



HFCL Limited

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

Tel : (+91 11) 3520 9400, 3520 9500 Fax : (+91 11) 3520 9525

Web : www.hfcl.com

Email : secretarial@hfcl.com

HFCL/SEC/24-25

May 03, 2024

The BSE Ltd. 1 st Floor, New Trading Wing, Rotunda Building Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai - 400001 corp.relations@bseindia.com Security Code No.: 500183	The National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor, C - 1, Block G Bandra - Kurla Complex, Bandra (E) Mumbai - 400051 cmllist@nse.co.in Security Code No.: HFCL
--	--

RE: Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Subject: Statement of deviation(s) or variation(s), if any, of utilization of proceeds received from Preferential issue of Warrants.

Dear Sir(s)/ Madam,

We would like to inform that the Board of Directors and the Shareholders of the Company at their meetings held on 2nd September, 2022 and 30th September, 2022 respectively, had approved raising of funds by way of Preferential Issue of Securities (warrants) to persons belonging to Promoter and Non- Promoter category in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "SEBI ICDR Regulations") and the Companies Act, 2013 and the rules made thereunder. The Allotment Committee (Warrants) of the Board of Directors, vide its resolution dated 15th October, 2022, had approved the allotment of 1,41,00,000 (One Crore Forty One Lakh) warrants convertible into 1,41,00,000 equity shares at a price of Rs. 80/- per Equity Share (Warrant Exercise Price) on receiving an amount of Rs.20/- (Rupees Twenty Only), per warrant which is equivalent to 25% of Warrant Exercise Price, being the warrants subscription price aggregating to Rs. 28.20 Crores, pursuant to the above resolutions and Private Placement Offer Cum Application Letter (PAS-4) dated October 10, 2022.

Further, the Allotment Committee (Warrants) of the Board of Directors, vide its resolutions dated February 07, 2024 and March 22, 2024 had approved the allotment of 1,00,00,000 (One Crores) and 22,00,000 (Twenty-Two Lakhs) equity shares respectively, having face value of ₹1/- (Rupee One only) each, at a premium of ₹79/- per equity share, fully paid-up, upon conversion of warrants. The Company has received an amount of Rs.60/- (Rupees Sixty Only), per warrant which is equivalent to 75% of Warrant Exercise Price, aggregating to Rs. 73.20 Crores, pursuant to the above resolutions and Private Placement Offer Cum Application Letter (PAS-4) dated October 10, 2022 (the "Issue")

We would further like to inform that the Audit Committee, at its meeting held on May 03, 2024, has reviewed the utilization of funds received for an amount aggregating Rs.73.20 crores, pursuant to the Issue.

In this connection, we submit that there is no deviation or variation from the objects of the Issue, in the utilization of proceeds, as stated in the Private Placement Offer Cum Application Letter and statement to the aforesaid AGM Notice, during the quarter ended March 31, 2024. We further submit that out of the net proceeds received so far from Preferential Issue, the Company has fully utilised the Preferential Issue proceeds up to 31st March 2024, towards purposes specified in Private Placement Offer Cum Application Letter and statement to the AGM notice.

In terms of Regulations 32(1), 32(2) and 32(3) of the SEBI Listing Regulations, a statement of deviation or variation, if any, in utilisation of funds raised through Preferential issue, for the quarter ended March 31, 2024, duly reviewed by the Audit Committee, in the prescribed format is also enclosed herewith.

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

Thanking you.

Yours faithfully,
For **HFCL Limited**

(Manoj Baid)
President & Company Secretary

Encl.: Statement of deviation or variation in utilization of fund



HFCL Limited

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

Tel : (+91 11) 3520 9400, 3520 9500 Fax : (+91 11) 3520 9525

Web : www.hfcl.com

Email : secretarial@hfcl.com

Statement of Deviation / Variation in utilization of funds raised						
Name of listed entity	HFCL Limited					
Mode of Fund Raising	Preferential issue					
Date of Raising Funds	February 07, 2024 & March 22, 2024					
Amount Raised	Rs.73,20,00,000					
Report filed for Quarter ended	March 31, 2024					
Monitoring Agency	Not Applicable					
Monitoring Agency Name, if applicable	Not Applicable					
Is there a Deviation / Variation in use of funds raised	No					
If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders	Not Applicable					
If Yes, Date of shareholder Approval	Not Applicable					
Explanation for the Deviation / Variation	Not Applicable					
Comments of the Audit Committee after review	No comments					
Comments of the auditors, if any	No comments					
Objects for which funds have been raised and where there has been a deviation, in the following table						
Original Object	Modified Object, if any	Original Allocation	Modified allocation, if any	Funds Utilized	Amount of Deviation/ Variation for the quarter according to applicable object	Remarks if any
The Preferential Issue will 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.	N.A.	Rs.73,20,00,000	N.A.	Rs.73,20,00,000	N.A.	The Company has fully utilised the net proceeds received so far from the Preferential Issue, towards purposes specified in Private Placement Offer Cum Application Letter and statement to the AGM notice dated September 02, 2022.
Total		Rs.73,20,00,000		Rs.73,20,00,000		
Deviation or variation could mean:						
(a) Deviation in the objects or purposes for which the funds have been raised or						
(b) Deviation in the amount of funds actually utilized as against what was originally disclosed or						
(c) Change in terms of a contract referred to in the fund-raising document i.e., prospectus, letter of offer, etc.						
(Manoj Baid) President & Company Secretary						