



HFCL Limited

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HFCL/SEC/24-25

May 03, 2024

The BSE Ltd. 1 st Floor, New Trading Wing, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai - 400001 corp.relations@bseindia.com Security Code No.: 500183	The National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor, C - 1, Block G Bandra - Kurla Complex, Bandra (E) Mumbai - 400051 cmlist@nse.co.in Security Code No.: HFCL
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RE: Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') read with SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023.

Subject: Annual Secretarial Compliance Report for the Financial Year ended March 31, 2024.

Dear Sir(s)/Madam,

In terms of Regulation 24A of the SEBI Listing Regulations read with SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, we are submitting herewith the Annual Secretarial Compliance Report of the Company for the financial year ended March 31, 2024.

Kindly take the same on your records.

Thanking you,
Yours faithfully,
For **HFCL Limited**

(Manoj Baid)
President & Company Secretary



ANNUAL SECRETARIAL COMPLIANCE REPORT OF HFCL LIMITED
(CIN: L64200HP1987PLC007466)
FOR THE YEAR ENDED 31ST MARCH, 2024

[Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I, **CS Baldev Singh Kashtwal**, Practising Company Secretary having Membership Number FCS 3616 and Certificate of Practice Number 3169 have examined: -

- (a) All the documents and records made available to me and explanation provided by HFCL Limited ("**the listed entity**"),
- (b) The filings / submissions made by the listed entity to the stock exchanges, viz. the National Stock Exchange of India Limited (NSE) & BSE Limited (BSE).
- (c) Website of the listed entity: www.hfcl.com.
- (d) Other documents / filings, as may be relevant, which has been relied upon to make this certification,

for the year ended on 31st March, 2024 ("**Review Period**") in respect of compliance with the provisions of:-

- (a) The Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") and the Regulations, Circulars, Guidelines issued thereunder; and
- (b) The Securities Contracts (Regulation) Act, 1956 ("**SCRA**"), rules made thereunder and the Regulations, Circulars, Guidelines issued thereunder by the Securities and Exchange Board of India ("**SEBI**");

The specific Regulations, whose provisions and the circulars / guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**");
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, ("**SEBI ICDR Regulations**");
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (**Not applicable during the Review Period**);
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;



- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (**Not applicable during the Review Period**);
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (h) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (**Not applicable during the Review Period**);
- (i) Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act, 2013, and dealing with client to the extent of securities issued; (**Not applicable during the Review Period**);
- (j) Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018; (**Not applicable during the Review Period under review**);
- (k) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; (**to the extent applicable**);
- (l) Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009;
- (m) Other applicable regulations and circular / guidelines issued thereunder.



and based on the above examination, I hereby report that, during the Review Period: -

(a) The listed entity has complied with the provisions of the above regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below: -

S. No.	Compliance Requirement (Regulation/ Circulars/ guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
1	Listed entities shall make an application for trading approval to the stock exchange/s within 7 working days from the date of grant of listing approval by the stock exchange/s.	SEBI Circular bearing number SEBI/HO/C FD/DIL2/CI R/P/2019/94 dated August 19, 2019.	Delay in submission of Trading Application with BSE Limited by 4 (four) days.	BSE Limited (BSE)	BSE vide its email dated March 26, 2024, levied a fine of Rs.80,000/-	Delay in submission of Trading Application with BSE Limited by 4 (four) days	Rs.80000	Subsequent to the fine imposed by BSE, the Company had duly paid the fine to BSE on April 02, 2024.	<p>The Company has submitted the Trading Application with National Stock Exchange of India Limited (NSE) on March 22, 2024, well within the stipulated period of seven working days from the latest listing approval granted by the stock exchanges and made simultaneous attempts to file the Trading Application with BSE as well. However, due to technical issues on the Listing Portal of BSE, the Company could not file the Trading Application on BSE on the same day as it was filed with the NSE.</p> <p>Further despite of numerous attempts to contact BSE's officials at the provided contact numbers for preferential issues on their website, communication remained unestablished.</p> <p>Furthermore, the challenges were compounded by the weekly off on March 23, 2024, March 24, 2024, due to Saturday and Sunday, and on March 25, 2024, due to the festival of Holi, making it more difficult for the Company to coordinate with BSE officials.</p>	-



									<p>Following communication with BSE officials on March 26, 2024, the Trading Application was duly submitted with BSE.</p> <p>The Company, vide its email dated March 27, 2024, had suitably replied to BSE and requested to reconsider the imposition of fine. Further, as informed by BSE, pre-payment of fine is mandatory for granting trading approval, therefore, the Company had paid the aforesaid fine on April 02, 2024.</p>
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(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

S. No.	Observations/ Remarks of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended March 31, 2023 (the years are to be mentioned)	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
-	-	-	-	-	-	-



(c) I hereby report that, during the Review Period the compliance status of the listed entity is appended as below: -

S. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS*
1.	<p><u>Secretarial Standards:</u></p> <p>The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.</p>	Yes	
2.	<p><u>Adoption and timely updation of the Policies:</u></p> <ul style="list-style-type: none"> • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities. • All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circulars/ guidelines issued by SEBI. 	Yes Yes	
3.	<p><u>Maintenance and disclosures on Website:</u></p> <ul style="list-style-type: none"> • The listed entity is maintaining a functional website. • Timely dissemination of the documents/ information under a separate section on the website. • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/section of the website. 	Yes Yes Yes	
4.	<p><u>Disqualification of Director:</u></p> <p>None of the Director(s) of the Company is/are disqualified under Section 164 of Companies Act, 2013.</p>	Yes	
5.	<p><u>Details related to Subsidiaries of listed entities have been examined w.r.t.:</u></p> <p>(a) Identification of material subsidiary companies</p> <p>(b) Disclosure requirement of material as well as other subsidiaries.</p>	Yes Yes	
6.	<p><u>Preservation of Documents:</u></p> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI Listing Regulations.</p>	Yes	



7.	<u>Performance Evaluation:</u> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.	Yes	
8.	<u>Related Party Transactions:</u> (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit Committee, in case no prior approval has been obtained.	Yes N.A.	The listed entity has obtained the prior approval of the audit committee for the related party transactions, therefore, the said requirement is not applicable.
9.	<u>Disclosure of events or information:</u> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI Listing Regulations within the time limits prescribed thereunder.	Yes	
10.	<u>Prohibition of Insider Trading:</u> The listed entity is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	
11.	<u>Actions taken by SEBI or Stock Exchange(s), if any:</u> BSE Limited (BSE) had sent an e-mail dated March 26, 2024 to the Company, levying a fine of ₹80,000/-, for delay of 4 days in filing of Trading Application of 1,00,00,000 equity shares issued and allotted upon conversion of warrants, under preferential issue, on February 07, 2024 for violation of SEBI (ICDR) Regulations, 2018 read with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/94 dated 19.08.2019.	Yes	As per the records of the Company, it has submitted the Trading Application with National Stock Exchange of India Limited (NSE) on March 22, 2024, well within the stipulated period of seven working days from the latest listing approval granted by the stock exchanges. As informed to me, the Company made simultaneous attempts to file the Trading Application with BSE as well. However, due to technical issues on the Listing Portal of BSE, the Company could not file the Trading Application on BSE on the same day as it was filed with the NSE. It is further informed to me that despite numerous attempts to contact BSE officials at the provided contact numbers for preferential issues on their website, communication remained unestablished.



			<p>Furthermore, the challenges were compounded by the weekly off on March 23, 2024, March 24, 2024, due to Saturday and Sunday, and on March 25, 2024, due to the festival of Holi, making it more difficult for the Company to coordinate with BSE officials. Following communication with BSE officials on March 26, 2024, the Trading Application was duly submitted with BSE.</p> <p>The Company, vide its email dated March 27, 2024, had suitably replied to BSE and requested to reconsider the imposition of fine. Further, as informed by BSE, pre-payment of fine is mandatory for granting trading approval, therefore, the Company had paid the aforesaid fine on April 02, 2024.</p>
12.	Additional Non-compliances, if any:		
	No additional non-compliance observed for any SEBI regulation/ circular/ guidance note etc.	Yes	

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular **SEBI/HO/CFD/PoD2/CIR/P/2023/120** dated 11th July, 2023:

S. No.	Particulars	Compliance Status (Yes/No/NA)	Observations /Remarks by PCS*
1.	Compliances with the following conditions while appointing/ re-appointing an auditor		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or	N.A.	The statutory auditors of the listed entity / its material subsidiaries have not resigned during the Review Period. Further, the listed entity has ensured that the conditions as mentioned herein are included in the terms of re-appointment of the statutory auditors at the time of re-appointing the
	ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or	N.A.	
	iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such	N.A.	

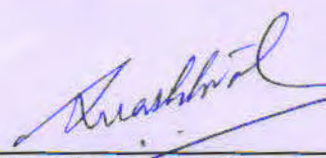


	financial year as well as the audit report for such financial year.		auditor, in the 35 th Annual General Meeting held on September 30, 2022. Therefore, the compliances of the required conditions w.r.t. to appointment / re-appointment of the auditors are complied with.
2.	Other conditions relating to resignation of statutory auditor		
	<p>i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:</p> <p>a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.</p> <p>b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information / explanation sought and not provided by the management, as applicable.</p> <p>c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.</p> <p>ii. Disclaimer in case of non-receipt of information:</p> <p>The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has</p>	<p>N. A.</p> <p>N.A.</p> <p>N.A.</p> <p>N.A.</p> <p>N.A.</p>	<p>The statutory auditors of the listed entity / its material subsidiaries have not resigned during the Review Period.</p> <p>Therefore, the reporting of any concern by the statutory auditors is not required.</p>



	not provided information as required by the auditor.		
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-21 in SEBI Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11 th July, 2023	N.A.	The Auditors of the listed entity / its material subsidiaries have not resigned during the review period.

**Observations /Remarks by PCS are mandatory if the Compliance status is provided as 'No' or 'NA'.*

Signature : 
Name : **CS BALDEV SINGH KASHTWAL**
FCS No. : **3616**
C P No. : **3169**
ICSI – UDIN : **F003616F000296898**
Peer Review Certificate Number: **1205/2021**
ICSI- Unique Identification Code: **I1999DE144000**



Date : **May 03, 2024**
Place : **Delhi**