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ISO 14001 Standard

HIMACHAL FUTURISTIC COMMUNICATIONS LTD.
8, Commercial Complex, Masjid Moth,
Greater Kailash - II, New Delhi - 110048, India
Tel : (+91 11) 3088 2624, 3088 2626
Fax : (+91 11) 3068 9013
Web : www.hfcl.com
Email : Secretarial@hfcl.com

HFCL/SEC/17-18/

September 2, 2017

To,
The Secretary
BSE Limited
Phiroze Jeejeebhoy Tower,
27th floor, Dalal Street,
Mumbai-400 001

Dear Sir,

Subject: Notice of Annual General Meeting dated 25.09.2017

Enclosed please find herewith Notice of 30th Annual General Meeting of the Company
scheduled to be held on 25th September, 2017.

This is for your information and records please.

Thanking you,

Yours faithfully,

For **Himachal Futuristic Communications Limited**

(Manoj Baid)
Vice President (Corporate) &
Company Secretary

Encl.: as above

HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED

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

Tel: +91-1792-230644, Fax: +91-1792-231902

Website: www.hfcl.com; e-mail: secretarial@hfcl.com

(Corporate Identity Number: L64200HP1987PLC007466)

NOTICE

Notice is hereby given that the 30th Annual General Meeting of the Members of Himachal Futuristic Communications Limited will be held on Monday the 25th day of September, 2017 at 11:00 A.M. at the Mushroom Centre, Chambaghat, Solan-173213, Himachal Pradesh to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt (a) The audited financial statements of the Company for the financial year ended 31st March, 2017, the reports of the Board of Directors and Auditors thereon; and (b) The audited consolidated financial statements of the Company for the financial year ended 31st March, 2017 and the reports of the Auditors thereon and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

a) **“RESOLVED THAT** the audited financial statements of the Company for the financial year ended 31st March, 2017 and the reports of the Board of Directors and Auditors thereon as laid before this meeting be and are hereby considered and adopted.”

b) **“RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended 31st March, 2017 and the reports of Auditors thereon laid before this meeting be and are hereby considered and adopted.”

2. To confirm dividends paid on Cumulative Redeemable Preference Shares and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT the first interim dividend of Rs.3.25 per share and second interim dividend of Rs.3.25 per share on 6.50% Cumulative Redeemable Preference Shares of face value of Rs.100/- each for the financial year 2016-17 amounting to Rs.6.30 Crore (inclusive of tax of Rs.1.07 Crore) as declared by the Board of Directors on 28th November, 2016 and 10th May, 2017 respectively and already paid to preference shareholders be and is hereby confirmed and approved.”

3. To appoint a Director in place of Shri Arvind Kharabanda (DIN:00052270), 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, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT Shri Arvind Kharabanda (DIN:00052270), 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 of the Company”.

4. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

Explanation: Section 139 of the Companies Act, 2013 (‘the Act’) was notified effective April 1, 2014. Section 139 of the Act lays down the criteria for appointment and mandatory rotation of statutory auditors. Pursuant to Section 139 of the Act and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years. The Rules also lay down the transitional period that can be served by the existing statutory auditors depending on the number of consecutive years for which an audit firm has been functioning as auditor in the same company. The existing auditors, Khandelwal Jain & Co., Chartered Accountants (Firm Registration No. 105049W) have served the Company for over 10 years before the Act was notified and will be completing the maximum number of transitional period of 3 (three) years at the ensuing 30th Annual General Meeting.

The Audit Committee of the Company at its meeting held on 10th, August, 2017 has proposed and on 10th August 2017, the Board has recommended the appointment of S. Bhandari and Co., Chartered Accountants (Firm registration number 000560C) (‘SBC’) and Oswal Sunil & Company, Chartered Accountants (Firm registration number 016520N) (‘Oswal’) as the statutory auditors of the Company. SBC & Oswal will hold office for a period of five consecutive years from the conclusion of the 30th Annual General Meeting of the Company till the conclusion of the 35th Annual General Meeting to be held in the year 2022. The first year of audit will be of the financial statements for the year ending 31st March, 2018, which will include the audit of the quarterly financial statements from second quarter onwards for the financial year ending 31st March, 2018.

Therefore, shareholders, are requested to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary resolution:

“RESOLVED THAT pursuant to Sections 139 and 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time,

pursuant to the proposal of the Audit Committee of the Board and recommendation of the Board, S. Bhandari and Co., Chartered Accountants (Firm registration number 000560C and Oswal Sunil & Company, Chartered Accountants (Firm registration number 016520N) be and are hereby appointed as the statutory auditors of the Company, for a period of five years for auditing the accounts of the Company from the financial year 2017-2018 to 2021-2022, to hold office from the conclusion of this 30th Annual General Meeting until the conclusion of the 35th Annual General Meeting at such remuneration and out of pocket expenses that may be determined by the Audit Committee/Board of Directors."

SPECIAL BUSINESS:

5. To increase the remuneration of Shri Mahendra Nahata (DIN:00052898), the Managing Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 ("the Act"), read with Schedule V to the said Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and as per the Articles of Association of the Company and subject to such other approval(s) or sanctions(s) as may be required, the consent of the Company be and is hereby accorded to the revision of salary and other perks of Shri Mahendra Nahata as the Managing Director of the Company w.e.f. 1st April, 2017 for the remaining period of his tenure i.e. up to 30th September, 2018 as per details given in the Statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors (which term shall be deemed to include any Committee including the Nomination and Remuneration Committee of the Board) be and is hereby authorised to vary or increase the remuneration as specified in the Statement annexed hereto from time to time as it may deem fit and as may be acceptable to Shri Mahendra Nahata provided that such variation or increase, as the case may be, is within the overall limits as specified under the relevant provisions of the Act.

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

6. To consider and approve HFCL Employees' Long Term Incentive Plan-2017 and its implementation through trust and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) read with Section 67 of the Companies Act, 2013, Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (hereinafter referred to as "SEBI SBEB Regulations"), the provisions of the Memorandum and Articles of Association of the Company, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other prevailing statutory guidelines in that behalf (hereinafter together referred to as "the Extant Guidelines") and subject to such other approvals, permissions and sanctions as may be necessary from appropriate authorities and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee including the Nomination, Remuneration and Compensation Committee which the Board has constituted to exercise its powers, including the powers conferred by this resolution), approval and consent of the members of the Company be and is hereby accorded to the Board to approve, introduce and implement HFCL Employees' Long Term Incentive Plan- 2017 (hereinafter referred to as the "HFCL 2017 Scheme/ Scheme") and to create, offer and grant options/units/shares not exceeding 2,50,00,000 (Two Crore Fifty Lakh Only) convertible into equivalent number of equity shares of the Company to the present and future employees of the Company who are in permanent employment of the Company including Directors of the Company whether whole-time or not (except Independent Directors, Promoters or person belonging to Promoter Group and Directors who directly or indirectly holds more than 10% of the outstanding equity shares of the Company), and whether working in India or outside India as may be selected by the Board on the basis of criteria prescribed in the Scheme (collectively referred as "Eligible Employees") in one or more tranches, at such price and on such other criteria and terms and conditions as may be fixed or determined by the Board in accordance with Scheme, SEBI SBEB Regulations and in due compliance with other applicable laws and regulations.

RESOLVED FURTHER THAT approval and consent of the members of the Company be and is hereby accorded to the Board to implement HFCL Employees' Long Term Incentive Plan-2017 through employees benefit Trust of the Company i.e. HFCL Employees Trust (hereinafter referred to as "Trust") and the Trust to subscribe, acquire, purchase, hold and deal in equity shares of the Company through subscription of the shares and Trust be and is hereby authorized to do all such acts, deeds and things as may be incidental or ancillary in this regard.

RESOLVED FURTHER THAT the Company shall confirm to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the HFCL Employees' Long Term Incentive Plan-2017.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do the following:-

- i) administer, implement and superintend the HFCL Employees' Long Term Incentive Plan-2017 through HFCL Employees Trust;
 - ii) determine the terms and conditions of grant, issue, re-issue, cancel and withdrawal of stock options/ units/ shares from time to time;
 - iii) issue and allot equity shares upon exercise of options/ units from time to time in accordance with the Scheme and such equity shares shall rank pari-passu in all respects with the then existing equity shares of the Company.
 - iv) to take necessary steps for listing of the equity shares allotted under the HFCL Employees' Long Term Incentive Plan-2017 on the Stock Exchanges where the equity shares of the Company are listed as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the other applicable laws, guidelines, rules and regulations.
 - v) formulate, approve, evolve, decide upon and bring into effect, suspend, withdraw HFCL Employees' Long Term Incentive Plan-2017 and to make any modifications, changes, variations, alterations or revisions in it, as it may deem fit, from time to time in conformity with the provisions of the Companies Act 2013, the SEBI SBEB Regulations and other applicable laws, circulars and guidelines, unless such modifications, changes, variations, alterations, or revisions is detrimental to the material interest of the employees of the Company with regard to the options/units that may have already been granted or shares vested.
 - vi) do all such acts, deeds, things and matters as may be considered necessary or expedient including delegation of all or any of the powers herein conferred by this resolution to any committee of directors, director, officer or authorized representative of the Company; and
 - vii) settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company".
7. To consider and approve extending benefits of HFCL Employees' Long Term Incentive Plan-2017 to the employees of subsidiary companies and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (hereinafter referred to as "SEBI SBEB Regulations"), the provisions of the Memorandum and Articles of Association of the Company, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other prevailing statutory guidelines in that behalf (hereinafter together referred to as "the Extant Guidelines") and subject to such other approvals, permissions and sanctions as may be necessary from appropriate authorities and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee including the Nomination, Remuneration and Compensation Committee which the Board has constituted to exercise its powers, including the powers conferred by this resolution), approval and consent of the members of the Company be and is hereby accorded to the Board to extend the benefits of HFCL Employees' Long Term Incentive Plan-2017 (hereinafter referred to as the "HFCL 2017 Scheme/ Scheme"), within the overall ceiling of 2,50,00,000 (Two Crore Fifty Lakh Only) Options/Units convertible into equivalent number of equity shares of the Company to the present and future employees of the any existing and future subsidiary(ies) of the Company, who are in permanent employment of the subsidiary(ies) including its directors whether whole-time or not (except Independent Directors, Promoters or person belonging to Promoter Group and Directors who directly or indirectly holds more than 10% of the outstanding equity shares of the Company), and whether working in India or outside India as may be selected by the Board on the basis of criteria prescribed in the Scheme in one or more tranches and on such other criteria, terms and conditions as may be fixed or determined by the Board in accordance with Scheme, SEBI SBEB Regulations and in due compliance with other applicable laws and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of the Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company".

8. To consider and approve authorization to HFCL Employees Trust to subscribe, acquire, hold, transfer shares under the HFCL Employees' Long Term Incentive Plan-2017 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and Section 67 of the Companies Act, 2013, Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (hereinafter referred to as “SEBI SBEB Regulations”), the provisions of the Memorandum and Articles of Association of the Company, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other prevailing statutory guidelines in that behalf (hereinafter together referred to as “the Extant Guidelines”) and subject to such other approvals, permissions and sanctions as may be necessary from appropriate authorities and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any committee including the Nomination, Remuneration and Compensation Committee which the Board has constituted to exercise its powers, including the powers conferred by this resolution), approval and consent of the members of the Company be and is hereby accorded to HFCL Employees Trust (hereinafter referred to as “Trust”) to subscribe, acquire, hold, transfer and to deal in the shares of the Company up to 2,50,00,000 (Two Crore Fifty Lakh Only) fully paid up equity shares of the Company of face value of Re.1/- each for implementation of the Employees’ Long Term Incentive Plan-2017 (hereinafter referred to as the “HFCL 2017 Scheme/ Scheme”) in one or more tranches, at such price or prices and on such terms and conditions as may be decided by the Trust in accordance with the Scheme, SEBI SBEB Regulations and in due compliance with other applicable laws and regulations.

RESOLVED FURTHER THAT the Trustees of the Trust shall ensure compliances of the provisions of the SEBI SBEB Regulations, the Companies Act, 2013 and Rules made thereunder and all other applicable laws and regulations at all times in connection with dealing with the shares of the Company including but not limited to maintenance of proper books of accounts, records and documents as may be prescribed.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of the Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company”.

9. To consider and approve to grant loans to HFCL Employees Trust for subscription of HFCL shares under HFCL Employees’ Long Term Incentive Plan-2017 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the applicable provisions of the Section 67 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (hereinafter referred to as “SEBI SBEB Regulations”), the provisions of the Memorandum and Articles of Association of the Company, Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014 as amended from time to time and subject to such other approvals, permissions and sanctions as may be necessary from appropriate authorities and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any committee including the Nomination, Remuneration and Compensation Committee which the Board has constituted to exercise its powers, including the powers conferred by this resolution), approval and consent of the members of the Company be and is hereby accorded to Board of Directors of the Company (hereinafter referred to as “Board”) to grant loan to HFCL Employees Trust (hereinafter referred to as “Trust”) in one or more tranches not exceeding 5% of the aggregate of paid-up capital and free reserves of the Company for the purpose of subscription of equity shares of the Company by the Trust for extending the benefits to employees of the Company under HFCL Employees’ Long Term Incentive Plan-2017 (hereinafter referred to as the “HFCL 2017 Scheme/ Scheme”) or any other employee stock option plan or share based employee benefit plan, which may be introduced by Company from time to time as permitted under and in due compliance with the provisions of SEBI SBEB Regulations, the Companies Act, 2013, Rules framed thereunder and other applicable rules and regulations.

RESOLVED FURTHER THAT in order to enable the Trust to acquire the Equity Shares of the Company, the amount of loan to be provided by the Company to the Trust, from time to time, shall be worked out based on the value of the shares to be allotted in terms of the HFCL 2017 Scheme.

RESOLVED FURTHER THAT the Company will compensate the Trust for the difference between exercise price received from employee and the price at which Trust acquired the shares of the Company”.

RESOLVED FURTHER THAT any loan provided by the Company shall be repayable to and recoverable by the Company from time to time during the term of the Scheme.

RESOLVED FURTHER THAT the Trustees of the Trust shall ensure compliances of the provisions of the SEBI SBEB Regulations, Companies Act, 2013 and Rules made thereunder and all other applicable laws and regulations at all times in connection with dealing with the shares of the Company including but not limited to maintenance of proper books of accounts, records and documents as may be prescribed.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of the Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company”.

10. To Issue Convertible Warrants on preferential basis and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (**“Act”**), the rules and regulations issued by the Securities and Exchange Board of India (**“SEBI”**), including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the **“SEBI ICDR Regulations”**), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the **“Listing Regulations”**) and the policies, rules, regulations, guidelines, notifications and circulars, if any, issued by the Government of India or any other competent authority, from time to time, to the extent applicable including the provisions of the Memorandum of Association and Articles of Association of the Company, and subject to the permissions, consents, sanctions and approval by any authority, as may be necessary, and subject to such conditions and modifications as might be prescribed while granting such permissions, consents, sanctions and approvals which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **“Board”**, which term shall be deemed to include any committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, the consent of the Company be and is hereby accorded to the Board to create, issue, offer, and allot, from time to time in one or more tranches, 4,50,00,000 (Four Crore Fifty Lakh

Only) Convertible Warrants (**“Warrants”**) on a preferential basis to Promoters/ Promoter Group of the companies (as defined in the SEBI ICDR Regulations) and non-promoter persons / entity (**“Warrant Holder”**), with a right to Warrant Holder to apply for and get allotted one equity share of face value of Re.1/- (Rupee One Only) each (the **“Equity Shares”**) for each Warrant, within a period of 18 (Eighteen) months from the date of allotment of Warrants, at a price of Rs.16/- each (Rupees Sixteen Only) which is more than the price as arrived in accordance with SEBI ICDR Regulations aggregating to Rs.72 Crore (Rupees Seventy Two Crore Only).

RESOLVED FURTHER THAT in accordance with the provisions of Chapter VII of the SEBI ICDR Regulations, the **“Relevant Date”** for the purpose of determining the minimum issue price for the issue of warrants/equity shares arising on conversion of warrants is 24th August, 2017 (since 25th August, 2017 / 26th August, 2017 falls on holiday / weekend), which is 30 (Thirty) days prior to the date of the shareholders’ meeting to be held on 25th September, 2017.

RESOLVED FURTHER THAT in accordance with the applicable provisions of the SEBI ICDR Regulations, the Warrant Holder shall pay an amount equivalent to at least 25% of the price fixed per Warrant on or before the allotment of the Warrants.

RESOLVED FURTHER THAT the said Warrants shall be issued and allotted by the Company within a period of 15 (Fifteen) days from the date of passing of this resolution, provided that where the allotment of the said Warrants is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 (Fifteen) days from the date of receipt of last of such approvals.

RESOLVED FURTHER THAT the Board be and is hereby authorized to determine, vary, modify, alter any of the terms and conditions of the proposed issue of Warrants including reduction of the size of the issue, as it may deem expedient, in its discretion.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue of Warrants shall be subject to following terms:

- (i) The Warrants may be exercised by the Warrant Holder at any time before the expiry of 18 (Eighteen) months from the date of allotment of the Warrants (**“Tenure”**);
- (ii) In the event the Warrant Holder does not exercise the Warrants within 18 (Eighteen) months from the date of allotment of the Warrants, the Warrants shall lapse and the amount paid on such Warrants shall stand forfeited by the Company;
- (iii) The Warrant Holder shall be entitled to exercise the option of exercising any or all of the Warrants in one or more tranches by way of a written notice to the Company, specifying the number of Warrants

- proposed to be exercised along with the aggregate amount thereon, without any further approval from the shareholders of the Company prior to or at the time of conversion. The Company shall accordingly, issue and allot the corresponding number of Equity Shares to the Warrant holder;
- (iv) The Company shall procure that within 30 (Thirty) days of the issuance and allotment of any Equity Shares to the Warrant Holder upon exercise of Warrants, the listing and trading approvals for such Equity Shares are received from the relevant stock exchanges;
 - (v) The Equity Shares to be so allotted on exercise of the Warrants shall be in dematerialized form and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and shall rank pari-passu in all respects including dividend, with the existing Equity Shares of the Company;
 - (vi) Upon exercise of the Warrants by the Warrant Holder, the Company shall issue and allot appropriate number of Equity Shares and perform such actions as are required to credit the Equity Shares to the depository account of Warrant Holder and entering the name of Warrant Holder in the records of the Company as the registered owner of such Equity Shares;
 - (vii) A Warrant subscription price equivalent to 25% of the issue price of the Equity Shares will be payable at the time of subscription to the Warrants, as prescribed by Regulation 77 of the SEBI ICDR Regulations. A Warrant exercise price equivalent to the 75% of the issue price of the Equity Shares will be payable by the Warrant holder at the time of exercising the Warrant;
 - (viii) The issue of the Warrants as well as Equity Shares arising from the exercise of the Warrants shall be governed by the regulations and guidelines issued by SEBI or any other statutory authority as the case may be or any modifications thereof;
 - (ix) Subject to the provisions of Chapter VII of the SEBI ICDR Regulations, the Warrants and equity shares allotted on exercise of such Warrants will be transferable within the Promoters and persons forming part of Promoter Group;
 - (x) In the event that the Company completes any form of capital restructuring prior to the conversion of the Warrants, then, the number of Equity Shares that each Warrant converts into and the price payable for such Equity Shares, shall be adjusted accordingly in a manner that, to the extent permitted by applicable laws, Warrant holder: (a) receives such number of Equity Shares that Warrant holder would have been entitled to receive; and (b) pays such consideration for such Equity Shares to the Company which Warrant holder would have been required to pay, had the Warrants been exercised immediately prior to the completion of such capital restructuring;
 - (xi) The Warrants and the Equity Shares allotted pursuant to exercise of such Warrants shall be subject to a lock-in for such period as specified under Chapter VII of ICDR Regulations relating to preferential issues;
 - (xii) The Warrants by itself, until exercise of conversion option and Equity Shares allotted, does not give to the Warrant holder thereof any rights with respect to that of a shareholder(s) of the Company; and
 - (xiii) Until the Warrants are transferred, the Company shall treat Warrant Holder as the absolute owner for all purposes without being affected by any notice to the contrary.
- RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted upon exercise of the option in the Warrants held by the holder(s) of the Warrants.
- RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolution, including issue of offer letter, making necessary filings with the stock exchanges and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint any other professional advisors, consultants and legal advisors to give effect to the aforesaid resolution.
- RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as they may in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, effecting any modifications or changes to the foregoing (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents without being required to seek any fresh approval of the shareholders of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Warrants and Equity Shares and utilisation of proceeds of the Warrants and Equity Shares issued upon exercise of such Warrants, take all other steps which may be incidental, consequential, relevant or ancillary to give effect to the aforesaid resolution”.

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

By order of the Board

(Manoj Baid)

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

Place: New Delhi
Date: 26th August, 2017

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF THE PROXY IS ENCLOSED. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED NOT LATER THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
3. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and share transfer books of the Company will remain closed from 19th September, 2017 to 23rd September, 2017 (both days inclusive) for the purpose of Annual General Meeting (AGM).
4. Members are requested:
 - i) to kindly notify the change of address, if any, to the Company/their Depository Participant.
 - ii) to bring their attendance slip along with their copy of the Annual Report in the Meeting.
 - iii) to deposit the duly completed attendance slip at the Meeting.
5. Members may use the facility of nomination. A Nomination Form will be supplied to them on request.
6. Members desiring any information with regard to Annual Accounts/Report are requested to submit their queries addressed to the Company Secretary at least ten days in advance of the Meeting so that the information called for can be made available at the Meeting.
7. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
8. Relevant documents referred to in the accompanying Notice and Statement are open for inspection by the members at the Registered Office of the Company on all working days except Saturdays, Sundays and public holidays during business hours up to the date of the Annual General Meeting.
9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
10. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
11. Copies of Annual Report for financial year ended 31st March, 2017 including Notice of AGM, Attendance Slip, Proxy Form and instructions for e-Voting are being sent by electronic mode only to all the members whose email addresses are registered with the Company/Depository Participant(s) unless any member has requested for a hard copy of the same. Members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses so that they can receive the Annual Report and other communications from the Company electronically in future. For members who have not registered their e-mail addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
12. The copies of the Annual Reports will not be distributed at the AGM. Members are requested to bring their copies to the meeting. The Annual Report of the Company is also available on the Company's website www.hfcl.com.
13. Information and other instructions relating to remote e-Voting are as under:
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by Institute of Company Secretaries of India, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-Voting") will be provided by National Securities Depository Limited (NSDL).
 - II. The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-Voting shall be able to exercise their right at the meeting through polling paper.

III. The members who have cast their vote by remote e-Voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-Voting period commences on 22nd September, 2017 (9:00 A.M.) and ends on 24th September, 2017 (5:00 P.M.). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18th September, 2017, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-Voting are as under:

A. In case a Member receives an email from NSDL [for Members whose Email IDs are registered with the Company/Depository Participant(s)] :

- (i) Open email and open PDF file viz; "HFCL e-Voting" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-Voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-Voting opens. Click on remote e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" of "Himachal Futuristic Communications Limited".
- (viii) Now you are ready for remote e-Voting as Cast Vote page opens.
- (ix) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total

shareholding as on the cut-off date.

- (x) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (xi) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xii) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xiii) 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. who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer@hfcl.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for Members whose Email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy] :

- (i) Initial password is provided on the letter enclosed with the Annual Report.
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-Voting user manual for Members available at the downloads section of www.evoting.nsd.com or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password/PIN for casting your vote.

VIII. 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 of 18th September, 2017.

IX. 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. 18th September, 2017 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer at secretarial@hfcl.com and /RTA at admin@mcsregistrars.com.

However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsd.com or contact NSDL at the following toll free no.: 1800-222-990.

Note: In case Shareholder are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID). In case Shareholder are holding shares in physical mode, USER-ID is the combination of (Even No. +Folio No.).

- X. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting as well as voting at the AGM through polling paper.
- XI. Shri Baldev Singh Kashtwal, Company Secretary in whole-time-practice having Membership No. 3616 and C.P. No. F3169 has been appointed as the Scrutinizer to scrutinize the poll and remote e-Voting process in a fair and transparent manner.
- XII. The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.
- XIII. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XIV. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.hfcl.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).
- XV. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of Annual General Meeting i.e. 25th September, 2017.
- XVI. Route Map of the venue of 30th Annual General Meeting is enclosed in the Notice of Annual General Meeting.

Details of Directors retiring by rotation and proposed to be re-appointed and increase in remuneration of Shri Mahendra Nahata, Managing Director Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India.

Name of the Director	Shri Arvind Kharabanda	Shri Mahendra Nahata
DIN	00052270	00052898
Date of Birth	09.03.1947	19.05.1959
Date of first Appointment	30.10.2004	11.05.1987
Experience/Expertise in Specific Functional Areas	Shri Arvind Kharabanda has got over 42 years experience in managerial positions, projects implementation and finance.	Shri Mahendra Nahata is a Commerce Graduate from Calcutta University and has business experience of over 34 years. Shri Nahata is the promoter director of Himachal Futuristic Communications Ltd. Shri Nahata is the visionary behind the Company's R&D, technology partnerships, business development and marketing initiatives.
Qualification(s)	CA	B.Com (Hons.)
Directorship in other Companies	1. India Sign Private Ltd. 2. My Box Technologies Private Ltd.	1. HTL Ltd. 2. Reliance Jio Infocomm Ltd. 3. DragonWave HFCL India Private Ltd. 4. MN Ventures Private Ltd. 5. India Card Technology Private Ltd. 6. HFCL Advance Systems Private Ltd. 7. Krishiv Ventures Private Ltd. 8. Pranatharhi Ventures Private Ltd.

Name of the Director	Shri Arvind Kharabanda	Shri Mahendra Nahata
Chairmanship/ Membership of Committees (across all public Cos.)	Himachal Futuristic Communications Ltd. - Audit - Member Stakeholders Relationship – Member	
Shareholding in the Company	Nil	73,477 equity shares
Relationship with other Directors and KMPs of the Company	N.A.	N.A.
No. of Board Meetings held/ attended	4/4	4/4
Last Remuneration drawn (per annum)	Rs. 29,67,373/- (including Rs.4,75,000/- as sitting fees and Rs.10,00,000/- as gratuity)	Rs. 4,56,00,000/-

The above information may be treated as part of Statement annexed under Section 102 of the Companies Act, 2013 for item no(s) 3 and 5 of the AGM Notice. The Board of Directors recommends the re-appointment of Shri Arvind Kharabanda as a Director and increase in the remuneration of Shri Mahendra Nahata, Managing Director of the Company for remaining period of his tenure.

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

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

ITEM NO. 5

The Nomination and Remuneration Committee and the Board of Directors of the Company (the “Board”) at their respective meetings held on 10th May, 2017 has approved the increase in the remuneration of Shri Mahendra Nahata, Managing Director of the Company w.e.f. 1st April, 2017 for his remaining period of tenure i.e. up to 30th September, 2018 subject to the approval of members as per details given below:

- (a) Salary: Rs.5.0 crore per annum
- (b) Perquisites and Allowances: Rs.1.20 crore 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 utilization of gas, electricity, water, furnishing and repairs; medical reimbursement; leave travel concession for self and family including dependents; medical insurance and such other perquisites and/or allowances. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof. In the absence of any such rules, perquisites, and allowances shall be evaluated at actual cost.

The Company’s contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or taken together are not taxable under the Income Tax law, gratuity payable and encashment of leave shall not be included for the purpose of computation of the overall ceiling of remuneration. The increment in salary and perquisites and allowances as may be determined by the Board and/or the Nomination & Remuneration 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 Companies Act, 2013.

- (c) 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 perquisites.
- Notwithstanding anything to the contrary contained herein, where in a financial year, during the currency of the tenure of Shri Mahendra Nahata, the Company has no profit or its profits are inadequate, the Company shall subject to the approval of the Central Government wherever required and subject to the provision of Sections 196, 197 and 203 of the Companies Act, 2013 (“Act”) and subject to the conditions and limits specified in Schedule V of the Act, pay to Shri Mahendra Nahata basic salary, perquisites and allowances as specified above as minimum remuneration.
- (d) 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 office of the Managing Director may be terminated by the Company or by the Managing Director by giving the other 6 (six) months’ prior notice in writing.

Shri Mahendra Nahata is a Commerce Graduate from Calcutta University and has business experience of over 34 years. Shri Nahata is the promoter director of Himachal Futuristic Communications Ltd. Shri Nahata is the visionary behind the Company's R&D, technology partnerships, business development and marketing initiatives. Shri Nahata is one of the Pioneer in the new age telecom sector in India and had been associated with many esteemed forums related to the telecom industry. In the past, Shri Nahata had been Member of Board of Governors of Indian Institute of Technology, Bombay and Indian Institute of Technology, Madras. He had also been the Member of the Board of Governors of Indian Institute of Information Technology, Allahabad and Member of Council of Scientific & Industrial Research, Government of India.

DISCLOSURES AS REQUIRED UNDER SCHEDULE V OF THE COMPANIES ACT, 2013 ARE GIVEN HEREUNDER:

I. General information:

(1) Nature of Industry

Himachal Futuristic Communications Limited (HFCL) is a leading telecom infrastructure developer, system integrator and manufacturer of high-end telecom equipment and optical fiber cables (OFC).

(2) Date or expected date of commencement of commercial production

Commercial production already started in October, 1989.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not Applicable.

(4) Financial performance based on given indicators

During the financial year ended 31st March, 2017, Company has made a total revenue of Rs.2260.86 Crores as compared to a total revenue of Rs.2880.72 Crores during the financial year ended 31st March, 2016. The Company has earned a net profit of Rs.123.72 Crores in the financial year ended 31st March, 2017 as against the profit of Rs.150.45 Crores in the previous financial year ended 31st March, 2016.

(5) Foreign investments or collaborations, if any.

Not Applicable.

II. Information about the appointee:

(1) Background details:

Already given in the foregoing paragraphs

(2) Past remuneration:

FY 2016-17 - Rs.3,35,20,000/-

FY 2015-16 – Rs.2,14,44,736/-

(3) Recognition or awards

In recognition of vast experience in the telecom industry, Shri Mahendra Nahata, Managing Director had been President of Telecom Equipment Manufacturing Association of India for a period of two years. He had been conferred with the "Telecom Man of the Millennium" awarded by Voice & Data Magazine in 2003.

(4) Job profile and his suitability

Shri Mahendra Nahata is the promoter and Managing Director of the Company. He leads the overall strategy and planning, business development and marketing activities of the Company. Shri Nahata has participated in large number of national/international conferences/seminars on the telecom industry. Shri Nahata's contribution to the telecom sector are commendable and many milestones in the sector has been achieved due to his initiatives and entrepreneurship.

(5) Remuneration proposed

Already mentioned in the foregoing paragraphs.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be respect to the country of his origin)

From Annual revenue of Rs.288 Crores in financial year 2012, Company has come a long way in recording revenue of Rs.2260.86 Crores with net profit of Rs.123.72 Crores in the financial year 2017. During these years, Company's revenue and net profit has grown tremendously. Our thrust on turnkey contracts and services helped sustain our growth momentum, while also aiding growth of our telecom product business. Shri Nahata's experience and expertise in the telecom sector has brought the Company at this stage. It is Shri Nahata's sincere efforts that have drove the Company towards the growth path during these years. In view of above, the Nomination and Remuneration Committee and Board of Directors at its respective meetings held on 10th May, 2017 has approved the increase in the remuneration of Shri Nahata. The increased remuneration payable to Shri Nahata is commensurate with the other organization of the similar type, size and nature in the Telecom Industry.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Except for the proposed remuneration, Shri Mahendra Nahata does not have any pecuniary relationship with the Company or with any other key managerial personnel.

III. Other information:

(1) Reason of loss or inadequate profits

Presently, the Company has adequate profits to pay the proposed remuneration.

(2) Steps taken or proposed to be taken for improvement

As mentioned above our thrust on turnkey contracts and services helped sustain our growth momentum, while also aiding growth of our telecom product business. With both these segments attaining sizeable market share, customer confidence and financial independence, we have successfully added dedicated business divisions for Railways and Defence. The synergetic move is backed by our proven capabilities in telecom products and turnkey services, which map well with sizeable opportunities unfolding in Indian Railways and Defence sector. Electronic security and surveillance, a big enabler of homeland security and a must add feature for smart cities, offers another area of significant growth for us.

(3) Expected increase in productivity and profits in measurable terms

With the continued efforts of Government of India and political stability in the country, the business and consumer confidence are expected to improve further in the coming financial years. The various policy decisions taken would act as growth channel for the Company which would contribute in increased revenue and profits.

IV. Disclosures

The necessary disclosures on remuneration etc. have been made under Corporate Governance Report which forms the part of the Annual Report.

It is, therefore, proposed to seek the members approval for increase in remuneration payable to Shri Mahendra Nahata as Managing Director in terms of the applicable provisions of the Act.

The above may be treated as a written memorandum setting out the terms of increase in remuneration of Shri Mahendra Nahata under Section 190 of the Act.

Shri Mahendra Nahata is interested in the resolution as set out at Item No. 5 of the Notice which pertains to his increase in remuneration payable to him. The relatives of Shri Mahendra Nahata may be deemed to be interested in this resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/ their relatives are in any way, concerned or interested, financially or otherwise, in this resolution.

Your directors commends the Special Resolution set out at Item no. 5 of the Notice for your approval.

ITEM NO.(s) 6,7,8 & 9

The human resource plays a vital role in growth and success of a Company. To enable employees to participate in the enhancement of shareholders' value, the Company proposes to provide Stock Options to its employees. Stock options are an effective instrument to align interests of employees with those of the Company and provides an opportunity to employees to participate in the growth of the Company, besides creating long term wealth in their hands. This also help the Company in attracting, motivating and retaining the best talent.

The Nomination, Remuneration and Compensation Committee and the Board of Directors in their respective meetings held on 26th August, 2017 subject to the approval of the members have approved the "HFCL Employees' Long Term Incentive Plan-2017" and have decided to implement this Plan via the trust route. The Company has formed a trust by the name and style of HFCL Employees Trust (hereinafter referred to as "Trust") and Trust will subscribe, acquire, hold, transfer and deal in the equity shares of the Company.

The Nomination Remuneration and Compensation Committee has recommended to introduce Employees Stock Option Plan in the Company to meet the following key objectives:

1. Promote entrepreneurial behaviour, foster ownership, innovation, creativity and responsibility.
2. Encourage collaboration for achievement of organizational performance goals and success by aligning the financial interest of employees with that of other shareowner of the Company.
3. Provide an avenue for reward and retention of key talents as the Company grows.
4. Providing employees an opportunity to acquire or expand equity interest in the Company.

The salient features and other details of the HFCL Employees' Long Term Incentive Plan-2017 as per the Regulation 6(2) of SEBI (Share Based Employee Benefits) Regulations, 2014 are as under:

a) Brief description of the Scheme:

The Scheme shall be called as the "HFCL Employees' Long Term Incentive Plan-2017" (hereinafter referred to as the "HFCL 2017 Scheme/ Scheme") and shall extend the benefits to the present and future employees of the Company, who are in permanent employment of the Company including Directors of the Company whether whole-time or not (except Independent Directors, Promoters or person belonging to Promoter Group and Directors who directly or indirectly holds more than 10% of the outstanding equity shares of the Company), and whether working in India or outside India as may be selected by the Board on the basis of criteria prescribed in the Scheme (collectively referred as "Eligible Employees")

HFCL 2017 Scheme will be implemented through HFCL Employees Trust which will subscribe, hold, transfer and deal in the shares of the Company.

The benefits of the Scheme shall also be extended to employees of the subsidiary company(ies) in India or outside India.

The HFCL 2017 Scheme comprises of the following three sub-set:

- i) Employee Stock Option Plan (ESOP) under which Options would be granted;
- ii) Restricted Stock Units Plan (RSUP) under which Units would be granted;
- iii) Employee Stock Purchase Scheme (ESPS) under which shares would be issued.

b) The total number of options, units, shares or benefits, as the case may be, to be granted:

The total number of options/units/shares that may be granted would be such number which shall entitle the option/units/shares holders to acquire in one or more tranches not exceeding 2,50,00,000 equity shares of the Company of the face value of Re. 1/- each. Each such option/unit would confers a right upon the option/unit holder to apply for 1 (one) equity share of the Company in accordance with the terms and conditions of the Scheme.

c) Identification of classes of employees entitled to participate and be beneficiaries in the Scheme:

The present and future employees of the Company who are in permanent employment of the Company including Directors of the Company whether Whole-time or not (except Independent Directors, Promoters or person belonging to Promoter Group and Directors who directly or indirectly holds more than 10% of the outstanding equity shares of the Company), and whether working in India or outside India shall be entitled to participate and be beneficiaries in the Scheme. As stated above, employees of the subsidiary company(ies) in India or outside India shall also be eligible to participate and be beneficiary of the Scheme. The Nomination, Remuneration and Compensation Committee may consider the position and responsibilities of the employee, period of service, the nature and value to the Company of the employee's services and accomplishments, the employee's present and potential contribution to the success of the Company etc. While granting an option/unit the Committee may consider such performance conditions as may be prescribed by the Committee.

d) Requirement of vesting and period of vesting:

The Vesting Period of the options/units issued under the ESOP/RSUP respectively, shall be decided by Nomination, Remuneration and Compensation Committee from time to time but shall not be less than one year from the date of Grant(s) of Option(s)/Unit(s). The option/unit may vest in one or more tranche(s) subject to the terms and conditions as may be stipulated by the Nomination, Remuneration and Compensation Committee.

The lock-in period on the shares issued under the ESPS shall be decided by Nomination, Remuneration and Compensation Committee from time to time but shall not be less than one year from the date of issue.

e) Maximum period (subject to Regulation 18(1) and 24(1) of the Regulations, as the case may be) within which the options / units / shares / benefits shall be vested:

All the options/units will get vested within a maximum period of five years from the date of grant unless otherwise decided by the Nomination, Remuneration and Compensation Committee.

f) Exercise price, purchase price or pricing formula:

The exercise price of the options shall be determined by the Nomination, Remuneration and Compensation Committee at the time of grant of the options. Such price shall not be less than as per the closing market price of the share on the stock exchanges where the shares of the Company are listed, immediately prior to the date of grant of the options, subject to conformity of accounting policies specified in the Regulation 15 of SEBI (Share Based Employee Benefits) Regulations, 2014. The exercise price of restricted stock unit will be Re.1/-.

The shares issued under the Employee Stock Purchase Scheme (ESPS) will be issued at a 15% discount to the closing market price of the share of the Company as on the National Stock Exchange of India Limited (NSE) immediately prior to the date of issue.

g) Exercise period and process of Exercise:

The maximum exercise period for exercising the options/units shall be five years from the respective dates of the vesting of the options/units unless otherwise decided by the Nomination, Remuneration and Compensation Committee. The options/units granted under the Scheme would be exercisable by the employee within the maximum exercise period by submitting an exercise form to the authorized representative of the Company during the exercise window which will open on a quarterly basis. After the expiry of the exercise period, the unexercised options/units, if any shall lapse. The lapsed options/units shall be available for fresh grants to other eligible employees.

h) The appraisal process for determining the eligibility of employees for the Scheme:

The Nomination, Remuneration and Compensation Committee may consider the position and responsibilities of the employee, period of service, the nature and value to the Company of the employee's services and accomplishments, the employee's present and potential contribution to the success of the Company, the remaining period of employee's service with the Company, performance link parameters and/or any such other criteria that may be determined by the Nomination, Remuneration and Compensation Committee in its sole discretion.

i) Maximum number of Options, Units, Shares as the case may be, to be issued per employee and in aggregate:

The maximum number of options/units/shares granted to any one employee in a year will not equal to or exceed 1% of the issued equity share capital of the Company (excluding outstanding warrants and conversions, if any) at the time of grant of the options. To grant options/units/shares in excess of the aforesaid limit, the approval of the shareholders would be sought by way of a separate resolution.

The aggregate of all grants of options /units/shares shall not exceed 2,50,00,000 equity shares.

j) Maximum quantum of benefits to be provided per employee under a Scheme:

The maximum quantum of benefit to be provided under the Scheme will be difference between the exercise price and the market value of share on the date of exercise of the options/units. Similarly, in the case of shares, the maximum quantum of benefits to be provided under the ESPS will be difference between the issue price and the market value of shares on the date of issue.

k) Whether the Scheme is to be implemented and administered directly by the Company or through a trust:

The Scheme shall be implemented and administered by the HFCL Employees Trust.

l) Whether the Scheme involves new issue of shares by the Company or secondary acquisition by the trust or both:

The Company will issue new shares as required and HFCL Employees Trust to subscribe, hold, transfer and deal in the shares of the Company. The trust would not be making secondary acquisitions of shares.

m) The amount of loan to be provided for implementation of the Scheme by the Company to the Trust, its tenure, utilization, repayment terms etc.:

Amount of loan to be provided by the Company to the Trust shall not exceed 5% of the paid up equity capital and free reserves as at the end of financial year immediately prior to the year in which the shareholder approval is obtained. The tenure of the loan would be till the objects of the Trust are accomplished or the re-payment of the loan is made whichever is earlier. The loan amount shall be utilized by the Trust for its objects as mentioned in the Trust Deed including subscription of shares for implementation of the HFCL 2017 Scheme. The loan shall be repaid by the Trust in one or more installments, by utilising the proceeds received by it from the exercise price paid by the employees in respect of the options/units/shares.

n) Maximum percentage of secondary acquisition (subject to limits specified under the Regulations) that can be made by the trust for the purpose of the Scheme:

Nil

o) A Statement to the effect that the Company shall conform to the accounting policies specified in Regulation 15:

The Company shall comply with the disclosures, the accounting policies and other requirements as prescribed under Regulation 15 of SEBI (Share Based Employee Benefits) Regulations, 2014.

p) The method which the Company shall use to value its options:

The Company shall adopt the fair value method or any of the method as per applicable accounting standards.

The disclosures as per Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014, are as under:

The class of employees for whose benefit the plan is being implemented and money is being provided for purchase of or subscription to shares	Present and future employees of the Company who are in permanent employment of the Company including Directors of the Company whether whole-time or not (except Independent Directors, Promoters or person belonging to Promoter Group and Directors who directly or indirectly holds more than 10% of the outstanding equity shares of the Company), and whether working in India or outside India. Employees of the subsidiary company(ies) in India or outside India are also included.
The particulars of the trustee or employees in whose favor such shares are to be registered	Name of the Trustees: i) Shri Brij Bihari Tandon ii) Shri Pankaj Jain
Particulars of trust	Name of the Trust: HFCL Employees Trust
Name, Address, Occupation and nationality of trustees	i) Shri Brij Bihari Tandon (Former Chief Election Commissioner of India) J-238, First Floor, Saket, New Delhi – 110017 ii) Shri Pankaj Jain Chartered Accountant 6-B, PIL Court, 6th Floor, 111 M, Karve Road, Near Aaykar Bhawan, Churchgate, Mumbai - 400020
Relationship of trustees with promoters, directors or key managerial personnel, if any	None
Any interest of key managerial personnel, directors or promoters in such Scheme or trust and effect thereof	The Key Managerial Personnel and Directors are interested in the HFCL 2017 Scheme to the extent the options/units/shares may be granted to them under the Plan.
The detailed particulars of benefits which will accrue to the employees from the implementation of the Scheme	<ol style="list-style-type: none"> 1. Promote entrepreneurial behavior, foster ownership, innovation, creativity and responsibility. 2. Encourage collaboration for achievement of organizational performance goals and success by aligning the financial interest of employees with that of other shareowner of the Company. 3. Provide an avenue for reward and retention of key talents as the Company grows. 4. Providing employees an opportunity to acquire or expand equity interest in the Company.
The details about who would exercise and how the voting rights in respect of the shares to be purchased or subscribed under the scheme would be exercised	<p>Once the shares are issued to the Trust, it would be considered as the registered shareholder of the Company till the date of transfer/sale of shares upon exercise by the employees. However, the Trustees will not have any right to vote on the Equity Shares held by the Trust.</p> <p>Once the shares are transferred to the employees upon their exercise, the employees will be treated as the shareholder of the Company and shall exercise the right to vote in respect of such shares.</p>

In terms of the Companies Act, 2013 and the SEBI(SBEB) Regulations, 2014, the approval of the shareholders is sought by way of Special Resolution for the approval of the HFCL Employees' Long Term Incentive Plan-2017 and for the provisioning of money to the Trust to meet the objectives of HFCL 2017 Scheme.

The Board recommends the resolution as set out at item no.(s) 6, 7, 8 and 9 for your approval by way of special resolutions.

None of the Directors of the Company, Key Managerial Personnel of the Company and their relatives are deemed to be concerned or interested in these resolutions except to the extent of options/units/shares that may be offered to them under HFCL 2017 Scheme.

Item No.10

In order to augment the fund position of the Company, which will be utilised for the business purpose including but not limited to meet capital expenditure and working capital requirement of the Company and its subsidiaries, joint venture and affiliates including investment in subsidiaries, joint ventures and affiliates, repayment of debts, exploring acquisition opportunities and general corporate purposes, it is proposed to issue Warrants convertible into equity shares on preferential basis

Salient features of the preferential issue of Warrants are as under:

The proposed issue and allotment of Warrants, on a preferential basis, shall be governed by the applicable provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended SEBI ("**ICDR Regulations**") and the Companies Act, 2013 read with rules made there under ("**Act**"). Without generality to the above, the salient features of the preferential issue of Warrants are as under:

The "**Relevant Date**" as per the SEBI ICDR Regulations for determining the minimum price for the preferential issue of Warrants is 24th August, 2017 (since 25th August, 2017 / 26th August, 2017 falls on holiday / weekend) , which is 30 days prior to the date of the shareholders' meeting to be held on 25th September, 2017.

The minimum price as per the pricing formula prescribed under the SEBI ICDR Regulations for the preferential issue of Warrants is Rs.15.92 (Rupees Fifteen and Paisa Ninety Two Only), being higher of (a) the average of the high and low of the volume weighted average price at the National Stock Exchange of India Limited for 26 weeks prior to the relevant date viz. Rs.14.43 (Rupees Fourteen and Paisa Forty Three Only), and (b) the average of the high and low of the volume weighted average price at the National Stock Exchange of India Limited for 2 weeks prior to the relevant date viz. Rs.15.92 (Rupees Fifteen and Paisa Ninety Two Only). The Board at its meeting held on 26th August, 2017 has fixed issue price of the Warrants at Rs.16/- (Rupees

Sixteen Only) per warrant which is more than the aforesaid minimum price.

25% of the consideration for preferential issue of Warrants shall be received by the Company prior to the allotment of said warrants.

The Warrants shall be exercised within a period of 18 (eighteen) months from the date of their allotment, in one or more tranches.

At the time of exercise, the Warrant Holder shall pay the balance 75% of the consideration payable in respect of the Warrants so being exercised.

Post conversion of the Warrants, the paid-up equity share capital would be Rs.128,43,77,194 /- (Rupees One Hundred Twenty Eight Crore Forty Three Lakh Seventy Seven Thousand One Hundred Ninety Four Only) and Securities premium would increase by Rs.67.50 Crores (Rupees Sixty Seven Crores and Fifty Lakh Only) on the assumption that entire 4,50,00,000 Warrants will be subscribed by Warrant Holder and converted into equity shares by the Company on application being made by the Warrant Holder to that effect. The aforesaid increase in paid up equity share capital and Securities premium does not take into account any allotment of equity shares to be made by the Company under the HFCL Employees' Long Term Incentive Plan -2017. The Company has not made any preferential issue of securities in this financial year, other than the proposed issue of Warrants as stated in this notice.

The Warrant Holder has not sold any equity shares during the six months preceding the Relevant Date. The Warrant Holder has not subscribed to any warrants of the Company during last one year.

The other information prescribed under Regulation 73 of the SEBI ICDR Regulations is as follows:

a. Object of the preferential issue of Warrants and details of utilization of proceeds:

To meet capital expenditure and working capital requirement of the Company and its subsidiaries, joint venture and affiliates including investment in subsidiaries, joint ventures and affiliates, repayment of debt, expansion and modernization of plants, exploring acquisition opportunities and general corporate purposes.

b. The proposal or intention of the Promoter/ Directors/ Key Management Personnel to subscribe to the proposed preferential issue, if any:

Except Warrant Holder, companies forming part of the Promoter/ Promoter Group / Non-Promoter persons / entity, which will be subscribing to Warrants in the preferential issue, none of the other Promoters, Directors or Key Management Personnel of the Company intends to apply and subscribe to any of the Warrants.

c. *The shareholding pattern of the Company before and after the preferential issue of Warrants*

Sl. No.	Category	Pre-issue Shareholding (28.07.2017)		Post-issue Shareholding*	
		Number of Equity Shares held	% of Shareholding	Number of Equity Shares held	% of Shareholding
A Promoters Holding					
1	Indian Promoters				
	i) Individual	555397	0.045	555397	0.043
	ii) Bodies Corporate	474126801	38.255	489126801	38.083
2	Foreign Promoters	0	0.000	0	0.000
	Sub Total (A)	474682198	38.300	489682198	38.126
B Public Shareholding					
1	Institutional Investors				
	a) Mutual Funds/UTI	1542601	0.125	1542601	0.120
	b) Venture Capital Funds	0	0.000	0	0.000
	c) Alternate Investment Funds	0	0.000	0	0.000
	d) Foreign Venture Capital Investors	0	0.000	0	0.000
	e) Foreign Portfolio Investors	43024144	3.471	43024144	3.350
	f) Financial Institutions and Banks	85336630	6.886	85336630	6.644
	g) Insurance Companies	521000	0.042	521000	0.041
	h) Provident Funds/Pension Funds	0	0.000	0	0.000
	i) Any Others(specify)	0	0.000	0	0.000
	a) Foreign Institutional Investors	1466337	0.118	1466337	0.114
	b) Foreign Banks	5305	0.000	5305	0.000
	Sub Total (B1)	131896017	10.642	131896017	10.269
2	Central Government/State Government(s)/President of India	0	0.000	0	0.000
	Sub Total (B2)	0	0.000	0	0.000
3	Non Institutional Investors				
	a) Indian Public	353778513	28.545	363778513	28.323
	b) NBFC Registered with RBI	0	0.000	0	0.000
	c) Employee Trusts	0	0.000	0	0.000
	d) Overseas Depositories (holding DRs)	0	0.000	0	0.000
	e) Any Other				
	i. Bodies Corporates	265138379	21.393	275138379	21.422
	ii. OCBs	38250	0.003	38250	0.003
	iii. NRI (Rept.)	3562662	0.287	13562662	1.056
	iv. NRI (Non - Rept.)	1131741	0.091	1131741	0.088
	v. Foreign Nationals	7000	0.001	7000	0.001
	vi. Trust	92644	0.008	92644	0.007
	vii Clearing Members	9049790	0.730	9049790	0.705
	Sub Total (B3)	632798979	51.058	662798979	51.605
	Total Public Shareholding (B = B1 + B2 + B3)	764694996	61.700	794694996	61.874
C Non Promoter-Non Public Shareholders					
1	Custodian /DR Holder – Name of DR Holders	0	0.000	0	0.000
2	Employee Benefit Trustee (Under SEBI (Share based Employee Benefits) Regulations, 2014	0	0.000	0	0.000
	Total Non-Promoter- Non Public Shareholders (C = C1 + C2)	0	0.000	0	0.000
	GRAND TOTAL (A + B + C)	1239377194	100.000	1284377194	100.000

The above post issue shareholding pattern assumes conversion of all the Warrants into equivalent number of equity shares of the Company.

The aforesaid shareholding pattern does not take into the account the allotment of share to be made by the Company under the HFCL Employees' Long Term Incentive Plan-2017.

d. Proposed time within which preferential issue of Warrants shall be completed

As required under the SEBI ICDR Regulations, the preferential issue of Warrants shall be completed, within a period of 15 days from the date of passing of the special resolution contained in this Notice. Provided that where the allotment on preferential basis is pending on account of pendency of any approval of such allotment from any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of receipt of last such approvals.

e. The Identity of the natural persons who are the ultimate beneficial owners of the shares/ Warrants proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of pre and post preferential issue capital that may be held by them

The identity of the natural persons who are the ultimate beneficial owners of the shares/Warrants proposed to be allotted and /or who ultimately control the proposed allottees and the percentage of the pre and post preferential issue capital that may be held by them on a fully diluted basis is given in the following table:

Name & PAN of Allottee	Address	Category	Natural person who are the ultimate beneficial owners and/or who ultimately control	No. of warrants proposed to be allotted	Pre-issue Share holding		Post-issue Shareholding*	
					No. of Equity Shares	%age of equity shares	No. of Equity Shares	%age of equity shares
MN Ventures Private Limited AACCI2827E	Property No. A-14, Sector 64, Gautam Budha Nagar Uttar Pradesh, India - 201301	Promoter/ Promoter Group	Shri Mahendra Nahata Shri Anant Nahata Smt. Manju Nahata	75,00,000	23,83,90,000	19.235	24,58,90,000	19.145
NextWave Communications Private Limited (Formerly MN Enterprises Private Limited) AACCD7696J	Property No. A-14, Sector 64, Gautam Budha Nagar Uttar Pradesh, India - 201301	Promoter/ Promoter Group	Shri Anant Nahata Smt. Manju Nahata	75,00,000	21,23,65,000	17.135	21,98,65,000	17.118
Keventer Capital Limited AABCP5288P	Sagar Estate 2- Clive Ghat Street Kolkata-700001	Non- Promoter Group	Shri Mahendra Kumar Jalan Shri Mayank Jalan	1,00,00,000	-	-	1,00,00,000	0.779
Shri Shankar Sharma AMGPS6103C	Unit No. 301, Marina View Towers, Dubai Marina DUBAI	Non- Promoter Group	NA	1,00,00,000	-	-	1,00,00,000	0.779
Shri Debashish Poddar AACCD1560F	Poddar Niketan 2, Gurusdey Road Kolkata-700019	Non- Promoter Group	NA	50,00,000	-	-	50,00,000	0.389
Shri Ayush Poddar AIYPP2169F	Poddar Niketan 2, Gurusdey Road Kolkata-700019	Non- Promoter Group	NA	25,00,000	-	-	25,00,000	0.195
Smt. Mansi Poddar AKLPS3180Q	Poddar Niketan 2, Gurusdey Road Kolkata-700019	Non- Promoter Group	NA	25,00,000	-	-	25,00,000	0.195

*Assuming 100 % conversion of warrants

f. Change in control, if any, in the Company consequent to the preferential issue

As a result of the proposed issue of Warrants on a preferential basis, and upon conversion of the Warrants, there will be no change in the control of the Company.

g. Undertakings

The Company is not required to re-compute the price of the issue as the Company's shares are listed on stock exchanges for more than twenty six weeks from the relevant date and hence is not required to give undertakings.

h. Lock-in-period

(i) The warrants proposed to be allotted under this preferential offer and resultant equity shares proposed to be issued to Promoters / Promoters Group and non Promoters upon exercise of entitlements against such warrants shall be subject to lock-in for a period of three years and one year respectively from the date of trading approval granted for the equity shares in accordance with the provisions of Regulation 78 of SEBI ICDR Regulations.

- (ii) The entire pre-preferential shareholding of Warrant Holders, if any, shall also be locked-in from the relevant date upto a period of six months from the date trading approval as per Regulation 78 of the SEBI ICDR Regulations.

I. Other Disclosures

- (i) It is hereby confirmed that neither the Company nor any of its Promoters or Directors are a wilful defaulter.
- (ii) The Board, in its meeting held on August 26, 2017 has approved the issuance of Warrants on preferential basis to the Warrant Holder in the manner stated hereinabove, subject to the approval of members and other approvals, as may be required.
- (iii) A copy of the certificate from M/s. Khandelwal Jain & Co., Chartered Accountants, Statutory Auditors of the Company, certifying that the above preferential issue of Warrants is made in accordance with the applicable provisions of the SEBI ICDR Regulations, will be open for inspection at the Registered Office and Corporate Office of the Company during working hours between 9.30 a.m. and 1.00 p.m. on all working days except Saturday, Sundays and Public Holidays up to the date of the AGM. Copy of the above mentioned Statutory Auditor's certificate shall also be laid before the AGM.
- (iv) Regulation 72(1)(a) of the SEBI ICDR Regulations provides that preferential issue of specified securities by a listed company would require approval of its shareholders by way of a Special Resolution. The Board, therefore, recommends the resolution as set out in Item No. 10 above to be passed as a Special Resolution.
- (v) None of the Directors or Key Managerial Personnel of the Company and/or their relative(s) is in any way

concerned or interested, financially or otherwise, in the proposed resolution in Item No. 10 except Shri Mahendra Nahata, Managing Director, Shri Anant Nahata who are also a shareholder and a person forming part of Promoter/ Promoter group. Smt. Manju Nahata, wife of Shri Mahendra Nahata may also be treated as concerned or interested, financially or otherwise in the proposed resolution to the extent of her shareholding whether directly or indirectly in MN Ventures Private Limited and NextWave Communications Private Limited.

- (vi) Other members of promoter and promoter group shall also be deemed to be concerned or interested in the proposed Resolution in Item No. 10, by reason of their being part of the Promoter Group which also includes the Warrant Holder. Apart from the above, no other Director or Key Managerial Personnel of the Company and/or their relative(s) is in any way concerned or interested, financially or otherwise, in the proposed resolution in Item No. 10 except to the extent of their shareholding in the Company.

The above proposal is in the interest of the Company and the Board accordingly recommends the resolution No.10 accompanying in the Notice for your approval.

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

Place: New Delhi
Date: 26th August, 2017

By order of the Board

(Manoj Baid)
Vice-President (Corporate) &
Company Secretary
Membership No. FCS 5834



HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED

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

Tel +91 1792-230644, Fax +91 1792-231902

Website: www.hfcl.com; e-mail: secretarial@hfcl.com

(CIN: L64200HP1987PLC007466)

ATTENDANCE SLIP

Please fill Attendance Slip and hand it over at the entrance of the venue.

DP-Id*		Folio No.	
Client-Id*		No. of Shares	

Name and Address of the Shareholder(s) _____

Name and Address of the Proxy holder _____

I/We hereby record my/our presence at the 30th Annual General Meeting of the Company, to be held on Monday, the 25th day of September, 2017 at 11:00 A.M. at Mushroom Centre, Chambaghat, Solan-173213 (H.P.)

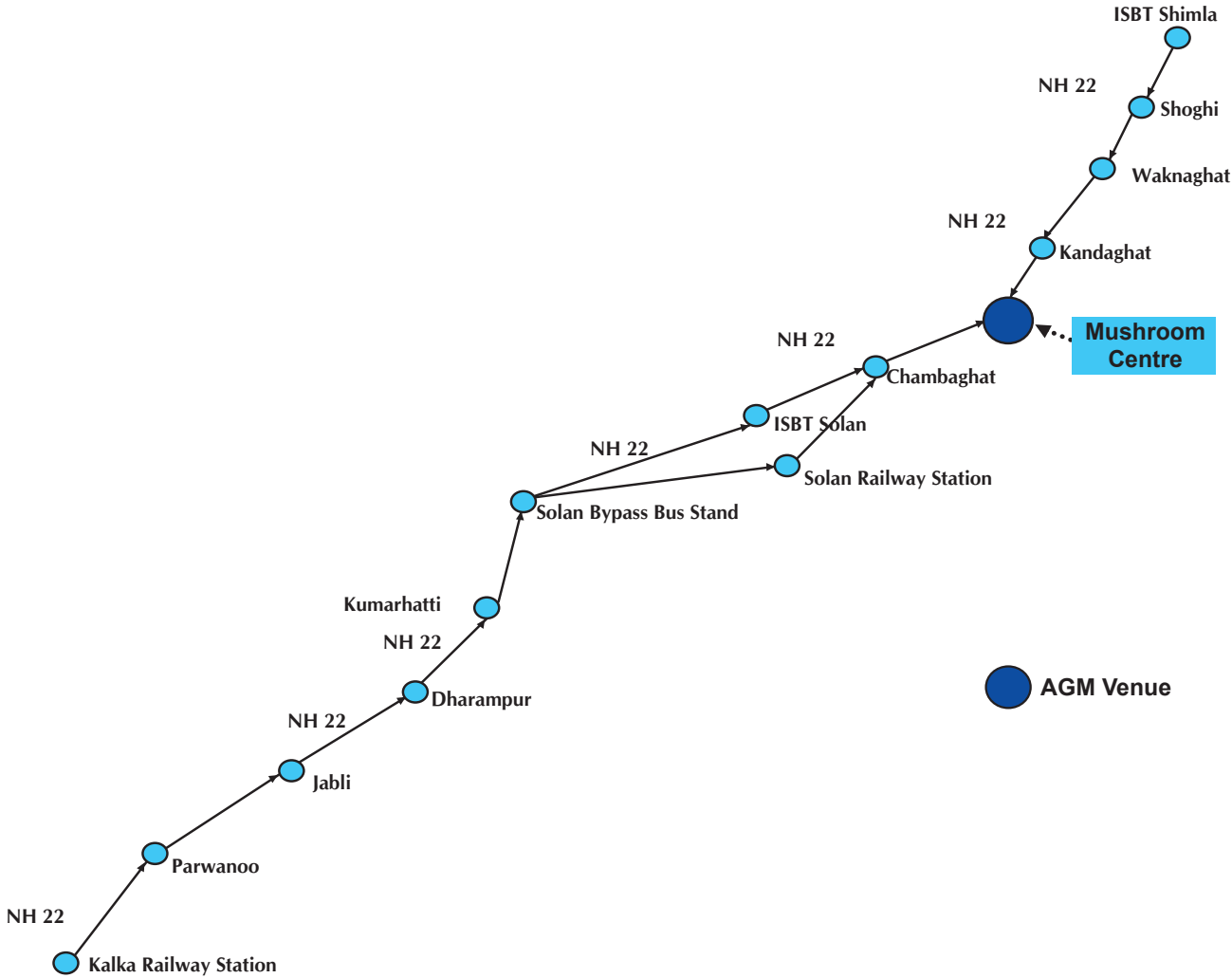
Signature of Shareholder

Signature of Proxy holder

*Applicable for investors holding shares in electronic form.



Road Map of AGM Venue i.e. Mushroom Centre, Chambaghat Solon-173213 (Himachal Pradesh)





HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED

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

Tel +91 1792-230644, Fax +91 1792-231902

Website: www.hfcl.com; e-mail: secretarial@hfcl.com

(CIN: L64200HP1987PLC007466)

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration), Rules, 2014]

Name of the Member(s) :	
Registered address:	
E-Mail ID:	Folio No.:
DP-ID / Client-ID* :	

*Applicable for investors holding shares in electronic form.

I/We, being the member(s) holding _____ shares of Himachal Futuristic Communications Ltd, of ₹ 1/- each hereby appoint

(1) Name: _____ of _____

_____ having e-mail id _____ or failing him

(2) Name: _____ of _____

_____ having e-mail id _____ or failing him

(3) Name: _____ of _____

_____ having e-mail id _____ or failing him

and whose signature(s) are appended in Proxy Form as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on Monday, the 25th day of September, 2017 at 11:00 A.M. at Mushroom Centre, Chambaghat, Solan-173213 (H.P.) and at any adjournment thereof in respect of such resolutions as are indicated overleaf :



* I wish my above Proxy to vote in the manner as indicated in the Box below :

Sl. No.	Resolutions	For	Against
1.	To receive, consider and adopt :		
	a) Audited Financial Statements, Reports of the Board of Directors' and Auditors'		
	b) Audited Consolidated Financial Statements and Auditors' Report thereon		
2.	To confirm payment of Dividends on 6.50% Cumulative Redeemable Preference Shares		
3.	To consider and approve re-appointment of Shri Arvind Kharabanda (DIN:00052270), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment as a Director		
4.	To consider and approve appointment of S. Bhandari and Co., Chartered Accountants (Firm registration number 000560C) and Oswal Sunil & Company, Chartered Accountants (Firm registration number 016520N) as the statutory auditors of the Company		
5.	To consider and approve Increase in remuneration of Shri Mahendra Nahata (DIN:00052898), Managing Director of the Company		
6.	To consider and approve HFCL Employees' Long Term Incentive Plan-2017 and its implementation through trust		
7.	To consider and approve extending benefits of HFCL Employees' Long Term Incentive Plan-2017 to the employees of subsidiary companies		
8.	To consider and approve authorizing to HFCL Employees Trust to subscribe, acquire, hold, transfer Shares under the HFCL Employees' Long Term Incentive Plan-2017		
9.	To consider and approve granting loans to HFCL Employees Trust for subscription of HFCL shares under HFCL Employees' Long Term Incentive Plan-2017		
10.	To consider and approve issue of Convertible Warrants on preferential basis		

Signed this _____ day of _____ 2017

Affix
Revenue
Stamp

Signature of shareholder

Signature of first Proxy holder

Signature of second Proxy holder

Signature of third Proxy holder

Notes:

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 (Forty Eight) hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- *4. This is only optional. Please put a '✓' in the appropriate column against the resolution indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.