

**INDEPENDENT AUDITORS' REPORT****To the Members of HTL Limited****Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the accompanying standalone financial statements of **HTL Limited** ("the Company"), which comprise the balance sheet as at March 31, 2023, 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

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 thereunder, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| S. No | Key Audit Matters | Response to Key Audit Matters |
|-------|---|--|
| 1. | Provision of Interest on Government of India (GOI) Loan Pending the response to the company's letter to GOI and also confirmation of balance from GOI, provision of interest on GOI loan has been made after adjustment of claim recoverable from BSNL. As on 31 st March 2023, total loan outstanding is Rs. 473.00 Lacs and Interest Accrued is Rs. 2347.13 Lacs. | Principal Audit Procedures Obtained details of correspondence with Government of India for settlement of claim. Verified the reconciliation statement prepared by the management after adjustment of claim recoverable from BSNL against the interest portion of the outstanding loan from GOI. Discussion with the management on the current status on the loan reconciliation. |



Other Information

The Company's Board of Directors is responsible for the preparation of 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 standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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

When we read the other information comprising the above documents, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per applicable laws and regulations.

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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



- Identify and assess the risks of material misstatement of the standalone 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 financial controls 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 Company's ability 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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.
- 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, the Statement of Cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards 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 explanations given to us, the company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act 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 of pending litigations on its financial position in its Note No 39 of the financial statements;
- ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (i)
- (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;



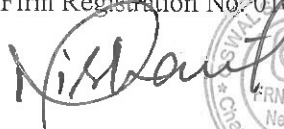

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded 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.

(j) The Company has not paid or proposed any dividend during the year.

(k) 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 Oswal Sunil & Company
Chartered Accountants
Firm Registration No. 016520N

Nishant Bhansali
Partner
Membership No: 532900
UDIN: 23532900BGVCKA5753

Place: New Delhi
Date: April 28, 2023

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in "Paragraph-A" under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of HTL Limited of even date)

1.

(a)

A. The Company has maintained proper records showing full particulars including quantitative details and situations of its Property Plant and Equipment.

B. The Company has maintained proper records showing full particulars of its Intangible Assets.

(b) Property, Plant and equipment of the company are physically verified according to a phased program of coverage which, in our opinion, is reasonable. Pursuant to the program, physical verification of the Property, Plant and equipment was carried out during the year by the management and no material discrepancies were noticed on such physical verification.

(c) According to the information and explanation given to us, the title deeds of all immovable properties disclosed in the financial statements are held in the name of the Company except the following:

| Description of Property | Gross Carrying Value | Held in name of | Whether promoter, director or their relative or employee | Period held— indicate range, where appropriate | Reason for not being held in name of the company |
|---|----------------------|-------------------------|--|--|---|
| 30.99 acres of Assigned land at Guindy Industrial Area, Chennai | Re. 1 | Government of Tamilnadu | No | 52 Years | Pattas and Encumbrance Certificate are available in the name of Company and the process of getting clear title is in process. The Assigned land is subject to dispute pending at Madras High Court. Refer Note 44 to the Financial Statement. |

(d) The company has not revalued its Property Plant and Equipment or Intangible Assets or both during the year.

(e) According to the information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any benami property under Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

2.

(a) As per the information and explanation given to us, the Inventories, except for stocks lying with certain third parties from whom confirmations have been obtained for stocks held as at the year end, have been physically verified by the management at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate. In our opinion, the discrepancies noticed on physical verification were less than 10% in aggregate for each class of inventory and the same have been properly dealt with in the books of accounts.

(b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. As per the information and explanation given to us and represented by the management in Note 23.2 of the financial statement, the quarterly returns or statements filed by the company with banks are in agreement with the books of accounts of the Company.



3. According to the information and explanation given to us, the company has not made investments in or provided any guarantee or security or granted any loans or advances in nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Accordingly, provision of clause 3(iii) are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has, in respect of loans, investments, guarantees, and security, complied with the provisions of Section 185 and 186 of the Companies Act.
5. According to the information and explanation given to us, the Company has not accepted any deposits, within the directives issued by the Reserve Bank of India, and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013. Hence the provisions of clause 3(v) are not applicable to the Company.
6. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for the products of the company.
7.
 - (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 from the date they became payable.

- (b) According to the information and explanations given to us and as certified by the management, dues outstanding of income-tax on account of any dispute is as follows:

| Name of the statute | Nature of dues | Amount in Rs. | Period to which the amount relates | Forum where dispute is pending |
|-------------------------|----------------|---------------|------------------------------------|--------------------------------|
| The Income Tax Act 1961 | Income Tax | 4731 Lacs | AY 2014-15 | Pending with CIT (A) |

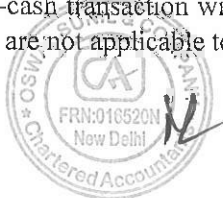
8. According to the information and explanation given to us, there was no transaction which was not recorded in the books of account and which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

9.
 - (a) According to our audit procedures and the information and explanation given to us, the company has not re-paid the loans and interest due thereon to Government of India (GOI). The period and outstanding amount as on balance sheet date i.e. 31st March, 2023 are as follows:

| Nature of borrowing | Name of lender | Amount not paid on due date (Amount. in Lacs) | Whether principal or interest | Delay or unpaid since | Remarks |
|---------------------|----------------|---|-------------------------------|-----------------------|---|
| Loans | GOI | 473.00 | Interest | More than 8 year | As referred in Note 46 of the Financial Statement, loan & interest due thereon are subject to reconciliations and interest reduction proposal with DoT. |
| | | 1,523.99 | | More than 8 year | |
| | | 352.94 | | 6-8 Year | |
| | | 150.21 | | 3-6 Year | |
| | | 84.88 | | 2-3 Year | |
| | | 117.55 | | 1-2 Year | |
| | | 117.55 | | 0-1 Year | |
| Total | | 2820.12 | | | |

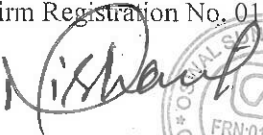


- (b) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not been declared as willful defaulter by any bank or financial institution or any other lender.
 - (c) To the best of our knowledge and belief and according to the information and explanations given to us, the terms loans were applied for the purpose for which the loans were obtained.
 - (d) To the best of our knowledge and belief and according to the information and explanations given to us, the fund raised on short term basis have not been utilized for the long term purposes.
 - (e) In our opinion, the Company does not have any subsidiaries, associates or joint ventures and accordingly the requirements under paragraph 3(ix)(e) and 3(ix)(f) are not applicable to the company.
- 10.
- (a) Based on our examinations of the records and information and explanations given to us, the company has not raised any money by way of initial public offer (IPO) or further public offer (FPO) (including debt instruments).
 - (b) Based on our examinations of the records and information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures during the year.
- 11.
- (a) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the company or on the company has been noticed or reported during the year.
 - (b) To the best of our knowledge and belief, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - (c) According to the information and explanations given to us and based on our examination, there were no whistle-blower complaints received during the year by the Company;
12. The Company is not a Nidhi company, hence the provisions of clause 3(xii) are not applicable to the Company.
13. 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.
- 14.
- (a) In our opinion, the company has adequate internal audit system commensurate with the size and nature of the business.
 - (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
15. According to the information and explanation given to us and the books of accounts verified by us, the Company has not entered into any non-cash transaction with directors or persons connected with him and hence the provision of clause 3(xv) are not applicable to the Company.



16. In our opinion, the Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
17. The company has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
18. There has been no resignation of the statutory auditors of the Company during the year.
19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is 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.
- 20.
- (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) In respect of ongoing projects, the company has transferred unspent amount for the year ended March 31, 2022 and March 31, 2023 to a special account, within a period of thirty days from the end of the respective financial year in compliance with section 135(6) of the said Act.

For Oswal Sunil & Company
Chartered Accountants
Firm Registration No. 016520N


Nishant Bhansali
Partner
Membership No: 532900
UDIN: 23532900BGVCKA5753



Place: New Delhi
Date: April 28, 2023

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HTL LIMITED AS ON 31ST MARCH, 2023.

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

TO THE MEMBERS OF HTL LIMITED

We have audited the internal financial controls over financial reporting of **HTL LIMITED** ("the Company") as of March, 31, 2023 in conjunction with our audit of the Standalone 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, 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 Standalone 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.

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 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 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, to the best of our information and according to the explanations given to us, 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 Oswal Sunil & Company

Chartered Accountants

Firm Registration No. 016520N

**Nishant Bhansali**

Partner

Membership No: 532900

UDIN: 23532900BGVCKA5753

Place: New Delhi

Date: April 28, 2023

HTL Limited
(CIN: U93090TN1960PLC004355)
(All amounts are in Rs. Lakhs)
Balance Sheet as at March 31,2023

| Assets | Note No. | As at March 31, 2023 | As at March 31, 2022 |
|---|----------|----------------------------|----------------------------|
| Non-current Assets | | | |
| (a) Property, Plant and Equipment | 4 | 15,514.70 | 12,475.37 |
| (b) Capital work-in-progress | 5 | 784.91 | 2,115.98 |
| (c) Intangible assets (other than Goodwill) | 6 | 92.05 | 59.90 |
| (d) Intangible assets under development | 7 | - | 18.36 |
| (e) Financial Assets | | | |
| (i) Others | 8 | 251.42 | 422.67 |
| (f) Other non-current assets | 10 | 108.01 | 467.93 |
| Total non-current assets | | 16,751.09 | 15,560.21 |
| Current Assets | | | |
| (a) Inventories | 11 | 17,245.53 | 16,385.62 |
| (b) Financial Assets | | | |
| (i) Investments | 12 | 18.60 | 17.08 |
| (ii) Trade Receivables | 13 | 18,149.69 | 17,217.76 |
| (iii) Cash and cash equivalents | 14 | 84.34 | 65.83 |
| (iv) Bank balances other than (iii) above | 15 | 2,162.74 | 2,217.20 |
| (v) Others | 16 | 283.86 | 447.90 |
| (c) Current Tax Assets (Net) | 17 | 36.13 | 36.13 |
| (d) Other current assets | 18 | 1,010.62 | 947.01 |
| Total current assets | | 38,991.51 | 37,334.53 |
| Total Assets | | 55,742.60 | 52,894.74 |



HTL Limited
(CIN: U93090TN1960PLC004355)
(All amounts are in Rs. Lakhs)
Balance Sheet as at March 31,2023

| Equity and Liabilities | Note No. | As at March 31, 2023 | As at March 31, 2022 |
|---|----------|-------------------------|-------------------------|
| Equity | | | |
| (a) Equity Share capital | 19 | 1,500.00 | 1,500.00 |
| (b) Other Equity | 19 | 12,836.83 | 6,377.31 |
| Total Equity | | 14,336.83 | 7,877.31 |
| Liabilities | | | |
| Non-current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 20 | 5,127.42 | 5,042.98 |
| (ii) Others | 21 | 7,200.00 | 7,200.00 |
| (b) Provisions | 22 | 220.39 | 139.18 |
| (c) Deferred tax liabilities (Net) | 9 | 329.74 | 371.61 |
| Total non-current liabilities | | 12,877.55 | 12,753.77 |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 23 | 11,663.70 | 11,632.78 |
| (ii) Trade Payables | | | |
| (a) total outstanding dues of micro enterprises and small enterprises; | 24 | 891.20 | 1,352.61 |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises. | | 9,939.03 | 14,325.58 |
| (ii) Other financial liabilities | 25 | 3,600.52 | 3,756.97 |
| (b) Other current liabilities | 26 | 720.78 | 193.47 |
| (c) Provisions | 27 | 24.28 | 34.02 |
| (d) Current Tax Liabilities (Net) | 17 | 1,688.71 | 968.23 |
| Total current liabilities | | 28,528.22 | 32,263.66 |
| Total Liabilities | | 41,405.77 | 45,017.43 |
| Total equity and liabilities | | 55,742.60 | 52,894.74 |

The Accompanying notes form an integral part of the financial statement.

As per our report of even date attached

For Oswal Sunil & Company

Chartered Accountants

Firm Reg. No.: 016520N

NISHANT BHANSALI

Partner

M.No.: 532900



New Delhi, 28th April 2023

For and on behalf of the Board

R.M.KASTIA

Director

DIN: 00053059

S. NARAYANAN

Company Secretary

M.No ACS5772

New Delhi, 28th April 2023

K.C. JANI

Director

DIN: 02535299

C D PONNAPPA

Chief Financial Officer

PAN: ACZPP1337Q

HTL Limited

(CIN: U93090TN1960PLC004355)

(All amounts are in Rs. 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 | 28 | 1,26,441.06 | 1,01,004.70 |
| | Other Income | 29 | 431.27 | 276.16 |
| | Total Income (I) | | 1,26,872.33 | 1,01,280.86 |
| II. | EXPENSE | | | |
| | Cost of Material Consumed | 30 | 92,723.53 | 76,771.70 |
| | Other Direct cost | 31 | 1,272.62 | 1,023.34 |
| | Purchases of Stock-in-Trade | | 5,592.02 | 4,060.10 |
| | Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 32 | 348.73 | (1,510.11) |
| | Employee benefits expense | 33 | 5,750.40 | 4,546.12 |
| | Finance Costs | 34 | 3,603.69 | 3,444.43 |
| | Depreciation and Amortization expenses | 4 & 6 | 2,511.34 | 2,045.99 |
| | Other Expenses | 35 | 6,066.79 | 3,612.18 |
| | Total Expenses (II) | | 1,17,869.12 | 93,993.75 |
| III | Profit / (loss) before exceptional items and income tax (I-II) | | 9,003.21 | 7,287.11 |
| IV | Exceptional item (refer note 53) | | - | 637.67 |
| V | Profit / (Loss) before tax (III - IV) | | 9,003.21 | 6,649.44 |



HTL Limited

(CIN: U93090TN1960PLC004355)

(All amounts are in Rs. 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 |
|-------------|--|----------|---|---|
| VI | Tax expenses | | | |
| | Current tax | | 2,537.76 | 1,735.99 |
| | Deferred Tax | | (29.84) | (20.29) |
| | | | 2,507.92 | 1,715.70 |
| VII | Profit for the year (V-VI) | | 6,495.29 | 4,933.74 |
| VIII | Other Comprehensive Income / (loss) | | | |
| | Items that will not be reclassified to profit or loss | | | |
| | (i) Remeasurement of defined benefit plans; | | (47.80) | (22.22) |
| | (ii) Income tax on above item; | | 12.03 | 5.59 |
| | Other comprehensive income for the year (VIII) | | (35.77) | (16.63) |
| IX | Total comprehensive income for the year (VII+VIII) | | 6,459.52 | 4,917.11 |
| | Earnings per share attributable to the equity holders of the Company during the year | | | |
| | Basic earnings per share (in Rs.) | 36 | 433.02 | 328.92 |
| | Diluted earnings per share (in Rs.) | 36 | 433.02 | 328.92 |

The Accompanying notes form an integral part of the financial statement.

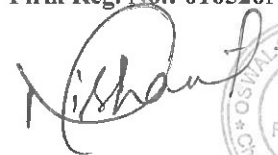
As per our report of even date attached

For and on behalf of the Board

For Oswal Sunil & Company

Chartered Accountants

Firm Reg. No.: 016520N



NISHANT BHANSALI

Partner

M.No.: 532900

New Delhi, 28th April 2023



R.M. KASTIA

Director

DIN: 00053059



S. NARAYANAN

Company Secretary

M.No ACS5772

New Delhi, 28th April 2023



K.C. JANI

Director

DIN: 02535299



C D PONNAPPA

Chief Financial Officer

PAN: ACZPP1337Q

HTL Limited

(CIN: U93090TN1960PLC004355)

(All amounts are in Rs. Lakhs)

Statement of Cash Flow for the year ended 31st March, 2023

| Particulars | | For the year ended Mar 31, 2023 | For the year ended March 31, 2022 |
|-------------|--|------------------------------------|--------------------------------------|
| I. | Cash Flow From Operating Activities | | |
| | Net Profit Before Tax | 9,003.21 | 6,649.44 |
| | Adjustments for | | |
| | Depreciation and Amortization expenses | 2,511.34 | 2,045.99 |
| | Bad debts, Loans and Advances, other balances written off (net) | 319.26 | 40.84 |
| | Loss on Sales/Discard of Property, Plant and Equipment | 22.03 | 10.51 |
| | Share based payment (refer note no. 48) | - | (25.55) |
| | Finance costs | 3,603.69 | 3,444.43 |
| | Interest Income | (87.67) | (93.81) |
| | Exchange Fluctuation Income (Net) | 98.10 | 295.03 |
| | | 15,469.96 | 12,366.88 |
| | Change in operating assets and liabilities | | |
| | (Increase)/Decrease in trade receivables | (1,251.19) | 1,280.10 |
| | (Increase)/Decrease in inventories | (859.91) | (3,613.32) |
| | Increase/(Decrease) in trade payables | (4,946.06) | (2,089.89) |
| | (Increase)/Decrease in other financial assets | 155.57 | (78.50) |
| | (Increase)/Decrease in other Non-current assets | 171.25 | (156.83) |
| | (Increase)/Decrease in other current assets | (9.15) | (1,339.36) |
| | Increase/(Decrease) in other Non-current liabilities | 81.21 | (266.15) |
| | Increase/(Decrease) in other current liabilities | 1,110.82 | (61.31) |
| | Cash generated from operations | 9,922.50 | 6,041.62 |
| | Income taxes (paid)/refund | (1,817.28) | (1,207.25) |
| | Net cash inflow from operating activities | 8,105.22 | 4,834.37 |
| II | Cash flows from investing activities | | |
| | Payments for Property, Plant and Equipment including CWIP & Capital Advances | (4,131.10) | (4,513.50) |
| | Payment for Intangible Assets (other than Goodwill) including CWIP | (31.16) | (12.80) |
| | Sale of Property, Plant and Equipment | - | 12.17 |
| | Payments for purchase of investments | (1.52) | - |
| | Interest received | 96.13 | 71.62 |
| | Net cash outflow from investing activities | (4,067.65) | (4,442.51) |



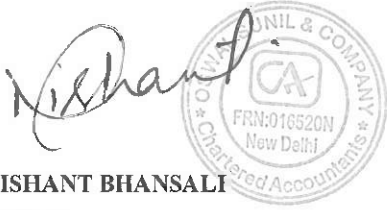
Statement of Cash Flow for the year ended 31st March, 2023

| Particulars | | For the year ended Mar 31, 2023 | For the year ended March 31, 2022 |
|---------------|---|------------------------------------|--------------------------------------|
| III | Cash flows from financing activities | | |
| | Proceeds of borrowings | 3,810.67 | 3,945.89 |
| | (Repayment) of borrowings | (3,695.31) | (1,027.73) |
| | Interest paid | (4,134.44) | (3,273.88) |
| | Net cash inflow (outflow) from financing activities | (4,019.08) | (355.72) |
| IV | Net increase (decrease) in cash and cash equivalents | 18.52 | 36.15 |
| VI | Cash and cash equivalents at the beginning of the financial year | 65.83 | 29.68 |
| VII | Cash and cash equivalents at end of the year | 84.35 | 65.83 |
| Notes: | | | |
| 1 | The Statement of Cash flow has been prepared under the indirect method as set-out in the Ind AS - 7 "Statement of Cash Flow" as specified in the Companies (Indian Accounting Standards) Rules, 2015. | | |
| 2 | Figures in bracket indicate cash outflow. | | |
| 3 | Cash and cash equivalents (Refer Note 14) comprise of the following | | |
| | Cash on Hand | 0.74 | 1.02 |
| | Balance with Banks * | 83.60 | 64.81 |
| | * Rs.75.42 Lakhs (Previous year Rs.40.63 Lakhs) has restricted use. | | |
| | Balances per statement of cash flows | 84.34 | 65.83 |

The Accompanying notes form an integral part of the financial statement.

As per our report of even date attached

For Oswal Sunil & Company
Chartered Accountants
Firm Reg. No.: 016520N



NISHANT BHANSALI
Partner
M.No.: 532900

New Delhi, 28th April 2023

For and on behalf of the Board

R. M. Kastia
R. M. KASTIA
Director
DIN: 00053059

S. Narayanan
S. NARAYANAN
Company Secretary
M.No ACS5772
New Delhi, 28th April 2023

K.C. Jani
K.C. JANI
Director
DIN: 02535299

C.D. Ponnappa
C D PONNAPPA
Chief Financial Officer
PAN: ACZPP1337Q

HTL Limited
(All amounts are in Rs. Lakhs)
Statement of Changes in Equity for the year ended 31st March 2023

Equity Share Capital

| Particulars | Amount |
|---------------------------------|----------|
| As at April 01, 2021 | 1,500.00 |
| Changes in equity share capital | - |
| As at March 31, 2022 | 1,500.00 |
| Changes in equity share capital | - |
| As at March 31, 2023 | 1,500.00 |

Other equity

| Particulars | Reserves and Surplus | | | Other Comprehensive Income | Total |
|---|----------------------|-------------------|---------------------|----------------------------|-----------------|
| | Capital Reserve * | Retained Earnings | Share Based Payment | | |
| As at April 01, 2021 | 0.00 | 1,501.16 | 74.65 | (90.06) | 1,485.75 |
| Share Based Payment to employee (Refer note no.48) | - | - | (25.55) | - | (25.55) |
| Total Comprehensive Income for the year | - | 4,933.74 | - | (16.63) | 4,917.11 |
| Transfer to retained earnings | - | 24.46 | (24.46) | - | - |
| Balance as at March 31, 2022 | 0.00 | 6,459.36 | 24.64 | (106.69) | 6,377.31 |
| Share Based Payment to employee (Refer note no. 48) | - | 6,495.29 | - | (35.77) | 6,459.52 |
| Total Comprehensive Income for the year | - | 12,954.65 | 24.64 | (142.46) | 12,836.83 |
| Balance as at March 31, 2023 | 0.00 | | | | |

* Capital Reserve of Re. 1/- represents amount paid for land acquired free of cost from Tamilnadu State Government.

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Oswal Sunil & Company
Chartered Accountants

Firm Reg. No.: 016570

NISHANT BHANSALI
Partner

M.No.: 532900



For and on behalf of the Board

R. M. KASTIA
Director

S. NARAYANAN
Company Secretary

M.No ACS5772

New Delhi, 28th April 2023

K.C. JANI
Director

DIN: 02535299

C D PONNAPPA
Chief Financial Officer

PAN: ACZPP1337Q

HTL Limited

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

(All amounts are in Rs. Lakh unless otherwise stated)

1. Corporate information

HTL Limited ("the Company") was a wholly owned undertaking of Government of India ('GOI') under the Department of Telecommunications ('DOT') till 16th October'2001 when the Government divested 74 % of its shareholding in the Company as part of its divestment program, including transfer of management control, to HFCL Limited, which is now the Holding Company. From 2015-16, the Company has started manufacturing Optical Fibre Cables and Passive Connectivity Solution.

The financial statements are approved for issue by the Company's Board of Directors on 28th April 2023.

2. Application of new and revised Ind -AS

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 to the extent applicable have been considered in preparing these financial statements.

Recent accounting pronouncements:-

The MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 on March 31, 2023, whereby the amendments to various Indian Accounting Standards (Ind AS) has been made applicable with effect from April 1, 2023 onwards. Amended requirements as per these rules in relation to various Standards are as follows:

- Ind AS 1 – Presentation of Financial Statements: The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. The Company has evaluated the requirements of the amendment and its impact on Financial Statements is not likely to be material.
- Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. The amendments will help entities to distinguish between accounting policies and accounting estimates. The Company has evaluated the requirements of the amendment and there is no impact on its Financial Statements.
- Ind AS 12 – Income Taxes: The amendments narrowed the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company has evaluated the requirements of the amendment and there is no impact on its Financial Statements.

Amendments to other Indian Accounting Standards viz. Ind AS 101- First-time Adoption of Indian Accounting Standards, Ind AS 102 – Share Based Payments, Ind AS 103- Business Combinations, Ind AS 107- Financial Instruments - Disclosures, Ind AS 109 - Financial Instruments, and Ind AS 34 Interim Financial Reporting are either consequential to above amendments or clerical in nature.

The Company has evaluated the requirements of the amendments and there is no impact on its Financial Statements.

3. Significant accounting policies

3.1. Basis of preparation

3.1.1. Compliance with Ind AS

All the Indian Accounting Standards issued under section 133 of the Companies Act, 2013 and notified by the Ministry of Corporate Affairs (MCA) under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are approved have been considered in preparation of these Financial Statements.

3.1.2. Historical Cost Convention

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



HTL Limited

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

(All amounts are in Rs. Lakh unless otherwise stated)

3.1.3. Use of Estimates and Judgments

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, or
- 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, or
- b) It is held primarily for the purpose of trading, or
- 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:



HTL Limited

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

(All amounts are in Rs. Lakh unless otherwise stated)

- 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:

- a) quoted prices for similar assets or liabilities in active markets.
 - b) quoted prices for identical or similar assets or liabilities in markets that are not active.
 - c) inputs other than quoted prices that are observable for the asset or liability.
 - d) 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. Non-current assets held for sale

Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

3.5. Property Plant and Equipment

Freehold Land is carried at the actual cost. All other items of 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 eligible input taxes) 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.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital advances and capital work-in-progress (CWIP) respectively.

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

Depreciation is provided for on Buildings (including buildings taken on lease) and Plant & Machinery on straight line method 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 primary period of lease.



HTL Limited

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

(All amounts are in Rs. Lakh unless otherwise stated)

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 |
|--------------------------|--|
| Freehold Buildings* | Factory Building : 20 years Staff Quarters : 40 years |
| Leasehold Improvements | Over the period of lease |
| Plant & Machinery | 7.5- 15 Years |
| Furniture & Fixtures | 10 years |
| Electrical Installations | 10 years |
| Computers | 3 – 6 years |
| Office Equipments | 5 years |
| Vehicles | 8 years |

*For these classes of assets based on internal assessment and technical evaluation, the management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of Companies Act 2013.

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.

3.6. Intangible Assets

(i) Recognition of intangible assets

a. Internally Generated Assets

Intangible assets that are acquired subsequent to transition date are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible asset arising from development activity is recognised at cost on demonstration of its technical feasibility, the intention and ability of the Company to complete, use or sell it, only if, it is probable that the asset would generate future economic benefit and to use or sell of the asset, adequate resources to complete the development are available and the expenditure attributable to the said assets during its development can be measured reliably.

b. 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.



(ii) 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.

(iii) Amortisation periods and methods

Intangible assets are amortised on straight line basis over a period ranging between 2-5 years which equates its economic useful life.

3.7. 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.

3.7.1. 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. However, trade receivables that do not contain a significant financing component are measured at transaction price. 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)

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.



HTL Limited

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

(All amounts are in Rs. Lakh unless otherwise stated)

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments are measured at fair value. Equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value.

The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. This amount is not recycled from OCI to P & L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

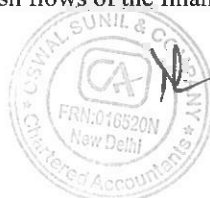
Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in Statement of Profit and Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

De-recognition of financial assets

A financial asset is de-recognized only when

- o The Company has transferred the rights to receive cash flows from the financial asset or
- o 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.



HTL Limited

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

(All amounts are in Rs. Lakh unless otherwise stated)

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 Group 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).

3.7.2 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.



HTL Limited

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

(All amounts are in Rs. Lakh unless otherwise stated)

Financial guarantee contracts

Financial guarantee contracts are recognized 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 recognized less cumulative amortization.

Derecognition

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

3.8. 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.

3.9. Inventories

Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials: 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 Cost Method.
- Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on Standard Cost method.
- Traded goods: 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.
- Contract Work in Progress : It is valued at cost



HTL Limited

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

(All amounts are in Rs. Lakh unless otherwise stated)

- Loose Tools (Consumables) –It is valued at cost after write off at 27.82%

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.

3.10. Revenue recognition

- Sale of Goods**

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**

Interest income on deposits with banks is recognised at effective interest rate applicable.

Interest income from other financial assets is recognised at the effective interest rate method on initial recognition.

- Dividends**

Dividend income is recognised when the right to receive payment is established.

- Rental income**

Rental income arising from operating leases or on investment properties is accounted for on a straight-line basis over the lease terms and is included in other non-operating income in the statement of profit and loss.

- Insurance Claims**

Insurance claims are accounted for as and when admitted by the concerned authority.

3.11. Excise and custom duty

Excise duty payable on production is accounted for on accrual basis. Provision is made in the books of accounts for customs duty on imported items on arrival and lying in bonded warehouse and awaiting clearance.

3.12. Leases

As a lessee

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.

Based on the accounting policy applied, the Company recognizes a right-of-use asset and a lease liability at the commencement date of the contract for all leases conveying the right to control the use of an identified assets, 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.



HTL Limited

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

(All amounts are in Rs. Lakh unless otherwise stated)

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.

3.13. 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 (are recognized at the rates of exchange prevailing at the dates of the transactions. Monetary items denominated in foreign currency at the year end 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.



3.14. 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 Gratuity plan

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 (revised), "Employee Benefits". The Company makes periodic contributions to the HDFC Standard Life Insurance Company Ltd for the Gratuity Plan in respect of employees. 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.



HTL Limited

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

(All amounts are in Rs. Lakh unless otherwise stated)

iii. Other Long Term Employee Benefits Leave Encashment

Other long term employee benefit comprises of leave encashment towards un-availed earned leave. These are recognized as per the actuarial valuation as per the Projected Unit Credit Method carried out at the end of each annual reporting period.

Re-measurements of leave encashment towards un-availed leave are recognized in the Statement of profit and loss.

iv. Actuarial gains and losses 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.

3.15. Share-based compensation

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

3.16. Borrowing Costs

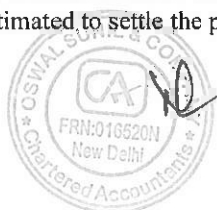
Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset are capitalized as part of cost of such asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

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

3.17. 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.



HTL Limited

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

(All amounts are in Rs. Lakh unless otherwise stated)

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.

3.18. Government grants

Grants from the government are recognized where there is a reasonable assurance that the grant will be received and the Company will comply with all stipulated conditions. Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating income. Grants related to assets are reduced from the carrying amount of the asset. Such grants are recognized in the Statement of Profit and Loss over the useful life of the related depreciable asset by way of reduced depreciation charge.

3.19. 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.

3.20. GST Credit

The GST credit available on purchase of raw materials, other eligible inputs and capital goods is adjusted against taxes payable. The unadjusted GST/CENVAT credit is shown under the head "Other Current Assets".

3.21. Earnings per share

Basic earnings per share are computed by dividing the net profit after tax 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.

3.22. 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 Financial Statement. 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.



HTL Limited

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

(All amounts are in Rs. Lakh unless otherwise stated)

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.

3.23. 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.



HTL Limited

(All amounts are in Rs. Lakhs)

Notes forming part of the Financials Statements for the year ended March 31, 2023

4 Property, Plant and Equipment

| Particulars | Plant and Machinery | Building | Electrical Installations | Furniture and Fixtures | Office Equipments | Computers | Vehicles | Land Freehold | Total |
|---|---------------------|----------|--------------------------|------------------------|-------------------|-----------|----------|---------------|-----------|
| Gross Carrying Value | | | | | | | | | |
| As at April 01, 2021 | 11,941.13 | 3,547.37 | 341.71 | 87.56 | 112.57 | 184.18 | 65.43 | 6.36 | 16,286.31 |
| Additions | 2,335.40 | 618.78 | 182.80 | 36.33 | 60.83 | 68.30 | 0.24 | - | 3,302.68 |
| Disposals / Adjustments | 43.85 | - | - | - | - | - | - | - | 43.85 |
| As at March 31, 2022 | 14,232.68 | 4,166.15 | 524.51 | 123.89 | 173.40 | 252.48 | 65.67 | 6.36 | 19,545.14 |
| Additions | 3,802.52 | 1,381.68 | 226.13 | 18.22 | 40.39 | 86.39 | - | - | 5,555.33 |
| Disposals / Adjustments | 108.15 | - | - | - | - | 12.58 | 22.73 | - | 143.46 |
| As at March 31, 2023 | 17,927.05 | 5,547.83 | 750.64 | 142.11 | 213.79 | 326.29 | 42.94 | 6.36 | 24,957.01 |
| Accumulated Depreciation and Impairment | | | | | | | | | |
| As at April 01, 2021 | 3,835.34 | 824.39 | 127.45 | 24.14 | 56.17 | 138.31 | 58.86 | - | 5,064.66 |
| Depreciation for the year | 1,657.55 | 181.69 | 79.13 | 21.14 | 38.61 | 47.02 | 1.12 | - | 2,026.28 |
| Disposals / Adjustments | 21.17 | - | - | - | - | - | - | - | 21.17 |
| As at March 31, 2022 | 5,471.72 | 1,006.08 | 206.58 | 45.28 | 94.78 | 185.33 | 59.98 | - | 7,069.77 |
| Depreciation for the year | 2,042.22 | 226.09 | 100.68 | 22.11 | 43.76 | 58.27 | 0.84 | - | 2,493.97 |
| Disposals / Adjustments | 88.21 | - | - | - | - | 11.95 | 21.26 | - | 121.43 |
| As at March 31, 2023 | 7,425.73 | 1,232.17 | 307.26 | 67.39 | 138.54 | 231.65 | 39.56 | - | 9,442.31 |
| Net Carrying Value | | | | | | | | | |
| As at March 31, 2022 | 8,760.96 | 3,160.07 | 317.93 | 78.61 | 78.62 | 67.15 | 5.69 | 6.36 | 12,475.37 |
| As at March 31, 2023 | 10,501.32 | 4,315.66 | 443.38 | 74.72 | 75.25 | 94.64 | 3.38 | 6.36 | 15,514.70 |

Notes:

1. The following properties are pending for title transfer in the name of the Company:

| Relevant line item in the Balance sheet | Description of item of property | Gross carrying value | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/director or employee of | Property held since which date |
|--|--|----------------------|---------------------------------|---|--------------------------------|
| Property, plant and equipment (refer note 4) | Land (Assigned) at Guindy Industrial Area, Chennai | - | State Government of Tamil Nadu | No | 30th September 1970 |

2. Refer Note 20 and 23 for details of assets pledged.

5 Capital work-in-progress

| Particulars | Buildings | Plant & Machinery | Electrical Installations | Total |
|-------------------------|-----------|-------------------|--------------------------|----------|
| As at April 01, 2021 | 24.71 | 783.63 | - | 808.34 |
| Additions | 514.96 | 1,325.12 | 270.32 | 2,110.40 |
| Disposals / Adjustments | 24.71 | 778.05 | - | 802.76 |
| As at March 31, 2022 | 514.96 | 1,330.70 | 270.32 | 2,115.98 |
| Additions | 298.15 | 263.63 | 109.45 | 671.23 |
| Disposals / Adjustments | 473.60 | 1,274.62 | 254.07 | 2,002.30 |
| As at March 31, 2023 | 339.51 | 319.71 | 125.70 | 784.91 |

5.1 Aging details of capital work in progress (CWIP) *

| Particulars | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
|----------------------|------------------|-------------|-------------|-------------------|----------|
| Projects in progress | | | | | |
| As at March 31, 2022 | 2,110.40 | 5.58 | - | - | 2,115.98 |
| As at March 31, 2023 | 638.58 | 146.34 | - | - | 784.92 |

* As on the date of the balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on approved plan.

6 Intangible Assets (other than goodwill)

| Particulars | Intangible Asset (Software) | Total |
|--|-----------------------------|---------------|
| Gross Carrying Value | | |
| As at April 01, 2021 | 199.05 | 199.05 |
| Additions | 10.12 | 10.12 |
| Disposals / Adjustments | - | - |
| As at March 31, 2022 | 209.17 | 209.17 |
| Additions | 49.52 | 49.52 |
| Disposals / Adjustments | - | - |
| As at March 31, 2023 | 258.69 | 258.69 |
| Accumulated Amortisation and impairment | | |
| As at April 01, 2021 | 129.56 | 129.56 |
| Amortisation for the year | 19.71 | 19.71 |
| Disposals / Adjustments | - | - |
| As at March 31, 2022 | 149.27 | 149.27 |
| Amortisation for the year | 17.37 | 17.37 |
| Disposals / Adjustments | - | - |
| As at March 31, 2023 | 166.64 | 166.64 |
| Net Carrying Value | | |
| As at March 31, 2022 | 59.90 | 59.90 |
| As at March 31, 2023 | 92.05 | 92.05 |

7 Intangible assets under development

| Particulars | Intangible Assets (Software) |
|-------------------------|------------------------------|
| As at April 01, 2021 | 15.68 |
| Additions | 12.21 |
| Disposals / Adjustments | 9.53 |
| As at March 31, 2022 | 18.36 |
| Additions | - |
| Disposals / Adjustments | 18.36 |
| As at March 31, 2023 | - |

7.1 Ageing details of Intangible assets under development *

| Particulars | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
|----------------------|------------------|-------------|-------------|-------------------|-------|
| Projects in progress | 12.21 | 6.15 | - | - | 18.36 |
| As at March 31, 2022 | - | - | - | - | - |
| As at March 31, 2023 | - | - | - | - | - |

* As on the date of the balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on approved plan.



8 Non-Current Financial Assets - Others

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Unsecured, considered Good | | |
| Fixed Deposits with Bank (Maturity more than 12 months)* | 251.42 | 422.67 |
| Total | 251.42 | 422.67 |

*Above fixed deposit held as margin money/securities with banks.

9 Deferred Tax Assets / (Liabilities)

| Particulars | Defined Benefit Obligations | Property, plant and Equipment | Others | Total |
|-----------------------------------|--------------------------------|----------------------------------|---------------|-----------------|
| As at 1 April, 2021 | 112.74 | (510.24) | - | (397.50) |
| (Changed)/Credited: | | | | |
| - to Statement of profit and loss | (76.84) | 97.14 | - | 20.30 |
| - to other comprehensive income | 5.59 | - | - | 5.59 |
| As at 31 March, 2022 | 41.49 | (413.10) | - | (371.61) |
| (Changed)/Credited: | | | | |
| - to Statement of profit and loss | 5.96 | (82.08) | 105.96 | 29.84 |
| - to other comprehensive income | 12.03 | - | - | 12.03 |
| As at 31 March, 2023 | 59.48 | (495.18) | 105.96 | (329.74) |

10 Other non-current assets

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------|-------------------------|-------------------------|
| Unsecured, Considered Good | | |
| Capital Advances | 108.01 | 467.93 |
| Total | 108.01 | 467.93 |

11 Inventories (at cost or net realisable value whichever is lower)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Inventories (As certified and valued by the management) | | |
| Raw Material | 9,535.10 | 8,152.56 |
| Raw Material-In transit | 1,037.84 | 1,393.61 |
| | 10,572.94 | 9,546.17 |
| Work-in-progress | 2,962.47 | 2,772.84 |
| Finished goods | 2,696.71 | 3,261.66 |
| Stock-in-trade Goods | 136.81 | 110.22 |
| Stores & Spares | 827.17 | 668.87 |
| Loose tools | 49.43 | 25.86 |
| Total | 17,245.53 | 16,385.62 |

12 Current Financial Assets - Investments

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|----------------------------------|-------------------------|-------------------------|
| Unquoted Investments | | |
| Investments in Equity instrument | 18.60 | 17.08 |
| Total | 18.60 | 17.08 |

12.1 Details of Current Financial Assets - Investments

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|----------------------|--------------|----------------------|--------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Financial assets measured at FVTOCI | | | | |
| Investment in equity instruments | | | | |
| Unquoted Equity Shares (Fully Paid up) | | | | |
| NSL Wind Power Company (Phoolwadi) Private Limited - FV Rs.10/- per share | 1,86,000 | 18.60 | 1,70,800 | 17.08 |
| Total Current Financial Investments | | 18.60 | | 17.08 |



13 Current Financial Assets - Trade Receivables

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Trade Receivables - Considered Good Unsecured | 18,149.69 | 17,217.76 |
| Less: Expected Credit Loss allowance | - | - |
| Total | 18,149.69 | 17,217.76 |

13.1. Trade Receivable Ageing Schedule:

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|-----------------------|----------------------|---------------|--------------|----------------------|------------------|
| | Not Due | Less than 6 Months | 6 Months - 1 Year | 1-2 years | 2-3 years | More than 3 years | |
| As at March 31, 2023 | | | | | | | |
| (i) Undisputed Trade Receivables - considered good | 11,590.48 | 6,094.80 | 57.85 | 367.90 | 17.73 | 10.93 | 18,139.68 |
| (ii) Disputed Trade Receivables - considered good | - | - | - | - | - | 10.01 | 10.01 |
| Total | 11,590.48 | 6,094.80 | 57.85 | 367.90 | 17.73 | 20.94 | 18,149.69 |
| As at March 31, 2022 | | | | | | | |
| (i) Undisputed Trade Receivables - considered good | 10,860.31 | 3,676.96 | 2,170.11 | 479.79 | 10.62 | 9.95 | 17,207.75 |
| (ii) Disputed Trade Receivables - considered good | - | - | - | - | - | 10.01 | 10.01 |
| Total | 10,860.31 | 3,676.96 | 2,170.11 | 479.79 | 10.62 | 19.97 | 17,217.76 |

13.2 The credit period towards trade receivables generally ranges between 0 to 180 days. General payment terms includes process time with the respective customers between 30 to 60 days and certain retention money within 180 Days.

13.3 In determining the allowance for trade receivables the Company has used practical expedients based on financial condition of the customers, ageing of the customer receivables and over-dues, availability of collaterals and historical experience of collections from customers. The concentration of risk with respect to trade receivables is reasonably low as most of the customers are Government and large Corporate organisations though there may be normal delays in collections.

13.4 Above balance of trade receivables include recoverable from related party.

14 Current Financial Assets - Cash & cash equivalents

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|----------------------------|-------------------------|-------------------------|
| Cash & Cash Equivalents | | |
| Balance with banks; | | |
| - in current account | 8.18 | 24.18 |
| - in CSR Unspent account * | 75.42 | 40.63 |
| Cash on hand; | 0.74 | 1.02 |
| Total | 84.34 | 65.83 |

* Rs.75.42 Lakhs (Previous year Rs.40.63 Lakhs) has restricted use.

15 Current Financial Assets - Other Bank Balances

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Fixed Deposits with Bank (Maturity more than 3 Months but less than 12 months) * | 2,162.74 | 2,217.20 |
| Total | 2,162.74 | 2,217.20 |

*Above fixed deposit held as margin money/securities with banks.

16 Current Financial Assets -Other Assets

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Unsecured, Considered good | | |
| A) Advances other than capital advances; | | |
| a.) Security Deposits | 246.69 | 252.26 |
| b.) Other Advances | - | 150.00 |
| B) Interest Receivables | 37.17 | 45.64 |
| Total | 283.86 | 447.90 |

17 Current Tax Assets/(Liabilities)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Current Tax Assets | | |
| Advance Income Tax / TDS (net of provisions) | 36.13 | 36.13 |
| Current Tax Liabilities | | |
| Income Tax Provisions (net of Advance Tax & TDS/TCS) | (1,688.71) | (968.23) |
| Total | (1,652.58) | (932.10) |

18 Other Current Assets

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Unsecured, Considered good | | |
| Advances Recoverable in cash or in kind | 4.53 | 2.62 |
| Advances to Vendors | 442.10 | 387.95 |
| Indirect Tax Recoverable | 336.86 | 298.02 |
| Prepaid Expenses | 215.18 | 219.38 |
| Export Incentive Receivable | 11.95 | 39.04 |
| Total | 1,010.62 | 947.01 |



19 (a) Equity Share Capital

(i) Authorized Share Capital

| Particulars | No of Shares | Amount |
|--------------------------|--------------|----------|
| As at 1 April, 2021 | 20,00,000 | 2,000.00 |
| Increase during the year | - | - |
| As at 31 March, 2022 | 20,00,000 | 2,000.00 |
| Increase during the year | - | - |
| As at 31 March, 2023 | 20,00,000 | 2,000.00 |

(ii) Shares issued, subscribed and fully paid-up

| Particulars | No of shares | Amount |
|------------------------------------|--------------|----------|
| As at 1 April, 2021 | 15,00,000 | 1,500.00 |
| Add: Shares issued during the year | - | - |
| As at 31 March, 2022 | 15,00,000 | 1,500.00 |
| Add: Shares issued during the year | - | - |
| As at 31 March, 2023 | 15,00,000 | 1,500.00 |

(iii) 11,10,000 (Previous year-11,10,000) Equity Shares of Rs.100/- each are fully paid up, are held by the Holding Company, HFCL Limited

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

| Name of Shareholder | As at March 31, 2023 No. of share held | As at March 31, 2022 No. of share held |
|--|---|---|
| HFCL Limited | 11,09,997 | 11,09,997 |
| % of Holding | 74.00% | 74.00% |
| Manoj Baid* | 1 | 1 |
| Baburaj Eradath* | 1 | 1 |
| Tarun Kalra* | 1 | 1 |
| Govt. of India represented by President of India | 3,89,996 | 3,89,996 |
| % of Holding | 26.00% | 26.00% |
| Shri Shambhu Kumar Mahto, DDG (PHP), DoT. | 2 | 2 |
| Shri R.M.Agarwal, DDG (SU), DoT. | 1 | 1 |
| Shri Rajeev Kumar Srivastava, Director (TPF), DoT. | 1 | 1 |

(v) Shareholding of Promoters

| Shares held by promoters at the end of the year | | | | % of change during the year |
|---|------------------|---------------|-------------------|-----------------------------|
| S.No. | Promoter Name | No. of Shares | % of Total Shares | |
| 1 | HFCL Limited | 3,89,996 | | |
| 2 | Manoj Baid* | 1 | 74.00% | 0% |
| 3 | Baburaj Eradath* | 1 | | |
| 4 | Tarun Kalra* | 1 | | |

* The Beneficial Interest is held by HFCL Limited, Holding Company.

(b) Other Equity

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| (i) Capital Reserve | 0.00 | 0.00 |
| (ii) Retained Earnings | 12,954.65 | 6,459.36 |
| (iii) Other Comprehensive Income -Remeasurement of Defined Benefit Plans | (142.46) | (106.69) |
| (iv) Share based payment to employees * | 24.64 | 24.64 |
| Total | 12,836.83 | 6,377.31 |

*Share based Payment related to ESOPs and RSU's granted by the holding company to the employees of HTL.

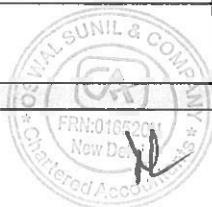
(i) Capital Reserve *

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------|----------------------|----------------------|
| Opening Balance | 0.00 | 0.00 |
| Increase during the year | - | - |
| Decrease during the year | - | - |
| Closing Balance | 0.00 | 0.00 |

* Capital Reserve of Re. 1/- represents amount paid for land acquired free of cost from Tamilnadu State Government.

(ii) Retained Earnings

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| Opening Balance | 6,459.36 | 1,501.16 |
| Add: Net profit for the year | 6,495.29 | 4,933.74 |
| Add: Transferred from Share based payment reserve | - | 24.46 |
| Closing Balance | 12,954.65 | 6,459.36 |



(iii) Other Comprehensive Income -Remeasurement of Defined Benefit Plans

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------|----------------------|----------------------|
| Opening Balance | (106.69) | (90.06) |
| Increase during the year | - | - |
| Decrease during the year | (35.77) | (16.63) |
| Closing Balance | (142.46) | (106.69) |

(iv) Share based payment to Employees

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|----------------------------------|----------------------|----------------------|
| Opening Balance | 24.64 | 74.65 |
| Increase during the year | - | - |
| Decrease during the year | - | (25.55) |
| Transferred to Retained Earnings | - | (24.46) |
| Closing Balance | 24.64 | 24.64 |

20 Non-Current Financial Liabilities - Borrowings

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| Secured | | |
| Term Loans from Banks* | 2,677.42 | 2,592.98 |
| Unsecured | | |
| Loan from related party (refer note 47) | 2,450.00 | 2,450.00 |
| Total | 5,127.42 | 5,042.98 |

* Net off of Rs. 25.34 Lakhs (Previous year Rs. 20.44 Lakhs) as finance charges.

20.1 Repayment Schedule for Term Loan from Bank as on 31.03.2023

| Period of due for repayment | Term Loan 1 | Term Loan 2 | Term Loan 3 |
|-----------------------------|---------------|-----------------|-----------------|
| Outstanding amount | 892.60 | 1,700.20 | 2,210.18 |
| Repayment Due | | | |
| 2023-24 | 593.19 | 856.00 | 676.37 |
| 2024-25 | 299.41 | 844.20 | 679.55 |
| 2025-26 | - | - | 682.95 |
| 2026-27 | - | - | 171.31 |
| | 892.60 | 1,700.20 | 2,210.18 |

20.2 Term Loan of Rs. 892.60 Lakhs (Previous year Rs.1478.87 Lakhs) from one of the bank.

20.3 Term Loan of Rs. 1700.38 Lakhs (Previous year Rs.2556.38 Lakhs) from one of the bank.

20.4 Term Loan of Rs. 2210.17 Lakhs (Previous year Rs. NIL) from one of the bank

20.5 The above said bank loans are secured by pari- passu charge basis:

- 1.) All Immovable and Moveable Property Plant and Equipment (both present and future)
- 2.) Registered Mortgage of 2.5 acres Industrial land parcel in Guindy, Chennai.
- 3.) All current assets and Cash flows. (both present & future)
- 4) Corporate Guarantee of HFCL Limited (Holding Company) & M/s MN Ventures Private Limited.
- 5.) Personal Guarantee of the Chairman of the Company
- 6.) Agreement to Pledge of 23.90% shareholding of HTL Limited by HFCL Limited (Holding Company)

21 Non-Current Financial Liabilities - Other Liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| Advance from related parties (refer note 47) | 7,200.00 | 7,200.00 |
| Total | 7,200.00 | 7,200.00 |

22 Non-Current Liabilities - Provisions

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| Provisions for Employee Benefits (refer note 38) | | |
| a) Provisions for Gratuity | 150.54 | 98.06 |
| b) Provision for Leave Encashment | 69.85 | 41.12 |
| Total | 220.39 | 139.18 |



23 Current Financial Liabilities - Borrowings

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Borrowings - Loans repayable on demands | | |
| Secured | | |
| (i) from Banks-Working Capital | 4,973.07 | 5,005.96 |
| (ii) from Banks-Buyer's Credit | - | 1,378.94 |
| (iii) Current Maturities of Long term Borrowings | 2,125.55 | 1,442.27 |
| Unsecured | | |
| (i) Loans from Govt. of India * | 473.00 | 624.20 |
| (ii) from banks - Vendors bills discounting | 4,092.08 | 2,681.41 |
| (iii) from other parties | - | 500.00 |
| Total | 11,663.70 | 11,632.78 |

*Also refer Note No. 45

23.1 Working Capital Loan of Rs.4973.06 Lakhs (previous year Rs.5005.96 Lakhs) and Buyer's Credit of Rs. Nil (Previous year Rs. 1378.94 Lakhs) from Bank is secured against the following on pari-passu charge basis:

- 1.) All Immovable and Moveable Property Plant and Equipment (PPE) of HTL Limited (both present and future)
- 2.) Registered Mortgage of 2.5 acres Industrial land parcel in Guindy, Chennai.
- 3.) All current assets and Cash Flows (both present & future)
- 4) Corporate Guarantee of HFCL Limited (Holding Company) & M/s MN Ventures Private Limited.
- 5.) Personal Guarantee of the Chairman of the Company
- 6.) Agreement to Pledge of 23.90% shareholding of HTL Limited by HFCL Limited

23.2 Quarterly Returns/Statements of Current Asset filled by the company with Banks are in agreement with the books of accounts.

24 Current Financial Liabilities - Trade Payables

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|------------------------------------|-------------------------|-------------------------|
| Trade Payables - Undisputed | | |
| Due to Micro and Small Enterprises | 891.20 | 1,352.61 |
| Others | 9,939.03 | 14,325.58 |
| Total | 10,830.23 | 15,678.19 |

24.1 Ageing details of Trade payables:

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|----------------------------|--|---------------------|--------------|--------------|------------------|------------------|
| | Not Due | Less than 1 Year | 1 -2 Years | 2-3 Years | Morethan 3 years | |
| As at March 31,2023 | | | | | | |
| (i) MSME | 781.34 | 108.83 | 0.04 | 1.00 | - | 891.20 |
| (ii) Others | 7,446.05 | 2,468.97 | 13.53 | 7.17 | 3.32 | 9,939.03 |
| Total | 8,227.39 | 2,577.80 | 13.57 | 8.17 | 3.32 | 10,830.24 |
| As at March 31,2022 | | | | | | |
| (i) MSME | 1,252.42 | 96.84 | 3.36 | - | - | 1,352.61 |
| (ii) Others | 9,693.98 | 4,540.19 | 73.85 | 15.13 | 2.42 | 14,325.58 |
| Total | 10,946.40 | 4,637.03 | 77.21 | 15.13 | 2.42 | 15,678.19 |

24.2. There are no Disputed MSME or Disputed others trade payable balances as on 31st Mar 2023 and 31st March 2022.

25 Current Financial Liabilities - Other Liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Other Financial Liabilities | | |
| a) Interest accrued | | |
| -Interest on Term loans | 27.34 | 46.66 |
| -Interest on Loans from Govt. of India* | 2,347.13 | 2,774.05 |
| -Interest on others | - | 84.51 |
| b) Creditors for Capital goods | 74.53 | 341.28 |
| c) Expenses Payable | 804.37 | 226.10 |
| d) Other Employees Related liabilities | 347.15 | 248.65 |
| e) Liability on account of outstanding forward contracts | - | 35.72 |
| Total | 3,600.52 | 3,756.97 |

26 Other Current Liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|----------------------------------|-------------------------|-------------------------|
| Advances from Customers; | 157.28 | 68.31 |
| Security Deposit from Customers: | 6.73 | 8.00 |
| Statutory Liabilities payable | 479.50 | 112.92 |
| Other liabilities | 77.27 | 4.24 |
| Total | 720.78 | 193.47 |

27 Current Liabilities - Provisions

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Provisions for Employee Benefits (refer note 38) | | |
| Provisions for Gratuity | 2.09 | 10.42 |
| Provisions for Leave Encashment | 13.85 | 15.26 |
| Provisions - Others | 8.34 | 8.34 |
| Total | 24.28 | 34.02 |

HTL Limited

(All amounts are in Rs. Lakhs)

Notes forming part of the Financials Statements for the year ended March 31, 2023

28 Revenue from operations

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Sale of Products | | |
| -Manufacturing and trading activities | 1,26,028.21 | 1,00,540.96 |
| Sale of Services | | |
| -Service Income | 196.23 | 222.45 |
| Other Operating Revenues | | |
| -Scrap Sale | 186.68 | 225.65 |
| -Export Incentives | 29.94 | 15.64 |
| Total | 1,26,441.06 | 1,01,004.70 |

29 Other Income

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Other non-operating income | | |
| Interest Income | 87.67 | 93.81 |
| Reversal of Share Based payments to Employees expenses | - | 25.55 |
| Rent Received | 127.59 | 117.56 |
| Exchange Fluctuation Income (Net) | 98.10 | - |
| Miscellaneous Income | 117.91 | 39.24 |
| Total | 431.27 | 276.16 |

30 Cost of Material Consumed

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---------------------------------|--------------------------------------|--------------------------------------|
| Opening Balance | 8,152.56 | 6,683.84 |
| Add : Purchases during the year | 94,106.07 | 78,240.42 |
| | 1,02,258.63 | 84,924.26 |
| Less: Closing Stock | 9,535.10 | 8,152.56 |
| | 92,723.53 | 76,771.70 |



31 Other Direct Cost

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Consumption of stores and spares parts | 1,247.16 | 1,011.52 |
| Loose Tools written off | 25.46 | 11.82 |
| Total | 1,272.62 | 1,023.34 |

32 Change in inventories of finished goods, work-in progress and stock-in trade-goods

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--------------------------------|--------------------------------------|--------------------------------------|
| Closing Stock | | |
| Finished Goods | 2,696.71 | 3,261.66 |
| Stock in Trade- Goods | 136.81 | 110.22 |
| Works in progress | 2,962.47 | 2,772.84 |
| | 5,795.99 | 6,144.72 |
| Opening Stock | | |
| Finished Goods | 3,261.66 | 3,182.50 |
| Stock in Trade- Goods | 110.22 | 87.13 |
| Works in progress | 2,772.84 | 1,364.99 |
| | 6,144.72 | 4,634.62 |
| Net Changes (Opening -Closing) | 348.73 | (1,510.11) |

33 Employee benefits expenses

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Salaries, bonus and allowances | 5,522.38 | 4,322.92 |
| Contribution to Provident and other funds | 148.80 | 123.54 |
| Staff welfare expenses | 79.22 | 99.67 |
| Share Based Payments to Employees (Refer note 48) | - | - |
| Total | 5,750.40 | 4,546.12 |

34 Finance costs

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| Bank Loan Interest | 1,011.82 | 730.36 |
| Interest on other loans | 1,045.71 | 1,142.55 |
| Other Interest | 1,041.79 | 1,296.14 |
| Bank Charges and loan processing charges | 390.01 | 275.38 |
| Interest on Delayed tax payment | 114.36 | - |
| Total | 3,603.69 | 3,444.43 |



35 Other expenses

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Rates and Taxes | 86.17 | 67.14 |
| Auditors' Remuneration | | |
| Audit Fee | 15.00 | 12.00 |
| Tax Audit Fee | 4.00 | 4.00 |
| Other Services | 3.19 | 2.12 |
| Out of pocket expenses | 0.21 | - |
| Legal and Professional Charges | 278.15 | 343.74 |
| Loss on Sale of Property, Plant and Equipment | 22.03 | 10.51 |
| Communication Expenses | 47.89 | 30.69 |
| Travelling and Conveyance Expenses | 215.68 | 162.95 |
| Power and Fuel & Water Charges | 1,846.44 | 1,416.64 |
| Repairs and Maintenance | 216.53 | 147.99 |
| Insurance Expenses | 144.46 | 103.72 |
| Selling and Distribution Expenses | 2,345.78 | 618.30 |
| Office and General Expenses | 220.59 | 163.07 |
| Bad debts, Loans and Advances, other balances written off (net) | 2.90 | 0.15 |
| Directors Sitting Fees | 2.30 | 0.45 |
| Liquidated Damages on Sales | 316.36 | 40.70 |
| Exchange Fluctuation Loss (Net) | - | 295.03 |
| Corporate Social Responsibility (Refer Note 49) | 99.06 | 86.06 |
| Miscellaneous Expenditure | 200.05 | 106.91 |
| Total | 6,066.79 | 3,612.18 |

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

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| Basic & Diluted Earnings per share | Rs. | Rs. |
| Profit & Loss for the year | 6,495.29 | 4,933.74 |
| Profit attributable to Equity Shareholders (A) | 6,495.29 | 4,933.74 |
| Weighted average number of ordinary Equity shares (B) (used as denominator for calculating basic EPS) | 15,00,000 | 15,00,000 |
| Weighted average number of ordinary Equity shares (C) (used as denominator for calculating diluted EPS) | 15,00,000 | 15,00,000 |
| Nominal value of ordinary Equity share (Rs) | 100.00 | 100.00 |
| Earnings per share-Basic (A/B) (Rs) | 433.02 | 328.92 |
| Earnings per share-Diluted (A/C) (Rs) | 433.02 | 328.92 |



37 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 areas involving critical estimates or judgments are:

1. Estimation of useful life of Property, Plant and Equipment Note 4
2. Estimation of useful life of intangible asset Note 6
3. Estimation of defined benefit obligation Note 38
4. Estimation of contingent liabilities refer Note 39
5. Estimation of fair value of unlisted securities Note 42

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.

38 During the year, the company has recognised the following amounts in the financial statements as per Ind AS - 19 "Employees Benefits" as specified in the Companies (Indian Accounting Standards) Rules, 2015:

a) Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised are charged to Statement of Profit and Loss for the year as under :

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Employer's Contribution to Provident Fund | 140.15 | 116.21 |

b) Defined Benefit Plan

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises 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 and the obligation for leave encashment is recognised in the same manner as gratuity.

| | Gratuity (Unfunded) | | Leave Encashment | |
|--|---------------------|------------------|------------------|------------------|
| | 31-Mar-23 | 31-Mar-22 | 31-Mar-23 | 31-Mar-22 |
| A Expenses recognised in Statement of Profit and Loss : | | | | |
| 1 Current service Cost | 30.18 | 20.93 | 35.90 | 32.79 |
| 2 Past service cost | - | - | - | - |
| 3 Curtailment & Settlement Cost/(Credit) | - | - | - | - |
| 4 Interest Expense | 8.16 | 13.97 | 3.90 | 4.76 |
| Defined Benefits Cost included in P&L | 38.34 | 34.90 | 39.80 | 37.55 |
| B Other Comprehensive Income | 31-Mar-23 | 31-Mar-22 | 31-Mar-23 | 31-Mar-22 |
| 1 Actuarial (Gain) / Losses due to Demographic Assumption changes in DBO | - | - | - | - |
| 2 Actuarial (Gain) / Losses due to Financial Assumption changes in DBO | 14.81 | (2.13) | 31.27 | (1.04) |
| 3 Actuarial (Gain)/ Losses due to Experience on DBO | 5.47 | 3.17 | (3.74) | 22.22 |
| Total Actuarial (gain)/loss included in OCI | 20.28 | 1.04 | 27.53 | 21.18 |
| Total cost recognised in P&L and OCI | | | | |
| 1 Cost Recognised in P&L | 38.34 | 34.90 | 39.80 | 37.55 |
| 2 Remeasurement Effect Recognised in OCI | 20.28 | 1.04 | 27.53 | 21.18 |
| Total Defined Benefit Cost | 58.62 | 35.94 | 67.33 | 58.73 |
| C Net Asset/(Liability) Recognised in Balance Sheet | 31-Mar-23 | 31-Mar-22 | 31-Mar-23 | 31-Mar-22 |
| 1 Present value of Funded Obligation | - | - | - | - |
| 2 Fair Value of Plan Assets | - | - | - | - |
| 3 Present value of Unfunded obligation | 152.63 | 108.47 | 83.71 | 56.38 |
| Funded status [Surplus/(Deficit)] | (152.63) | (108.47) | (83.71) | (56.38) |
| 4 Present value of Encashment Obligation | - | - | 70.82 | 47.06 |
| 5 Present value of Availment Obligation | - | - | 12.89 | 9.32 |
| Revised Sch III of Companies Act, 2013 | | | | |
| 6 Current Liability | 2.09 | 10.42 | 13.85 | 15.26 |
| 7 Non-Current Liability | 150.54 | 98.06 | 69.85 | 41.12 |
| D Changes in Present Value of Obligations | 31-Mar-23 | 31-Mar-22 | 31-Mar-23 | 31-Mar-22 |
| 1 Present Value of Defined Benefits Obligation at Beginning (Opening) | 108.48 | 302.97 | 56.39 | 130.26 |
| 2 Current Service Cost | 30.18 | 20.93 | 35.90 | 32.79 |
| 3 Interest Cost | 8.16 | 13.97 | 3.90 | 4.76 |
| 4 Curtailment & Settlement Cost/(Credit) | - | - | - | - |
| 5 Actuarial (Gains)/Loss | 9.37 | 1.04 | (1.67) | 21.18 |
| 6 Benefits Paid | (3.56) | (230.43) | (10.81) | (132.60) |
| 7 Present Value Of Defined Benefits Obligation at the end (Closing) | 152.63 | 108.48 | 83.71 | 56.39 |
| E Changes in Fair Value of Plan Assets | 31-Mar-23 | 31-Mar-22 | 31-Mar-23 | 31-Mar-22 |
| 1 Fair Value of Plan Assets at the beginning | - | - | - | - |
| 2 Expected Return on Assets | - | - | - | - |
| 3 Employer Contribution | - | - | - | - |
| 4 Employer direct benefit payments | 3.56 | 230.43 | 10.81 | 132.60 |
| 5 Plan Participants Contributions | - | - | - | - |
| 6 Settlements By Fund Manager | - | - | - | - |
| 7 Benefits Payouts | (3.56) | (230.43) | (10.81) | (132.60) |
| 8 Actuarial gain/(Loss) | - | - | - | - |
| 9 Fair Value of Plan assets at the end | - | - | - | - |
| F Sensitivity analysis of the defined benefit obligation | 31-Mar-23 | 31-Mar-22 | 31-Mar-23 | 31-Mar-22 |
| Impact of the change in Discount Rate | | | | |
| 1 Present Value of Obligation at the end | 152.63 | 108.48 | 83.71 | 56.39 |
| Impact due to increase of 0.5% | (13.13) | (9.79) | (7.00) | (4.97) |
| Impact due to decrease of 0.5% | 15.46 | 11.52 | 8.31 | 5.93 |
| Impact of the change in salary increase | | | | |
| 2 Present Value of Obligation at the end | 152.63 | 108.48 | 83.71 | 56.39 |
| Impact due to increase of 0.5% | 15.81 | 11.81 | 8.30 | 5.94 |
| Impact due to decrease of 0.5% | (13.61) | (10.16) | (7.09) | (5.04) |

Sensitivities due to mortality & withdrawals are insignificant & hence ignored.



| G Maturity profile of defined benefit obligation: | 31-Mar-23 | 31-Mar-22 | 31-Mar-23 | 31-Mar-22 |
|---|---|---|---|---|
| Projected Benefit Obligation at end | 152.63 | 108.47 | 83.71 | 56.38 |
| PAYOUTS | | | | |
| 1 March 2023 to March 2024 | 2.14 | 10.42 | 1.27 | 6.44 |
| 2 March 2024 to March 2025 | 4.19 | 1.46 | 4.10 | 0.81 |
| 3 March 2025 to March 2026 | 10.67 | 2.60 | 2.69 | 2.32 |
| 4 March 2026 to March 2027 | 2.36 | 8.73 | 1.79 | 1.87 |
| 5 March 2027 to March 2028 | 11.49 | 1.50 | 6.01 | 1.12 |
| 6 March 2028 to March 2033 | 29.63 | 28.21 | 15.58 | 12.10 |
| 7 March 2033 onwards | 92.14 | 55.56 | 52.26 | 31.73 |
| H Actuarial Assumptions | 31-Mar-23 | 31-Mar-22 | 31-Mar-23 | 31-Mar-22 |
| 1 Discount Rate | 7.40% | 7.65% | 7.40% | 7.65% |
| 2 Expected Return on Assets | 0.00% | 0.00% | 0.00% | 0.00% |
| 3 Salary Escalation | 6%FSY & 4%TA | 6%FSY & 4%TA | 6%FSY & 4%TA | 6%FSY & 4%TA |
| 4 Attrition rate | 1.00% | 1.00% | 1.00% | 1.00% |
| 5 Mortality | Indian Assured Lives Mortality (2012-14) Ultimate | Indian Assured Lives Mortality (2012-14) Ultimate | Indian Assured Lives Mortality (2012-14) Ultimate | Indian Assured Lives Mortality (2012-14) Ultimate |

Note: The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuarial Valuer.

39 Commitments and Contingencies

| (a) Contingent Liabilities not provided for in respect of: | As at 31,Mar,23 | As at 31,Mar,22 |
|--|-----------------|-----------------|
| (i) Unexpired Letters of Credit | 3,931.68 | 1,640.30 |
| (ii) Guarantees given by banks on behalf of the Company | 2,537.93 | 1,802.75 |
| (iii) Impact of pending litigations not acknowledged as debt in financial statements | 4,732.36 | 4,732.36 |
| (iv) Custom Duty against import under EPCG scheme | NIL | 614.51 |

(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) The company does not have any outstanding derivative contract as on 31st March 2023.

(d) There are no amount which are required to be transferred to the Investor Education and protection fund by the company

(d) The Parliament of India has approved the Code on social Security, 2020 (the Code) which may impact the contributions by the Company towards provident fund, gratuity and ESI. The Code has been published in the Gazette of India. However, the effective date has not yet been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

| (b) Capital Commitments | As at 31,Mar,23 | As at 31,Mar,22 |
|--|-----------------|-----------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 496.49 | 1,668.55 |

40 Segment Reporting (Ind-AS 108)

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 operating segments have been identified on the basis of nature of products.

i. Segment revenue includes sales and other income directly identifiable with the segment including inter-segment revenue.

ii. Expenses that are directly identifiable with the segment are considered for determining the segment result.

iii. Expenses / Incomes which are not directly allocable to the segments are included under un-allocable expenditure / incomes.

iv. Segment results include margins on inter-segment sales which are reduced in arriving at the profit before tax of the company.

v. Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to the company as a whole and not allocable to any segment.

Inter - Segment revenue :- Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis.

a) Primary Segment Information (by Business Segments)

The Company is majorly engaged in the business of manufacture of optical fiber cables and other telecom related products. Thus, it operates in a single primary segment.

b) Secondary Segment Reporting (by Geographical Segments)

The Company caters mainly to the needs of the domestic market and the export turnover being 6.67% (Previous year 1.06%) of the total turnover of the Company, hence there are no reportable geographical segments.

Revenue of approximately 88.06% (Previous year 72.89%) are derived from two external customers which individually accounted for more than 10%.

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

(i). Name and description of related parties.

| Relationship | Name of Related Party |
|--|--|
| (a) Holding Company: | HFCL Limited |
| (b) Fellow Subsidiary: | Moneta Finance Private Limited HFCL Advance Systems Private Limited Polixel Securities Systems Private Ltd Dragonwave HFCL India Private Ltd Raddef Pvt. Ltd. HFCL Technologies Private Ltd (w.e.f. 26.06.2021) |
| (c) Enterprise owned or significantly influenced by holding company's KMP or their relatives | Exicom Tele-systems Ltd Exicom Energy Systems Pvt. Ltd |
| (d) Enterprises owned or significantly influenced by key management personnel or their relatives | Nimpa Telecommunications Private Limited (w.e.f. 14.06.2021) |
| (e) Key management personnel: | Mr.G.S.Naidu, COO & Manager Mr. C. D. Ponnappa Chief Financial Officer Mr. S Narayanan, Company Secretary |

Note: Related party relationship is as identified by the Company and relied upon by the auditors.



(b) Nature of transactions - The transactions entered into with the related parties during the year along with related balances are as under:

| Particulars | Year ended March 31, 2013 | Year ended March 31, 2012 |
|---|---------------------------|---------------------------|
| Purchases/receiving of Goods & Materials | | |
| HFCL Limited | 39,449.93 | 24,266.69 |
| Excicom Tele-systems Ltd | 42.26 | 39.17 |
| Nirupam Telecommunications Private Limited | 431.31 | 845.98 |
| Sales/rendering of Goods & Materials | | |
| HFCL Limited | 31,565.59 | 12,760.23 |
| Excicom Tele-systems Ltd | 91.83 | 112.17 |
| Nirupam Telecommunications Private Limited | 49.01 | 46.39 |
| Excicom Energy Systems Pvt. Ltd | 32.46 | - |
| Expenses - Other expenses | | |
| HFCL Limited | 1,350.31 | 8.46 |
| Excicom Tele-systems Ltd | - | - |
| Nirupam Telecommunications Private Limited | 902.07 | 664.18 |
| Expenses - Interest on Loans and Advances | | |
| HFCL Limited | 565.00 | 965.00 |
| Closing Balances of Receivables | | |
| HFCL Limited | 3,302.60 | 7,449.08 |
| Excicom Tele-systems Ltd | 24.19 | 32.38 |
| Excicom Energy Systems Pvt. Ltd | 4.06 | - |
| Closing Balances of Payable | | |
| HFCL Limited | 702.97 | 790.92 |
| Nirupam Telecommunications Private Limited | 66.69 | 319.66 |
| Closing Balances of Loan | | |
| HFCL Limited | 2,450.00 | 2,450.00 |
| Closing Balances of Advance | | |
| HFCL Limited | 7,200.00 | 7,200.00 |
| Remuneration of Key Management Personnel's | | |
| (a) Short term employee benefits | | |
| Mr G.S.Naidu, COO & Manager | 96.05 | 56.22 |
| Mr. C. D. Ponnappa Chief Financial Officer | 67.09 | 56.86 |
| Mr. S Narayanas, Company Secretary | 25.22 | 22.33 |
| (b) Post employment benefits* | | |
| Mr.G.S.Naidu, COO & Manager | - | - |
| Mr. C. D. Ponnappa Chief Financial Officer | - | - |
| Mr. S Narayanas, Company Secretary | - | - |
| (c) Other long term benefits † | - | - |
| (d) Remuneration Payable | | |
| Mr G.S.Naidu, COO & Manager | 15.51 | 1.31 |
| Mr. C. D. Ponnappa Chief Financial Officer | 11.18 | 1.61 |
| Mr. S Narayanas, Company Secretary | 2.16 | 1.91 |

* Note: As the liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amount pertaining to key management personnel are not included.
† Note: Value of Employees stock options/restricted stock units issued by HFCL to HTL employees considered herein.

43 Financial Instruments by Category

| Particulars | Mar-12 | | | Mar-13 | | |
|--|--------|--------|----------------|--------|--------|----------------|
| | FY12L | FY12CI | Amortised Cost | FY13L | FY13CI | Amortised Cost |
| 1) Financial Assets | | | | | | |
| (i) Investments | | | | | | |
| Equity shares | - | 18.60 | - | - | 17.04 | - |
| (ii) NSE Wind Power Company (Pune) Pvt Limited | - | - | - | - | - | - |
| (f) Trade Receivables | - | - | 16,149.69 | - | - | 17,217.76 |
| (iii) Bank Deposits | - | - | 251.42 | - | - | 422.67 |
| (iv) Cash and Cash Equivalents | - | - | 14.34 | - | - | 63.83 |
| (v) Other Bank balances | - | - | 2,162.74 | - | - | 2,217.20 |
| (vi) Other Financial Assets | - | - | 213.86 | - | - | 447.90 |
| Total Financial Assets | - | 18.60 | 20,931.05 | - | 17.04 | 20,571.36 |
| 2) Financial Liabilities | | | | | | |
| (i) Borrowings | | | | | | |
| A) From Banks | - | - | 9,776.04 | - | - | 10,420.15 |
| B) From Others | - | - | 1,923.00 | - | - | 3,574.20 |
| (ii) Trade Payables | - | - | 10,430.23 | - | - | 14,678.19 |
| (iii) Other Financial Liabilities | - | - | 10,800.52 | 35.72 | - | 10,921.25 |
| Total Financial Liabilities | - | - | 34,930.79 | 35.72 | - | 40,593.79 |

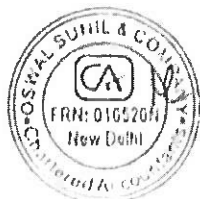
Fair Value measurement

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.

(a) Year Ending March 31, 2013

| Financial Assets measured at Fair Value recurring | Note No. | Level 1 | Level 2 | Level 3 |
|---|----------|---------|---------|---------|
| Financial Assets | | | | |
| Investments | 12 | - | - | 18.60 |
| (i) NSE Wind Power Company (Pune) Pvt Limited | | - | - | 18.60 |
| Total Financial Assets | | | | 18.60 |
| Financial Liabilities measured at Fair Value recurring | | | | |
| Financial Liabilities | | | | |
| Other Financial Liabilities | | | | |
| Total Financial Liabilities | | | | |



(b) Year Ending March 31, 2022

| Financial Assets measured at Fair Value recurring Fair value measurements at 31-03-2022 | Note No. | Level 1 | Level 2 | Level 3 |
|---|----------|---------|---------|--------------|
| Financial Assets | | | | |
| Investments | | | | |
| (i) NSL Wind Power Company (Phoolwadi) Pvt Limited | 12 | - | - | 17.08 |
| Total Financial Assets | | | | 17.08 |

| Financial Liabilities measured at Fair Value recurring Fair value measurements at 31-03-2022 | Note No. | Level 1 | Level 2 | Level 3 |
|--|----------|---------|--------------|---------|
| Financial Liabilities | | | | |
| Other Financial Liabilities | | - | 35.72 | - |
| Total Financial Liabilities | | | 35.72 | |

Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

43 Financial Risk Management

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. 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 cash and cash equivalents, trade and other receivables that derive directly from its operations.

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risk 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.

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.

| Particulars | Notes Nos. | Carrying amount | Less than 12 months | More than 12 months | Total |
|-----------------------------|------------|-----------------|---------------------|---------------------|-----------|
| As at March 31, 2023 | | | | | |
| Borrowings | 20 & 23 | 16,791.12 | 11,663.70 | 5,127.42 | 16,791.12 |
| Trade Payables | 24 | 10,830.23 | 10,830.23 | - | 10,830.23 |
| Other liabilities | 21 & 25 | 10,800.52 | 3,600.52 | 7,200.00 | 10,800.52 |
| As at March 31, 2022 | | | | | |
| Borrowings | 20 & 23 | 16,675.76 | 11,632.78 | 5,042.98 | 16,675.76 |
| Trade Payables | 24 | 15,678.19 | 15,678.19 | - | 15,678.19 |
| Other liabilities | 21 & 25 | 10,956.97 | 3,756.97 | 7,200.00 | 10,956.97 |

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. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments.

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

| POTENTIAL IMPACT OF RISK | MANAGEMENT POLICY | SENSITIVITY TO RISK |
|---|--|--|
| 1. PRICE RISK | | |
| The company is mainly exposed to the price risk due to its investment in equity instruments. The price risk arises due to uncertainties about the future market values of these investments. Equity Price Risk is related to the change in market reference price of the investments in equity securities. The fair value of some of the Company's investments in fair value through other comprehensive income securities exposes to equity price risks. In general, these securities are not held for trading purposes. The fair value of unquoted equity instruments classified as fair value through other comprehensive income as at March 31st, 2023 was Rs.18.60 Lakhs, (March 31st, 2022 was Rs.17.08 Lakhs), the fair value of which is determined using valuation techniques. | In order to manage its price risk arising from investments, the Company diversifies its portfolio in accordance with the limits set by the risk management policies. | As an estimation of the approximate impact of price risk investments in equity instruments, the Company has calculated the impact as follows. For equity instruments, a 10% increase in prices would have led to approximately an additional gain of Rs.1.86 Lakhs for year ending March 2023 (Rs.1.71 Lakhs for year ending March 2022) in other comprehensive income. A 10% decrease in prices would have led to an equal but opposite effect. |
| 2. INTEREST RATE RISK | | |
| Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. Company has Borrowings with Banks & Others amounting to Rs.12699.04 Lakhs as at March 31st, 2023 (Rs.Rs.13994.35 Lakhs as at March 31st, 2022) Interest Expenses on Borrowings for year ended March 31st, 2023 is Rs.2057.53 Lakhs (Rs.1872.91 Lakhs as at March 31st, 2022) | In order to manage its interest rate risk The Company diversifies its portfolio in accordance with the risk management policies. | As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 0.25% change in interest rates. A 0.25% increase in interest rates would have led to approximately an additional Rs. 31.73 Lakhs loss for year ended March 31st, 2022 (Rs.34.99 Lakhs loss for year ended March 31st 2022). A 0.25% decrease in interest rates would have led to an equal but opposite effect. |

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, including deposits with banks and financial institutions and other financial instruments.

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 31 March 2023, the Company had top 3 customers that owed the Company more than INR 11628.80 Lakhs (31 March 2022: 13596.57 Lakhs) and accounted for approximately 64.07% (31 March 2022: 78.97%) 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 9. 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.

None of the Company's financial assets are either impaired or past due, and there were no indications that defaults in payment obligations would occur.



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. The following table provides detail of the debt and equity at the end of the reporting period :

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|------------------|------------------|
| Debt (Note 20 & 23) | 16,791.12 | 16,675.76 |
| Less: Cash and Cash equivalents (Note 14) | (84.34) | (65.83) |
| Net Debt | 16,706.78 | 16,609.93 |
| Total Equity | 14,336.83 | 7,877.31 |
| Net Debt to Equity Ratio | 1.17 | 2.11 |

- 44 Out of the total land in possession of the Company at Guindy Industrial Area, Chennai, land measuring 35.89 acres is held by the Company in the capacity of assignee in terms of assignment deed dated 3.12.1968 executed by Government of Tamil Nadu for Industrial Development of Guindy Industrial Area, Chennai. In order to give title of the above assigned land in favour of the Company, the Government of Tamil Nadu had required the Company to surrender back 4.90 acres of unutilised land to the Small Industries Department, Chennai. The Company had surrendered the vacant land measuring 4.90 acres to the Small Industries Department, Chennai in 2002. In respect of the remaining land measuring 30.99 acres, the name of the Company has been entered in the revenue records of the Government of Tamil Nadu. The company is following up with Government of Tamil Nadu for obtaining the clear title.

In respect of above said land, a Show Cause Notice (SCN) was issued on 08th June, 2020, by Office of the Revenue Divisional Officer, Guindy, Chennai, objecting on patta of assigned land entered in the revenue records of the Govt. Subsequently, interim stay on SCN was granted by Hon'ble Madras High Court on 19th June, 2020. Further, date of hearing is yet to be fixed by the Hon'ble Madras High Court.

- 45 Loan of Rs.473 Lakhs (Previous year Rs.624.20 Lakhs) together with interest accrued thereon of Rs.2820.13 Lakhs (Previous year Rs.3398.24 Lakhs) is due to Government of India (GOI). In addition to this, the Govt. of India has accepted the request to adjust Rs. 347.00 Lakhs compensation receivable by HTL in case of ETP claim against the outstanding interest portion in respect of GOI Loan. [Refer Note. 46]

In the previous year, the loan along with interest accrued thereon has been directed to be repaid and therefore same has been classified under Current Financial Liability. During the current year, the company has made payment of Rs. 151.20 Lacs (PY Nil) towards Principal and Rs. 448.12 Lacs (PY Nil) towards Interest Accrued thereon.

- 46 Claims of Rs. 347.00 Lakhs receivable from BSNL against the compensation approved by Telecom Commission vide letter No. U-37012/3/97-FAC dated 1st May, 2001 for pre-closure of ETP project. Department of Telecommunications (DoT) vide letter No.U-37012-3/97-FAC dated 02.12.2003 has conveyed the decision of the competent authorities to adjust the above said amount against the interest portion of the outstanding Government of India Loan. In reply, the Company requested DoT vide letter no. 43.12 ETP dated 08.12.2003 to adjust the compensation amount of Rs. 347.00 Lakhs against the principal amount of loan outstanding as on 01.05.2001, the date on which the compensation was approved. The Govt. of India has reiterated the adjustment of Rs.347.00 Lakhs compensation receivable by HTL in case of ETP claim against the interest portion of the outstanding loan from Government of India (GOI). After adjustment of ETP compensation of Rs.347 lakhs against the interest portion of outstanding GOI loan in terms of GOI letter dated 2nd December, 2003, the Company has made adequate interest provisions till 31.03.2023. In the financial statements, the company has adjusted the said claim receivable from the interest liability due to GOI, though a formal concurrence of adjustment & subsequent interest reconciliations is still ongoing. The Company expects no further liability, once the adjustment is agreed upon. [Refer Note 45 above]

- 47 The Company has proposed for allotment of 8% redeemable and non-convertible preference capital of Rs. 10,000 Lakhs by way of conversion of outstanding Loans & advances extended by HFCL Limited. The Company has submitted the proposal before Department of Telecommunications (DoT) vide letter HTL/DoT/21-22 dated 22.03.2022 for seeking their administrative approval for the proposal so that the required formalities under the Companies Act can be taken up accordingly. The said preference capital will be redeemed only after repayment of GOI loan post the receipt of approval on reconciliations and reduction of interest rate by DoT [Refer Note 46 above] in quarterly instalments. In view of this, entire Loans & advances payable to HFCL Limited have been shown under "Non-Current Financial Liability" in the financial statements.

48 Share Based Payment**a) ESOP Plan**

On October 15, 2018, Holding Company HFCL Limited approved the Employee Stock Option Plan (HFCL Plan 2017) for the grant of stock options to the employees of HFCL and its subsidiaries. The Company recognises the cost towards the options granted to the employee of the company by holding company through equity settled method. The Nomination, Remuneration and Compensation Committee of HFCL administers the plan through a trust established specially for this purpose.

In October 2018, the HFCL approved the grant to the employee of the Company under the HFCL plan 2017. The options under this grant vest to the employees as 40%, 30% and 30% of the total grant at the end of first, second and third year from the date of grant respectively, with an exercise period ending 5 year from the end of last vesting. The conditions for number of options granted include service terms and performance grade of the employees. These options are exercisable at a prevailing fair market value of per share, i.e., the closing market price of the share of HFCL as on the National Stock Exchange of India immediately prior to the date of grant.

| Particulars | March 31, 2023 | | March 31, 2022 | |
|--|----------------|---------------------------------------|----------------|---------------------------------------|
| | No. of Options | Weighted Average Exercise price (Rs.) | No. of Options | Weighted Average Exercise price (Rs.) |
| Outstanding at the beginning of the year | 1,04,800 | 20.65 | 3,09,200 | 20.65 |
| Granted During the year | - | - | - | - |
| Forfeited during the year | - | - | - | - |
| Exercise during the year | - | - | 2,04,400 | 20.65 |
| Expired during the year | - | - | - | - |
| Outstanding at the end of the year | 1,04,800 | 20.65 | 1,04,800 | 20.65 |
| Exercisable at the end of the year | - | - | 17,200 | 20.65 |
| Exercise prices for outstanding options at the end of year | - | - | - | - |

b) RSU Plan

On October 15, 2018, Holding Company HFCL Limited approved the Restricted Stock Units (RSUs) for the grant of RSUs to the employees of HFCL and its subsidiaries.

In October 2018, the HFCL approved the grant to the employee of the Company under the RSUs. The RSUs under this grant vest to the employees as 70% and 30% of the total grant at the end of third and fourth year from the date of grant respectively, with an exercise period ending 5 year from the end of last vesting. The conditions for number of options granted include service terms and performance grade of the employees. Exercise price of RSUs will be Rs. 1/-.

The RSUs granted under the HFCL Plan 2017 are forfeited due to non achievement of defined annual performance parameters as determined by the Nomination, Remuneration and Compensation Committee in its meeting held on April 23, 2022 and accordingly as on March 31, 2022 the share based payment reserve is adjusted.

| Particulars | March 31, 2023 | | March 31, 2022 | |
|--|----------------|---------------------------------------|----------------|---------------------------------------|
| | No. of Options | Weighted Average Exercise price (Rs.) | No. of Options | Weighted Average Exercise price (Rs.) |
| Outstanding at the beginning of the year | - | - | 2,92,000 | 1 |
| Granted During the year | - | - | - | - |
| Forfeited during the year | - | - | 2,92,000 | 1 |
| Exercise during the year | - | - | - | - |
| Expired during the year | - | - | - | - |
| Outstanding at the end of the year | - | - | - | - |
| Exercisable at the end of the year | - | - | - | - |
| Exercise prices for outstanding options at the end of year | - | - | - | - |



49 Corporate Social Responsibility Expenses:

| Particulars | March 31, 2023 | March 31, 2022 |
|---|--|--|
| Amount required to be spent by the company for the year | Rs. 99.05 Lacs | Rs. 86.06 Lacs |
| Amount of expenditure incurred | Nil | Nil |
| Shortfall at the end of the year | Rs. 99.05 Lacs | Rs. 86.06 Lacs |
| Total of previous years shortfall | Rs. 75.42 Lacs | Rs. 40.63 Lacs |
| Reason for shortfall | The CSR Projects of the Company viz., the Mobile Medical Units are being implemented with the project period of 3 years in association with the NGO viz., Woodhardt Foundation and the said Projects are in progress. Hence, the allocated project costs will be spent in the ensuing Financial Years as envisaged in the said Projects. | The CSR Committee of the Company approved the Mobile Medical Unit project to be taken up in Hosur for a period of 1 year at a total cost of Rs. 51,50,550/-. MoU with the NGO was executed on 31.3.2022 and the said NGO will be implementing the project in FY 2022-23. Further it has been planned to extend the project period to 3 years in line with the CSR Project at Chennai. |
| Nature of CSR activities | Preventive health care facilities for the needy people. | Preventive health care facilities for the needy people. |
| Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant accounting standard | Nil | Nil |
| Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately. | Opening Provision = Rs. 126.69 Lacs (+) Provision made = Rs. 99.05 Lacs (-) Expenditure incurred = Rs. 51.27 Lacs Closing Provision = Rs. 174.47 Lacs The provisioned and unspent amount of Rs. 99.05 Lacs has been subsequently deposited to a separate account viz., HTL Ltd. Unspent Corporate Social Responsibility Account FY 2022-23 with Yes Bank Ltd., T.Nagar Branch on 24th April 2023. The said NGO will be taking up the project during the FY 2023-24. | Opening Provision = Rs. 65.48 Lacs (+) Provision made = Rs. 86.06 Lacs (-) Expenditure incurred = Rs. 24.85 Lacs Closing Provision = Rs. 126.69 Lacs The provisioned and unspent amount of Rs. 86.06 Lacs will be transferred to a separate account viz., HTL Ltd. Unspent Corporate Social Responsibility Account FY 2021-22 with Yes Bank Ltd., T.Nagar Branch. The said NGO will be taking up the project during the FY 2022-23. |

50 Disclosure required under Micro and Small 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 * | 1,475.00 | 1,352.61 |
| Interest due on above | Nil | 4.94 |
| b. Interest paid during the period beyond the appointed day | Nil | Nil |
| c. Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act. | Nil | Nil |
| d. Amount of interest accrued and remaining unpaid at the end of the period | 8.34 | 8.34 |
| e. 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.24 'Trade Payables' regarding Micro and Small Enterprises has been determined on the basis of information available with the Company and has been relied upon by the auditors.

* Includes Amount of Rs 781.34 Lakhs (Previous year Rs.1252.42 Lakhs) outstanding but not overdue to Micro and Small Enterprises as on 31st March 2023

51 (A) Analytical Ratios

| Ratio | Numerator | Denominator | Current Period (2022-23) | Previous Period (2021-22) | % Variance |
|----------------------------------|--------------------------|---------------------------|--------------------------|---------------------------|------------|
| Current ratio | Current Assets | Current Liabilities | 1.37 | 1.16 | 18.11% |
| Debt-Equity ratio | Total Debt | Total Shareholders Equity | 1.17 | 2.12 | 44.68% |
| Debt-Service coverage ratio | Earning for Debt Service | Debt Service | 7.12 | 8.87 | -19.67% |
| Inventory turnover ratio | Cost of goods sold | Avg Inventory | 5.87 | 5.44 | -7.84% |
| Trade receivables turnover ratio | Revenue from Operation | Avg Accounts Receivable | 7.15 | 5.65 | 26.56% |
| Trade payables turnover ratio | Purchases | Avg Accounts Payable | 7.52 | 4.59 | 63.75% |
| Net capital turnover ratio | Revenue from Operation | Avg Working Capital | 16.28 | 17.99 | -9.55% |
| Return on equity ratio | Net Income (PAT) | Avg Shareholders Equity | 58.48% | 90.84% | -35.62% |
| Net profit ratio | Net Income (PAT) | Total Revenue | 5.12% | 4.87% | 5.10% |
| Return on Capital employed | EBIT | Avg Capital Employed | 52.70% | 54.47% | -3.25% |
| Return on Investment | Income from Investments | Avg Investments | N.A | N.A | - |

Explanation for variances exceeding 25%:

- Trade Receivables turnover ratio has improved due to reduction in Average receivables in current period.
- Trade Payables turnover ratio has improved due improved collections & payments in the current period.
- Though the EBIT has increased in Current period, Return on equity ratio has reduced due to increase in average shareholders equity on account of increase in retained earnings in current year and previous year.
- Debt equity ratio has improved on account of increase in retained earnings.



(B) Other statutory information:

- (i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- (ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iii) 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
- (iv) 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.
- (v) The Company does not have any such transactions which are not recorded in the books of accounts that 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).
- (vi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with the Companies (restriction on number of layers) Rules, 2017.
- (vii) The Company is not declared wilful defaulter by bank or financial institution or lender during the year.
- (viii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (ix) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.
- (x) The Company does not have any transactions with companies which are struck off

52 Foreign Currency Exposure

a) The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations will arise.

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The use of foreign currency forward contracts is governed by the Company's strategy, which provides principles on the use of such forward contracts consistent with Company's Risk Management Policy. The Company does not use forward contracts for speculative purposes.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows;

b) Details of Outstanding Hedging Contracts relating to Foreign Buyer's Credit :

| Particulars | | As at March 31, 2023 | | As at March 31, 2022 | |
|--------------------------|---------|----------------------------|-------------------|----------------------------|-------------------|
| | | Amount in Foreign Currency | Equivalent in INR | Amount in Foreign Currency | Equivalent in INR |
| Forward Contracts (Sell) | USD/INR | - | - | 18,41,749 | 1,378.94 |

c) Foreign Currency Exposure:

| Particulars | | As at March 31, 2023 | | As at March 31, 2022 | |
|------------------|---------|----------------------------|-------------------|----------------------------|-------------------|
| | | Amount in Foreign Currency | Equivalent in INR | Amount in Foreign Currency | Equivalent in INR |
| Trade Payable | USD/INR | 25,09,745.58 | 2,063.44 | 28,15,953.02 | 2,134.69 |
| Trade Payable | GBP/INR | 545.49 | 0.56 | 1,010.80 | 1.01 |
| Capex Payable | USD/INR | 1,98,740.00 | 163.40 | 82,950.00 | 62.88 |
| Capex Payable | EUR/INR | - | - | 1,04,500.00 | 88.47 |
| Trade Receivable | USD/INR | 16,51,396.00 | 1,357.73 | 5,02,634.07 | 381.03 |
| Trade Receivable | GBP/INR | 44,29,641.69 | 4,512.60 | - | - |
| Trade Receivable | EUR/INR | 2,39,192.24 | 214.33 | 9,068.35 | 7.68 |

d) Foreign currency sensitivity analysis:

The following details demonstrate the Company's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans. A positive number below indicates an increase in profit or equity and vice-versa.

| Impact on Profit & loss for the year | As at March 31, 2023 | | As at March 31, 2022 | |
|--------------------------------------|-----------------------|---------------------|-----------------------|---------------------|
| | INR Strengthens by 5% | INR weakening by 5% | INR Strengthens by 5% | INR weakening by 5% |
| USD Impact | 43.46 | (43.46) | 90.83 | (90.83) |
| EURO Impact | (10.72) | 10.72 | 4.04 | (4.04) |
| GBP Impact | (225.60) | 225.60 | 0.05 | (0.05) |

53 Exceptional Item

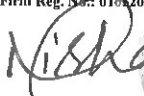
The Company has introduced a Voluntary Retirement Scheme (VRS) 2021 to eligible employees/officers and the VRS Scheme was remained open from 4th October 2021 to 10th November 2021. VRS Compensation paid during the previous financial year amounting to Rs 637.67 Lakhs has been disclosed as an exceptional item in the financial results.

54 Tax Reconciliation

| Particulars | FY 2022-23 | FY 2021-22 |
|---|-----------------|-----------------|
| Net Profit as per Statement of Profit and Loss (before tax) | | |
| Current Tax rate @ 25.17% | 9,003.21 | 6,649.44 |
| Adjustment: | 2,265.93 | 1,673.53 |
| Depreciation & other adjustment | 96.80 | 93.47 |
| Amount of eligible / ineligible expenditure | 37.52 | (31.01) |
| Provision for Interest on Tax Payment | 137.50 | - |
| Tax Provision as per Books | 2,537.76 | 1,735.99 |

55 Figures for the previous year have been regrouped/rearranged wherever necessary to confirm current year's classification / presentation.

For Oswal Sunil & Company
Chartered Accountants
Firm Reg. No.: 016520N

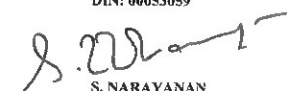

NISHANT BHANSALI
Partner
M.No.: 532900



For and on behalf of the Board


R. M. KASTHA

Director
DIN: 00053059



S. NARAYANAN

Company Secretary
M.No ACS5772

New Delhi, 28th April 2023


K.C. JANI

Director
DIN: 02535299


C D PONNAPPA
Chief Financial Officer
PAN: ACZPP1337Q