

## HFCL LIMITED

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

# NOTICE

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

**NOTICE** is hereby given that the **37th (Thirty-Seventh) Annual General Meeting (“AGM”)** of the members of **HFCL Limited** will be held on **Monday, the 30th day of September, 2024 at 11:00 A.M. (IST)** through Video Conferencing/Other Audio Visual Means (“VC”/“OAVM”) Facility, to transact the following businesses:

### 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, 2024, 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, 2024, 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, 2024 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, 2024, 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 ₹ 0.20 (Twenty Paise only) i.e., @20% per fully paid-up equity share of face value of ₹ 1/- (Rupee One only), for the financial year ended March 31, 2024 and, in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** a Dividend of ₹ 0.20 (Twenty Paise only) i.e., @ 20% 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, 2024 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, 2024.”

#### 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 77 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 77 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.”

### SPECIAL BUSINESS:

#### 5. Re-Appointment of Mr. Ajai Kumar (DIN: 02446976) as an Independent Director for second term

To re-appoint Mr. Ajai Kumar (DIN: 02446976) as an Independent Director of the Company for a second term of three consecutive years and in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and 160 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the “**Act**”) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**SEBI Listing Regulations**”) [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force] and on the recommendation of the Nomination, Remuneration and Compensation Committee and



the Board of Directors of the Company, Mr. Ajai Kumar (DIN: 02446976), Independent Director of the Company, whose first term of office is expiring on November 24, 2024 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. Ajai Kumar'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 November 25, 2024 up to November 24, 2027.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee), be and are hereby authorised 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."

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

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 (the **"Act"**), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"SEBI Listing Regulations"**) (including any statutory modification(s) or re-enactment thereof for the time being in force) and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be required or imposed by any of the authorities while granting such approvals, permissions and sanctions and pursuant to the provisions of the Articles of Association of the Company, on the recommendation of the Nomination, Remuneration and Compensation Committee and the Board of Directors of the Company, consent of the members of the Company, be and is hereby accorded for re-appointment of Mr. Mahendra Nahata

(DIN: 00052898) as a Managing Director, not liable to retire by rotation and a Key Managerial Personnel of the Company, who is also a Promoter of the Company, whose current term of office is expiring on September 30, 2024, for a further period of 03 (three) years, with effect from October 01, 2024, on the terms and conditions including remuneration as set out in the Statement pursuant to Section 102 of the Act annexed to this Notice, notwithstanding the annual remuneration payable to him exceeding Rupees 5 Crores or 2.5 percent of the net profits of the Company, calculated as per the provisions of Section 198 of the Act, whichever is higher, with liberty to the Board of Directors (hereinafter referred to as the **"Board"** which term shall be deemed to include the Nomination, Remuneration and Compensation Committee of the Board) to alter and vary the terms and conditions of the re-appointment and/or remuneration.

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

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

**7. Borrowing funds in excess of the limits as prescribed under Section 180(1)(c) of the Companies Act, 2013**

To borrow funds in excess of the limits as prescribed under Section 180(1)(c) of the Companies Act, 2013, and in this regard, to consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** in supersession of the Special Resolution passed by the members of the Company at their 32nd Annual General Meeting of the Company held on September 28, 2019 and pursuant to the provisions of Section 180(1)(c), 180(2) and other applicable provisions, if any, of the Companies Act, 2013 read with the applicable rules, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the enabling provisions of the Memorandum of Association and Articles of Association of the Company, 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 expression shall be deemed to include any committee duly constituted/ to be constituted by the Board to exercise its powers, including the

powers conferred by this Resolution), to borrow any sum or sums of money (in foreign currency or Indian rupees) including by way of fully/partly convertible debentures and/ or non-convertible debentures, from time to time, at its discretion, from any one or more of the combinations of banks, financial institutions, firms, companies, bodies corporate, mutual funds, trusts, other organisations, institutions and/or any other persons, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company, its free reserves (that is to say reserves not set apart for any specific purpose) and securities premium, subject to such aggregate borrowings not exceeding the amount of ₹8000 Crores (Rupees Eight Thousand Crores only) and that the Board be and is hereby empowered and authorised to arrange funds and fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, 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, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and to execute all documents and writings to give effect to this resolution."

**8. Creation of charge on the assets of the Company as prescribed under Section 180(1)(a) of the Companies Act, 2013**

To create charge on the assets of the Company as prescribed under Section 180(1)(a) of the Companies Act, 2013, and in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in supersession of the Special Resolution passed by the members of the Company at their 32nd Annual General Meeting of the Company held on September 28, 2019, and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, read with the applicable rules ("the **Act**"), including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the enabling provisions of the Memorandum of Association and Articles of Association of the Company, 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 expression shall be deemed to include any committee duly constituted/ to be constituted by the Board to exercise its powers,

including the powers conferred by this Resolution) for creation of charge/ mortgage/ pledge/ hypothecation/ security or other encumbrances in addition to existing charge/ mortgage/ pledge/ hypothecation/ security or other encumbrances, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and/or immovable properties, tangible or intangible assets of the Company, both present and future and/or the whole or substantially the whole or one or more or all or any part of the undertaking(s) of the Company, as the case may be in favour of the lender(s), agent(s) and trustee(s), for securing the borrowings availed/to be availed by the Company by way of loan(s) (in foreign currency and/ or rupee currency) and securities (comprising fully/ partly convertible debentures and/or non-convertible debentures, bonds or other debt instruments), issued/to be issued by the Company, subject to the limits approved by the members of the Company under Section 180(1) (c) of the Act, from time to time, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premium on prepayment, remuneration of the Agent(s) / Trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange and all other monies payable by the Company in terms of the loan agreement(s), debenture trust deed(s) or any other document, entered into/to be entered into between the Company and the lender(s)/ agent(s)/trustee(s), etc. in respect of the said loans/ borrowings/debentures/securities and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the lender(s)/agent(s)/trustee(s), etc.

**RESOLVED FURTHER THAT** the securities to be created by the Company as aforesaid may rank prior/ pari-passu/subservient with/to the mortgages and /or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board and as may be agreed to between the concerned parties.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle, and execute such documents/deeds/writings/papers/agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creation of mortgages/charges/pledge/hypothecation/security or other encumbrances as aforesaid.



## 9. 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 the provisions of Regulation 23(4) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (**“Listing Regulations”**), read with Section III-B of the SEBI Master Circular bearing reference no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 (**“SEBI Master Circular”**), as updated from time to time, applicable provisions of the Companies Act, 2013 (**“Act”**) read with rules made thereunder, other applicable laws/statutory provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Memorandum of Association and the Articles of Association of the Company, the Company’s Policy on Related Party Transaction(s), pursuant to the approval/recommendation of the Audit Committee and the Board of Directors of the Company (hereinafter referred to as **“Board”** which expression shall be deemed to include any Committee duly constituted/ to be constituted by the Board to exercise its powers, including the powers conferred by this Resolution), subject to requisite statutory/regulatory and other appropriate approvals, if any, as may be required, the consent of the members of the Company, be and is hereby accorded to the Board to enter into and/or continue the related party transaction(s)/contract(s)/agreement(s)/arrangement(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise), with HTL Limited, a material unlisted subsidiary of the Company (**“Subsidiary”**), and related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for such

amount and on such material terms and conditions as mentioned in the Statement to this resolution as annexed with this notice and on such terms and conditions as the Board/ Audit Committee of the Company may deem fit, provided that, the transaction(s)/contract(s)/ agreement(s)/ arrangement(s)/ shall be carried out at an arm's length basis and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the transaction(s)/ contract(s)/ agreement(s)/ arrangement(s) with Subsidiary of the Company are continuing business transactions and will be entered into with Subsidiary during the two financial years i.e. from April 01, 2025 to March 31, 2027.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and to take all such steps as may be required in this connection including finalising and executing necessary contract(s), arrangement(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company, to delegate all or any of its powers conferred under this resolution to any Director or Key Managerial Personnel or any officer/ executive of the Company and to resolve all such issues, questions, difficulties or doubts whatsoever that may arise in this regard and all action(s) taken by the Company in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects.”

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

By **Order of the Board**

**Place:** New Delhi  
**Date:** September 02, 2024

**(Manoj Baid)**  
**President & Company Secretary**  
Membership No: FCS 5834

**NOTES:**

1. In compliance with the Ministry of Corporate Affairs ('MCA') Circulars 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, 10/2022 dated December 28, 2022 and 09/2023 dated September 25, 2023 ("MCA Circulars"), permitted 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 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, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023, ("SEBI Circulars") (hereinafter collectively referred to as "the Circulars"), inter-alia allowed relaxation from dispatching of hard copy of statement containing salient features of all the documents, as prescribed in Section 136 of the Companies Act, 2013 to the shareholders who have not registered their email addresses. 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 37th AGM of the Company is being held through VC/OAVM on Monday, September 30, 2024 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.

2. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI Listing Regulations (as amended) and the Circulars issued by the Ministry of Corporate Affairs, 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 authorised agency. The facility of casting votes by a member using remote e-Voting system as well as e-Voting on the date of the AGM will be provided by NSDL.
3. As per the provisions of Clause 3.A.II of the General Circular No. 20/2020 dated May 5, 2020, issued by the MCA, the matter of Special Business as appearing at Item no. 5 to 9 of the accompanying Notice, is considered to be unavoidable by the Board and hence, forms part of this Notice.
4. The relative Statement pursuant to Section 102 of the Act in respect of the business under Item no. 4 to 9 set out above and the relevant details of the Directors

seeking re-appointment at this AGM in respect of business under Item no. 4 to 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.

5. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND SEBI CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**
6. Institutional Investors, who are members of the Company, are encouraged to attend and vote at the 37th AGM through VC/OAVM facility. Corporate members intending to appoint their authorised representatives pursuant to Section 113 of the Act, 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 or the authorisation letter to the Scrutiniser by e-mail at [scrutinizer@hfcl.com](mailto:scrutinizer@hfcl.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com) and the Company at [secretarial@hfcl.com](mailto:secretarial@hfcl.com).
7. Only registered members of the Company may attend and vote at the AGM through VC/OAVM facility. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. The Members can join the AGM in the VC/OAVM mode at least 15 minutes before and till 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination 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.



9. **ELECTRONIC DISPATCH OF NOTICE AND ANNUAL REPORT:** In line with the Circulars, Notice of the AGM along with the Annual Report 2023-24 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 2023-24 are available on the Company's website viz. [www.hfcl.com](http://www.hfcl.com) and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e., the BSE Limited and the National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively.
- The AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
10. Electronic copies of all the documents referred to in the accompanying Notice of the AGM and the Statement shall be made available for inspection. During the 37th 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 and Sweat Equity) Regulations, 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](mailto:secretarial@hfcl.com).
11. **SCRUTINISER 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 Scrutiniser to scrutinise the e-Voting process in a fair and transparent manner.
12. **BOOK CLOSURE:** Pursuant to the provisions of Section 91 of the Act read with Regulations 46 of the SEBI Listing Regulations the Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, September 24, 2024 to Monday, September 30, 2024 (both days inclusive)** for the purpose of AGM and payment of dividend on equity shares for FY24.
- 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 **Monday, September 23, 2024**. 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. **September 23, 2024**, may obtain the login ID and password by sending a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) or the Company at: [secretarial@hfcl.com](mailto:secretarial@hfcl.com) and/or RTA at: [admin@mcsregistrars.com](mailto: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](mailto: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.
15. 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 dematerialised 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](mailto: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 dematerialised 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 dematerialised form. Members can contact the Company's RTA for assistance in this regard. Members may please note that SEBI vide its Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 has mandated the listed companies to issue securities in dematerialised 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](http://www.hfcl.com). It may be noted that any service request can be processed only after the folio is KYC Compliant.

**21.** SEBI vide circular nos. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/131 dated July 31, 2023 and SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/135 dated August 4, 2023 read with master circular no. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/145 dated August 11, 2023, has established a common Online Dispute Resolution Portal ("**ODR Portal**") for resolution of disputes arising in the Indian Securities Market.

Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>).

**22.** To support the '**Green Initiative**', members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company's RTA in case the shares are held by them in physical form. All such members are requested to kindly get their e-mail addresses updated immediately which

will not only save your Company's money incurred on the postage but also contribute a lot to save the environment of this Planet.

**23.** The Company has made arrangement with the RTA/ NSDL/CDSL for registration of e-mail addresses in terms of the MCA Circulars for members who wish to receive the Annual Report along with the AGM Notice electronically and to cast the vote electronically.

Eligible members whose e-mail addresses are not registered with the Company/ DPs are required to provide the same to RTA, pursuant to which, any member may receive on the e-mail address provided by the member, the Notice of this AGM along with the Annual Report 2023-24 and the procedure for remote e-Voting along with the login ID and password for remote e-Voting.

**24.** Members may note that the Board, at its meeting held on May 03, 2024, has recommended a final dividend of ₹ 0.20 (Twenty Paise only) per fully paid-up equity share. The record date for the purpose of payment of final dividend for FY24 is **Monday, September 23, 2024**. 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.

Further, as you may be aware that SEBI vide its circular dated November 03, 2021 read with circulars dated December 14, 2021, November 17, 2023, May 7, 2024 and June 10, 2024 has mandated that the security holders holding shares in physical form but have not updated their PAN or Contact Details or Mobile Number or Bank Account Details or Specimen Signature, then the dividend amount shall be paid only through electronic mode to such security-holders with effect from April 01, 2024 upon furnishing all the aforesaid details in entirety.

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 June 08, 2024 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 FY24.

**UNCLAIMED DIVIDEND/IEPF:** Members are requested to note that, dividends, if not encashed for a consecutive period of 7 (Seven) 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, FY21 and FY22 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>. Further, the Company has also uploaded the details of unpaid and unclaimed dividend amounts, pertaining to FY23 on the website of the Company at <https://www.hfcl.com>,

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, 2024)
2017-18	0.06	September 29, 2018	November 04, 2025	December 04, 2025	10,29,721.50
2018-19	0.10	September 28, 2019	November 03, 2026	December 03, 2026	16,23,526.80
2020-21	0.15	September 30, 2021	November 05, 2028	December 05, 2028	21,39,556.76
2021-22	0.18	September 30, 2022	November 05, 2029	December 05, 2029	27,98,606.75
2022-23	0.20	September 30, 2023	November 05, 2030	December 05, 2030	14,68,262.22

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

The remote e-Voting period begins on **Friday, September 27, 2024 at 09:00 A.M. and ends on Sunday, September 29, 2024 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., **Monday, September 23, 2024** 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 **Monday, September 23, 2024**. 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"> <li>Existing IDeAS user can visit the e-Services website of NSDL viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ 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 “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; e-Voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘<b>Shareholder/Member</b>’ 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 <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; e-Voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speed-e</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

**NSDL Mobile App is available on**



Individual Share- holders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; password.</li> <li>After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
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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.
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**Important note:** Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at above mentioned 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 <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at toll free no.: 022 – 4886 7000.
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: <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 21 09 911.

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

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

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

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

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
(a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID 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 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- (a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
- (b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- (c) How to retrieve your ‘initial password’?
  - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID.

Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a pdf file. Open the pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

- (ii) If your email ID is not registered: Please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - (a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account

with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- (b) **“Physical User Reset Password?”** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - (c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) 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.
  9. 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 Scrutiniser by e-mail to [scrutinizer@hfcl.com](mailto:scrutinizer@hfcl.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on **“Upload Board Resolution/Authority Letter”** displayed under **“e-Voting”** tab in their login.

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](http://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](http://www.evoting.nsdl.com) or call on 022 – 4886 7000 or send a request to **Ms. Pallavi Mhatre, Manager** at [evoting@nsdl.com](mailto:evoting@nsdl.com).

**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](mailto: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](mailto: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.com](mailto:evoting@nsdl.com) 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](mailto:secretarial@hfcl.com). The same will be replied by the Company suitably.

### SPEAKER REGISTRATION BEFORE AGM:

Members of the Company, holding shares as on the cut-off date i.e. **Monday, September 23, 2024** 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 **Wednesday, September 25, 2024 (09:00 A.M. IST) up to Thursday, September 26, 2024 (05:00 P.M. IST)**, mentioning their name, demat account number/ folio number, e-mail ID, mobile number at [secretarial@hfcl.com](mailto:secretarial@hfcl.com). The Company reserves the right to restrict the number of speakers as well as the speaking time depending upon the availability of time for the AGM. Only Registered Speakers will be allowed to speak during the meeting.

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

For ease of conduct of AGM, members who wish to ask questions/express their views on the items of the businesses to be transacted at the meeting are requested to write to the Company at [secretarial@hfcl.com](mailto:secretarial@hfcl.com), during **Wednesday, September 25, 2024 (09:00 A.M. IST) up to Thursday, September 26, 2024 (05:00 P.M. IST)** mentioning their name, demat account no./folio number, email ID, mobile number etc. The Company will, at the AGM, endeavour 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 will 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 will 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 Scrutiniser 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 Scrutiniser'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 authorised by him in writing.
2. The result declared along with the Scrutiniser's Report shall be placed on the Company's website [www.hfcl.com](http://www.hfcl.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com), immediately after the result is declared. The Company shall simultaneously forward the results to the BSE Limited and the National Stock Exchange of India Limited, 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, 2024**.

**DETAILS OF DIRECTOR PROPOSED TO BE 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. Ajai Kumar	Mr. Mahendra Nahata
<b>DIN</b>	00052270	02446976	00052898
<b>Date of Birth (Age in years)</b>	March 09, 1947 (77 years)	June 26, 1953 (71 Years)	May 19, 1959 (65 Years)
<b>Date of first appointment</b>	October 31, 2004	November 25, 2021	May 11, 1987
<b>Experience/Expertise in Specific Functional Areas/Brief Resume</b>	<p>Mr. Arvind Kharabanda has got over 46 years' experience in managerial positions, projects implementation and finance. 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. Ajai Kumar has got over 42 years' experience in Public Sector Banking Industry holding eminent leadership positions in India and overseas. He has served as Chief Managing Director of Corporation Bank, Executive Director of UCO Bank and General Manager of Technology and Retail Banking at Bank of Baroda. With a penchant for independent thinking, he has painstakingly taken several path breaking initiatives for the growth of banks through varied strategies.</p> <p>During his association, Corporation Bank was honoured with National award by Prime Minister of India for its performance in MSME finance for the year 2012-13.</p> <p>Mr. Ajai Kumar has wide exposure in Banking and Finance, Risk Management, Investments, and Treasury Operations encompassing International &amp; domestic operations.</p> <p>He has strong IT orientation and insight into areas of technology environment, project management and operations.</p>	<p>Mr. Mahendra Nahata has got business experience of over 41 years.</p> <p>Mr. Mahendra Nahata is the Founder and Managing Director of HFCL, leading overall strategy, planning, and new business development of the Company. He was associated with many esteemed forums of telecom industry. He has served on the Board of Governors of Indian Institute of Technology - Bombay, Indian Institute of Technology -Madras, Indian Institute of Information Technology - Allahabad and was a Member of the Council of Scientific &amp; Industrial Research, Government of India.</p> <p>In 2003, Mr. Nahata was awarded "Telecom Man of the Millennium" by Voice &amp; Data. He was the President of the Telecom Equipment Manufacturers Association of India (TEMA), Co-Chairman of the Telecom Committee of Federation of Indian Chamber of Commerce and Industry, and Chairman - Telecom Committee of PHD Chamber of Commerce &amp; Industry.</p>
<b>Qualification(s)</b>	Chartered Accountant (CA)	Law graduate with a Master's degree in M.Sc. (Physics).	Bachelors in Commerce (Hons.)
<b>Directorship in other companies including listed companies</b>	<ol style="list-style-type: none"> <li>HFCL Technologies Private Limited</li> <li>Indiasign Private Limited</li> <li>My Box Technologies Private Limited</li> <li>HFCL Advance Systems Private Limited</li> </ol>	<ol style="list-style-type: none"> <li>Indiabulls Investment Management Limited</li> <li>Amar Ujala Limited</li> <li>National Urban Co-Operative Finance and Development Corporation Limited</li> <li>Can Fin Homes Limited</li> </ol>	<ol style="list-style-type: none"> <li>HTL Limited</li> <li>Reliance Jio Infocomm Limited</li> <li>HFCL Technologies Private Limited</li> <li>MN Ventures Private Limited</li> </ol>



Name of the Director	Mr. Arvind Kharabanda	Mr. Ajai Kumar	Mr. Mahendra Nahata
<b>Directorship in other companies including listed companies</b>	5. Rajasthan Antibiotics Private Limited 6. DragonWave HFCL India Private Limited	5. Satyadevi Institute for Financial Learning Private Limited 6. Future Generali Indian Insurance Co. Limited 7. Nukleus Office Solutions Private Limited 8. Adani Petronet (Dahej) Port Limited	5. Krishiv Ventures Private Limited 6. Pranatharthi Ventures Private Limited
<b>Listed entities from which the person has resigned in the past three years</b>	NIL	NIL	NIL
<b>Chairmanship/ Membership of Committees of other boards</b>	<b>Rajasthan Antibiotics Limited:</b> Audit Committee-Member Remuneration Committee – Member	<b>Amar Ujala Limited:</b> Audit Committee – Chairman <b>Can Fin Homes Limited:</b> Audit Committee – Member Nomination & Remuneration Committee – Member Technology Committee – Chairman <b>National Urban Co-Operative Finance and Development Corporation Limited:</b> Nomination & Remuneration Committee – Member Audit Committee – Member <b>Indiabulls Investment Management Limited:</b> Audit Committee – Member Risk Management Committee – Chairman CSR Committee – Member <b>Future Generali India Insurance Co Limited:</b> Audit Committee – Member Ethics and Compliance Committee – Member Corporate Social Responsibility Committee – Member Nomination & Remuneration Committee – Member Banking Affairs Committee – Chairman <b>Nukleus Office Solutions Limited:</b> Audit Committee – Chairman <b>Adani Petronet (Dahej) Port Limited:</b> Audit Committee – Chairman Nomination & Remuneration Committee – Chairman CSR Committee – Chairman	<b>HTL Limited:</b> Nomination and Remuneration Committee – Member <b>Reliance Jio Infocomm Limited:</b> Allotment Committee-Member

Name of the Director	Mr. Arvind Kharabanda	Mr. Ajai Kumar	Mr. Mahendra Nahata
Shareholding in the listed entity, including shareholders as a beneficial owner	NIL	Nil	13,35,091 (0.09%) Equity Shares (Shareholding as Significant Beneficial Owner – 19.91% as on June 30, 2024)
Relationship with other Directors and KMPs of the Company	Not Applicable	Not Applicable	Not Applicable
No. of Board Meetings held/ Attended	07/07	07/07	07/07
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.	As per Item No. 6 read with Statement under Section 102 of the Companies Act, 2013, annexed thereto of the Notice of this AGM.
Last Remuneration drawn (per annum)	₹ 19,50,000/- only (Rupees Nineteen Lakhs and Fifty Thousand only). (Towards Sitting fee for attending Board and its Committee meetings from April 01, 2023 till March 31, 2024)	₹ 4,50,000/- only (Rupees Four Lakhs and Fifty Thousand only). (Towards Sitting fee for attending Board and its Committee meetings from April 01, 2023 till March 31, 2024)	₹ 10.04 crores only (Salary for FY24)
Disclosure of relationships between directors inter-se	Nil	Nil	Nil
Terms and conditions of re-appointment and Remuneration	As mentioned in the Resolutions and Statement. Shareholders may also refer Remuneration Policy which is available on the website of the Company i.e. <a href="http://www.hfcl.com">www.hfcl.com</a> .		

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

The following Statement given hereunder sets out all material facts relating to the Special Businesses mentioned at Item Nos. 5 to 9 in the accompanying Notice. As an additional information, the Statement also contains material facts pertaining to Ordinary Business mentioned at Item No. 4 of the said Notice:

### ITEM NO. 4

Mr. Arvind Kharabanda (DIN: 00052270) was last re-appointed as a Director (Non-Executive) liable to retire by rotation, by way of a special resolution, by the shareholders in the 35th Annual General Meeting (“AGM”) of the Company held on September 30, 2022.

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

In terms of Section 152 of the Act, the re-appointment of a rotational director at the annual general meeting is an Ordinary Business and Ordinary Resolution is required to be passed.

However, Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“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 77 years, is recommended at this 37th AGM by way of a Special Resolution in compliance of the SEBI Listing Regulations.

Mr. Arvind Kharabanda has got over 46 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 re-appointed, pursuant to Regulation 36(3) of the SEBI Listing Regulations and the Secretarial Standard-2 (“SS-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.

The Board is of the view that continued association of Mr. Kharabanda would be immensely beneficial to the Company and it is desirable to avail his services as a Non-executive Director of the Company.

In view of above, the Board of Directors, in its meeting held on May 03, 2024, has approved the re-appointment of Mr. Arvind Kharabanda aged 77 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 interested 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.

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

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

#### ITEM NO. 5

Mr. Ajai Kumar (DIN: 02446976) was appointed as an Independent Director on the Board of your Company, w.e.f. November 25, 2021, for one term of three consecutive years, by the shareholders at the Extra-Ordinary General Meeting ("**EGM**") of the Company, held on March 07, 2022, 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. Ajai Kumar holds office as an Independent Director of the Company up to November 24, 2024 ("**First Term**") in line with the explanation to Sections 149(10) and 149(11) of the Act.

Mr. Ajai Kumar is a law graduate and holds a master degree in M.Sc. (Physics). Mr. Ajai Kumar is having over forty two years of experience in Public Sector Banking Industry holding eminent leadership positions in India and overseas. He has served as Chief Managing Director of Corporation Bank, Executive Director of UCO Bank and General Manager of Technology and Retail Banking at Bank of Baroda.

With a penchant for independent thinking, he has painstakingly taken several path breaking initiatives for the growth of banks through varied strategies.

During his association, Corporation Bank was honoured with National award by Prime Minister of India for its performance in MSME finance for the year 2012-13.

Mr. Ajai Kumar has wide exposure in Banking and Finance, Risk Management, Investments and Treasury Operations encompassing international & domestic operations. He has strong IT orientation and insight into areas of technology environment, project management and operations.

The performance evaluation of Mr. Ajai Kumar 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 recommendations of the Nomination, Remuneration and Compensation ("**NRC**") Committee, made at its meeting held on September 02, 2024, the Board of Directors of the Company passed a resolution at its meeting held on September 02, 2024 and approved the re-appointment of Mr. Ajai Kumar as an Independent Director, not liable to retire by rotation, for a second term of consecutive three years commencing from November 25, 2024 to November 24, 2027, 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. The Board is of the view that continued association of Mr. Ajai Kumar 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. Ajai Kumar 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. Ajai Kumar (DIN: 02446976) 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. Ajai Kumar 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.

Mr. Ajai Kumar also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to the registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.



In the opinion of the Board of Directors, Mr. Ajai Kumar 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. Ajai Kumar 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. Ajai Kumar 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. Ajai Kumar are same as during his First Term as an Independent Director.

A brief profile of Mr. Ajai Kumar to be re-appointed as a Non-Executive Independent Director is given under the heading "Details of Directors proposed to be re-appointed, pursuant to Regulation 36(3) of the SEBI Listing Regulations 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 to 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. Ajai Kumar as a Non-Executive Independent Director of the Company as set out in Item No. 5 of the Notice for the approval of members by way of a special resolution.

Mr. Ajai Kumar is interested in the resolution set out at Item No. 5 of the Notice with regard to his re-appointment and

remuneration payable as a Non-Executive Independent Director. The relatives of Mr. Ajai Kumar 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.5 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 any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

## ITEM NO. 6

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

Mr. Mahendra Nahata (DIN: 00052898) was previously re-appointed as a Managing Director on the Board of your Company, by the shareholder of the Company in their 34th Annual General Meeting held on September 30, 2021, w.e.f. October 01, 2021, for a period of 3 (three) years from the expiry of his previous term which expired on September 30, 2021.

The current term of appointment of Mr. Mahendra Nahata as a Managing Director of the Company is expiring on September 30, 2024.

The performance evaluation of Directors/ Executive Director 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, performance of the Company, understanding of industry and global trends, etc.

Based on the skills, experience, knowledge and positive outcome of performance evaluation and the substantial contribution made by Mr. Mahendra Nahata during his tenure as the Managing Director of the Company and on the recommendation made by the Nomination, Remuneration and Compensation Committee ("**NRC Committee**"), at its meeting held on September 02, 2024, the Board of Directors of the Company, subject to approval of members, passed a resolution at its meeting held on September 02, 2024 approving re-appointment of Mr. Mahendra Nahata as a Managing Director, not liable to retire by rotation and a Key Managerial Personnel, for a period of consecutive three years commencing from October 01, 2024 to September 30, 2027, on the terms and conditions including remuneration as recommended by the NRC Committee and approved by the Board in accordance with the provisions of Section 196, 197 and 203 read with Schedule V to the Companies Act, 2013 (the "**Act**") and Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**SEBI Listing Regulations**").



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

Also, in compliance with the SEBI Order dated June 14, 2018 to the Stock Exchanges and further 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. Mahendra Nahata (DIN: 00052898) has not been debarred from holding the office of director by virtue of any SEBI order or any other such authority.

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

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

- a. Salary, Perquisites and Allowances: ₹7.50 crores per annum
- b. Remuneration based on net profits:

In addition to Salary, Perquisites and Allowances as set out above Mr. Mahendra Nahata, Managing Director shall be entitled to receive remuneration based on net profits calculated in accordance with the provisions of Section 198 of the Act, which will be determined by the Board and/or the NRC Committee, subject to the conditions that such payment shall be within the overall ceiling of the remuneration permissible under the Act, with a maximum limit of ₹5 crores per annum.

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

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

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

- a. contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put

together are not taxable under the Income-Tax Act, 1961 (43 of 1961);

- b. gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c. encashment of leave at the end of his current tenure.

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

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

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

**e. General:**

- i. The Managing Director will perform the duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board, from time to time in all respect and confirm to and comply with all such directions and regulations as may from time to time, be given and made by the Board.
- ii. The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- iii. The Managing Director shall adhere to the Company's Code of Conduct.
- iv. The office of the Managing Director may be terminated by the Company or by the Managing Director by giving 6 (six) months' prior notice in writing, by either party.

Since FY2019-20, no increment in the remuneration of Mr. Mahendra Nahata, Managing Director has been made. During this period, Mr. Mahendra Nahata, Managing Director voluntarily chose to forgo the proposal for the payment of net profit-based remuneration to him for FY2020-21 and FY2022-23, suggesting instead that these funds be utilised for the benefit of the Company's needy employees.

It is further informed to the members that during FY2021-22, no payment of net profit-based remuneration was made to Mr. Mahendra Nahata, the Managing Director of the Company.

In light of the above and considering the Company's performance for the financial year 2023-24, future growth prospects, the ability to pay based on the current cash flow situation, comparative remuneration profiles in the industry, the size of the Company, and the significant efforts made by Mr. Mahendra Nahata, Managing Director despite tough competition from the Company's competitors, the Board, on the recommendation of the NRC Committee, has decided to increase Mr. Mahendra Nahata's current remuneration from ₹6.20 crores per annum to ₹7.50 crores per annum, along with remuneration based on net profits, with a maximum limit of ₹5.0 crores per annum.

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

Mr. Mahendra Nahata holds a Bachelor's degree in Commerce from St. Xavier's College, Kolkata and has business experience of over 41 years. He leads the overall strategy and planning, business development and marketing activities of HFCL Group. Mr. Mahendra Nahata is also on the Board of Reliance Jio Infocomm Limited, a subsidiary of Reliance Industries Limited.

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

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

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

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

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

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

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

Mr. Mahendra Nahata holds 13,35,091 (0.09%) equity shares and is the Significant Beneficial Owner of 19.91% paid-up equity share capital of the Company as on June 30, 2024.

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

Mr. Mahendra Nahata is interested in the resolution as set out at Item No. 6 of the Notice. The relatives of Mr. Mahendra Nahata may be deemed to be interested in this resolution to the extent of their shareholding, if any, in the Company.

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

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

Your Board recommends the Special Resolution set out at Item no. 6 of the Notice for your approval.

#### ITEM NO. 7 & 8

The members of the Company at their 32nd Annual General Meeting held on September 28, 2019, had accorded approval to the Board of Directors of the Company to borrow money/moneys up to an aggregate amount of ₹ 5000 Crores, by way of a Special Resolution passed under Section 180(1)(c) of the Companies Act, 2013 (the "Act").

Keeping in view your Company's existing and future funding requirements for capital expenditure, operational expenditure, working capital expenditure, and general corporate purposes, as well as to fulfill long-term strategic and business objectives, the Company will need to borrow funds from time to time. This measure aims to achieve greater financial flexibility and enable an optimal financing structure.

It is proposed to borrow funds from one or more of the combinations of banks, financial institutions, firms, companies, bodies corporate, mutual funds, trusts, other



organisations, institutions and/or any other persons (hereinafter referred to as the “**Lenders**”) as may deem fit by the Company, which may, together with money already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business), exceed the borrowing limits under the provisions of Section 180(1)(c) of the Act.

The Company may borrow funds by way of issuing secured/unsecured redeemable non-convertible/ partly convertible/ wholly convertible bonds/ debentures as well.

It is, therefore, proposed to increase the borrowing limits from ₹5000 crores to ₹8000 Crores (Rupees Eight Thousand Crores only), in terms of Section 180(1)(c) and 180(2) of the Act.

Further, the borrowings by the Company, in general, are required to be secured by charge/mortgage/pledge/hypothecation/security or other encumbrances on all or any of the movable or immovable or tangible or intangible properties of the Company, in such form, manner and ranking, as may be determined by the Board, from time to time, in consultation with the Lender(s). In order to facilitate securing the borrowings made by the Company or to be made in future, it would be necessary to create charge on the assets or the whole or substantially the whole or one or more or all or any part of the undertaking(s) of the Company.

Section 180(1)(a) of the Act provides the power to the Board of Directors to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company, subject to the approval of members in the general meeting.

The consent of the members is required under the provisions of Sections 180(1)(c) and 180(1)(a) of the Act, to borrow funds in excess of the limits and to mortgage and/or create a charge on any of the movable and/or immovable properties and/or the whole or any part of the undertaking(s) of your Company to secure its borrowings.

Accordingly, the proposed Resolutions at Item Nos. 7 & 8 of the accompanying Notice is placed for approval of the members by way of Special Resolutions to enable the Company to exercise the aforesaid powers as and when required.

None of the Directors or Key Managerial Personnel of the Company including their relatives, except to the extent of their respective shareholdings in the Company, in any way, financially or otherwise, is interested or concerned in the aforesaid Resolutions.

#### **ITEM NO. 9**

The members of the Company are informed that Section 188 of the Companies Act, 2013 (“the **Act**”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 states that no company shall enter into transactions, which exceed the threshold limits ascribed in rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014, with a related party as defined under section 2(76) of the

Act except with the consent of the Board and members of the Company, where such transactions are not in the ordinary course of business of the Company or not on an arm’s length basis.

However, all transactions between the Company and HTL Limited, have been/shall be executed in the ordinary course of business and on an 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, as per the Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) all material transactions with a related party, as defined under section 2(76) of the Act and Regulation 2(1)(zb) of SEBI Listing Regulations, shall require prior approval of the members of the Company and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Regulation 23 of SEBI Listing Regulations inter-alia provides that a transaction with a related party shall be considered as material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds rupees one thousand crores or ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

Members are further informed that the Company is inter-alia engaged in business of manufacturing of range of products in optical fiber cable (“**OFC**”), optical fiber and telecom and networking equipment. The Company also provide an end-to-end portfolio of integrated next generation optical and data networking solutions for telecommunication, defence communication and railway communication.

Members are further informed that the Company and HTL Limited, a material subsidiary, based at Chennai (“**HTL**” or “**Subsidiary**”), are in the similar line of business and transactions between Company and HTL are inter-connected and recurring in nature. In furtherance of its 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 entered into/will enter into various transactions with HTL, inter-alia, purchase/sale of goods or materials, availing or rendering of services like consulting, advisory, turnkey, infrastructure, job work, taking/giving any property on lease/ license including machineries, subscription of securities, granting inter corporate deposits (“**ICDs**”), interest on ICDs/ business advance etc., which shall be carried out in the ordinary course of business and at arms’ length basis.

Further, HTL may also obtain credit facilities 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, being holding company of HTL, 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/security in favour of lenders of HTL, in one or more tranches, on case to case to basis.

Accordingly, considering the nature of business of your Company and the relevance of the continuous transactions in the business operations, the Company shall be required to enter into various transaction(s)/ contract(s)/ agreement(s)/ arrangement(s) with HTL and such transactions may be material as per the provisions of Regulation 23 of the SEBI Listing Regulations.

It is hereby informed that the Company has a well-defined governance process and a policy for the related party

The details as required under Regulation 23(4) of the SEBI Listing Regulations read with Section III-B of the SEBI Master Circular bearing reference no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, ("**SEBI Master Circular**"), are set forth herein below:

S. No.	Particulars	Description
1.	Name of the related party and its relationship with the listed entity or its subsidiary, including the nature of its concern or interest (financial or otherwise).	HTL Limited, a material subsidiary of the Company. 74% shares of HTL are held by the Company and 26% shares are held by the Government of India.
2.	Type, material terms and particulars of the proposed transaction.	<p>Purchase/sale of goods or materials, availing/rendering of services like consulting, advisory, turnkey, infrastructure, job work, taking/giving any property on lease/license including machineries etc., subscription of securities, providing of securities/ giving of corporate guarantees, granting of Inter Corporate Deposits (ICDs), interest on ICDs/ business advances.</p> <p><b>Material terms and particulars of the proposed transactions:</b></p> <p>The pricing for the sale/purchase of goods &amp; materials and availing or rendering of services will be based on market rates.</p> <p>Price may vary +/- ~5.0% – 7.5% on prevailing market prices, on account of the following factors:</p> <ul style="list-style-type: none"> <li>• Cost of Raw Materials;</li> <li>• Currency Exchange Fluctuations;</li> <li>• Overheads;</li> <li>• Margins etc;</li> <li>• Demand of goods, materials, services etc;</li> <li>• Availability of goods, materials, services etc.</li> </ul> <p>The Company will make investments by way of subscription, in securities/debt instruments and provide guarantees/securities to/on behalf of HTL for its business purposes as per applicable laws.</p> <p>The Company will give ICDs from time to time to HTL for its business purposes as per applicable laws.</p> <p>Further, the interest on ICDs/business advances will be charged in compliance with the provisions of section 186 of the Companies Act, 2013.</p>
3.	Period/tenure of the proposed transaction.	The tenure of the transaction shall be from April 01, 2025 to March 31, 2027.
4.	Value of the transaction.	<ol style="list-style-type: none"> <li>1. The Company estimates that the monetary value for the sale of various products/ goods and allied transactions in a financial year shall be up to ₹ 720 crores.</li> <li>2. The Company estimates that the monetary value for the purchase of various products/goods and allied transactions in a financial year shall be up to ₹ 900 crores.</li> <li>3. The Company estimates that the monetary value for availing/rendering of services like consulting, advisory, turnkey, infrastructure, job work, taking/giving any property on lease/license including machineries and allied transactions in relation to its business in a financial year shall be up to ₹ 30 crores.</li> <li>4. The Company estimates that subscription of securities/debt instruments during the tenure of proposed transactions shall be up to ₹ 24.50 crores.</li> </ol>

transactions undertaken by the Company and proposed related party transactions are being undertaken in terms of approval/ recommendation of the Audit Committee and the Board at their meetings held on August 30, 2024 and September 02, 2024, respectively.

All related party transactions have been unanimously approved by the independent directors being the members of the Audit Committee and the Board after satisfying itself that the related party transactions shall be in the best interest of the Company and shall be carried out on an arm's length basis and in the ordinary course of business.



S. Particulars No.	Description
	<ol style="list-style-type: none"> <li>5. The Company estimates that the monetary value of loans, etc. for which corporate guarantees and/or securities may be provided in a financial year shall be up to ₹ 1000 crores.</li> <li>6. The Company estimates that the monetary value of inter corporate deposits to be given during the tenure of proposed transaction shall be up to ₹ 60 crores.</li> <li>7. The Company estimates that the monetary value for interest on ICDs/ business advances in a financial year shall be up to ₹ 20 crores.</li> </ol>
<p>5. 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 Financial Year 2024)</p>	<ol style="list-style-type: none"> <li>1. The Company estimates that the monetary value for the sale of various products/ goods and allied transactions for the financial year 2025-26 and 2026-27 represents 16.13% of the annual consolidated turnover of the Company for the financial year 2023-24.</li> <li>2. The Company estimates that the monetary value for the purchase of various products/goods and allied transactions for the financial year 2025-26 and 2026-27 represents 20.16% of the annual consolidated turnover of the Company for the financial year 2023-24.</li> <li>3. The Company estimates that the monetary value for availing or rendering of services like consulting, advisory, turnkey, infrastructure, job work, taking/giving any property on lease/license including machineries and allied transactions in relation to business for the financial year 2025-26 and 2026-27 represents 0.67% of the annual consolidated turnover of the Company for the financial year 2023-24.</li> <li>4. The Company estimates that subscription of securities/debt instruments for the financial year 2025-26 and 2026-27 represent 0.55% of the annual consolidated turnover of the Company for the financial year 2023-24.</li> <li>5. The Company estimates that the value of loans, etc. for which corporate guarantees and/ or securities may be provided in the financial year 2025-26 and 2026-27 represents 22.40% of the annual consolidated turnover of the Company for the financial year 2023-24.</li> <li>6. The Company estimates that the monetary value of inter corporate deposits to be given in the financial year 2025-26 and 2026-27 represents 1.34% of the annual consolidated turnover of the Company for the financial year 2023-24.</li> <li>7. The Company estimates that the monetary value for interest on ICDs/ business advances for the financial year 2025-26 and 2026-27 represents 0.45% of annual consolidated turnover of the Company for the financial year 2023-24.</li> </ol>
<p>6. 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 FY24)</p>	<ol style="list-style-type: none"> <li>1. The Company estimates that the monetary value for the sale of various products/ goods and allied transactions for the financial year 2025-26 and 2026-27 represents 85.28% of the annual standalone turnover of the Subsidiary for the financial year 2023-24.</li> <li>2. The Company estimates that the monetary value for the purchase of various products/goods and allied transactions for the financial year 2025-26 and 2026-27 represents 106.60% of the annual standalone turnover of the Subsidiary for the financial year 2023-24.</li> <li>3. The Company estimates that the monetary value for availing or rendering of services like consulting, advisory, turnkey, infrastructure, job work, taking/ giving any property on lease/license including machineries and allied transactions in relation to business for the financial year 2025-26 and 2026-27 represents 3.55% of the annual standalone turnover of the Subsidiary for the financial year 2023-24.</li> <li>4. The Company estimates that the subscription of securities/debt instruments for the financial year 2025-26 and 2026-27 represents 2.90% of the annual standalone turnover of the Subsidiary for the financial year 2023-24.</li> <li>5. The Company estimates that monetary value of loans, etc. for which corporate guarantees and/or securities may be provided for the financial year 2025-26 and 2026-27 represents 118.44% of the annual standalone turnover of the Subsidiary for the financial year 2023-24.</li> <li>6. The Company estimates that the monetary value of inter corporate deposits to be given in the financial year 2025-26 and 2026-27 represents 7.11% of the annual standalone turnover of the Subsidiary for the financial year 2023-24.</li> <li>7. The Company estimates that the monetary value for interest on ICDs/ business advances for the financial year 2025-26 and 2026-27 represents 2.37% of the annual standalone turnover of the Subsidiary for the financial year 2023-24.</li> </ol>

S. No.	Particulars	Description
7.	<p>Details of the transaction relating to any loans, inter-corporate deposits ("ICD"), advances, or investments made or given by the listed entity or its subsidiary:</p> <p>(i) details of the source of funds in connection with the proposed transaction</p> <p>(ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,</p> <p>(a) nature of indebtedness;</p> <p>(b) cost of funds; and</p> <p>(c) tenure;</p> <p>(iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and</p> <p>(iv) the purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPT.</p>	<p>The Company will give unsecured inter-corporate deposits from its internal accruals, from time to time to HTL, for its working capital requirements, repayable within five years, as per applicable laws.</p> <p>The Company had extended ICDs/business advances aggregating to ₹ 24.50 crores in the past also from time to time from its internal accruals to support business activities of the Subsidiary.</p> <p>The ICDs/business advances provided to the Subsidiary were utilised for its own business operations and the interest on ICDs/business advances will be charged in compliance with the provisions of section 186 of the Companies Act, 2013.</p> <p>Furthermore, the Company may now convert, not exceeding ₹ 24.50 crores, the existing ICDs/business advances provided to the Subsidiary, in securities/debt instruments.</p>
8.	Justification as to why the RPT is in the interest of the listed entity.	As the Company and HTL are in similar line of business, the Company carries transactions with HTL on a continuous basis. The arrangements will ensure the stability of supplies in terms of quality and logistics within the group. Further, aforesaid transactions at competitive prices will result in the overall growth of the Group/Holding Company.
9.	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis.	N.A.
10.	Any valuation or other external report relied upon by the listed entity in relation to the transactions.	The valuation for transactions pertaining to the conversion of ICDs/business advances, will be made as per the applicable laws.
11.	Any other information that may be relevant.	-

No related party shall vote to approve this resolution whether such related party is a party to the particular transaction or not.

Mr. Mahendra Nahata, Managing Director of the Company is Chairman and also a Non-Executive Director on the Board of HTL. Dr. (Mr.) Ranjeet Mal Kastia, Non-Executive Director of the Company is also a Non-Executive Director on the Board of HTL. Dr. (Ms.) Tamali Sengupta, 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, or any of their relatives, are concerned or interested in the above resolution, except to the extent of their shareholdings and directorships in the Company, if any.

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

**Registered Office:**

8, Electronics Complex  
Chambaghat  
Solan-173213 (H. P.)

**Place:** New Delhi

**Date:** September 02, 2024

**By Order of the Board**

**(Manoj Baid)**

**President & Company Secretary**

Membership No: FCS 5834