

KHANDELWAL JAIN & CO.

CHARTERED ACCOUNTANTS

BRANCH OFFICE :
GF- 8 & 9, HANS BHAWAN
1, BAHADUR SHAH ZAFAR MARG,
NEW DELHI-110 002

Tel : 23370091, 23378795
23370892, 23378794
Web. : www.kjco.net
E-mail: delhi@kjco.net

INDEPENDENT AUDITOR'S REPORT

To the Members of
DRAGONWAVE HFCL INDIA PRIVATE LIMITED

Report on the Audit of the Financial Statements

1. Opinion

We have audited the accompanying Ind AS Financial Statements of **DRAGONWAVE HFCL INDIA PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and the other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The other information comprising the above documents is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

HEAD OFFICE : 6-B & C, PIL COURT, 6TH FLOOR, 111, M. K. ROAD, CHURCH GATE, MUMBAI- 400 020
Tel. : 4311 5000 (MULTIPLE LINES) FAX : (91-22) 4311 5050
12-B, BALDOTA BHAWAN, 5TH FLOOR, 117, M. K. ROAD MUMBAI- 400 020
Tel. : 4311 6000 (MULTIPLE LINES) FAX : (91-22) 4311 6060 E-MAIL : kjco@vsnl.com



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

4. Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit: We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

6. Report on Other Legal and Regulatory Requirements

- A.** As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- B.** As required by Section 143(3) of the Act, we report that:
- a)** We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b)** In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued thereunder.
- e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid / provided by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act;
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact, if any, of pending litigations on its financial position in its financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Company has not declared or paid any dividend during the year.
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Khandelwal Jain & Co.
Chartered Accountants

Firm Registration No: 105049W




Manish Kumar Singhal

Partner

Membership No. 502570

UDIN: 23602570 B67XFD08556

Place: New Delhi

Date: 26th April, 2023

KHANDELWAL JAIN & CO.

CHARTERED ACCOUNTANTS

BRANCH OFFICE :
GF- 8 & 9, HANS BHAWAN
1, BAHADUR SHAH ZAFAR MARG,
NEW DELHI-110 002

Tel : 23370091, 23378795
23370892, 23378794
Web. : www.kjco.net
E-mail: delhi@kjco.net

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in paragraph 6A of Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report of even date to the Members of **DragonWave HFCL India Private Limited** on the Ind AS financial statements for the year ended 31st March, 2023, we report that;

- I. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situations of its Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets and as informed, no material discrepancies were noticed on such verification.
- (c) According to the information and explanation given by the management, there are no immovable properties included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- II. (a) According to the information and explanation given by the management, The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- III. The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:
- (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
- (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) Loan granted by the Company which has fallen due during the year and has been extended by entering mutual agreements.

HEAD OFFICE : 6-B & C, PIL COURT, 6TH FLOOR, 111, M. K. ROAD, CHURCH GATE, MUMBAI- 400 020
Tel. : 4311 5000 (MULTIPLE LINES) FAX : (91-22) 4311 5050
12-B, BALDOTA BHAWAN, 5TH FLOOR, 117, M. K. ROAD MUMBAI- 400 020
Tel. : 4311 6000 (MULTIPLE LINES) FAX : (91-22) 4311 6050 E-MAIL : kjco@vsnl.com



Name of the Parties	Aggregate amount of loan extended (Rs. in lakh)	Percentage of the aggregate to the total loan or advances in the nature of loans granted during the year
Parmesh Finlease Limited	250	Not applicable as no loan or advances granted during the year
Infotel Business Solution Limited	400	

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

IV. In our opinion and according to the information and explanations given to us, the Company has, in respect of loans, investments, guarantees, and security, where applicable, complied with the provisions of section 185 and 186 of the Companies Act, 2013.

V. According to the information and explanation given to us, the Company has not accepted any deposits within the meaning of the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Hence provision of clause- 3(v) are not applicable to the Company.

VI. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for the products of the Company.

VII. (a) According to the information and explanations given to us and records examined by us, the Company is generally regular in depositing, with the appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, custom duty, cess and other material statutory dues wherever applicable. According to information and explanation given to us, and as per the records examined by us, no undisputed arrears of statutory dues outstanding as at 31st March, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and records examined by us, there are no dues of income tax, goods and service tax, custom duty & cess or any other statutory dues which have not been deposited on account of any dispute.

VIII. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

IX. (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on shortterm basis have, prima facie, not been used during the year for long-term purposes by the Company.



(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company do not have any subsidiary, associate or joint venture and hence, reporting under clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company do not have any subsidiary, associate or joint venture and hence, reporting under clause 3(ix)(f) of the Order is not applicable.

X. (a) Based on our examinations of the records and information given to us, no money was raised by way of initial public offer or further public offer (including debt instruments) during the year by the Company and hence reporting on clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

XI. (a) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

XII. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

XIII. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

XIV. (a) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013.

(b) The company did not have an internal audit system for the period under audit.

XV. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transaction with directors or persons connected with him and hence provision of clause 3(xv) are not applicable to the company.

XVI. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence the provision of clause 3(xvi) (a), (b) and (c) is not applicable to the company.



(d) According to the information and explanation given to us and based on our examination of the records of the Company, there are two Core Investment Companies (CIC) in the group, which are as under:

Sl. No.	Name of Company
1	MN Ventures (P) Ltd.
2	Nextwave Communications (P) Ltd.



- XVII.** The Company has not incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
- XVIII.** There has been no resignation of the statutory auditors of the Company during the year.
- XIX.** On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- XX.** (a) There are no amounts required to be spend towards Corporate Social Responsibility (CSR) in compliance Section 135 of the Companies Act. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.
- XXI.** The Company is not required to present consolidated financial Statement. Accordingly, reporting under clause 3(xxi) of the Order is not applicable for the year.

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No: 105049W

Manish Kumar Singhal
Partner
Membership No. 502570
UDIN: 23502570 BQXFD08556

Place: New Delhi
Date: 26th April, 2023

KHANDELWAL JAIN & CO.

CHARTERED ACCOUNTANTS

BRANCH OFFICE :
GF- 8 & 9, HANS BHAWAN
1, BAHADUR SHAH ZAFAR MARG,
NEW DELHI-110 002

Tel : 23370091, 23378795
23370892, 23378794
Web. : www.kjco.net
E-mail: delhi@kjco.net

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of
DragonWave HFCL India Private Limited

We have audited the internal financial controls over financial reporting of **DragonWave HFCL India Private Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note on Audit of Internal financial control over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on audit of Internal financial controls over financial reporting (the "Guidance Note") and the standards on auditing as specified under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by Institute of Chartered Accountants of India. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

HEAD OFFICE : 6-B & C, PIL COURT, 6TH FLOOR, 111, M. K. ROAD, CHURCH GATE, MUMBAI- 400 020
Tel. : 4311 5000 (MULTIPLE LINES) FAX : (91-22) 4311 5050
12-B, BALDOTA BHAWAN, 5TH FLOOR, 117, M. K. ROAD MUMBAI- 400 020
Tel. : 4311 6000 (MULTIPLE LINES) FAX : (91-22) 4311 6060 E-MAIL : kjco@vsnl.com



Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For KHANDELWAL JAIN & CO.
Chartered Accountants
Firm Registration No. 105049W



Manish Kumar Singhal
Partner
Membership No. 502570
UDIN: 23502570 BQX FDO 8556

Place: New Delhi
Date: 26th April, 2023

Dragonwave HFCL India Private Limited- Financial Statements

(CIN: U64200DL2010PTC211117)

(All amounts are Rs. in Lakhs)

Balance Sheet as at March 31, 2023

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non Current Assets			
(a) Property, Plant & Equipment	4	2.12	2.81
(b) Intangible Assets	5	-	-
(c) Financial Assets			
(i) Loan Receivables	6	650.00	650.00
(d) Deferred tax Asset (net)	7	1.74	2.15
Total Non-current Assets		653.86	654.96
Current Assets			
(a) Financial Assets			
(i) Trade Receivables	8	88.28	24.68
(ii) Cash & Cash Equivalents	9	5.46	7.68
(iv) Others	10	161.51	111.79
(b) Current Tax Assets (Net)	11	10.69	15.91
(c) Other Current assets	12	2.29	1.72
Total Current Assets		268.23	161.78
Total Assets		922.09	816.74
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	700.00	700.00
(b) Other Equity	14	180.06	85.01
Total Equity		880.06	785.01
Liabilities			
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables			
a) Total outstanding dues of Micro enterprises and Small enterprises; and			
(b) Total outstanding dues of trade payables other than Micro enterprises and Small enterprises	15	-	0.14
(iii) Others	16	31.23	31.48
(b) Other current liabilities	17	10.80	0.11
Total Current Liabilities		42.03	31.74
Total Liabilities		42.03	31.74
Total Equity and Liabilities		922.09	816.74

The accompanying summary of significant accounting policies and other notes form an integral part of the financial statements
As per our report of even date attached

For Khandelwal Jain & Co.
Chartered Accountants
Firm Reg. No.: 105049W

Manish Kumar Singhal
Partner
M.No.: 502570
Date: 26th Apr' 2023
Place: New Delhi



For and on behalf of the Board

Subodh Kumar Garg
Director
DIN : 00550825

Jitendra Chaudhary
Director
DIN : 01709943

Dragonwave HFCL India Private Limited- Financial Statements
(CIN: U64200DL2010PTC211117)
(All amounts are Rs. in Lakhs)
Statement of Profit and Loss for the year ended March 31, 2023

Particulars		Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I.	INCOME			
	Revenue from operations	18	60.00	61.50
	Other Income	19	55.37	60.22
	Total Income (I)		115.37	121.72
II.	EXPENSE			
	Employee benefits expense	20	0.01	0.01
	Finance Costs	21	0.00	0.72
	Depreciation & Amortisation expenses	4 & 5	0.70	7.40
	Other Expenses	22	2.28	27.86
	Total Expenses (II)		2.99	35.98
III	Profit / (loss) before exceptional items and income tax (I-II)		112.38	85.74
IV	Exceptional item (net of tax)		-	-
V	Profit / (Loss) before tax (III - IV)		112.38	85.74
VI	Tax expense			
	Current tax		(16.75)	0.00
	Deferred tax		0.40	1.13
	Income Tax for earlier years		(0.17)	(13.46)
VII	Profit/(loss) for the year (V-VI)		95.05	71.14
VIII	Other Comprehensive Income			
	A.) Items that will not be reclassified to profit or loss			
	(i) remeasurement of defined benefit plans;		-	-
	Tax on above Item		-	-
	Other comprehensive income for the year after tax (VIII)		-	-
IX	Total comprehensive income for the year (VII+VIII)		95.05	71.14
	Earnings per equity share	23		
	Basic (in Rs.)		1.36	1.02
	Diluted (in Rs.)		1.36	1.02

As per our report of even date attached

For Khandelwal Jain & Co.
Chartered Accountants
Firm Reg. No.: 105049W

Manish Kumar Singhal
Partner
M.No.: 502570
Date: 26th Apr' 2023
New Delhi



For and on behalf of the Board

Subodh Kumar Garg
Director
DIN : 00550825

Jitendra Chaudhary
Director
DIN : 01709943

Dragonwave HFCL India Private Limited- Financial Statements
(CIN: U64200DL2010PTC211117)
(All amounts are Rs. in Lakhs)
Statement of Cash Flows for the year ended March 31, 2023

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
I.	Cash Flow From Operating Activities		
	Total Comprehensive Income	112.38	85.74
	Adjustments for		
	Depreciation and Amortization expenses	0.70	7.40
	Gain on Termination of Lease	-	(2.35)
	Other Comprehensive Income	-	-
	Excess Provision written back	(0.12)	(1.06)
	Interest income classified as investing cash flows	(55.25)	(55.74)
	Finance costs	-	0.71
	Operating cash flow before changes in working capital	57.70	34.70
	Change in operating assets and liabilities		
	(Increase)/Decrease in trade receivables	(63.48)	(15.55)
	Increase/(Decrease) in trade payables	(0.14)	(1.41)
	(Increase)/Decrease in other financial assets	-	5.51
	(Increase)/decrease in other current assets	(12.10)	(0.77)
	Increase/(decrease) in provisions	16.75	0.00
	Increase/(Decrease) in other financial liabilities	(0.25)	(5.44)
	Increase/(Decrease) in other current liabilities	10.69	(0.11)
	Net Cash generated from operations before tax	9.18	16.93
	Adjustment for Tax provision	(16.75)	
	Income taxes paid	(0.17)	(13.46)
	Net Cash from/(used) in Operating Activities	(7.75)	3.47
II	Cash flows from investing activities		
	(Payments)/Proceeds for property, plant and equipment		
	Loans to Body Corporates		
	(Increase)/decrease in Fixed deposit with Banks		
	Interest received	5.53	6.01
	Net cash outflow from investing activities	5.53	6.01
III	Cash flows from financing activities		
	Payment of Lease Liabilities	-	(7.38)
	Interest Paid	-	-
	Net cash inflow (outflow) from financing activities	-	(7.38)
IV	Net increase (decrease) in cash and cash equivalents(I+II+III)	(2.22)	2.10
V	Cash and cash equivalents at the beginning of the financial year	7.68	5.58
VI	Cash and cash equivalents at end of the year (IV+V)	5.46	7.68

Notes :

- The above cash flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7." Statement of Cash Flows".
- Figures in brackets represents cash outflows
- Componenets of cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on Hand	-	-
Balance with banks in current a/c	5.46	7.68
Balances per Statement of Cash Flows	5.46	7.68

The accompanying summary of significant accounting policies and other notes form an integral part of the financial statements
As per our report of even date attached

For Khandelwal Jain & Co.
Chartered Accountants
Firm Reg. No.: 105049W

Manish Kumar Singhal
Partner
M.No.: 502570
Date: 26th Apr' 2023
New Delhi



For and on behalf of the Board

Subodh Kumar Garg
Director
DIN : 00550825

Jitendra Chaudhary
Director
DIN : 01709943

Dragonwave HFCL India Private Limited- Financial Statements
(CIN: U64200DL2010PTC211117)
(All amounts are Rs. in Lakhs, except no. of Shares)
Statement of Changes in Equity for the year ended March 31, 2023

Equity Share Capital

Particulars	No. of Shares		Amount	
	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2022
Balance at the beginning of the year	70,00,000	700.00	70,00,000	700.00
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current period	70,00,000	700.00	70,00,000	700.00
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	70,00,000	700.00	70,00,000	700.00

Other equity

Particulars	Reserves and Surplus	Othe Comprehensive Income	Total
	Retained Earnings	Remeasurement of defined benefit plans	
Balance as at March 31, 2021	23.96	(10.10)	13.86
Profit/(Loss) for the year	71.14	-	-
Other Comprehensive Income/ (Loss) for the year	-	-	-
Total Comprehensive Income/(Loss) for the year	71.14	-	71.14
Issued during the year	-	-	-
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-
Transfer to retained earnings	(10.10)	10.10	-
Balance as at March 31, 2022	85.01	-	85.01
Profit/(Loss) for the year	95.05	-	95.05
Other Comprehensive Income/ (Loss) for the year	-	-	-
Total Comprehensive Income/(Loss) for the period	95.05	-	95.05
Issued during the year	-	-	-
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-
Transfer to retained earnings	-	-	-
Balance as at March 31, 2023	180.06	-	180.06

The accompanying summary of significant accounting policies and other notes form an integral part of the financial statements

For Khandelwal Jain & Co.
Chartered Accountants
Firm Reg. No.: 105049W

Manish Kumar Singhal
Partner
M.No.: 502570
Place : New Delhi
Date: 26th Apr' 2023



For and on behalf of the Board

SKG
Subodh Kumar Garg
Director
DIN : 00550825

Jitendra Chaudhary
Jitendra Chaudhary
Director
DIN : 01709943

Dragonwave HFCL India Private Limited- Financial Statements

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts are in Rupees)

1. Corporate information

DragonWave HFCL India Private Limited ('the Company') was incorporated on December 6, 2010 to carry on the business of, sellers, buyers, importers, exporters, stockiest and distributors, all types of radio communication systems and associated products and related technical services.

HFCL has acquired 100% shareholding w.e.f. December 17, 2019, thereby making the Company, a wholly-owned subsidiary of HFCL Limited, w.e.f. December 17, 2019.

2. Compliance with Ind AS

These financial statements ('financial statements') have been prepared in accordance with the Indian Accounting Standard ('Ind AS') notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules as amended from time to time.

2.1. Recent Pronouncements:

a) Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors-This amendment has introduced a definition of 'accounting estimates' and included amendments to IndAS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

b) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

3. Significant accounting policies



3.1. Basis of preparation

3.1.1. Historical Cost Convention

The Standalone Financial Statements have been prepared on the historical cost basis except for the followings:

- certain financial assets and liabilities and contingent consideration that is measured at fair value;
- assets held for sale measured at fair value less cost to sell;
- defined benefit plans plan assets measured at fair value; and

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Standalone Financial Statements are presented in Indian Rupees except where otherwise stated.

3.1.2. Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

3.2. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle
- b) Held primarily for the purpose of trading, or
- c) Expected to be realised within twelve months after the reporting period other than for (a) above, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- a) It is expected to be settled in normal operating cycle
- b) It is held primarily for the purpose of trading
- c) It is due to be settled within twelve months after the reporting period other than for (a) above, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period



All other liabilities are classified as non-current.

3.3. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Company categorizes assets and liabilities measured at fair value into one of three levels as follows:

- Level 1 — Quoted (unadjusted)

This hierarchy includes financial instruments measured using quoted prices.

- Level 2

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include the following:

- i. quoted prices for similar assets or liabilities in active markets.
- ii. quoted prices for identical or similar assets or liabilities in markets that are not active.
- iii. inputs other than quoted prices that are observable for the asset or liability.
- iv. Market – corroborated inputs.

- Level 3

They are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

3.4. Property Plant and Equipment

Property, Plant and Equipment and intangible assets are not depreciated or amortized once classified as held for sale.

PPE are stated at actual cost less accumulated depreciation and impairment loss. Actual cost is inclusive of freight, installation cost, duties, taxes and other incidental expenses for bringing the asset to its working conditions for its intended use (net of tax credit, if any) and any cost directly attributable to



bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management. It include professional fees and borrowing costs for qualifying assets.

Significant Parts of an item of PPE (including major inspections) having different useful lives & material value or other factors are accounted for as separate components. All other repairs and maintenance costs are recognized in the statement of profit and loss as incurred.

Depreciation of these PPE commences when the assets are ready for their intended use.

Depreciation is provided for on Plant & Machinery and on other PPE on written down value method on the basis of useful life. On assets acquired on lease (including improvements to the leasehold premises), amortization has been provided for on Straight Line Method over the period of lease.

The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

The useful life of property, plant and equipment are as follows:-

Asset Class	Useful Life
Plant & Machinery	15 years
Furniture & Fixtures	10 years
Computers	3 – 6 years
Office Equipment	5 years
Vehicles	8 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or over the shorter of the assets useful life and the lease term if there is an uncertainty that the company will obtain ownership at the end of the lease term.

An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

3.5. Intangible Assets

(i) Intangible assets

➤ Recognition of intangible assets

a. Computer software

Purchase of computer software used for the purpose of operations is capitalized. However, any expenses on software support, maintenance, upgrade etc. payable periodically is charged to the Statement of Profit & Loss.



➤ **De-recognition of intangible assets**

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

3.6. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

3.6.1. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories based on business model of the entity:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

De-recognition

A financial asset is de-recognized only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for



forward looking information. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L).

Financial liabilities

Financial liabilities and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

Financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Financial guarantee contracts

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

3.7. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.



When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

A previously recognized impairment loss (except for goodwill) is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited to the carrying amount of the asset.

3.8. Inventories

Traded goods are valued at the lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.9. Revenue recognition

The company recognizes revenue in accordance with Ind- AS 115. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration that the Company expects to receive in exchange for those products or services.

Revenues in excess of invoicing are classified as contract assets (which may also refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which may also refer to as unearned revenues).

The Company presents revenues net of indirect taxes in its Statement of Profit and loss.

➤ Interest income

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable. Interest income is included under the head "other income" in the statement of profit and loss.

3.10. Leases

As a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:



- i. the contract involves the use of an identified asset
- ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- iii. the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.



3.11. Foreign currency transactions

The functional currency of the Company is Indian Rupees which represents the currency of the economic environment in which it operates.

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. Monetary items denominated in foreign currency at the year end and not covered under forward exchange contracts are translated at the functional currency spot rate of exchange at the reporting date.

Any income or expense on account of exchange difference between the date of transaction and on settlement or on translation is recognized in the profit and loss account as income or expense.

Non monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation difference on such assets and liabilities carried at fair value are reported as part of fair value gain or loss.

In case of forward exchange contracts, the premium or discount arising at the inception of such contracts is amortized as income or expense over the life of the contract. Further exchange difference on such contracts i.e. difference between the exchange rate at the reporting /settlement date and the exchange rate on the date of inception of contract/the last reporting date, is recognized as income/expense for the period.

Effective April 1, 2018 the Company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was Nil.

3.12. Employee Benefits

Short Term Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Long-Term employee benefits

Compensated expenses which are not expected to occur within twelve months after the end of period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.



Post-employment obligations

i. Defined contribution plans

Provident Fund and employees' state insurance schemes

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (presently 12%) of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. In addition, some employees of the Company are covered under the employees' state insurance schemes, which are also defined contribution schemes recognized and administered by the Government of India.

The Company's contributions to both these schemes are expensed in the Statement of Profit and Loss. The Company has no further obligations under these plans beyond its monthly contributions.

ii. Defined benefit plans

Gratuity

The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee salary and years of employment with the Company. The Company provides for the Gratuity Plan based on actuarial valuations in accordance with Indian Accounting Standard 19 "Employee Benefits". The present value of obligation under gratuity is determined based on actuarial valuation using Project Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Defined retirement benefit plans comprising of gratuity, un-availed leave, post-retirement medical benefits and other terminal benefits, are recognized based on the present value of defined benefit obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

Leave Encashment

The company has provided for the liability at period end on account of un-availed earned leave as per the actuarial valuation as per the Projected Unit Credit Method.

Actuarial gains and losses on defined benefit plans are recognized in OCI as and when incurred.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above), are recognized in other comprehensive income except those included in cost of assets as permitted in the period in which they occur and are not subsequently reclassified to profit or loss.

The retirement benefit obligation recognized in the Financial Statements represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.



Termination benefits

Termination benefits are recognized as an expense in the period in which they are incurred.

3.13. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset are capitalized as part of cost of such asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.14. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

3.15. Cash Flow Statement

Cash flows are reported using the indirect method. The cash flows from operating, investing and financing activities of the Company are segregated.

3.16. GST/CENVAT

The GST/CENVAT credit available on purchase of raw materials, other eligible inputs and capital goods is adjusted against GST/excise duty payable on clearance of goods produced. The unadjusted GST/CENVAT credit is shown under the head "short term loans and advances".

3.17. Earnings per share

Basic earnings per share are computed by dividing the net profit after tax for the period attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.



3.18. Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Restated Consolidated Financial Information. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Dividend distribution tax paid on the dividends is recognized consistently with the presentation of the transaction that creates the income tax consequence.

3.19. Exceptional Items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.



Dragonwave HFCL India Private Limited- Financial Statements
 (All amounts are Rs. in Lakhs)
 Notes to Financial Statements for the year ended March 31, 2023

4 Property, Plant and Equipment

Particulars	Computers	Office Equipments	Furniture and Fixtures	Plant and Machinery	Total
Gross Carrying Value					
As at March 31, 2021	43.97	9.40	3.68	7.69	64.75
Additions	-	-	-	-	-
Disposals / Adjustments	-	-	-	-	-
As at March 31, 2022	43.97	9.40	3.68	7.69	64.75
Additions	-	-	-	-	-
Disposals / Adjustments	-	-	-	-	-
As at March 31, 2023	43.97	9.40	3.68	7.69	64.75
Accumulated depreciation and impairment					
As at March 31, 2021	42.93	9.37	3.06	5.39	60.75
Depreciation for the year	0.76	0.02	0.16	0.25	1.19
Disposals / Adjustments	-	-	-	-	-
As at March 31, 2022	43.68	9.40	3.22	5.63	61.94
Depreciation for the Year	0.29	0.01	0.15	0.25	0.70
Disposals / Adjustments	-	-	-	-	-
As at March 31, 2023	43.97	9.40	3.38	5.88	62.63
Net Carrying Value					
As at March 31, 2021	1.04	0.03	0.62	2.31	4.00
As at March 31, 2022	0.29	0.01	0.46	2.06	2.81
As at March 31, 2023	0.00	0.00	0.30	1.82	2.12



Dragonwave HFCL India Private Limited- Financial Statements
 (All amounts are Rs. in Lakhs)
 Notes to Financial Statements for the year ended March 31, 2023

5 Intangible Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Application software		
Gross carrying value		
Opening balance	34.71	34.71
Additions during the year	-	-
Disposals/ adjustments / transfer	-	-
	34.71	34.71
Less:Accumulated amortisation and impairment		
Accumulated amortization		
Opening balance	34.71	34.65
Additions during the year	-	0.07
Disposal / adjustment / transfer	-	-
	34.71	34.71
Impairment		
Opening Balance		
Additions during the year		
Disposal / adjustment / transfer		
Net Carrying value	-	-



6 Financial Assets - Loan Receivable

Particulars	As at March 31, 2023	As at March 31, 2022
Considered Good; Loans and Advances to Body Corporate	650.00	650.00
Total	650.00	650.00

Sub-classification of Loans:

(i) Loans Receivables considered good - Secured;		
(ii) Loans Receivables considered good - Unsecured;	650.00	650.00
(iii) Loans Receivables which have significant increase in Credit Risk; and		
(iv) Loans Receivables - credit impaired		

6.1 No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.

6.2 No trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

7 Deferred Tax Assets

Particulars	As at March 31, 2023	As at March 31, 2022
A. Deferred Tax Assets		
Related to depreciation on fixed assets and amortisation	1.74	2.15
Others	-	-
	1.74	2.15
B. Deferred Tax Liability		
Related to depreciation on fixed assets and amortisation	-	-
Others	-	-
	1.74	2.15

8 Current Financial Assets - Trade Receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Undisputed Trade Receivables considered good - Secured;	-	-
Undisputed Trade Receivables considered good - Unsecured;	88.28	24.68
Undisputed Trade Receivables which have significant increase in credit risk	-	-
Undisputed Trade Receivables - Credit Impaired	41.87	41.87
Disputed Trade Receivables - considered good	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-
Disputed Trade Receivables - Credit Impaired	-	-
	130.15	66.55
Less : Allowance for expected credit loss	41.87	41.87
Total	88.28	24.68
Break-up of Trade Receivables		
(i) Secured, considered good;	-	-
(ii) Unsecured, considered good;	88.28	24.68
(iii) Doubtful	41.87	41.87
	130.15	66.55
Less : Allowance for expected credit loss	41.87	41.87

Trade Receivables - Additional Information

Undisputed Trade Receivables considered good - Unsecured;
As at Mar 31st 2023

			Due Ageing						
Total O/s	Not Due	Due	Less than 6 months	6 months - 1 year	1-2 year	2-3 year	More than 3 years	Total	
88.28	64.80	23.48	-	-	22.68	-	0.80	88.28	

As at March 31st 2022

			Due Ageing						
Total O/s	Not Due	Due	Less than 6 months	6 months - 1 year	1-2 year	2-3 year	More than 3 years	Total	
24.68	-	24.68	23.88	-	-	-	0.80	24.68	

Undisputed Trade Receivables - Credit Impaired

As at Mar 31st 2023

			Due Ageing						
Total O/s	Not Due	Due	Less than 6 months	6 months - 1 year	1-2 year	2-3 year	More than 3 years	Total	
41.87	-	41.87	-	-	-	-	41.87	41.87	

As at March 31st 2022

			Due Ageing						
Total O/s	Not Due	Due	Less than 6 months	6 months - 1 year	1-2 year	2-3 year	More than 3 years	Total	
41.87	-	41.87	-	-	-	-	41.87	41.87	



8.1 Expected credit loss from Trade Receivables:

Ageing	Gross Carrying Amount	Expected Loss Rate	Expected credit loss (Provision)	Carrying amount of Trade receivables
Not Due	64.03	-	-	64.03
0-180 days past due	-	-	-	-
181-365 days past due	23.45	-	-	23.45
More than 365 days past due	42.67	98.12%	41.87	0.80
	130.15		41.87	88.28

8.2 The credit period towards trade receivables generally ranges between 30 to 90 days

8.3 The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

8.4 No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.

8.5 No trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

8.6 The movement in allowances for doubtful debts is as under: -

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Opening Balance	41.87	41.87
Additions	-	-
Write Off (net of recovery)	-	-
Closing balance	41.87	41.87

9 Current Financial Assets - Cash & cash equivalents

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Cash & Cash Equivalents		
Balance with banks;	5.46	7.68
Cheques, drafts on hand;	-	-
Cash on hand;	-	-
Fixed Deposits with Bank (Original maturity less than 3 months)	-	-
Total	5.46	7.68

10 Current Financial Assets -Other Assets

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Interest accrued:		
On Fixed Deposits with Banks	-	-
On Loan to Body Corporate	161.51	111.79
Security Deposits, Unsecured, considered good*;	-	-
Retention money	-	-
Total	161.51	111.79

* Security deposit for lease of office

11 Current Tax Assets (Net)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Advance tax/TDS (net of provisions)	10.69	15.91
Total	10.69	15.91

12 Other Current Assets

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Other Current Assets		
Prepaid Expenses	-	-
Balance with government authorities	2.29	1.72
Employee loan & Advances	-	-
Recoverable from Others	-	-
Total	2.29	1.72



13 Equity Share Capital

Particulars	No of Shares	Amount
As at April 1, 2021	70,00,000	700.00
Increase during the year	-	-
As at March 31, 2022	70,00,000	700.00
Increase during the year	-	-
As at Mar 31, 2023	70,00,000	700.00

Movement in Equity Share Capital

Particulars	No of shares	Equity Share Capital par value
As at April 1, 2021	70,00,000	700.00
Add: Shares issued during the year	-	-
Add: Bonus shares issued during the year	-	-
Less: Share bought back during the year	-	-
As at March 31, 2022	70,00,000	700.00
Add: Shares issued during the year	-	-
Add: Bonus shares issued during the year	-	-
Less: Share bought back during the year	-	-
As at Mar 31, 2023	70,00,000	700.00

Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The Distribution will be in proportion to the number of equity shares held by the shareholders

As per the records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(i) Shareholders holding more than 5 percent of Equity Shares

Name of Shareholder	As at March 31, 2023	As at March 31, 2022
	No. of share held	No. of share held
HFCL Ltd. (Holding Company) - alongwith its 6 nominees holding one share each	70,00,000	70,00,000
% of Holding	100.00%	100.00%

As at Mar 31, 2023

(ii) Shares held by promoters at the end of the year				%change during the year
S. No	Promoter Name	No. of shares	% of total shares	
1	HFCL Ltd	70,00,000	100%	0

As at March 31, 2022

(iii) Shares held by promoters at the end of the year				%change during the year
S. No	Promoter Name	No. of shares	% of total shares	
1	HFCL Ltd	70,00,000	100%	0

14 Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
Retained Earnings	180.06	85.01
Other Comprehensive Income	-	-
	180.06	85.01

(i) Retained Earnings

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	85.01	23.96
Transferred from Other Comprehensive income	-	(10.10)
Net profit/(Loss) for the period	95.05	71.14
Closing Balance	180.06	85.01

(ii) Other Comprehensive Income

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	-	(10.10)
Items of Other Comprehensive Income	-	-
Transferred to Retained Earnings	-	10.10
Remeasurement of Defined benefit plans	-	-
Closing Balance	-	-

14.1 Retained earning represents accumulated loss/profit of the company part of shareholder's fund.



15 Current Financial Liabilities - Trade Payables

Particulars	As at March 31, 2023	As at March 31, 2022
a) Total outstanding dues of Micro enterprises and Small enterprises; and (Refer note no. 31)	-	-
(b) Total outstanding dues of trade payables other than Micro enterprises and Small enterprises	-	0.14
Total	-	0.14

Trade Payables - Additional Information

As at March 31, 2023

a) Total outstanding dues of Micro enterprises and Small enterprises; and

Total O/s	Not Due	Due	Due From	Due Ageing				Total
				Less than 1 year	1-2 year	2-3 year	More than 3 years	
-	-	-		-	-	-	-	-

(b) Total outstanding dues of trade payables other than Micro enterprises and Small enterprises

Total O/s	Not Due	Due	Due From	Due Ageing				Total
				Less than 1 year	1-2 year	2-3 year	More than 3 years	
-	-	-		-	-	-	-	-

As at March 31, 2022

a) Total outstanding dues of Micro enterprises and Small enterprises; and

Total O/s	Not Due	Due	Due From	Due Ageing				Total
				Less than 1 year	1-2 year	2-3 year	More than 3 years	
-	-	-		-	-	-	-	-

(b) Total outstanding dues of trade payables other than Micro enterprises and Small enterprises

Total O/s	Not Due	Due	Due From	Due Ageing				Total
				Less than 1 year	1-2 year	2-3 year	More than 3 years	
0.14	-	0.14		0.14	-	-	-	0.14

16 Current Financial Liabilities - Others

Particulars	As at March 31, 2023	As at March 31, 2022
Other Payables		
Expenses Payable	1.00	1.25
Payable to Employees	30.23	30.23
Total	31.23	31.48

17 Other Current Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Liabilities	10.80	0.11
Total	10.80	0.11



18 Revenue from Operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of Services	60.00	61.50
	60.00	61.50

19 Other Income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Other non-operating income		
Interest Income		
From Others	55.25	55.74
Others - written back of excess provision/balances payables	0.12	1.06
Gain on Termination of Lease	-	2.35
Sundry Balances Written Back	0.00	1.07
	55.37	60.22

20 Employee Benefit Expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contribution to Provident Fund & Others (PF Admin Charges)	0.01	0.01
	0.01	0.01

21 Finance Costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Finance Costs:		
Interest on leased liability	-	0.71
Bank Charges	0.00	0.01
	0.00	0.72

22 Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Statutory Audit	1.00	1.00
Tax Audit	-	-
Other Services	0.10	0.25
Reimbursement of Expenses	-	-
Legal and Professional Charges	0.53	3.63
Communication Expenses	0.34	1.05
Travelling and Conveyance Expenses	0.03	0.40
Power and Fuel & Water Charges	-	1.33
Bad Debts Written Off	-	10.09
Office and General Expenses	-	8.03
Rates and Taxes	0.28	2.07
Corporate Social Responsibility Expenses	-	-
Total	2.28	27.86

23 Earning per Share (EPS)- In accordance with the Indian Accounting Standard (Ind AS-33)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic Earnings per share		
Profit/(Loss) after tax	95.05	71.14
Profit Attributable to Ordinary Shareholders	-	-
Weighted average number of ordinary shares (used as denominator for calculating basic EPS)	70,00,000	70,00,000
Nominal value of ordinary share	Rs.10	Rs.10
Earnings per share basic (in Rs.)	1.36	1.02
Diluted Earnings per share		
Profit/(Loss) after tax	95.05	71.14
Profit Attributable to Ordinary Shareholders	-	-
Weighted average number of ordinary shares (used as denominator for calculating diluted EPS)	70,00,000	70,00,000
Nominal value of ordinary share	Rs.10	Rs.10
Earnings per share diluted (in Rs.)	1.36	1.02



24 Critical accounting estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1. Useful lives of property, plant and equipment and Intangible Assets

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Refer note no. 4 & 5

2. Taxes

Deferred tax assets are recognized for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer note no.7

3. Contingencies

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies and obligations. Obligations relating to Project Executions is largely depends upon performance of services by respective contractors. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognised until the contingency has been resolved and amounts are received or receivable. Refer note no. 27

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

25 No Provision for employees benefit has been made by the company as no employee employed during the year and accordingly no disclosure made under Ind AS-19 "Employees Benefit".

26 Disclosure required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows :

Particulars	As at March 31, 2023	As at March 31, 2022
a. Principal amount due	Nil	Nil
b. Interest due on above	Nil	Nil
c. Interest paid during the period beyond the appointed day	Nil	Nil
d. Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	Nil	Nil
e. Amount of interest accrued and remaining unpaid at the end of the period	Nil	Nil
f. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprises for the purpose of disallowance as a deductible expenditure under Sec.23 of the Act	Nil	Nil

Note: The above information and that given in Note No. 15 ' Trade Payables' regarding Micro, Small and Medium Enterprises has been determined on the basis of information available with the Company and has been relied upon by the auditors.

27 Commitments and Contingencies

(a) Contingent Liabilities not provided for in respect of :

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Unexpired Letters of Credit	Nil	Nil
(ii) Guarantees given by banks on behalf of the Company	Nil	Nil
(iii) Claims against the Company in dispute not acknowledged as debt	Nil	Nil

(a) The Company's pending litigations comprise of claims against the Company and proceedings pending with Tax Authorities . The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position.

(b) The Company periodically reviews all its long term contracts to assess for any material foreseeable losses. Based on such review wherever applicable, the Company has made adequate provisions for these long term contracts in the books of account as required under any applicable law/accounting standard.

(c) As at 31st March , 2023 the Company did not have any outstanding term derivative contracts.

(b) Capital Commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	Nil	Nil

28 As required by Ind AS - 24 "Related Party Disclosures"

(i). Name and description of related parties.

Relationship

- (a) Holding Company
(c) Fellow Subsidiary:

Name of Related Party

HFCL Ltd
HTL Limited
HFCL Technologies Private Limited
Raddef Private Limited
HFCL Advance Systems Private Limited
Moneta Finance Private Limited
Polixel Security Systems Private Limited
HFCL B.V., Netherlands
HFCL Inc., USA.

(d) Key management personnel :

Mr. Mahendra Nahata, Director (up to 11.11.2022)
Mr. Arvind Kharbanda, Director (w.e.f. 10.11.2022)
Mr. Subodh Kumar Garg, Director
Mr. Jitendra Chaudhary, Director



(ii) Nature of transactions - The transactions entered into with the related parties during the year along with related balances as at 31st March, 2023 are as under:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of Services		
Holding Company	60.00	40.50
Remuneration of Key Management Personnel's		
Short Term Employee Benefit	-	-
Post Employment Benefit	-	-
Other Long Term Benefit	-	-
Share Based Payments	-	-

29 Segment Reporting

The chief operational decision maker monitors the operating results of its business segment separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Company operates in single business segment and caters mainly to the needs of Indian market, hence there is no primary and geographical segment.

30 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

	Notes Nos.	Carrying amount	Less than 12 months	More than 12 months	Total
As at March 31, 2023					
Trade payables	15	0.00	0.00	0.00	0.00
Other liabilities	16	31.23	1.00	30.23	31.23
As at March 31, 2022					
Trade payables	15	0.14	0.14	0.00	0.14
Other liabilities	16	31.48	31.48	0.00	31.48

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk.

The sensitivity analyses in the following sections relate to the position as at 31st March 2023 and 31st March 2022.

The company does not hold any equity instrument as on the Balance Sheet date, therefore Price Risk in the company.

The company does not hold any long term Debt obligation as on the Balance Sheet date, therefore no interest rate risk in the company.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities.

Trade Receivables

Customer credit risk is managed by each business unit subject to the Company established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. At 31st Mar, 2023, the Company had top 2 customers (31 March 2022: top 2 customers) that owed the Company more than INR 0.23 Cr (31 March 2022: 0.22 Cr) and accounted for approximately 99.99% (31 March 2022: 99.99 %) of all the receivables outstanding.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 5. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the management in accordance with the Company's policy. Counterparty credit limits are reviewed by the management on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2023 and 31 March 2022 is the carrying amounts as illustrated in Note 9.

Capital management

Capital includes issued equity capital and share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value.

Particulars	Note No.	31-Mar-23	31-Mar-22
Trade Payables	15	0.00	0.14
Other Payables	16	31.23	31.48
Less : Cash and Cash equivalents	9	(5.46)	(7.68)
Deposits		0.00	0.00
Total Debt		25.78	23.95
Equity		880.06	785.01
Total Capital		880.06	785.01
Capital and Total debt		905.83	808.95
Net Debt to Equity		2.85%	2.96%

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2023 and 31st March 2022.

31 Financial Instruments by category

Particulars	Level	Mar-23			Mar-22		
		FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
1) Financial Assets							
I) Loan Receivables	2	-	-	650.00	0.00	0.00	650.00
II) Trade Receivables	2	-	-	88.28	-	-	24.68
III) Cash and Cash equivalents	1	-	-	5.46	-	-	7.68
IV) Other Bank balances	2	-	-	0.00	0.00	0.00	0.00
V) Security deposit for utilities and premi	2	-	-	0.00	0.00	0.00	0.00
VI) Other receivables	2	-	-	161.51	0.00	0.00	111.79
Total financial assets		-	-	905.25	0.00	0.00	794.15
2) Financial Liabilities							
I) Lease Liabilities	2	-	-	0.00	0.00	0.00	0.00
II) Trade payables	2	-	-	0.00	0.00	0.00	0.14
III) Other liabilities	2	-	-	31.23	0.00	0.00	31.48
Total Financial Liabilities		-	-	31.23	0.00	0.00	31.63

Fair Value measurement

Fair Value Hierarchy and valuation technique used to determine fair value :

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and are categorized into Level 1, Level 2 and Level 3 inputs.

32 Financial Ratios

Ratio/ Measures	Methodology	March 31, 2023	March 31, 2022	Variance %
(i) Current Ratio	Current assets over current liabilities	6.38	5.10	25%
(ii) Debt Equity Ratio	Total debt over share holder equity	0.00	0.00	0%
(iii) Debt Service Coverage Ratio	Earning available for Debt Service over Debt	0.00	0.00	0%
(iv) Return on Equity	PAT over average shareholder equity	0.11	0.09	20%
(v) Inventory Turnover Ratio	Sales over average inventory	0.00	0.00	0%
(vi) Trade Receivables Turnover Ratio ¹	Net Sales over average account receivables	1.05	3.76	-72%
(vii) Trade Payables Turnover Ratio	Purchases over average trade payables	0.00	0.00	0%
(viii) Net Capital Turnover Ratio	Net Sales over working capital	0.27	0.47	0%
(ix) Net Profit Ratio ²	Net profit after tax over sales	1.58	1.16	37%
(x) Return on Capital Employed ³	EBIT over total assets less intangible assets less current liabilities.	0.00	0.11	-100%
(xi) Return on Investment	Interest Income net gain on sale of investment and net fair value gain over	0.00	0.00	0%

PAT - Profit after tax

Working Capital - Current assets less current liabilities

EBIT - Earnings before interest and taxes

Explanation on variances over 25%

¹Change in Trade Receivables Turnover Ratio is due to increase in revenue

²Change in Net profit ratio is due to increase in revenue

³Change in Return on capital employed is due to increase in revenue and EBIT.



- 33 The Company does not have any Immovable Property whose title deeds are not held in the name of the Company.
- 34 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 35 The Company has not advanced any loans or advances in the nature of loans to specified persons viz. promoters, directors, KMPs, related parties; which are repayable on demand or where the agreement does not specify any terms or period of repayment.
- 36 The Company has not raised funds from issue of securities or borrowings from banks and financial institutions
- 37 The Company has not obtained any borrowings from banks or financial institutions on the basis of security of current assets.
- 38 The Company has not been declared as a wilful defaulter by any lender who has powers to declare a company as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when financial statements are approved.
- 39 The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 40 The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 41 The provisions of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 are not applicable to the Company.
- 42 The Company does not have any transactions with struck-off companies.
- 43 The Company does not have any transaction which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 44 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 45 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- 46 Charge with ROC, New Delhi is created against the bank guarantee issued by Bank against the Fixed Deposit Receipt. Satisfaction of charge is pending for filing as on the balance sheet date due to non receipt of NOC from the bank. Company is in the process of obtaining NOC from the bank and will file the satisfaction of charges with ROC, New Delhi.

47 Disaggregation of Revenue

The Company's primary business is to carry on the business of, sellers, buyers, importers, exporters, stockiest and distributors, all types of radio communication systems and associated products and related technical services.

Reconciliation of revenue as recognised in the Statement of Profit and Loss with the contracted price

Particulars	FY 2022-23	FY 2021-22
Revenue as per contracted price	60.00	61.50
Less:		
Trade Discount, Rebate, variable consideration etc:	0.00	0.00
Sale Return		
Revenue as per Statement of Profit & Loss (Ind AS-115)	60.00	61.50

Disaggregated revenue recognised in the Statement of Profit and Loss:

Particulars	FY 2022-23	FY 2021-22
Business support Service	60.00	61.50
Total	60.00	61.50

Primary Geographical Markets in respect of revenue from sale of products as recognised in the Statement of Profit and Loss:

Particulars	FY 2022-23	FY 2021-22
In India	60.00	61.50
Outside India	0.00	0.00
Total	60.00	61.50

Disaggregated revenue recognised in the Statement of Profit and Loss :

Particulars	FY 2022-23	FY 2021-22
Related Party	60.00	40.50
External Customer	0.00	21.00
Total	60.00	61.50

Contract Balances

The following table provides information about receivables and contract liabilities from contract with customers:

Particulars	FY 2022-23	FY 2021-22
Contract liabilities	0.00	0.00
Total	0.00	0.00
Receivables		
Trade Receivables	130.15	66.55
Less : Impairment allowance for trade receivables	41.87	41.87
Total	88.28	24.68

Significant changes in the contract liabilities balances during the year are as follows:

Particulars	FY 2022-23	FY 2021-22
Opening Balance	-	-
Addition during the year	-	-
Revenue recognised during the year	-	-
Other Adjustment	-	-
Closing Balance	-	-

Information about major customers

Two customer has more than 10% of the Company's revenue, represents 100% of the Company's revenue from operations for the year ended Mar 31, 2023.

Two customer has more than 10% of the Company's revenue, represents 100% of the Company's revenue from operations for the year ended March 31, 2022.

48 Tax Reconciliation

	FY 2022-23	FY 2021-22
Net Profit as per Profit and Loss Account (before tax)	112.38	85.74
Current Tax rate @ 25.167% (For 2020 @ 25.167%)	28.28	21.58
Adjustment:		
Depreciation adjustment	(0.51)	(0.37)
CSR Expenditure	0.00	0.00
Ind AS - Impact	0.00	0.00
Other Adjustments	(11.02)	(21.20)
Tax Provision as per Books	16.75	0.00

- 49 Previous year's figures have been regrouped and reclassified wherever necessary and the figures have been rounded off to the nearest rupee.

As per our report of even date attached

For and on behalf of the Board

For Khandelwal Jain & Co.
Firm Reg. No. 105049W
Chartered Accountants



(Manish Kumar Singhal)
Partner
M.No. 502570

Subodh Kumar Garg
Director
DIN: 00550825

Jitendra Chaudhary
Director
DIN: 01709943