HFCL Limited
8, Commercial Complex, Masjid Moth, Greater Kailash - II,
New Delhi - 110048, India
Tel : (+91 11) 3520 9400, 3520 9500 Fax : (+91 11) 3520 9525
Web : www.hfcl.com
Email : secretarial@hfcl.com

HFCL/SEC/25-26 February 03, 2026

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

RE: Regulation 32(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Subject: Monitoring Agency Reports on the utilisation of proceeds raised through Qualified Institutions Placements for the Quarter ended December 31, 2025

Dear Sir(s)/ Madam,

We would like to inform that the Company had raised funds by way of allotment of 5,10,14,491 (Five Crore Ten Lakh Fourteen Thousand Four Hundred and Ninety One) equity shares of face value of Re.1/- each, to qualified institutional buyers **("QIBs")**, at a price of Rs.69/- per Equity Share (including premium of Rs.68/- per Equity Share)**, pursuant to the** resolution passed by the Board of Directors dated September 02, 2022, special resolution passed by the Shareholders at their 35th Annual General Meeting (AGM) held on September 30, 2022, the preliminary placement document dated August 28, 2023, the placement document dated August 31, 2023 and resolution of the Fund Raising Committee of the Board of Directors dated August 31, 2023 (the "**Issue**").

We would like to further inform that the Company had also raised funds by way of allotment of 8,79,29,651 (Eight Crore Seventy Nine Lakh Twenty Nine Thousand Six Hundred and Fifty One) equity shares of face value of Re.1/- each, to QIBs, at a price of Rs.62.55/- per Equity Share [reflecting a discount of ₹ 3.29 (i.e. 5%) on the floor price of ₹65.84 per Equity Share] (including premium of ₹ 61.55 per Equity Share)**,** pursuant to the resolution passed by the Board of Directors dated July 25, 2025, special resolution passed by the Shareholders at their 38th AGM held on September 15, 2025, the preliminary placement document dated December 22, 2025, the placement document dated December 24, 2025 and resolution of the Fund Raising Committee of the Board of Directors dated December 24, 2025.

In terms of Regulations 32(6) of the SEBI Listing Regulations read with Regulation 173A(4) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), please find enclosed the Monitoring Agency Reports for the quarter ended December 31, 2025, issued by CARE Ratings Limited, Monitoring Agency, appointed to monitor the utilisation of proceeds raised through issuance of equity shares by way of Qualified Institutions Placements.

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

Thanking you.

Yours faithfully,
For **HFCL Limited**

MANOJ BAID
Digitally signed by MANOJ BAID
Date: 2026.02.03 18:25:18 +05'30'

(Manoj Baid)
President & Company Secretary

Encl.: Monitoring Agency Reports

CareEdge RATINGS

No. CARE/NRO/GEN/2025-26/1161

Monitoring Agency Report

The Board of Directors
HFCL Limited
8, Commercial Complex,
Masjid Moth,
Greater Kailash – II,
New Delhi – 110048,
India

February 03, 2026

Dear Sir/Ma'am,

<u>Monitoring Agency Report for the quarter ended December 31, 2025 - in relation to the Qualified Institutions Placement of Equity Shares of HFCL Limited ("the Company")</u>

We write in our capacity of Monitoring Agency for the Qualified Institutions Placement of Equity shares for the amount aggregating to Rs. 352.00 crore of the Company and refer to our duties cast under 173A of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended December 31, 2025 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated August 28, 2023.

Request you to kindly take the same on records.

Thanking you,

Yours faithfully,

Sahil Goyal

Sahil Goyal

Assistant Director

Sahil.Goyal@careedge.in

Report of the Monitoring Agency
Name of the issuer: HFCL Limited
For quarter ended: December 31, 2025
Name of the Monitoring Agency: CARE Ratings Limited
(a) Deviation from the objects: Nil
(b) Range of Deviation: Not Applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title “Comments of the Board of Directors”, that shall be captured by the Issuer’s Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer’s Management/Board.

Sahil Goyal

Signature:
Name and designation of the Authorized Signatory: Sahil Goyal
Designation of Authorized person/Signing Authority: Assistant Director

1) **Issuer Details:**

Name of the issuer : HFCL Limited
Name of the promoter : Mr. Mahendra Nahata
Industry/sector to which it belongs : Telecommunications - Telecom Equipment & accessories

2) **Issue Details**

Issue Period : August 28, 2023 to August 31, 2023
Type of issue (public/rights) : Private Placement
Type of specified securities : Equity Shares
IPO Grading, if any : Not applicable
Issue size (in crore) : Rs. 352.00 crore

3) **Details of the arrangement made to ensure the monitoring of issue proceeds:**

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	No	Chartered Accountant certificate*, Bank statement and Placement Document, Management Certificate	Refer Note 1	No Comments Received
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not applicable	Not applicable	Not applicable	No Comments Received
Whether the means of finance for the disclosed objects of the issue have changed?	No	Management Certificate	Nil	No Comments Received
Is there any major deviation observed over the earlier monitoring agency reports?	No	Monitoring agency reports	No deviation over earlier monitoring agency reports	No Comments Received
Whether all Government/statutory approvals related to the object(s) have been obtained?	Yes	Management Certificate	Nil	No Comments Received

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Management Certificate	Nil	No Comments Received
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	Management Certificate	Nil	No Comments Received
Is there any other relevant information that may materially affect the decision making of the investors?	No	Quarterly Results, Management certificate	**	No Comments Received

**Chartered Accountant certificate from Oswal Sunil & Company dated January 30, 2026*

#Where material deviation may be defined to mean:

a) Deviation in the objects or purposes for which the funds have been raised

b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

Note:1 Funds incurred towards capital expenditure up to Q2FY26 were lower than the amount specified in the placement document. According to the Company's management, the lower utilization was primarily due to changes in the economic and geo-political environment, which adversely impacted market conditions for optical fiber cables. Consequently, the Company undertook capital expenditure at a slower pace, resulting in part of the allocated funds towards capital expenditure remaining unutilized as of July 31, 2025, as per the timeline specified in the offer document. **The Company, in its Board meeting held on July 25, 2025, approved an extension of the timeline for utilization of the unutilized amount up to March 31, 2026.** Till December 31st, 2025, Company has incurred capex of Rs. 36.05 crore out of the total proposed cost of Rs. 75.00 crores to be incurred by March 31st, 2026 (revised with board approval) from the proceeds of the issue.

** In H1FY26 Company reported TOI of Rs. 1914.36 crores (H1FY25: Rs. 2251.85 crores) witnessing a decline by ~15% and PBILDT declined to ~ Rs. 219 crores (H1FY25: Rs. 333.11 crores). The same was due to subdued performance during Q1FY26 during which the Company's TOI moderated at Rs. 871 crore, reduction of ~25% on a Y-o-Y basis. Accordingly, profitability margins of the Company remain moderate at 3.26% in Q1FY26. However, demand of OFC's witnessed improvement in Q2FY26 as Company reported improvement in its profitability with PBILDT at Rs. 190.33 crores (Q2FY26: 158.22 crores), TOI stood at Rs. 1043.34 crores (Q2FY25: Rs. 1093.61). Consequently, PBILDT margins improved at 18.24% in Q2FY26 as against 14.47% in Q2FY25.

4) Details of objects to be monitored:

CARE Ratings Limited
9th floor, C-001/A2, Berger Towers, Sector 16B, Noida,
Gautam Budh Nagar, Uttar Pradesh -201301
Phone: +91-120-4452000

CIN-L67190MH1993PLC071691

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022
Phone: +91-22-6754 3456
Email: care@careedge.in • www.careedge.in

(i) Cost of objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of - firm arrangements made
1	Capital Expenditure	Chartered Accountant certificate*, Bank statement and Placement Document	75.00	NA	NA	No Comments Received	No Comments Received	No Comments Received
2	Research and Development Expenditure	Chartered Accountant certificate*, Bank statement and Placement Document	85.00	NA	NA	No Comments Received	No Comments Received	No Comments Received
3	Repayment/Prepayment of Short term borrowings	Chartered Accountant certificate*, Bank statement and Placement Document	74.04	NA	NA	No Comments Received	No Comments Received	No Comments Received
4	Funding Working Capital requirements	Chartered Accountant certificate*, Bank statement and Placement Document	75.00	NA	NA	No Comments Received	No Comments Received	No Comments Received
5	General corporate purposes	Chartered Accountant certificate*, Bank statement and Placement Document	33.46	NA	NA	No Comments Received	No Comments Received	No Comments Received
Total			**342.50**					

**Chartered Accountant certificate from Oswal Sunil & Company dated January 30, 2026*

(ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
1	Capital Expenditure	Chartered Accountant certificate*, Bank statements, Placement Document	75.00	32.31	3.74	36.05	38.95	During Q3FY26, the Company incurred an expense of Rs. 3.74 crore towards the purchase of equipment for manufacturing intermittently bonded optical fibre ribbons, for upgrading the flat ribbon line equipment, as part of its planned capital expenditure outlined in the issue objects. The entire amount of Rs. 3.74 crore was spent through reimbursements made from the Company's CC account against the capital expenditure incurred.	No Comments Received	No Comments Received
2	Research and Development Expenditure	Chartered Accountant certificate*, Bank	85.00	85.00	-	85.00	-	Nil utilization for the quarter ended December 31, 2025.	No Comment	No Comments Received

CareEdge RATINGS

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
		statements, Placement Document							s Received	
3	Repayment/ Prepayment of Short term borrowings	Chartered Accountant certificate*, Bank statements, Placement Document	74.04	74.04	-	74.04	-	Nil utilization for the quarter ended December 31, 2025.	No Comments Received	No Comments Received
4	Funding Working Capital requirement	Chartered Accountant certificate*, Bank statements, Placement Document	75.00	75.00	-	75.00	-	Nil utilization for the quarter ended December 31, 2025.	No Comments Received	No Comments Received
5	General Corporate Purposes	Chartered Accountant certificate*, Bank statements, Placement Document	33.46	33.65^	-	33.65^	-	Nil utilization for the quarter ended December 31, 2025.	No Comments Received	No Comments Received
Total			**342.50**	**300.00**	**3.74**	**303.74^**	**38.95**			

**Chartered Accountant certificate from Oswal Sunil & Company dated January 30, 2026*

^ *As outlined in the placement document, the anticipated expenses for the issue were projected at Rs. 9.50 crore. However, the expenses incurred as of December 31, 2023, amounted to Rs. 9.31 crore. The remaining Rs. 0.19 crore, initially held in escrow, was transferred to the monitoring account in Q3FY24. Subsequently, the Company utilized this sum as GCP during the quarter ended March 31, 2024, in accordance with the placement document.*

(iii) Deployment of unutilized proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter
1.	Monitoring Account, State Bank of India	38.95	NA	NA	NA	NA
Total		**38.95**				

At the end of Q2FY26 the unutilized proceeds amounting to Rs. 42.68 crores were parked in FDs. In November 2025 two FDs of Company amounting to Rs. 15 crore were redeemed in its CC account, however Company created new FDs from its CC account in December 2025 and subsequently Company had redeemed the same in the monitoring account of the Company.

(iv) Delay in implementation of the object(s) –

Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the Placement document	Actual		Reason of delay	Proposed course of action
Capital Expenditure	Rs 75.00 Cr by 31st July 2025	In Progress, Rs. 36.05 Cr incurred till Q3FY26	Delay (Exact number of days of delay not ascertainable), Refer Note 1 below	The delay was primarily due to changes in the economic and geo-political landscape, which adversely impacted market conditions for optical fibre cables. Consequently, the company undertook capital expenditure at a	The Board at its meeting held on July 25, 2025, approved an extension of the timeline for utilization of the unutilized amount up to March 31, 2026. The company does not anticipate any impact on the cost or viability of the projects.

Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the Placement document	Actual		Reason of delay	Proposed course of action
				slower pace, resulting in part of the allocated funds towards capital expenditure remaining unutilized as of July 31, 2025, as per the timeline specified in the offer document. The Board at its meeting held on July 25, 2025, approved an extension of the timeline for utilization of the unutilized amount up to March 31, 2026.	
Research and Development Expenditure	Rs. 85.00 Cr by May 2026	Rs. 85.00 Cr by September 2024	No Delays	No Comments Received	No Comments Received
Repayment/Prepayment of Short-term borrowings	Rs. 74.04 Cr by July 2025	Rs. 74.04 Cr by September 2023	No Delays	No Comments Received	No Comments Received
Funding Working Capital requirements	Rs. 75.00 Cr by Fiscal 2024	Rs. 75.00 Cr by September 2023	No Delays	No Comments Received	No Comments Received
General corporate purposes	Rs. 33.46 Cr From time to time	Rs. 33.65^ Cr by March 2024	No Delays	No Comments Received	No Comments Received

Note 1: Funds incurred towards capital expenditure up to Q2FY26 were lower than the amount specified in the placement document. According to the Company's management, the lower utilization was primarily due to changes in the economic and geo-political environment, which adversely impacted market conditions for optical fiber cables. Consequently, the

company undertook capital expenditure at a slower pace, resulting in part of the allocated funds towards capital expenditure remaining unutilized as of July 31, 2025, as per the timeline specified in the offer document. **The Company, in its Board meeting held on July 25, 2025, approved an extension of the timeline for utilization of the unutilized amount up to March 31, 2026**.

^ *As outlined in the placement document, the anticipated expenses for the issue were projected at Rs. 9.50 crore. However, the expenses incurred as of December 31, 2023, amounted to Rs. 9.31 crore. The remaining Rs. 0.19 crore, initially held in escrow, was transferred to the monitoring account in Q3FY24. Subsequently, the Company utilized this sum as GCP during the quarter ended March 31, 2024, in accordance with the placement document*.

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

Sr. No	Item Head^	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
-	-	-	-	Nil utilization for the quarter ended December 31, 2025.	No Comments Received
	Total	**33.46**			

**Chartered Accountant certificate from Oswal Sunil & Company dated January 30, 2026*

^ Section from the offer document related to GCP:

The objects of the issue may include, but not restricted towards strategic initiatives, investments in subsidiaries of our Company, opening or setting up new offices, business development initiatives including marketing & branding expenses, acquiring fixed assets (other than those mentioned as part of capital expenditure), meeting any expense of our Company, including salaries and wages, rent, administration, insurance, repairs and maintenance, payment of taxes and duties, ESG / renewable energy, meeting expenses incurred in the ordinary course of business and towards any exigencies.

Accordingly, Company has expensed the GCP over ongoing general corporate expenses. The allocated amount of Rs. 33.46 cr and balance Rs. 0.19 crores of issue expenses were already expensed as per object of issue.

Disclaimers to MA report:

a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as **"Monitoring Agency/MA"**). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.

b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditor/internal auditor which is peer reviewed audit firm/peer reviewed audit firm appointed by the Issuer believed by it to be accurate and reliable.

c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.

d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from statutory auditors/internal auditor which is peer reviewed audit firm/peer reviewed audit firm (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.

e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.

No. CARE/NRO/GEN/2025-26/1163

Monitoring Agency Report

The Board of Directors
HFCL Limited
8, Commercial Complex,
Masjid Moth,
Greater Kailash – II,
New Delhi – 110048,
India

February 03, 2026

Dear Sir/Ma'am,

<u>Monitoring Agency Report for the quarter ended December 31, 2025 - in relation to the Qualified Institutions Placement of Equity Shares of HFCL Limited ("the Company")</u>

We write in our capacity of Monitoring Agency for the Qualified Institutions Placement of Equity shares for the amount aggregating to Rs. 550.00 crore of the Company and refer to our duties cast under 173A of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended December 31, 2025 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated December 22, 2025.

Request you to kindly take the same on records.

Thanking you,

Yours faithfully,

Sahil Goyal

Sahil Goyal

Assistant Director

Sahil.Goyal@careedge.in

Report of the Monitoring Agency
Name of the issuer: HFCL Limited
For quarter ended: December 31, 2025
Name of the Monitoring Agency: CARE Ratings Limited
(a) Deviation from the objects: Nil
(b) Range of Deviation: Not Applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Sahil Goyal

Signature:
Name and designation of the Authorized Signatory: Sahil Goyal
Designation of Authorized person/Signing Authority: Assistant Director

CareEdge RATINGS

1) Issuer Details:

Name of the issuer : HFCL Limited
Name of the promoter : Mr. Mahendra Nahata
Industry/sector to which it belongs : Telecommunications - Telecom Equipment & accessories

2) Issue Details

Issue Period : December 22, 2025 to December 24, 2025
Type of issue (public/rights) : Private Placement
Type of specified securities : Equity Shares
IPO Grading, if any : Not applicable
Issue size (in crore) : Rs. 550.00 crore

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Chartered Accountant certificate*, Bank statement and Placement Document, Management Certificate	During Q3FY26 Company utilized Rs. 399.39 crores towards the objects of the issue as per the offer document. Refer Note 1	No Comments Received
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not applicable	Not applicable	Not applicable	No Comments Received
Whether the means of finance for the disclosed objects of the issue have changed?	No	Management Certificate	Nil	No Comments Received
Is there any major deviation observed over the earlier monitoring agency reports?	Not Applicable	CA Certificate*, Bank Statements	This is the first monitoring agency report	No Comments Received

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all Government/statutory approvals related to the object(s) have been obtained?	Yes	Management Certificate	Nil	No Comments Received
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Yes	Management Certificate	Nil	No Comments Received
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	Management Certificate	Nil	No Comments Received
Is there any other relevant information that may materially affect the decision making of the investors?	No	Quarterly Results, Management certificate	**	No Comments Received

**Chartered Accountant certificate from Oswal Sunil & Company dated January 30, 2026*

#Where material deviation may be defined to mean:
a) Deviation in the objects or purposes for which the funds have been raised
b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

Note 1: During the previous quarter, the Company transferred the issue proceeds from the monitoring account into its CC account. Consequently, in Q3FY26, certain objects were met through utilization from the CC account. Owing to various transactions particularly pertaining to capital expenditure, research and development and GCP from CC, there has been comingling of funds (where issue proceeds were mixed with other cash flows), which restricted our ability to directly ascertain them. Further, it also created certain fixed deposits with varied maturity dates out of its CC account. However, we have reviewed and verified the transactions through Management Certificate and CA certificate.

** In H1FY26 Company reported TOI of Rs. 1914.36 crores (H1FY25: Rs. 2251.85 crores) witnessing a decline by ~15% y-o-y and PBILDT declined to ~ Rs. 219 crores (H1FY25: Rs. 333.11 crores). The same was due to subdued performance during Q1FY26 during which the Company's TOI moderated at Rs. 871 crore, reduction of ~25% on a Y-o-Y basis. Accordingly, profitability margins of the Company remain moderate at 3.26% in Q1FY26. However, demand of OFC's witnessed improvement in Q2FY26 as Company reported improvement in its profitability with PBILDT at Rs. 190.33 crores (Q2FY26: 158.22 crores), TOI stood at Rs. 1043.34 crores (Q2FY25: Rs. 1093.61). Consequently, PBILDT margins improved at 18.24% in Q2FY26 as against 14.47% in Q2FY25.

4) Details of objects to be monitored:

(i) Cost of objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of - firm arrangements made
1	Capital expenditure towards purchase of Plant and Machinery: Expansion of Optical Fibre Cable	Chartered Accountant certificate*, Bank statement and Placement Document	35.00	NA	NA	No Comments Received	No Comments Received	No Comments Received
2	Funding expenditure towards Research and Development initiatives including acquisition of technologies	Chartered Accountant certificate*, Bank statement and Placement Document	50.00	NA	NA	No Comments Received	No Comments Received	No Comments Received
3	Repayment/prepayment of our long term / short term borrowings availed from banks / others	Chartered Accountant certificate*, Bank statement and Placement Document	105.00	NA	NA	No Comments Received	No Comments Received	No Comments Received
4	Funding our long term working capital requirements	Chartered Accountant certificate*, Bank statement and Placement Document	260.00	NA	NA	No Comments Received	No Comments Received	No Comments Received
5	General Corporate Purposes	Chartered Accountant certificate*, Bank statement and Placement Document	93.00	NA	NA	No Comments Received	No Comments Received	No Comments Received
6	Issue Expenses	Chartered Accountant certificate*, Bank statement and Placement Document	7.00	NA	NA	No Comments Received	No Comments Received	No Comments Received
Total			**550.00**					

**Chartered Accountant certificate from Oswal Sunil & Company dated January 30, 2026*

(ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
1	Capital expenditure towards purchase of Plant and Machinery: Expansion of Optical Fibre Cable	Chartered Accountant certificate*, Bank statement and Placement Document	35.00	0.00	1.68	1.68	33.32	During Q3FY26, Company has expensed Rs. 1.68 crore towards payment for purchase of ribbon bundling line which is as per the stated objects of the issue. Around Rs. 1.01 crores were paid from the CC account of the Company.	No Comments Received	No Comments Received
2	Funding expenditure towards Research and Development initiatives including acquisition of technologies	Chartered Accountant certificate*, Bank statement and Placement Document	50.00	0.00	1.25	1.25	48.75	During Q3FY26, Company has expensed Rs. 1.25 crore towards payment of design and service cost for RF testing which is as per the stated objects of the issue. The payment was made from the CC account of the Company	No Comments Received	No Comments Received
3	Repayment/prepayment of our long term / short	Chartered Accountant certificate*, Bank	105.00	0.00	85.00	85.00	20.00	During Q3FY26 Company has utilised Rs. 85.00 crores	No Comment	No Comments Received

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
	term borrowings availed from banks / others	statement and Placement Document						towards repayment of borrowings from CSB Bank (Rs. 50.00 crores) and KLJ Resources Limited (Rs. 30.00 crores) which is as per the stated objects of the issue.	s Received	
4	Funding our long term working capital requirements	Chartered Accountant certificate*, Bank statement and Placement Document	260.00	0.00	214.58	214.58	45.42	During Q3FY26 Company has utilised the Rs. 214.58 crores to fund its working capital requirement.	No Comments Received	No Comments Received
5	General Corporate Purposes	Chartered Accountant certificate*, Bank statement and Placement Document	93.00	0.00	90.25	90.25	2.75	During Q3FY26 Company has utilised Rs. 90.25 crores towards GCP the details of which have been given in the GCP table below. These amounts were incurred from the CC account of the Company.	No Comments Received	No Comments Received

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
6	Issue Expenses	Chartered Accountant certificate*, Bank statement and Placement Document	7.00	0.00	6.63	6.63	0.37	During Q3FY26 Company has utilised Rs. 6.63 crores towards payment of lead manager fees and other issue related expenses. Around Rs. 0.50 crore were paid from the CC account of the Company and were subsequently reimbursed from the MA Account.	No Comments Received	No Comments Received
Total			**550.00**	**0.00**	**399.39**	**399.39**	**150.61**			

**Chartered Accountant certificate from Oswal Sunil & Company dated January 30, 2026.*

(iii) Deployment of unutilized proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter
1.	Escrow Account, State Bank of India	13.86	NA	NA	NA	NA
2.	Monitoring Account, State Bank of India	91.33	NA	NA	NA	NA
3.	Fixed Deposit, State Bank of India (44779809337)	0.92	December 30,2026	NA	6.25%	NA
4.	Fixed Deposit, State Bank of India	2.50	December 29, 2026	NA	6.25%	NA

	(44779274504)					
5.	Fixed Deposit, State Bank of India (44777528406)	10.00	June 29, 2026	NA	5.60%	NA
6.	Fixed Deposit, State Bank of India (44777685812)	5.00	June 29, 2026	NA	5.60%	NA
7.	Fixed Deposit, State Bank of India (44777660909)	10.00	June 29, 2026	NA	5.60%	NA
8.	Fixed Deposit, State Bank of India (44777684182)	7.00	June 29, 2026	NA	5.60%	NA
9.	Fixed Deposit, State Bank of India (44777659905)	10.00	June 29, 2026	NA	5.60%	NA
Total		**150.61**				

Note: Out of the total unutilized proceeds of Rs. 150.61 crores around Rs. 45.42 crores which is parked in the form of FDs with SBI has been marked as lien against margins for LC for procurement of raw materials. These FDs were created out of the amounts transferred from the monitoring account into its CC account.

(iv) Delay in implementation of the object(s) –

Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual		Reason of delay	Proposed course of action
Capital expenditure towards purchase of Plant and Machinery: Expansion of Optical Fibre Cable	Fiscal 2027	Ongoing, Rs. 1.68 crores incurred till Q3FY26	Not Applicable	No Comments Received	No Comments Received
Funding expenditure towards Research and Development initiatives including acquisition of technologies	Fiscal 2027	Ongoing, Rs. 1.25 crores incurred till Q3FY26	Not Applicable	No Comments Received	No Comments Received
Repayment/prepayment of our long term / short term borrowings availed from banks / others	Fiscal 2026	Ongoing, Rs. 85.00 crores incurred till Q3FY26	Not Applicable	No Comments Received	No Comments Received
Funding our long term working capital requirements	Fiscal 2026	Ongoing, Rs. 214.58 crores incurred till Q3FY26	Not Applicable	No Comments Received	No Comments Received
General Corporate Purposes	Fiscal 2026	Ongoing, Rs. 90.25 crores incurred till Q3FY26	Not Applicable	No Comments Received	No Comments Received

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Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual		Reason of delay	Proposed course of action
Issue Expenses	NA	Ongoing, Rs. 6.63 crores incurred till Q3FY26	Not Applicable	No Comments Received	No Comments Received

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

Sr. No	Item Head^	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
1	Payment for Business Development	45.00	Chartered Accountant certificate*, Bank statement, and Placement Document	During Q3FY26 Company incurred Rs. 90.25 crores towards business development, acquiring fixed assets, payment of salary, duties and administration expenses which are part of GCP.	No Comments Received
2	Payment for Land acquisition	13.15			
3	Salary Expenses	25.20			
4	Custom Duty Payment	4.49			
5	Electricity Payment	2.42			
	Total	**90.25**			

**Chartered Accountant certificate from Oswal Sunil & Company dated January 30, 2026*

^ Section from the offer document related to GCP:

"Our Company proposes to deploy the balance Net Proceeds, aggregating to ₹ 93.00 crore, towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the Gross Proceeds, in compliance with applicable laws. The general corporate purposes for which we propose to utilise Net Proceeds include meeting exigencies, including but not restricted towards strategic initiatives, investments in subsidiaries of our Company, opening or setting up new offices, business development initiatives including marketing & branding expenses, acquiring fixed assets (other than those mentioned as part of capital expenditure), meeting any expense of our Company, including salaries and wages, rent, administration, insurance, repairs and maintenance, payment of taxes and duties, ESG / renewable energy, meeting expenses incurred in the ordinary course of business and towards any exigencies. In addition to the above, we may utilise the Net Proceeds towards other expenditure considered expedient and as permissible under applicable law and approved by the Board of Directors or a duly constituted committee thereof. The Net Proceeds which are proposed to be deployed towards these purposes are not proposed to be utilized towards any specific project. Accordingly, the requirement to disclose (i) the break-up of cost of the project (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project, is not applicable in respect of the aforementioned. If the Net Proceeds are not completely utilised for the purposes stated hereinabove by such periods due to factors such as (i) economic and business conditions; (ii) increased competition; (iii) delay in construction or procuring equipment; (iv) receiving the necessary approvals; and (v) other commercial considerations, the same would be utilised (in part or full) in the subsequent periods as may be decided by our Board, in accordance with applicable laws. Further, the Board may at its discretion, utilise any unutilised portion of Net Proceeds towards general corporate purposes within permissible limits."

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