications / Circulars and clarifications issued thereunder, if any, from time to time by the Government of India, Ministry of Corporate Affairs (“**MCA**”), the Securities and Exchange Board of India and/ or any other competent authorities to the extent applicable, the uniform listing agreements entered into by the Company with the stock exchanges where the equity shares of the Company are listed and subject to all necessary approval(s), consent(s), permission(s) and/ or sanction(s), if any, of the Government of India, any other statutory or regulatory authorities, as may be required, and subject to such conditions as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/ or sanction(s) and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “**Board**” which term shall be deemed to include any duly constituted/ to be constituted committee of Directors thereof to exercise its powers including powers conferred under this resolution), the consent of the members of the Company, be and is hereby accorded to offer, issue and allot from time to time in one or more tranches up to 1,41,00,000 (One Crore Forty One Lakh only) Warrants, each convertible into, or exchangeable for, 1 (one) fully paid-up equity share of the Company of face value of ₹1/- (Rupee One only) each (“**Warrants**”) at a price of ₹80/- per Equity Share (“**Warrant Exercise Price**”) (Rupees Eighty only) each, payable in cash, aggregating up to ₹112,80,00,000/- (Rupees One Hundred Twelve Crore Eighty Lacs only) which may be exercised in one or more tranches during the period commencing from the date of allotment of the Warrants until expiry of 18 (eighteen) months, by way of preferential issue on such other terms and conditions as set out herein, subject to applicable laws and regulations, including the provisions of Chapter V of the SEBI ICDR Regulations and the Act, as the Board may determine to the following persons belonging to Promoter and Non- Promoter Category (hereinafter referred to as the “**Proposed Allottees**”/“**Warrant Holders**”):

S. No.	Name of the Proposed Allottee	Category	No. of warrants to be issued
1.	MN Ventures Private Limited	Promoter	1,00,00,000
2.	Mr. Vijay Raj Jain	Non-promoter	15,00,000
3.	Mr. Jitendra Singh Chaudhary	Non-promoter	5,00,000
4.	Mr. Harshwardhan Pagay	Non-promoter	5,00,000
5.	Mr. Manoj Baid	Non-promoter	2,00,000
6.	Mr. Devender Kumar	Non-promoter	2,00,000
7.	Mr. Nand Lal Garg	Non-promoter	2,00,000
8.	Mr. Jayanta Dey	Non-promoter	2,00,000
9.	Mr. Sushil Kumar Wadhwa	Non-promoter	2,00,000
10.	Mr. Rajesh Jain	Non-promoter	2,00,000
11.	Mr. Brij Bhushan Singh	Non-promoter	2,00,000
12.	Mr. Gilkara Shrinivas Naidu	Non-promoter	2,00,000

RESOLVED FURTHER THAT in terms of the provisions of the SEBI ICDR Regulations, the “**Relevant Date**” for the purpose of determination of minimum price for the issue and allotment of Warrants, shall be **Tuesday, August 30, 2022**, being the preceding day to August 31, 2022, 30 (thirty) days prior to the date of this 35th Annual General Meeting (since, the relevant date, i.e., August 31, 2022 falls on a holiday, the day preceding the holiday, i.e., August 30, 2022, is reckoned as the relevant date).

RESOLVED FURTHER THAT, the preferential allotment of Warrants and allotment of equity shares on the exercise of the Warrants shall be subject to the following terms and conditions apart from others as prescribed under applicable laws:

- The Warrant holder shall, subject to the SEBI ICDR Regulations and other applicable rules, regulations and laws, be entitled to apply for and be allotted 1 (one) equity share against each Warrant.
- An amount of ₹20/- (Rupees Twenty only), which is equivalent to 25% of the Warrants Issue Price shall be paid at the time of subscription and allotment of each Warrant. The Warrant Holders will be required to make payments of balance 75% of the Warrants Issue Price, at the time of exercise of the right attached to Warrant(s) to subscribe to equity share(s).
- The Warrants and the Equity Shares allotted pursuant to exercise of such Warrants shall be subject to lock-in for such period as specified in the provisions of Chapter V of the SEBI ICDR Regulations and the Equity Shares allotted upon conversion of Warrants, be listed on the Stock Exchanges(s) subject to receipt of necessary permission(s), sanction(s) and approval(s).
- The right attached to Warrants may be exercised by the Warrant Holders, in one or more tranches, at any time on or before the expiry of 18 (eighteen) months from the date of allotment of the Warrants by issuing a written notice to the Company specifying the number of Warrants proposed to be converted. The Company shall accordingly, without any further approval from the members, allot the corresponding number of equity shares in dematerialized form within 15 days from the date of such exercise by the Warrant Holders.
- The tenure of Warrants shall not exceed 18 (eighteen) months from the date of allotment. If the entitlement against the Warrants to apply for the equity shares of the Company is not exercised by the Warrant Holders within the aforesaid period of 18 (eighteen) months, the entitlement of the Warrant holder to apply for equity shares of the Company along with the rights attached thereto shall expire and any amount paid by the Warrant Holders on such Warrants shall stand forfeited by the Company.
- The equity shares to be allotted on exercise of the Warrants shall be in dematerialized form and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and shall rank *pari passu* with the then existing equity shares of the Company in all respects including the payment of dividend and voting rights.

- (g) The pre-preferential allotment shareholding of the Warrant Holders, if any, in the Company and Warrants allotted in terms of this resolution and the resultant equity shares arising on exercise of rights attached to such Warrants shall be subject to lock-in as specified in the provisions of Chapter V of the SEBI ICDR Regulations.
- (h) The Warrants by itself, until exercised and converted into equity shares, shall not give the Warrant Holders any rights with respect to that of an equity shareholder of the Company.
- (i) The price determined above and the number of equity shares to be allotted on conversion of the Warrants shall be subject to appropriate adjustments as permitted under the rules, regulations and laws, as applicable from time to time. If the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI ICDR Regulations, the Warrants shall continue to be locked in till the time such amount is paid.
- (j) The Equity Shares allotted upon conversion of the Warrants will be listed on the BSE Limited and the National Stock Exchange of India Limited where the existing equity shares of the Company are listed, subject to the receipt of necessary permissions and approvals, as the case may be.

RESOLVED FURTHER THAT pursuant to the provisions of the Act, the names of the Proposed Allottees be recorded for the issuance of invitation to subscribe to the Warrants in Form No. PAS-5 and a private placement offer letter in Form No. PAS-4 together with an application form be issued to the Proposed Allottees inviting them to subscribe to the Warrants.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation to vary, modify or alter any of the relevant terms and conditions, attached to the Warrants, to be allotted to the Proposed Allottees, effecting any modifications, changes, variations, alterations, additions and/or deletions to the preferential issue as may be required by any regulatory or other authorities involved in or concerned with the issue and allotment of Warrants, making applications to the stock exchanges for obtaining in-principle approvals, listing of equity shares to be issued on exercise of Warrants, filing requisite documents with the MCA and other regulatory authorities, filing of requisite documents with the depositories, to resolve and settle any questions and difficulties that may arise in the preferential offer, issue and allotment of Warrants without being required to seek any further consent or approval of the members of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers conferred upon it by this resolution, to any director(s), committee(s), executive(s), officer(s) or authorized signatory(ies) to give effect to this resolution, including execution of any documents on behalf of the Company and to represent the Company before any governmental or regulatory authorities and to appoint any professional advisors, bankers, consultants, advocates and

advisors to give effect to this resolution and further to take all other steps which may be incidental, consequential, relevant or ancillary in this regard."

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, 42, 55, 62 and 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**"), the BSE Limited ("**BSE**"), the 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 ₹650 Crore (Rupees Six Hundred Fifty Crore 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, issue of Global Depository Receipts (**"GDRs"**), American Depository Receipts (**"ADRs"**) 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, 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), 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 by 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 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 at 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
Solan-173213 (H. P.)

Place: New Delhi
Date: September 02, 2022

By Order of the Board

(Manoj Baid)

Senior Vice-President (Corporate) &
Company Secretary
Membership No: FCS 5834

Notes:

- 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, 19/2021 dated December 8, 2021, 21/2021 dated December 14, 2021, 2/2022 dated May 5, 2022 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, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (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 2022. 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 **35th AGM of the Company is being held through VC/OAVM on Friday, 30th September, 2022 at 11:00 a.m. (IST).**

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

- 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.
- 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. 6 to 8 of the accompanying Notice, is considered to be unavoidable by the Board and hence, forms part of this Notice.
- The relative Statement pursuant to Section 102 of the Act in respect of the business under item nos. 4 to 8 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 and 6, as required under Regulation 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.
- 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.

- Institutional Investors, who are members of the Company, are encouraged to attend and vote at the 35th 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 with a copy marked to evoting@nsdl.co.in and the Company at secretarial@hfcl.com.
- 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.
- 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 Remuneration and Compensation Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- 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 2021-22 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 2021-22 are available on the Company's website viz. 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 and 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.

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 35th 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 Secretarial Auditor 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 {now replaced with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 w.e.f. 13.08.2021} and the special resolution passed by the members of the Company approving HFCL Plan 2017 in their 30th 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.
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 Share Transfer Books of the Company will remain closed from **Saturday, September 24, 2022 to Friday, September 30, 2022 (both days inclusive)** for the purpose of AGM and payment of dividend on equity shares for FY 22.
- 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 **Friday, September 23, 2022**. 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. **Friday, September 23, 2022**, 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. **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.
- Members who are holding shares in physical form in identical names in more than one folio are requested to write to RTA enclosing their share certificates to consolidate their holding into one folio.
16. 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.
17. 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.
18. 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 to 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, or in electronic mode at admin@mcsregistrars.com.
19. **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.**
20. **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. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing

service requests, viz., issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4. The said form can be downloaded from the Company's website under Investor relation at www.hfcl.com. It may be noted that any service request can be processed only after the folio is KYC Compliant.

21. 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.
22. 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 2021-22 and the procedure for remote e-Voting along with the login ID and password for remote e-Voting.
23. Members may note that the Board, at its meeting held on April 29, 2022, has recommended a final dividend of ₹ 0.18 (Eighteen Paisa only) per fully paid-up equity share. The record date for the purpose of payment of final dividend for FY 2021-22 is **September 23, 2022**. The aforesaid dividend, once approved by the members in this AGM, will be paid within 30 days from the date of AGM.

Payment of dividend shall be made through electronic mode to the Members who have updated their bank account details. Dividend warrants/demand drafts will be dispatched to the registered address of the members who have not updated their bank account details.

In order to receive dividend/s in a timely manner, Members are requested to register/update their complete bank details:

- (a) with their Depository Participant(s) with whom they maintain their demat accounts if shares are held in dematerialised mode by submitting the requisite documents, and
- (b) with RTA if shares are held in physical mode, by submitting duly filled in Form ISR-1 along with the (i) scanned copy of the signed request letter which shall contain shareholder's name, folio number, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details), (ii) self-attested copy of the PAN card and (iii) cancelled cheque leaf.

Further, please refer to our e-mail communication dated August 26, 2022 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 FY22.

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, FY19 and FY21, 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	Last date for claiming Dividend	Due Date for Transfer	Amount (₹) (Unpaid as on March 31, 2022)
2017-18	0.06	September 29, 2018	November 04, 2025	December 04, 2025	10,35,510.84
2018-19	0.10	September 28, 2019	November 03, 2026	December 03, 2026	16,37,521.40
2020-21	0.15	September 30, 2021	November 05, 2028	December 05, 2028	24,83,192.23

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

The remote e-voting period begins on **Tuesday, September 27, 2022 at 09:00 A.M. and ends on Thursday, September 29, 2022 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., **Friday, September 23, 2022**, 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 **Friday, September 23, 2022**. The person who is not a member/beneficial owner as on the cut-off date should treat this Notice for information purpose only.

Members are requested to carefully read the below instructions in connection with remote e-voting and procedure for joining the AGM.

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"> Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com 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 & e-Voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 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. 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 & e-Voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.



Individual Share-holders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 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 https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 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. If the user is not registered for Easi/Easiest, option to register is available at the following weblink: https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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.
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Type of share holders	Login Method
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 evoting@nsdl.co.in 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: helpdesk.evoting@cdslindia.com 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?

- 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.
- 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, 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.

- 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 For example, 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 122047 then user ID is 122047001***

- Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- 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.
- How to retrieve your ‘initial password’?
 - 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’.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.

- If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

- 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.
- “**Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- 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 cast 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. 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. **Friday, September 23, 2022** 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 **Saturday, September 24, 2022 (09:00 A.M. IST) up to Sunday, September 25, 2022 (05:00 P.M. IST)**, mentioning their name, demat account number/folio number, e-mail ID, mobile number at 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, during **Saturday, September 24, 2022 (09:00 A.M. IST) up to Sunday, September 25, 2022 (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 and on the website of NSDL 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, 2022**.

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:

Name of the Director	Mr. Arvind Kharabanda	Mr. Bharat Pal Singh
DIN	00052270	00739712
Date of Birth (Age in years)	March 09, 1947 (75 years)	January 13, 1952 (70 Years)
Date of first appointment	October 31, 2004	January 21, 2020
Experience/Expertise in Specific Functional Areas	<p>Mr. Arvind Kharabanda has got over 44 years' experience in managerial positions, projects implementation and finance.</p> <p>Mr. Kharabanda is a member of the Institute of Chartered Accountants of India. He carries with him vast experience in industries as varied as telecommunications, broadcastings, IT, electronics, consumer durables and white goods.</p> <p>Mr. Arvind Kharabanda has expertise in the field of management discipline such as marketing, manufacturing, project appraisal, finance and corporate strategy and planning.</p>	<p>Mr. Bharat Pal Singh had served as a former Dy. Managing Director of IDBI Bank.</p> <p>In 2010, Government of India appointed Mr. Singh as Whole-time Director on the Board of IDBI Bank.</p> <p>Mr. Singh brings with him a rich experience of more than 33 years of handling a range of portfolios in the banking sector. Apart from Board experience at IDBI Bank, he was member of Boards of several large companies/corporations as a Nominee of IDBI Bank.</p> <p>Mr. Singh has served on expert committees set up by the Government of India in the steel and cement sectors.</p>
Qualification(s)	Chartered Accountant (CA)	<ul style="list-style-type: none"> M.Sc. in Operational Research from Delhi University; Masters in Marketing Management from Jamnalal Bajaj Institute of Management Studies, Mumbai
Directorship in other companies including listed companies	<ol style="list-style-type: none"> HFCL Advance Systems Private Limited HFCL Technologies Private Limited Indiasign Private Limited My Box Technologies Private Limited Rajasthan Antibiotics Limited 	NA
Listed entities from which the person has resigned in the past three years	NIL	NIL
Chairmanship/Membership of Committees (across all public companies in Audit Committee and Stakeholders' Relationship Committees)	<p>HFCL Limited:</p> <p>Audit Committee – Member</p> <p>Stakeholders' Relationship Committee – Chairman</p> <p>Nomination, Remuneration & Compensation Committee – Member</p> <p>Risk Management Committee – Member</p>	<p>HFCL Limited:</p> <p>Audit Committee – Chairman</p> <p>Nomination, Remuneration & Compensation Committee – Member</p> <p>Risk Management Committee – Member</p>
Shareholding in the listed entity, including shareholders as a beneficial owner	NIL	NIL
Relationship with other Directors and KMPs of the Company	N.A.	N.A.
No. of Board Meetings held/Attended	6/6	6/6
Details of Remuneration sought to be paid	Except, Sitting Fee for attending the Board and/or Committee Meetings, no other remuneration is payable.	Except, Sitting Fee for attending the Board and/or Committee Meetings, no other remuneration is payable.
Last Remuneration drawn (per annum)	₹1,350,000 only (Rupees Thirteen Lakh Fifty Thousand only) (Towards Sitting fee for Board and its Committee meetings from April 1, 2021 till March 31, 2022)	₹ 950,000 only (Rupees Nine Lakhs Fifty Thousand only) (Towards Sitting fee for Board and its Committee meetings from April 1, 2021 till March 31, 2022)
Disclosure of relationships between directors inter-se	NIL	NIL
Terms and conditions of re-appointment and Remuneration	As mentioned in the Resolutions and Statements. Shareholders may also refer Remuneration Policy which is available on the website of the Company i.e. www.hfcl.com .	

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 Business mentioned at Item Nos. 6 to 10 in the accompanying Notice. As an additional information, the Statement also contains material facts pertaining to ordinary business mentioned at Item No. 4 & 5 of the said Notice:

ITEM NO. 4

Mr. Arvind Kharabanda (DIN: 00052270) was re-appointed as a Director (Non-Executive) liable to retire by rotation, by the shareholders in the 32nd Annual General Meeting ("AGM") of the Company held on September 28, 2019.

Further, continuation of Mr. Arvind Kharabanda Director (Non-Executive), liable to retire by rotation, on attaining the age of seventy-five years, was also approved by the shareholders of the Company, in their extra-ordinary general meeting held on March 07, 2022, by way of special resolution.

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 Mr. Arvind Kharabanda, aged 75 years, is recommended at this 35th AGM by way of Special Resolution in compliance of the SEBI Listing Regulations.

Mr. Arvind Kharabanda has got over 44 years' experience in managerial positions, projects implementation and finance.

Mr. Arvind Kharabanda doesn't hold any equity shares in the Company.

A brief profile of Mr. Arvind Kharabanda 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 SEBI 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 April 29, 2022, has approved the re-appointment of Mr. Arvind Kharabanda aged 75 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. Arvind Kharabanda is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice with regard to his re-appointment and remuneration payable as a Non-Executive Director. The relatives of Mr. Arvind Kharabanda may be deemed to be interested in the aforesaid resolution to the extent of their shareholding, if any, in the Company.

The Board recommends the Special resolution set forth in item no. 4 of the notice for the approval of members.

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

M/s S. Bhandari & Co., Chartered Accountants (FRN: 000560C) and M/s Oswal Sunil & Company, Chartered Accountants (FRN: 016520N) were appointed as statutory auditors of the Company at the 30th AGM held on September 25, 2017 to hold office from the conclusion of the said meeting till the conclusion of the 35th AGM to be held in the year 2022.

In terms of the provisions of Section 139 of the Companies Act, 2013 (the "Act"), the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, if any, the Company can appoint or reappoint an audit firm as statutory auditors for not more than two (2) terms of five (5) consecutive years.

Further, in terms of Regulation 33(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall ensure that the limited review or audit reports submitted to the stock exchange(s) on a quarterly or annual basis are to be given only by an auditor who has subjected himself/ herself to the peer review process of the Institute of Chartered Accountants of India and holds a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Company has received Peer Review Certificates issued by the Institute of Chartered Accountants of India, from both the Auditors.

M/s S. Bhandari & Co. and M/s Oswal Sunil & Company, Chartered Accountants are eligible for reappointment for a further period of five years.

Considering the various parameters including but not limited to independence, competence, technical capability, overall audit approach, evaluation of the past performance, experience and expertise of the Auditors and based on the recommendation of the Audit Committee, the Board of Directors, at its meeting held on July 22, 2022, approved the reappointment of M/s S. Bhandari & Co., Chartered Accountants and M/s Oswal Sunil & Company, Chartered Accountants, as statutory auditors of the Company to hold office for a second term of five consecutive years from the conclusion of the ensuing AGM until the conclusion of the 40th AGM of the Company to be held in the year 2027 for conducting the audit of accounts of the Company from financial year 2022-23 to 2026-27, subject to approval of the shareholders of the Company.

M/s S. Bhandari & Co., Chartered Accountants and M/s Oswal Sunil & Company, Chartered Accountants have given consent to act as Statutory Auditors of the Company for the second term, and have confirmed that their reappointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

The proposed remuneration to be paid to M/s S. Bhandari & Co. and M/s Oswal Sunil & Company, Chartered Accountants for conducting statutory audit of the Company for the financial year ending 2022-23 is ₹ 50 Lakhs each (exclusive of applicable taxes and out of pocket expenses, if any).

The Board of Directors, on the recommendation of the Audit Committee, shall decide the remuneration of M/s S. Bhandari & Co., Chartered Accountants and M/s Oswal Sunil & Company, Chartered Accountants as Statutory Auditors. for the remaining part of its tenure.

In addition to the statutory audit, the Company may also obtain certifications from M/s S. Bhandari & Co., Chartered Accountants and M/s Oswal Sunil & Company, Chartered Accountants under various statutory regulations and other permissible non-audit services as required from time to time, for which their remuneration shall be approved by the Audit Committee, in accordance with the provisions of Sections 142 and 144 of the Act.

The Board of Directors, on the recommendation of the Audit Committee, are also proposed to be authorised to approve and/or revise the remuneration of the statutory auditors, from time to time. The Board of Directors, in consultation with the Audit Committee, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the statutory auditors.

Brief profile of Auditors

M/s. S. Bhandari & Co., Chartered Accountants ("SBC") was established in March 1972.

SBC is one of the leading firms of Chartered Accountants in India. SBC is on the approved (Category 1) list of Comptroller and Auditor General of India and Reserve Bank of India and is conducting Statutory Audits of Public Sector Undertakings (including Navratna companies of Govt. of India) and Banks.

SBC is a perfect blend of experience and young professionals. With headquarters at Jaipur and branch at Mumbai, the Firm handles assignments across the Country with Total Quality Assurance.

SBC provide audit, assurance, tax and advisory services in various areas to help organizations negotiate risks, look after stakeholders' expectations and excel in the dynamic and challenging environments in which they do business.

The Firm has strong presence in the field of Audit and assurance services. The cliental includes manufacturing, engineering, mining, export, trading services to various corporate as well as firms.

M/s. Oswal Sunil & Company, Chartered Accountants was established in the year 1999

The Firm is having vast experience in Audits of public companies, nationalized banks, firms, NGO's and handling taxation, management consultancy, company law matters, accounting services, and approvals from various government agencies, for corporate and non-corporate clients.

The Firm's core team has very senior chartered accountants having vast experience covering various industrial, commercial and business houses in the field of Accountancy, Auditing, Direct & Indirect Taxation, Management Consultancy, Company Law Matters, etc.

The Firm represents a combination of specialized skills, which are geared to offers sound financial advice and personalized proactive services.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the ordinary resolution set out in item no. 5 of the Notice for the approval of members.

ITEM NO. 6

Mr. Bharat Pal Singh (DIN: 00739712) was appointed as an Independent Director on the Board of your Company, w.e.f. January 21, 2020, for one term of three consecutive years, by the shareholders at the 33rd Annual General Meeting ("AGM") of the Company held on September 28, 2020, 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. Bharat Pal Singh holds office as an Independent Director of the Company up to January 20, 2023 ("First Term") in line with the explanation to Sections 149(10) and 149(11) of the Act.

Mr. Bharat Pal Singh holds two Master Degrees – M.Sc. in Operational Research from Delhi University and Masters in Marketing Management from Jamnalal Bajaj Institute of Management Studies, Mumbai.

Mr. Bharat Pal Singh was a former Dy. Managing Director of IDBI Bank. In 2010, Government of India appointed Mr. Bharat Pal Singh as Whole-time Director on the Board of IDBI Bank.

Mr. Bharat Pal Singh brings with him a rich experience of more than 33 years of handling a range of portfolios in the banking sector. Apart from Board experience at IDBI Bank, he was member of Boards of several large companies/corporations as a Nominee of IDBI Bank. Mr. Bharat Pal Singh has served on expert committees set up by the Government of India in the steel and cement sectors.

The performance evaluation of Mr. Bharat Pal Singh was based on various criteria, inter-alia, including attendance at Board and Committee Meetings, skill, experience, 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 (NRC) Committee, the Board of Directors of the Company passed a resolution at its meeting held on July 22, 2022 and approved the re-appointment of Mr. Bharat Pal Singh as an Independent Director, not liable to retire by rotation, for a second term of consecutive three years commencing from January 21, 2023 to January 20, 2026, based on his skills, experience, knowledge and positive outcome of performance evaluation done by the NRC Committee and the substantial contribution made by him during his tenure and are of the view that continued association of Mr. Bharat Pal Singh 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. Bharat Pal Singh 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 BSE Circular No. LIST/COMP/14/2018-19 and NSE Circular No. NSE/CML/2018/24 both dated June 20, 2018, this is to confirm that Mr. Bharat Pal Singh (DIN: 00739712) 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. Bharat Pal Singh 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. Bharat Pal Singh 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. Bharat Pal Singh 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. Bharat Pal Singh to be re-appointed as an Independent Director of the Company.

A copy of the terms and conditions of appointment of independent directors 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 <https://www.hfcl.com/wp-content/uploads/2021/11/Terms-and-conditions-of-appointment-of-Independent-Directors-10.05.17.pdf>.

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

A brief profile of Mr. Bharat Pal Singh 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 SEBI 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.

Pursuant Regulation 25(2A) of the SEBI Listing Regulations the appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution.

Accordingly, the Board recommends the re-appointment of Mr. Bharat Pal Singh 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. Bharat Pal Singh 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. Bharat Pal Singh may be deemed to be interested in the aforesaid resolution to the extent of their shareholding, if any, in the Company.

The Board recommends the special resolution set out in item no. 6 of the Notice for the approval of members.

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

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company is required to appoint a Cost

Accountant to audit the cost records for applicable products being manufactured by the Company. Based on the recommendation of the Audit Committee, the Board at its meeting held on September 02, 2022, approved the appointment of M/s SKG & Co. (Firm Registration No. 000418) as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company, pertaining to the relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014, for the financial year 2022-23 at a remuneration of ₹ 2,00,000/- (Rupees Two Lakhs Only) plus applicable taxes, out of pocket and other expenses.

In accordance with the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the remuneration payable to Cost Auditors for the financial year 2022-23 as recommended by the Audit Committee and subsequently approved by the Board of Directors has to be ratified by the Members of the Company by way of an Ordinary Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 07 of the Notice for approval by the Members.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

ITEM NO.8

The Securities and Exchange Board of India ("SEBI"), vide its notification dated November 09, 2021, has notified SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 introducing amendments to the provisions pertaining to the Related Party Transactions under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations").

The amendments inter-alia included replacing of current threshold i.e., 10% (ten per cent) of the listed entity's consolidated turnover, for determination of material Related Party Transactions requiring prior Shareholders' approval with the threshold of lower of ₹ 1,000 crores (Rupees One Thousand Crore) or 10% (ten percent) of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity. Accordingly, the threshold for determination of material Related Party Transactions under Regulation 23(1) of the SEBI Listing Regulations has been modified with effect from April 01, 2022.

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/rendering of services.

Further, HTL may obtain credit facilities to the extent of ₹ 164 crores from various banks/lenders for meeting the requirement of its business operations and expansion plans and such lenders may sanction the credit facilities to HTL on the condition that the Company shall give its corporate guarantee and other collateral security, in favour of the lenders. In view of this the Company may

be required to give its corporate guarantee in favour of lenders of HTL to the extent of ₹ 164 crores during FY23.

The annual consolidated turnover of the Company was ₹ 4,727.11 Crores for the financial year 2021-22 and accordingly, in view of the aforesaid provisions, the overall quantum of the related party transactions with HTL, during the financial year 2022-23, 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 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 2022-23, between the Company and HTL 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.

Details of the transactions and other particulars as per SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021:

Sl. No.	Particulars	Description
A	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	HTL Limited a material subsidiary company
B	Nature, Type, material terms and particulars of the proposed transaction	Purchase/sale of goods or materials and/or availing/rendering of services, subscription of preference share capital, security/ corporate guarantee, interest on ICDs/ business advance
C	Period/Tenure of the proposed transaction (particular tenure shall be specified)	April 1, 2022 to March 31, 2023
D	Maximum Amount/Value of the proposed transaction	₹ 975 crores
E	Maximum value per transaction which can be allowed:	₹ 150 crores
F	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (Basis FY2022)	20.63%
G	RPT involving a subsidiary, percentage represented by the value of the proposed transaction calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided (Basis FY2021)	96.53%
H	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary <ul style="list-style-type: none"> • details of the source of funds in connection with the proposed transaction • where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: <ul style="list-style-type: none"> – nature of indebtedness; – cost of funds – tenure <p>Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.</p>	NA
I	Justification as to why the RPT is in the interest of the listed entity	To ensure stability of supplies in terms of quality and logistics. Further, sale and purchase at competitive price, will result into overall growth of the Group/Holding Company.
J	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis	NA
K	The indicative base price or current contracted price and the formula for variation in the price, if any/A copy of the valuation or other external party report, if any such report has been relied	As per the provisions of the Companies Act, 2013/ Agreement at prevailing competitive market price at arm's length basis. Price may vary +/- ~5.0% – 7.5% on prevailing market prices, on account of following factors:- <ul style="list-style-type: none"> • Cost of Raw Materials; • Currency Exchange Fluctuations; • Overheads; • Margins etc.
L	Any other information relevant or important for the Audit Committee to take a decision on the proposed transaction	-

In view of the above, the Board, in its meeting held on September 2, 2022, considered and recommended the material related party transactions entered/to be entered into with HTL, for an aggregate amount of up to ₹ 975 Crores (Rupees Nine Hundred Seventy Five Crore only) during the financial year 2022-23, 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. Dr. Tamali Sen Gupta, an Independent Director of the Company is also an independent director of HTL Limited.

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

ITEM NO. 9

In order to further strengthen the Company's capital base and balance sheet and help the Company to augment the long-term working capital resources for meeting funding requirements of its business activities viz. higher level of backward integration, setting up of new production facilities taking advantage of Production Linked Incentive (PLI) and Design Led Incentive (DLI) Schemes, enhancing the research & development facilities, acquisition of technologies, financing the existing as well as future growth opportunities, capital expenditure, spent on expansion of global network and general corporate purposes, the Company has been exploring various options for raising funds.

The Board of Directors of the Company, at its meeting held on **September 02, 2022**, subject to necessary approval(s), have approved the proposal for issuing 1,41,00,000 (One Crore Forty One Lakh) Warrants, which may be exercised in one or more tranches during the period commencing from the date of allotment of the Warrants until expiry of 18 (eighteen) months convertible into one equity share of the Company of face value ₹1/- each, at a price not less than the price to be determined in accordance with Regulation 164 of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**SEBI ICDR Regulations**"), on Preferential Issue basis, through private placement offer to the one of the Promoters of the Company and to certain persons belonging to Non-Promoter category being senior leadership team that have agreed to subscribe to the proposed preferential issue and have confirmed their eligibility in terms of Regulation 159 of the SEBI ICDR Regulations.

In accordance with Sections 23(1)(b), 42 and 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 ("**Act**") and the rules made thereunder and in accordance with the SEBI ICDR Regulations and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), as amended from time to time, approval of the members of the Company by way of special resolution is required to issue securities by way of private placement on a preferential basis.

Accordingly, in terms of the Act and the SEBI ICDR Regulations, consent of the members is being sought for the raising of funds aggregating up to ₹112,80,00,000/- (Rupees One Hundred Twelve Crore Eighty Lacs only) by way of issue and allotment of up to 1,41,00,000 (One Crore Forty One Lakh only) Warrants, each

convertible into or exchangeable for 1 (one) fully paid-up equity share of the Company of face value of ₹1/- each ("**Warrants**") at a price of ₹80/- per Equity Share ("**Warrant Exercise Price**") each payable in cash which may be exercised in one or more tranches during the period commencing from the date of allotment of the Warrants until expiry of 18 (Eighteen) months, to the one of the Promoters of the Company and to certain persons belonging to Non-Promoter category being senior leadership team (hereinafter referred to as "**Proposed Allottees**" / "**Warrant Holders**"), by way of preferential issue on such other terms and conditions as set out herein, subject to applicable laws and regulations, including the provisions of Chapter V of the SEBI ICDR Regulations and the Act, as the Board may determine in the manner detailed hereafter.

The salient features of the preferential issue, including disclosures required to be made in terms of the provisions of Section 42 of the Act read with Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Section 62(1)(c) of the Act read with Rule 13(2) of the Companies (Share Capital and Debentures) Rules, 2014 and Chapter V of the SEBI ICDR Regulations, are set out below:

(i) Objects of the Issue:

Members may note that Telecommunication sector today offers large growth opportunities to telecom equipment vendors, optical Fibre cable vendors and infrastructure vendors. Upcoming 5G Networks, increased adoption of FTTH Services and emphasis on Rural Broadband penetration will result in massive increase in Capex by operators.

Rollout of 5G Networks will result in multifold increase in demand of equipment and optical fibre cables. New use cases for Agriculture, Education, Healthcare, Industry 4.0 etc. riding on the top of 5G networks using hundreds of millions of IOT devices will result in massive increase in data traffic thereby multiplying demand of network equipment and services.

Increased adoption and use of Fibre to Home services will boost the demand of FTTH cable and required network elements.

Government of India's initiative of Bharatnet programme to link each village in the country with optical fibre cable to enable service providers to give Broadband Services to Rural India thereby ending digital divide between urban and rural will lead to increase in demand of equipment and optical Fibre cable necessary for creating this network.

Expansion of telecom network and infrastructure at this massive scale is happening not only in India but in many other countries around the world. Be it 5G or FTTH or Rural Connectivity, all are in the top of the agenda of Telecom Network Operators, Governments and Regulatory Authorities worldwide.

This emerging Global scenario has resulted in never before seen opportunity for telecom vendors.

HFCL, being a company having a predominant position as a telecom vendor in India and also making successful forays in export market, is well poised to take advantage of these market opportunities either directly or through its subsidiaries by expanding its product portfolio by forging partnerships with technology leaders or by designing new products in its own R&D, by increasing its production capacity, by setting up new production facilities taking advantage of Production

Linked Incentive Scheme (PLI) and Design Led Incentive Scheme (DLI) announced by Government of India and by higher level of backward integration to have stable supply chain. These steps will result in market expansion, increased revenue and profitability of the Company.

The proposed Preferential Issue will further strengthen the Company's capital base and balance sheet and help the Company to augment the long-term working capital resources for meeting funding requirements of its business activities which could be pursued either directly or indirectly through its subsidiaries, viz. higher level of backward integration, setting up of new production facilities taking advantage of Production Linked Incentive (PLI) and Design Led Incentive (DLI) Schemes, enhancing the research & development facilities, acquisition of technologies, financing the existing as well as future growth opportunities, capital expenditure, spent on expansion of global network, repayment / prepayment of indebtedness and general corporate purposes.

(ii) Relevant Date:

The "Relevant Date" as per Regulation 161 of the SEBI ICDR Regulations for the determination of the minimum price for Warrants to be issued is fixed as **Tuesday, August 30, 2022**, being the preceding day to August 31, 2022, 30 (thirty) days prior to the date of this 35th Annual General Meeting (*since, the relevant date, i.e., August 31, 2022 falls on a holiday, the day preceding the holiday, i.e., August 30, 2022, is reckoned as the relevant date*).

(iii) Basis or justification for the price (including the premium, if any) has been arrived at:

Regulation 164 of the SEBI ICDR Regulations prescribes the minimum price at which a preferential issue may be made. In accordance with Regulation 164, the minimum price of the Warrants shall be the higher of:

- the 90 trading days' volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; and
- the 10 trading days' volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

The equity shares of the Company are listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**") and are frequently traded in accordance with the SEBI ICDR Regulations.

For the purposes of computation of price per Equity Share or Warrant, NSE is the stock exchange that has higher trading volume for the said period and accordingly, has been considered.

As per the pricing formula prescribed under Regulation 164 of the SEBI ICDR Regulations, the minimum price at which the Warrants can be issued is ₹74.21/- per Warrant.

The Company proposes to issue the Warrants at an issue price of ₹80/- per Equity Share ("**Warrant Exercise Price**"), which is not less than the minimum price computed in accordance with Regulation 164 of the SEBI ICDR Regulations.

(iv) The Class or Classes of Persons to whom the allotment is proposed to be made:

The entire issue is made to the category belonging to the Promoter and Non-promoter Category as mentioned herein.

(v) The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as the price:

The Company has not made any preferential allotment during the current financial year 2022-23.

(vi) Total amount which the Company intends to raise by the issue and maximum number of securities to be issued:

The resolution set out in the accompanying notice authorises the Board to raise funds aggregating up to ₹112,80,00,000/- (Rupees One Hundred Twelve Crore Eighty Lacs only) by way of issue of up to 1,41,00,000 (One Crore Forty One Lakh only) warrants, each convertible into or exchangeable for 1 (one) fully paid-up equity share of the Company of face value of ₹1/- each ("**Warrants**") at a price of ₹80/- per Equity Share ("**Warrant Exercise Price**") each payable in cash, which may be exercised in one or more tranches during the period commencing from the date of allotment of the Warrants until expiry of 18 (eighteen) months.

An amount of ₹20/- (Rupees Twenty only), which is equivalent to 25% of the Warrants Exercise Price shall be paid at the time of subscription and allotment of each Warrant. The Warrant Holders will be required to make payments of balance 75% of the Warrants Exercise Price, at the time of exercise of the right attached to Warrant(s) to subscribe to equity share(s).

(vii) The price of the shares or other securities to be issued on a preferential basis, either for cash or for consideration other than cash, shall be determined on the basis of valuation report of a registered valuer:

The issue of Warrants shall be made only for cash consideration.

The price of Warrants to be issued on a preferential basis by a listed company is not required to be determined by the valuation report of a registered valuer.

Since the Equity Shares of the Company are listed on the stock exchanges and the Preferential Issue is not more than 5%, report of the registered valuer is not required under the provisions of second proviso to Rule 13(1) of the Companies (Share Capital and Debentures) Rules, 2014 for the proposed Preferential Issue and under applicable provisions of SEBI ICDR Regulations.

(viii) Intent of the promoters, directors or key managerial personnel of the Company to subscribe to the offer:

The Proposed Allottees, namely, MN Ventures Private Limited, is the Promoter of the Company which shall subscribe to the offer. Further Mr. Vijay Raj Jain and Mr. Manoj Baid, Key Managerial Personnel of the Company shall also subscribe to the offer.

Except, MN Ventures Private Limited, Mr. Vijay Raj Jain and Mr. Manoj Baid which will be subscribing to Warrants in the preferential issue, none of the other promoters, directors or key managerial personnel of the Company intends to apply/subscribe to any of the Warrants.

(ix) Time frame within which the preferential issue shall be completed:

In accordance with Regulation 170 of the SEBI ICDR Regulations, the allotment of the Warrants, shall be completed within a period of 15 days from the date of passing of the resolution by the shareholders, provided that where the allotment is pending on account of pendency of any approval(s) or permission(s) from any regulatory authority / body, the allotment shall be completed by the Company within a period of 15 days from the date of such approval(s) or permission(s).

(x) Particulars of proposed allottees and Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and / or who ultimately control the Proposed Allottee:

S. No.	Name of the Proposed allottee	Name of Ultimate Beneficial Owner of the Proposed Allottee
1.	M/s MN Ventures Private Limited	Mr. Mahendra Nahata and Mr. Anant Nahata, individual promoter of the Company.
2.	Mr. Vijay Raj Jain	N.A
3.	Mr. Jitendra Singh Chaudhary	N.A
4.	Mr. Harshwardhan Pagay	N.A
5.	Mr. Manoj Baid	N.A
6.	Mr. Devender Kumar	N.A
7.	Mr. Nand Lal Garg	N.A
8.	Mr. Jayanta Dey	N.A
9.	Mr. Sushil Kumar Wadhwa	N.A
10.	Mr. Rajesh Jain	N.A
11.	Mr. Brij Bhushan Singh	N.A
12.	Mr. Gilkara Shrinivas Naidu	N.A

(xi) The percentage of the post-preferential issue that may be held by the Proposed Allottee:

S. No.	Name of the Proposed Allottee	Category	Pre-Issue Holding (No. of Shares)	% of Pre Preferential Issue Capital	No. of Shares to be allotted	Post Issue Holding (No. of Shares)	% of Post Preferential Issue Capital
1.	M/s MN Ventures Private Limited	Promoter	29,33,65,000	21.29	1,00,00,000	30,33,65,000	21.80
2.	Mr. Vijay Raj Jain	Non-promoter	3,12,000	0.02	15,00,00,00	18,12,000	0.13
3.	Mr. Harshwardhan Pagay	Non-promoter	1,58,900	0.01	5,00,000	6,58,900	0.05
4.	Mr. Jitendra Singh Chaudhary	Non-promoter	1,76,400	0.01	5,00,000	6,76,400	0.05
5.	Mr. Manoj Baid	Non-promoter	1,39,000	0.01	2,00,000	3,39,000	0.02
6.	Mr. Devender Kumar	Non-promoter	NIL	0.00	2,00,000	2,00,000	0.01
7.	Mr. Nand Lal Garg	Non-promoter	NIL	0.00	2,00,000	2,00,000	0.01
8.	Mr. Jayanta Dey	Non-promoter	NIL	0.00	2,00,000	2,00,000	0.01
9.	Mr. Sushil Kumar Wadhwa	Non-promoter	NIL	0.00	2,00,000	2,00,000	0.01
10.	Mr. Rajesh Jain	Non-promoter	20,000	0.00	2,00,000	2,20,000	0.02
11.	Mr. Brij Bhushan Singh	Non-promoter	1,45,000	0.01	2,00,000	3,45,000	0.02
12.	Mr. Gilkara Shrinivas Naidu	Non-promoter	93,800	0.01	2,00,000	2,93,800	0.02

The above table shows the expected holding in the Company upon consummation of the allotment, and assuming the conversion of Warrants, if allotted into Equity Shares and that, holdings of all other shareholders shall remain the same post-issue as they were on the date of which the pre-issue shareholding pattern was prepared.

(xii) The change in control, if any, in the Company consequent to the preferential issue:

At present, the Promoters/Promoter's Group Shareholding in the Company is 54,00,81,892 (39.20%) which would increase to 55,00,81,892 (39.52%) upon allotment of Warrants, on a fully diluted basis.

As a result of the proposed preferential issue of Warrants and/or upon their conversion into equity shares, there will be no change in the control of the Company.

There will be no change in the control or composition of the Board of Directors of the Company consequent to the said preferential issue.

(xiii) Current and proposed status of the Proposed Allottees post the preferential issue viz. promoter or non-promoter:

As mentioned above, one of the Proposed Allottee is a Promoter of the Company and the status of which will continue as Promoter post the preferential issue. The remaining Proposed Allottees are from Non-Promoter Category and will fall under Non-Promoter Category post the preferential issue.

(xiv) Shareholding Pattern before and after the Preferential Issue (assuming the conversion of Equity Warrants, if allotted, into Equity Shares) is as below:

S. No.	Category	Pre-Issue		Post-Issue*	
		Total No. of Equity Shares held	% age of Shareholding	Total No. of Equity Shares held	% age of Shareholding
A.	Shareholding of Promoter and Promoter Group				
1.	Indian:				
	Individuals	34,80,091	0.25	34,80,091	0.25
	Bodies Corporate	53,66,01,801	38.95	54,66,01,801	39.27
	Total Shareholding of Promoter and Promoter Group (A)	54,00,81,892	39.20	55,00,81,892	39.52
B.	Non-Promoters' / Public Shareholding:				
1.	Institutions:				
	(a) Mutual Funds	3,31,12,965	2.41	3,31,12,965	2.38
	(b) Foreign Portfolio Investors	9,49,77,346	6.90	9,49,77,346	6.82
	(c) Financial Institution/ Banks	2,150	0.00	2,150	0.00
	(d) Insurance Companies	23,21,000	0.17	23,21,000	0.17
	(e) Any other				
	(i) Foreign Institutional Investors	5,620	0.00	5,620	0.00
	(ii) Foreign Banks	5,305	0.00	5,305	0.00
	Sub-Total (B1)	13,04,24,386	9.48	13,04,24,386	9.37
2.	Central Government/State Government(s)/President of India	5,000	0.00	5,000	0.00
	Sub-Total (B2)	5,000	0.00	5,000	0.00
3.	Non-Institutions:				
	(a) Individual	47,51,91,065	34.49	47,92,91,065	34.44
	(b) NBFC registered with RBI	2,03,96,307	1.48	2,03,96,307	1.47
	(c) Any other				
	(i) Bodies Corporate	18,79,28,685	13.64	18,79,28,685	13.50
	(ii) Trust	40,109	0.00	40,109	0.00
	(iii) Societies	520	0.00	520	0.00
	(iv) Overseas Corporate Bodies	38,250	0.00	38,250	0.00
	(v) NRIs	2,16,59,607	1.57	2,16,59,607	1.56
	Sub-Total (B3)	70,52,54,543	51.18	70,93,54,543	50.97
	Total Public Shareholding (B)=(B1)+(B2)+(B3)	83,56,83,929	60.66	83,97,83,929	60.34
C.	Employee Benefit Trust (under SEBI (Share based employee Benefit) Regulations, 2014)	19,92,500	0.14	19,92,500	0.14
	GRAND TOTAL (A) + (B) + (C)	137,77,58,321	100.00	1,39,18,58,321	100.00

* The post issue shareholding pattern in the above table has been prepared with shareholding as on August 19, 2022, on the basis that the Proposed Allottees would have subscribed to all the Warrants and been allotted all the Equity Shares upon conversion of Warrants. In the event for any reason, the Proposed Allottees do not or is unable to subscribe to and/or is not allotted the Equity Shares, the shareholding pattern in the above table would undergo corresponding changes. It is further assumed that shareholding of the Company in all other categories will remain unchanged. The above shareholding pattern does not take into the account the allotment of share to be made by the Company pursuant to the resolution to be passed at item no. 10 of the Notice.

(xv) Undertaking:

The Company hereby undertakes that:

- (a) The Company is in compliance with the conditions for continuous listing and is eligible to make the preferential issue under Chapter V of the SEBI ICDR Regulations.
- (b) As the Equity Shares have been listed for a period of more than ninety days as on the Relevant Date, the provisions of Regulation 164(3) of SEBI ICDR Regulations governing re-computation of the price of shares shall not be applicable.
- (c) The Company shall re-compute the price of the Warrants, in terms of the provisions of the SEBI ICDR Regulations where it is required to do so, including pursuant to Regulation 166 of the SEBI ICDR Regulations, if required;
- (d) If the amount payable on account of re-computation of price is not paid within the time stipulated in the SEBI ICDR Regulations, the above Warrants, shall continue to be locked in till the time such amount is paid by the Proposed Allottees.
- (e) Neither the Company, its Directors or Promoters have been declared as wilful defaulter or a fugitive economic offender or a fraudulent borrower.
- (f) The Proposed Allottees have confirmed that they have not sold any equity shares of the Company during the 90 Trading Days preceding the Relevant Date.

(xvi) Listing:

The Company will make an application to the Stock Exchanges at which the existing shares are listed, for listing of the Equity Shares to be allotted on exercise of Warrants. The Equity Shares, once allotted, shall rank pari passu with the then existing equity shares of the Company in all respects.

(xvii) Lock-in period:

The Warrants allotted pursuant to this resolution and/or the resultant equity shares to be issued and allotted upon exercise of right attached to the Warrants as above shall be subject to a lock-in for such period as per the provisions of Chapter V of the SEBI ICDR Regulations.

However, in addition to the lock-in period prescribed under SEBI ICDR Regulations, the Equity Shares allotted shall along with any further issuance of shares such as Bonus Shares, which may arise in future, shall be locked in for a further period as may be mutually agreed upon by the Company and the Proposed Allottees.

Further, the entire pre-preferential allotment holding of the Proposed Allottees shall be subject to lock-in as specified in the provisions of Chapter V of the SEBI ICDR Regulations.

(xviii) Shareholding Interest of every Promoter, Director and KMPs to the extent of 2% or more in MN Ventures Private Limited:

Mr. Mahendra Nahata, Promoter & Managing Director holds in aggregate ~77% equity stake and exercise significant influence over MN Ventures Private Limited.

Save as aforesaid, no other Promoter, Director and KMP directly holds any equity shares to the extent of 2% or more in MN Ventures Private Limited.

(xix) Practicing Company Secretary's Certificate:

A certificate from Mr. Baldev Singh Kashtwal, Practicing Company Secretary, (FCS: 3616; CoP No.: 3169), has been obtained by the Company certifying that the preferential issue is being made in accordance with the requirements of the SEBI ICDR Regulations.

The certificate can be accessed at <https://www.hfcl.com/wp-content/uploads/2022/09/HFCL-COMPLIANCE-CERTIFICATE-UNDER-REGULATION-163-OF-SEBI-ICDR.pdf> and shall be placed before the 35th AGM of the shareholders.

None of the Directors or Key Managerial Personnel of the Company and/or their relative(s) is in any way concerned or interested, financially or otherwise, in the proposed resolution in Item No. 9 except Mr. Mahendra Nahata, Managing Director along with his son Mr. Anant Nahata, who is also a promoter shareholder. Mrs. Manju Nahata, wife of Mr. Mahendra Nahata and mother of Mr. Anant Nahata, may also be treated as concerned or interested, financially or otherwise in the proposed resolution to the extent of her shareholding whether directly or indirectly in MN Ventures Private Limited. Other members of promoter and promoter group shall also be deemed to be concerned or interested in the proposed Resolution in Item No. 9, by reason of their being part of the Promoter Group which also includes the Warrant Holder.

Mr. Vijay Raj Jain and Mr. Manoj Baid, Key Managerial Personnel of the Company along with their relatives may also be treated as concerned or interested, financially or otherwise in the proposed resolution in Item No.9 to the extent of their shareholding in the Company.

The Board of Directors believes that the proposed Preferential Issue is in the best interest of the Company and its Members and, therefore, recommends the resolution at Item No.9 of the accompanying Notice for approval by the Members of the Company as a Special Resolution.

ITEM NO. 10

Members may note that Telecommunication sector today offers large growth opportunities to telecom equipment vendors, optical Fibre cable vendors and infrastructure vendors. Upcoming 5G Networks, increased adoption of FTTH Services and emphasis on Rural Broadband penetration will result in massive increase in Capex by operators.

Rollout of 5G Networks will result in multifold increase in demand of equipment and optical fibre cables. New use cases for Agriculture, Education, Healthcare, Industry 4.0 etc. riding on the top of 5G networks using hundreds of millions of IOT devices will result in massive increase in data traffic thereby multiplying demand of network equipment and services.

Increased adoption and use of Fibre to Home services will boost the demand of FTTH cable and required network elements.

Government of India's initiative of Bharatnet programme to link each village in the country with optical fibre cable to enable service providers to give Broadband Services to Rural India thereby ending digital divide between urban and rural will lead to increase in demand of equipment and optical Fibre cable necessary for creating this network.

Expansion of telecom network and infrastructure at this massive scale is happening not only in India but in many other countries around the world. Be it 5G or FTTH or Rural Connectivity, all are in the top of the agenda of Telecom Network Operators, Governments and Regulatory Authorities worldwide.

This emerging Global scenario has resulted in never before seen opportunity for telecom vendors.

HFCL, being a company having a predominant position as a telecom vendor in India and also making successful forays in export market, is well poised to take advantage of these market opportunities either directly or through its subsidiaries by expanding its product portfolio by forging partnerships with technology leaders or by designing new products in its own R&D, by increasing its production capacity, by setting up new production facilities taking advantage of Production Linked Incentive Scheme (PLI) and Design Led Incentive Scheme (DLI) announced by Government of India and by higher level of backward integration to have stable supply chain. These steps will result in market expansion, increased revenue and profitability of the Company.

In order to tap the growth opportunities and to further strengthen the Company's capital base and balance sheet and help the Company to augment the long-term working capital resources for meeting funding requirements of its business activities which could be pursued either directly or indirectly through its subsidiaries, viz. higher level of backward integration, setting up of new production

facilities taking advantage of Production Linked Incentive (PLI) and Design Led Incentive (DLI) Schemes, enhancing the research & development facilities, acquisition of technologies, financing the existing as well as future growth opportunities, capital expenditure, spent on expansion of global network, repayment / prepayment of indebtedness and general corporate purposes, it is proposed to raise funds 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, in one or more tranches, to be subscribed in Indian or any foreign currencies, by all eligible investors as may be considered appropriate under applicable law.

The above funding requirements are 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.

The proposed Special Resolution is an enabling resolution and , therefore, the proposal seeks to confer upon the Board (including a committee thereof), the absolute discretion to determine the terms of the aforementioned issuance of eligible securities, including the exact price, proportion and timing of such issuance, based on an analysis of the specific requirements and market conditions. The detailed terms and conditions of such issuance will be determined by the Board or a committee thereof, considering prevailing market conditions, practices and in accordance with the applicable provisions of law and other relevant factors. Accordingly, the Board (including a committee thereof) may, in its discretion, adopt any one or more of the mechanisms prescribed above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the Members of the Company.

In the event of issuance of Securities by way of a QIP, as per the provisions of the SEBI ICDR Regulations, an issue of Securities shall be made at a price not less than the floor price calculated in accordance with Chapter VI of the ICDR Regulations. The Board or Committee of Directors duly authorised by the Board will be authorised to offer a discount of not more than five percent on such price determined in accordance with the pricing formula provided under Regulation 176 of the SEBI ICDR Regulations or such other discount as may be permitted in accordance with applicable law.

Further, in the event that such issuance of Securities is undertaken by way of a QIP, the allotment of Securities shall be completed within a period of 12 months from passing the Special Resolution by the Members or such other time as may be permitted under the SEBI ICDR Regulations from time to time. The aforesaid issue of Securities will be subject to receipt of requisite approvals from appropriate authorities, as may be applicable. Further, no allotment shall be made, either directly or indirectly to any QIB who is a promoter, or any person related to promoters in terms of the SEBI ICDR Regulations.

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 02, 2022** subject to necessary approvals, considered raising of funds for an aggregate amount of up to ₹650 Crores (Rupees Six 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, 62(1)(c), 71 and other applicable provisions of the Companies Act, 2013 ("**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.

The Board of Directors believes that the proposed capital raise is in the best interest of the Company and its Members and, therefore, recommends the resolution at Item No.10 of the accompanying Notice for approval by the Members of the Company 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.)

By Order of the Board

(Manoj Baid)

Senior Vice-President (Corporate) &
Company Secretary
Membership No: FCS 5834

Place: New Delhi
Date: September 02, 2022