

HTL LTD.

Registered Office: GST Road, Guindy, Chennai – 600 032.

CIN: U93090TN1960PLC004355

Email Id: coo@htllimited.com; **Website:** www.htllimited.com.

Phone: 044-22501020.

62nd Annual Report 2022-23

Date of Annual General Meeting: 28th July 2023 @ 12.30 P.M.

**Venue: Registered Office,
57, GST Road,
Guindy,
Chennai – 600 032.**

And

Thru' Video Conferencing over MS Teams.

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NOTICE

Notice is hereby given that the Sixty Second Annual General Meeting of HTL Limited will be held on **Friday, the 28th July, 2023 at 12.30 P.M.** at the Registered Office of the Company at GST Road, Guindy, Chennai – 600 032 and thru' Video Conferencing over MS Teams to transact the following business:

The link will be provided by the Company to the Members who send their requests from their registered email id with the Company for attending this meeting thru' Video Conferencing over MS Teams.

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2023 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Mahendra Nahata (holding DIN- 00052898) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri K. C. Jani (holding DIN- 02535299) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

AS SPECIAL BUSINESS

4. To consider and approve re-appointment and revision in remuneration of Shri G. S. Naidu, Chief Operating Officer as 'Manager' of the Company under the Companies Act, 2013.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of the Central Government, if any and such other approvals as maybe necessary, consent of the Company be and is hereby accorded for the re-appointment of Shri G. S. Naidu, Chief Operating Officer as the Manager of the Company w.e.f. 25.6.2022 for a period of one year as recommended by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors of the Company in their meeting held on 14.10.2022 with the revised remuneration as recommended by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors of the Company in their meeting held on 20.1.2023 amounting to Rs. 61,75,129/- p.a. for the period 1.4.2022 to 30.9.2022 and further increased to Rs. 85,00,000/- w.e.f. 1.10.2022, upon the terms and conditions set out in the explanatory statement

annexed to this Notice convening this meeting including remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the period of his tenure.”

5. To consider and approve regularization of appointment of Additional Director, Shri Rajeev Sabherwal, as Director of the Company under the Companies Act, 2013.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 152, 160 & 161 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Shri Rajeev Sabherwal (DIN: 08420761), who was appointed as an Additional Director of the Company by the Board on 29th August, 2022 and whose term of office expires at the ensuing Annual General Meeting of the Company and for appointment of whom the Company has received a notice in writing proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company who shall be liable to retirement by rotation.”

6. To consider and ratify the remuneration payable to the Cost Auditors.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], and as recommended by the Audit Committee and approved by the Board of Directors in their Meeting held on 14th October, 2022 the Company hereby ratifies the remuneration amounting to Rs. 75,000/- (Rupees Seventy Five Thousand only) plus applicable taxes, payable to M/s STARP & Associates, Cost Accountants (Firm Registration No. 004143), Chennai, who are appointed as the Cost Auditors to conduct the audit of cost records made and maintained by the company for the products viz., Aramid Reinforced Plastic (ARP) Rods, Fibre Reinforced Plastic (FRP) Rods, HDPE and any other products coming under the purview of Cost Audit for the financial year commencing on 01st April, 2022 and ending on 31st March, 2023.

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

7. To consider and increase the borrowing powers of the Board and authorization limit to secure borrowings under Section 180(1)(c) of the Companies Act, 2013.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of all the earlier resolutions passed in this regard and subject to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings

of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, the consent of the Shareholders be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board), to borrow any sum or sums of money in any manner from time to time at its discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions, Non-Banking Financial Company (NBFC), Firms, Companies, Bodies Corporate, Mutual funds, Trusts, other organizations, institutions or any other persons notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans as defined in explanation to Section 180 (1) (c) of the Companies Act, 2013, obtained or to be obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company its free reserves and securities premium (that is to say reserves not set apart for any specific purpose), subject to such aggregate borrowings not exceeding the amount which is Rs. 500 Crores (Rupees Five Hundred Crores only) and that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

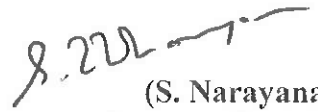
"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers herein conferred to a Committee constituted by the Board and/or any member of such Committee or Manager or any Director or any other officer of the Company or any other person in accordance with applicable provisions of the Companies Act, 2013 and rules made there under including any statutory amendment(s), modification(s) or re-enactment thereof for the time being in force."

Registered Office:
GST Road, Guindy
Chennai – 600 032.

Place: Chennai
Date: 15.06.2023

**By Order of the Board
For HTL Limited**


(S. Narayanan)
Company Secretary
Membership No. ACS 5772

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Notes:

1. Proxy

- (i) Article 66 of the Articles of Association of the Company provides that a member entitled to attend and vote at a meeting may appoint another person (whether a member or not) as his proxy to attend a meeting and vote on a poll. No member shall appoint more than one proxy to attend on the same occasion. A proxy shall not be entitled to speak at a meeting or to vote except on a poll. The instrument appointing a proxy shall be in writing and be signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.
- (ii) Article 67 of the Articles of Association of the Company provides that the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of the Company not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll not less than 24 hours before the time appointed for taking of the poll and in default the instrument of proxy shall not be treated as valid.

2. DETAILS OF THE DIRECTOR SEEKING RE-APPOINTMENT AND DIRECTOR TO BE APPOINTED AT THE FORTHCOMING ANNUAL GENERAL MEETING PURSUANT TO SECRETARIAL STANDARDS ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI) AS ON THE DATE OF NOTICE.

<i>Name of the Director</i>	Shri Mahendra Nahata	Shri K. C. Jani	Shri Rajeev Sabherwal
<i>DIN</i>	00052898	02535299	08420761
<i>Date of Birth (Age in Years)</i>	19.5.1959 (64 years)	18.01.1954 (69 years)	03.12.1960 (62 years)
<i>Date of first Appointment</i>	16.10.2001	29.10.2015	29.08.2022
<i>Experience/Expertise in Specific Functional Areas</i>	He has a business experience of more than three decades. He is the Promoter and Managing Director of the Holding Company viz., Himachal Futuristic Communications Ltd. He is the visionary behind the Company's technology partnership, business development and marketing initiatives.	He retired as an Executive Director in IDBI Bank. He has worked on all the functions of management mainly Operations, Finance and HR. He is a visiting faculty at some of the top-notch Indian B-Schools and good counselor and a motivator. His expertise would certainly prove to be an asset to the Company.	He has held prestigious command and staff appointments including serving in the Military Operations Directorate twice. He has in-depth knowledge of emerging operational paradigms and technological transformation. He has been instrumental in paving the future of the Indian Armed Forces towards Net Centric Capabilities and Information Warfare. With an astute understanding and penchant for Operational Communications, he has

			been instrumental in steering the policy and doctrine formulations in the modern communication battlespace.
<i>Qualification(s)</i>	B.Com (Hons.)	He is an Engineering Graduate in Chemical and has done Post-Graduation in Business Administration.	He is a graduate of Defence Services Staff College, Wellington, Higher Command Course, Mhow and National Defence College, New Delhi. He is a Member of The Institution of Electronics and Telecommunication Engineers.
<i>Directorship in other Companies</i>	HFCL Limited; Reliance Jio Infocomm Limited; HFCL Technologies Private Limited; MN Ventures Private Limited; Krishiv Ventures Private Limited; Pranatharthi Ventures Private Limited.	TFS Business Advisors India Private Limited; Areion Assets Management Private Limited; SKIL- Himachal Infrastructure and Tourism Limited; Grevek Investments and Finance Private Limited; ACA IPL Investment & Financial Services Private Limited;	Nil
<i>Chairmanship/ Membership of Committees (across all public Cos.)</i>	HTL Limited: Nomination & Remuneration Committee- Member HFCL Limited: Chairman of Corporate Social Responsibility Committee, Chairman of Risk Management Committee, Chairman of Committee of Directors (Banking Operation), Chairman of Fund Raising Committee. Reliance Jio Infocomm Limited: Member of Allotment Committee.	HTL Limited: Audit Committee- Member, Corporate Social Responsibility Committee- Member, Risk Management Committee- Member.	Nil

<i>Shareholding in the Company</i>	Nil	Nil	Nil
<i>Relationship with other Directors and KMPs of the Company</i>	Nil	Nil	Nil
<i>No. of Board Meetings held / Attended during the year 2023</i>	3/3	3/3	3/3
<i>Details of Remuneration sought to be paid</i>	Nil	Sitting Fee of Rs.15,000/- per meeting attended.	Sitting Fee of Rs.15,000/- per meeting attended.
<i>Last Remuneration drawn</i>	Nil	Sitting Fee of Rs. 2,500/- till 14.10.2022 & Rs. 15,000/- per meeting attended from 20.1.2023.	Sitting Fee of Rs. 2,500/- till 14.10.2022 & Rs. 15,000/- per meeting attended from 20.1.2023.
<i>Terms and conditions of re-appointment and Remuneration</i>	As mentioned in the Resolutions and Statements. Shareholders may also refer Remuneration Policy which is available on the website of the Company i.e. www.htllimited.com	As mentioned in the Resolutions and Statements. Shareholders may also refer Remuneration Policy which is available on the website of the Company i.e. www.htllimited.com	As mentioned in the Resolutions and Statements. Shareholders may also refer Remuneration Policy which is available on the website of the Company i.e. www.htllimited.com

3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

ITEM NO. 4

Shri G. S. Naidu, is a B.E. (Hons.) in Electrical Engineering from Bhopal University of Madhya Pradesh over 3 decades of extensive experience in Manufacturing Business Operations, Green field / Expansion projects. He started his career with M/s. National Aluminium Co. Ltd. in 1985, during project stage having capital outlay of 2.4 billion USD and later joined M/s. Optel Telecommunication Ltd., the pioneer company in the field of Optical Fibre, Optical Fibre Cable and Telecom Equipments.

During his employment with M/s. HFCL at Goa Plant and M/s. Sudarshan Telecom (a division of M/s. West Coast Paper Mills Ltd.) he spearheaded the entire business activities of manufacturing of Optical Fibre Cable. He also headed a green field power cable project of M/s. General Cable Energy India Pvt. Ltd. (a unit of the General Cable Corporation, USA) having a capital outlay of 45 Million USD.

He has been appointed as the Chief Operating Officer of the Company w.e.f. 16.6.2015 and designated as the 'Manager' of the Company. Shri G.S. Naidu, Chief Operating Officer of the Company has been re-appointed as the designated 'Manager' in pursuant to Section 2(53) of the Companies Act, 2013 w.e.f. 25.6.2022 for a period of one year without any revision in his remuneration with the approval of Board of Directors in their Meeting held on 14.10.2022 with the recommendation of the Nomination and Remuneration Committee.

After taking into consideration of (a) the last revision in his remuneration effected on 1.4.2019; (b) the active role as the Chief Operating Officer of the Company; (c) the prevailing compensation in the market of similar industries; (d) the growth achieved in the Company; and (e) ensuring the long term success of the Company, the Board of Directors on recommendation of the Nomination and Remuneration Committee of the Company in their meeting held on 20.1.2023 approved the proposal for revising the remuneration of Shri G.S. Naidu, Chief Operating Officer of the Company and designated 'Manager' during his tenure subject to the approval of Members, in compliance with the provisions of the Companies Act, 2013 as detailed in the **Annexure- I**.

The information required under Schedule V of the Companies Act, 2013 is furnished in the **Annexure- II** which is forming part of this Explanatory Statement.

The re-appointment of Shri G. S. Naidu, Chief Operating Officer as Manager is for a further period of one year w.e.f. 25.6.2022 on the existing terms and conditions, at remuneration as approved by the Board on 20.1.2023 subject to the approval of Members. A copy of the remuneration details of Shri G.S. Naidu is enclosed as **Annexure- I**. The same may be treated as the abstract of the terms of the appointment of the Manager.

The details of Manager proposed to be re-appointed pursuant to Secretarial Standards issued by the Institute of Company Secretaries of India are furnished in **Annexure- III**, which is forming part of this Explanatory Statement.

Shri G.S. Naidu along with his relatives, is deemed to be interested in the Resolution set out at Item No. 4 of the accompanying Notice with regard to his re-appointment.

Save and except the above, none of the Directors and Key Managerial Personnel of the Company, and their relatives, is in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice.

The Board recommends the re-appointment of Shri G.S. Naidu as Manager of the Company as set out in Item No. 4 for the approval by the Members of the Company, by way of Special Resolution.

ITEM NO. 5

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Shri Rajeev Sabherwal (DIN: 08420761), as an Additional Director w.e.f. 29.8.2022 as per the provisions of Sections 152 & 161 of the Companies Act, 2013 and he will hold office up to the ensuing Annual General Meeting. He attended the Board Meeting held on 14th October, 2022 and 20th January, 2023. The Company has received a notice in writing proposing his candidature for the office of the Director.

Keeping in view his experience and qualifications, it is in the best interest of the Company if he is appointed as a Director of the Company.

The brief profile of Shri Rajeev Sabherwal (DIN: 08420761) to be appointed as a Director of the Company is given under the heading "Details of Directors seeking re-appointment and Director to be appointed at the forthcoming Annual General Meeting pursuant to Secretarial Standards on General Meeting issued by the Institute of Company Secretaries of India as on the date of the Notice" is furnished elsewhere in the Notice.

This Statement may also be regarded as a disclosure under SS-2 on General Meetings issued by the Institute of Company Secretaries of India.

Shri Rajeev Sabherwal (DIN: 08420761) along with his relatives, is deemed to be interested in the Resolution set out at Item No. 5 of the accompanying Notice with regard to his appointment.

Save and except the above, none of the Directors and Key Managerial Personnel of the Company, and their relatives, is in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice.

The Board considers that the association of Shri Rajeev Sabherwal (DIN: 08420761) would be of immense benefit to the Company and it is desirable to avail his services as a Director of the Company.

The Board recommends the appointment of Shri Rajeev Sabherwal (DIN: 08420761) as a Director as set out in Item No. 5 for the approval by the Members of the Company, by way of an Ordinary Resolution.

ITEM NO. 6

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company is required to appoint a Cost Accountant to audit the cost records for applicable products being manufactured by the Company. Based on the recommendation of the Audit Committee, the Board at its meeting held on October 14, 2022, approved the appointment of M/s STARP & Associates, Cost Accountants (Firm Registration No. 004143) as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company, pertaining to the for the products viz., Aramid Reinforced Plastic (ARP) Rods, Fibre Reinforced Plastic (FRP) Rods, HDPE and any other products coming under the purview of Cost Audit for the financial year commencing on 01st April, 2022 and ending on 31st March, 2023, at a remuneration of Rs. 75,000/- (Rupees Seventy Five Thousand Only) plus applicable taxes.

In accordance with the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the remuneration payable to Cost Auditors for the financial year 2022-23 as recommended by the Audit Committee and subsequently approved by the Board of Directors has to be ratified by the Members of the Company by way of an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company, and their relatives, is in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice.

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The Board recommends the ratification of remuneration payable to the Cost Auditors as set out in Item No. 6 for approval by Members of the Company, by way of an Ordinary Resolution.

ITEM NO. 7

Keeping in view the existing and future financial requirements to support the Company's business operations, the Company is in need of additional funds. For this purpose, the Company may, from time to time, raise finance from various Banks and / or Financial Institutions and / or any other lending institutions and / or Bodies Corporate and / or such other persons / individuals as may be considered fit, which, together with the money(s) already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in ordinary course of business) may exceed the present limit of Rs.300 Crores. It is proposed to increase the said limit to Rs.500 Crores.

Pursuant to Section 180(1)(c) of the Companies Act, 2013, the prior consent of the Shareholders is required empowering the Board for securing the borrowings for the business operations of the Company.

Hence, the Special Resolution at Item No. 7 of the Notice is being proposed, since the same exceeds the limits provided under Section 180(1)(c) of the Act. The Majority of Board of Directors have recommended the Special Resolution in their meeting held on 20.1.2023 as set out at Item No.7 of the accompanying Notice, for Shareholders' approval.

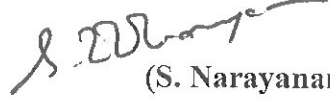
None of the Directors and Key Managerial Personnel of the Company, and their relatives, is in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the accompanying Notice.

The Members are therefore requested to accord their approval to the above Special Resolution.

Registered Office:
GST Road, Guindy
Chennai – 600 032.

Place: Chennai
Date: 15.06.2023

**By Order of the Board
For HTL Limited**


(S. Narayanan)
Company Secretary
Membership No. ACS 5772

Annexure- I

Remuneration

Name: Gilkara Shrinivas Naidu

Designation: Chief Operating Officer & Designated 'Manager'

Particulars	Proposed Revision in the Remuneration from 1.4.2022 to 30.9.2022	Proposed Revision in the Remuneration w.e.f. 1.10.2022
	Per Annum (in Rs.)	Per Annum (in Rs.)
Basic	21,70,162	28,67,716
House Rental Allowance	13,02,097	17,20,630
Special Allowance	4,11,219	5,43,397
Driver Charges	2,32,517	3,07,255
Car Maintenance & Fuel etc.	4,84,411	6,40,115
LTA	1,80,780	2,38,890
Annual Gross Salary (A)	47,81,186	63,18,003
<i>Annual Benefits:</i>		
PF	2,60,419	3,44,126
Gratuity	1,04,335	1,37,871
Total Annual Benefits (B)	3,64,754	4,81,997
Annual Fixed CTC (A + B)	51,45,940	68,00,000
*Performance Linked Incentive (C)	10,29,189	17,00,000
Total CTC per annum (A+B+C)	61,75,129	85,00,000
**One Time Bonus	3,00,000	-
***Long Term Incentive Plan	-	19,67,609
Notes:		
* PLI would be paid in two Half Yearly instalments in a year, on the basis of Company's performance score and / or employee's performance score, as applicable across levels.		
** One Time Bonus in November 2022.		
*** The Long Term Incentive Plan amount is due on 1.10.2022, based on the performance of the Company during FY 2021-22.		
The Long Term Incentive Plan amount of Rs. 47,78,478/- will be taken up in April 2023 after the declaration the financial results of the Company for FY 2022-23.		

Statement as per Schedule V of the Companies Act, 2013

Annexure- II

Sl. No.	Details	Information																							
I.	General Information																								
(1)	Nature of Industry	Telecommunications Sector - Manufacturing of Fibre Reinforced Plastic (FRP) Rods, IGFR for Optical Fibre Cables, Optical Fibre Cables (OFC) and Accessories, Passive Connectivity Solutions and Electrical Wiring Interconnect Solutions.																							
(2)	Date or expected date of commencement of commercial production	The Company started commercial production of Teleprinters in 1961. On phasing out of the above production, manufacture of telecom equipments / components / accessories had been carried out. Now, manufacturing Fibre Reinforced Plastic (FRP) Rods, IGFR for Optical Fibre Cables, Optical Fibre Cables(OFC) and Accessories, Passive Connectivity Solutions and Electrical Wiring Interconnect Solutions.																							
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable																							
(4)	Financial performance based on given indicators	<table><tr><th rowspan="2">Financial Parameters</th><th colspan="3">Years</th></tr><tr><th>2019-20</th><th>2020-21</th><th>2021-22</th></tr><tr><td>Turnover</td><td>43056.37</td><td>64303.93</td><td>101004.70</td></tr><tr><td>Net Profit / (Loss)</td><td>3888.77</td><td>2850.43</td><td>4917.11</td></tr><tr><td>Amount of dividend paid</td><td>Nil</td><td>Nil</td><td>Nil</td></tr><tr><td>Rate of dividend paid</td><td>Nil</td><td>Nil</td><td>Nil</td></tr></table> <p>Export Earnings during FY 2021-22 were Rs. 882.38 Lakhs.</p>	Financial Parameters	Years			2019-20	2020-21	2021-22	Turnover	43056.37	64303.93	101004.70	Net Profit / (Loss)	3888.77	2850.43	4917.11	Amount of dividend paid	Nil	Nil	Nil	Rate of dividend paid	Nil	Nil	Nil
Financial Parameters	Years																								
	2019-20	2020-21	2021-22																						
Turnover	43056.37	64303.93	101004.70																						
Net Profit / (Loss)	3888.77	2850.43	4917.11																						
Amount of dividend paid	Nil	Nil	Nil																						
Rate of dividend paid	Nil	Nil	Nil																						
(5)	Export performance and net foreign exchange collaborations	Nil																							
(6)	Foreign investments or collaborators, if any.	Nil																							
II	Information about the appointee																								
(1)	Background details	Shri G.S.Naidu, is a B.E. (Hons.) in Electrical Engineering from Bhopal University of Madhya Pradesh over Three decades of extensive experience in Manufacturing Business Operations, Green field / Expansion projects. He started his career with M/s.National Aluminium Co.Ltd. in 1985, during project stage having capital outlay of 2.4 billion USD and later joined M/s. Optel Telecommunication Ltd., the pioneer company in the field of Optical Fibre, Optical Fibre cable and Telecom Equipments. During his employment with M/s.HFCL at Goa Plant and M/s. Sudarshan Telecom (a division of M/s. West Coast Paper Mills Ltd.), he spearheaded the entire business activities of manufacturing of Optical Fibre Cable. He also headed a green field power cable project of M/s. General Cable Energy India Pvt.Ltd. (a unit of the General Cable Corporation, USA) having a capital outlay of 45 Million USD.																							

Statement as per Schedule V of the Companies Act, 2013				Annexure- II
Sl. No.	Details	Information		
(2)	Past remuneration (during the immediate preceding 3 employments)	Organisation	Period	Total Remuneration (Amount in Rs.)
		HTL Ltd.	25th June 2019 To 24th June 2020	56,21,739
		HTL Ltd.	25th June 2020 to 24th June 2021	56,21,739
		HTL Ltd.	25th June 2021 to 31st March 2022	43,24,415
			1st April 2022 to 24th June 2022	16,85,445
(3)	Recognition or awards	Nil		
(4)	Job Profile and his suitability	He is holding charge of all the operations of the Company viz., Manufacturing, Marketing, Finance and Administration. He is having over 30 years of experience in top level management in reputed Companies, including Telecom Companies.		
(5)	Remuneration proposed	Existing remuneration as approved by the Nomination and Remuneration Committee & Board of Directors in their meeting held on 20.01.2023, subject to the approval of the Shareholders. Period From 25.6.2022 to 24.6.2023		
		Particulars	Rs. Per Annum From 1.4.2022 to 30.9.2022	w.e.f. 1.10.2022
		Basic Salary	21,70,162	28,67,716
		House Rental Allowance	13,02,097	17,20,630
		Special Allowance	4,11,219	5,43,397
		Driver Charges	2,32,517	3,07,255
		Car Maintenance & Fuel etc.	4,84,411	6,40,115
		LTA	1,80,780	2,38,890
		Annual Benefits:		
		Provident Fund	2,60,419	3,44,126
		Gratuity	1,04,335	1,37,871
		*Performance Linked Incentive	10,29,189	17,00,000
		**One Time Bonus	3,00,000	-
		***Long Term Incentive Plan	-	19,67,609
		TOTAL	64,75,129	1,04,67,609

Statement as per Schedule V of the Companies Act, 2013		Annexure- II
Sl. No.	Details	Information
	Remuneration Proposed (Cont.)	<p>Notes:</p> <p>* PLI would be paid in two Half Yearly instalments in a year, on the basis of Company's performance score and / or employee's performance score, as applicable across levels.</p> <p>** One Time Bonus in November 2022.</p> <p>*** The Long Term Incentive Plan amount is due on 1.10.2022, based on the performance of the Company during FY 2021-22.</p> <p>The Long Term Incentive Plan amount of Rs. 47,78,478/- will be taken up in April 2023 after the declaration the financial results of the Company for FY 2022-23.</p>
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	Shri G.S.Naidu is drawing a CTC of Rs.56.22 Lakhs p.a. in HTL Ltd. as Chief Operating Officer & designated 'Manager' of the Company. He is now re-appointed as 'Manager' w.e.f. 25.6.2022 for a period of one year with a revised remuneration amounting to Rs. 61,75,129/- p.a. for the period 1.4.2022 to 30.9.2022 and further increased to Rs. 85,00,000/- w.e.f. 1.10.2022. His remuneration is either at par or less than the remuneration drawn by persons of similar qualifications and experience in Telecom Companies.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Shri G.S.Naidu is not related to any of the Directors of the Company.
III	Other information	
(1)	Reasons of loss or inadequate profits.	Not Applicable
(2)	Steps taken or proposed to be taken for improvement.	Not Applicable
(3)	Expected increase in productivity and profits in measurable terms.	Turnover during 2023-24 is expected to be Rs. 1500 Crores and there will be increase in the profitability.

Statement as per Schedule V of the Companies Act, 2013			Annexure- II
Sl. No.	Details	Information	
IV Disclosures			
(1)	The shareholders of the company shall be informed of the remuneration package of the managerial person.	Yes. The same is being included in the Notice of their Meeting.	
(2)	The following disclosures shall be mentioned in the Board of Directors report under the heading "Corporate Governance", if any attached to the annual report		
(i)	All elements of remuneration package such as salary, benefits, bonuses, stock options, pension et. of all the Directors.		
(ii)	Details of fixed component and performance linked incentives along with the performance criteria;	Yes. The same is included.	
(iii)	Service contracts, notice period, severance fees;		
(iv)	Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.		
(3)	Prior approval of Central Government (Department of Corporate Affairs, New Delhi) to be obtained	Not Applicable	

Annexure- III

INFORMATION OF MANAGER PROPOSED TO BE RE-APPOINTED IN PURSUANT TO SECRETARIAL STANDARDS ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI) AS ON THE DATE OF NOTICE.

<i>Name of the Director</i>	Shri G. S. Naidu
<i>PAN</i>	ABRPN4626P
<i>Date of Birth (Age in Years)</i>	19.07.1963 (59 years)
<i>Date of first Appointment</i>	25.06.2015
<i>Experience/Expertise in Specific Functional Areas</i>	He is having a rich experience of more than three decades in manufacturing operations, including Optical Fibre Cables and also is having specialized in manufacturing of Optical Fibre Cables.
<i>Qualification(s)</i>	B.E. Hons.
<i>Directorship in other Companies</i>	Nimpaa Telecommunications Private Limited (Nominated by the Holding Company viz., HFCL Limited)
<i>Chairmanship/ Membership of Committees (across all public Cos.)</i>	HTL Ltd: Risk Management Committee- Member
<i>Shareholding in the Company</i>	Nil
<i>Relationship with other Directors and KMPs of the Company</i>	Nil
<i>No. of Board Meetings held / Attended during the year 2023</i>	3/3
<i>Details of Remuneration sought to be paid</i>	Rs. 61,75,129/- p.a. for the period 1.4.2022 to 30.9.2022 and further increased to Rs. 85,00,000/- w.e.f. 1.10.2022.
<i>Last Remuneration drawn</i>	Rs. 56,21,739/-
<i>Terms and conditions of re-appointment and Remuneration</i>	As mentioned in the Resolutions and Statements. Shareholders may also refer Remuneration Policy which is available on the website of the Company i.e. www.htllimited.com

The above statement may be treated as part of Statement annexed under Section 102 of the Companies Act, 2013 for Item No. 4 of the AGM Notice.

HTL LTD.

Registered Office: G.S.T. Road, Guindy, Chennai - 600 032.

DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting the 62nd Annual Report and Audited Accounts for the financial year ended 31st March 2023.

FINANCIAL RESULTS

(Rs. in crore)

PARTICULARS	2022-23	2021-22
Revenue from Operations	1264.41	1010.05
Other Income	4.31	2.76
Total Income	1268.72	1,012.81
Profit / (loss) Before Depreciation, Finance Charges, Exceptional Item viz., VRS Ex-gratia and Taxation	151.18	127.78
Less: Depreciation	25.11	20.46
Finance Charges	36.04	34.44
VRS Ex-gratia	-	6.38
Taxation	25.08	17.16
Net Profit/ (Loss) for the year	64.95	49.34
Other Comprehensive Income /Expenditure Re-measurement of defined benefit plans	(0.36)	(0.17)
Total Comprehensive Income for the year	64.59	49.17
Cost towards the options (ESOP / RSU) granted to the Employees of the Company by the Holding Company.	-	(0.26)
Surplus / (Deficit) Brought Forward from Previous Year	63.77	14.86
Surplus / (Deficit) Carried to the Balance Sheet	128.36	63.77

DIVIDEND

After taking into consideration of the expansion plans of the Company wherein the required Margin money has to be met out of the internal resources, no dividend can be recommended for the year.

RESERVES

The profits of the Company for the year ended 31st March 2023 of Rs. 64.95 Crores has been retained in the Surplus account. There were no other transfers to the Reserves for the year under review.

CHANGES IN CAPITAL STRUCTURE

There is no change in the capital structure of the Company during the year under review.

OPERATIONAL REVIEW

The Company has achieved a Turnover of Rs. 1,26,441.06 Lakhs during the financial year 2022-23 and the value of sales of different products made during the year under review with comparative figures of the previous year are:-

PRODUCTS	(Rs in Lakhs)	
	2022-23	2021-22
Sale of Products – OFC, FRP & OFC Accessories	1,26,028.21	1,00,540.96
Sale of Services	196.23	222.45
Other Operating Revenues	216.62	241.29
TOTAL	1,26,441.06	1,01,004.70

Following its planned expansion, your company anticipates additional growth in both the domestic and export sectors in the upcoming fiscal year.

OUTLOOK

OFC, Cable Reinforcement Solutions & Polymer Compounds

With 5G deployments picking up pace in the country, all the leading telcos are set to strengthen optical fiber cable connectivity across National Long Distance & Access Networks. Increased adoption of FTTH Services & demand for OFCs along Greenfield highways coupled with ongoing upgradation of 4G rural networks can be seen as drivers for growth. Your Company has growth potential in these market opportunities.

Passive Component Solutions

Large-scale deployment of data centres & ongoing deployment of 5G-communication infrastructure along with heightened demand for bandwidth than ever before, presents significant opportunities of growth for Passive connectivity products. In lieu of these trends, Fiber & Copper Cabling products as manufactured by the company has better prospects.

Automotive & Industrial

Increasing proliferation of Electric Vehicle (EV) Manufacturers, announcement of Auto Production Linked Incentives (PLIs), higher exports and with more supply chain shifts from China to India constitutes major tailwinds for the Automotive Industry. Per-vehicle automotive harness consumption is exponentially increasing across ICE (Internal Combustion Engines) & EV (Electric Vehicles) models across segments which offers better growth prospects for wiring harness & other products as manufactured by the company.

Aerospace & Defence

Release of fourth 'Positive Indigenisation List' (PIL) & enabling of simplified procedures to promote local production & procurement from the domestic defence industry along with Ministry of Defence's (MoD) rigorous monitoring of the progress made by DPSUs (Defence Public Sector Undertakings) on Indigenization targets augurs well for the domestic industry. All of these, in turn, serve as an opportunity for the company to capitalize on the expected growth in this space.

SIGNIFICANT EVENTS

Optical Fiber Cables

OFC annual capacity augmented from 11.75 Mn FKM to 11.88 Mn FKM.

Establishment of Polymer Plant at Hosur

Polymer Compound production started at Hosur Plant in Sept'22 with an annual capacity of 24,000 MT. HDPE (Black, Colour & Low-Shrinkage) & LSZH-Black were successfully developed and is being supplied to the Company's Plant at Chennai & the plants of the Holding Company viz., HFCL at Hyderabad & Goa.

Injection Moulding Plant

Injection Moulding Plant has been in operation at Chennai Plant since 15th Dec'22 for manufacturing plastic parts for Accessories, Auto Harness and other requirements of the Company and its Holding Company viz., HFCL Limited.

Awards & Recognition

Your Company has been recognized as the 'Emerging Company of the Year' during the 8th International Aerospace & Defence Awards as conducted on the eve of Defence Expo 2022 in Gandhinagar, Gujarat as transpired in Oct'22.

Plant Certifications

You Company was accredited with ISO 22301 (BCMS- Business Continuity Management System) Certification as awarded by BSI in Jan'23.

Your Company's Automotive & Industrial Wire Harness Facility at Hosur plant got accredited with IATF 16949 Certification, the foremost quality management standard for the Automotive Industry.

Trademark Applied

Your Company applied for the trademark "HTL DATACONNECT" under class 9 of Trademarks Act, 1999 for its products with the Trademark Registry, Chennai during the year under review and the registration is under process.

NUMBER OF MEETINGS OF THE BOARD HELD DURING THE FINANCIAL YEAR UNDER REVIEW

There were four meetings held during the Financial Year 2022-23 i.e., on 25.04.2022, 15.07.2022, 14.10.2022, and 20.01.2023. The intervening gap between two meetings of the Board is within the stipulated time prescribed in the Companies Act, 2013.

ANNUAL RETURN

The Annual Return of the Company as on March 31 2022 in prescribed e-form MGT-7 in accordance with Section 92(3) of the Act, read with Section 134(3)(a) of the Act, is available on the website of the Company and may be accessed at the web-link: <https://htllimited.com/uploadimages/220822163227AnnualReturn-2021-22.pdf>

Further, the Annual Return i.e. e-form MGT-7 for the FY 2023 shall be filed by the Company with the Registrar of Companies, Tamil Nadu within the stipulated period and the same can also be accessed thereafter on the Company's website.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS

The Rule 8 (5) of Accounts Rules, 2014 w.r.t. the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions is not applicable to the Company during the year under review.

LOANS, GUARANTEES AND INVESTMENTS.

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 outstanding as at 31st March, 2023 are as follows:

Particulars	Amount in Rs.
Loans given	NIL
Guarantees provided	NIL
Investments made	18,59,950

HOLDING COMPANY

HFCL Limited is the Holding Company and is having 74% equity shares in the Company. The Holding Company is a Listed Public Limited Company and its CIN is L64200HP1987PLC007466 and their Registered Office is at 8, Electronics Complex, Chambaghat, Solan – 173 213 (Himachal Pradesh).

PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

In pursuant to Rule 8 (1) of Accounts Rules 2014, the highlights on performance of Subsidiaries, Associates and Joint Ventures are not applicable to the Company.

COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Nomination and Remuneration Committee (NRC) of the Company identifies and ascertains the integrity, qualifications, expertise and experience of the person for appointment as Director, Manager, Key Management Personnel (KMP) or at senior management personnel and recommend to the Board his / her appointment. A person should possess adequate qualifications, expertise and experience for the position he / she is considered for appointment in the Company.

As per the policy followed by the Company, the non-executive directors are paid remuneration in the form of sitting fee for attending Board and Committee meetings as fixed by the Board of Directors from time to time, subject to the statutory provisions. The Remuneration Policy of the Company may be accessed at the web-link: <https://htllimited.com/uploadimages/060422152133RemunerationPolicy.pdf>

The sitting fees was revised from Rs. 2,500/- to Rs.15,000/- per Board / Committee meeting w.e.f. 20.1.2023 by the Board of Directors on recommendation of the Nomination and Remuneration Committee.

The NRC considers pay and employment conditions in the industry, merit and seniority of the person and the paying capacity of the Company for the appointment and remuneration of Manager and other Key Management Personnel viz., Chief Financial Officer and Company Secretary.

The NRC fixes the remuneration package of Manager, Chief Financial Officer and Company Secretary after taking into consideration the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the Company successfully. The remuneration comprises of salary, perquisites, allowances apart from the retirement benefits like Provident Fund, Superannuation, Gratuity, etc. as per the Rules of the Company. Further, the Manager is entitled to customary non-monetary benefits such as company car, furnished accommodation, health care benefits, leave travel, communication facilities, etc. The terms of the appointment also provide for severance payment.

NOMINATION AND REMUNERATION COMMITTEE

In pursuant to Section 178 with Rule 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014, the Company has a Nomination and Remuneration Committee with three Members viz., Shri R. M. Kastia, Chairman, Shri Mahendra Nahata, Member, and Dr. Tamali Sengupta, Member.

Dr. Tamali Sengupta inducted as Member of the Committee w.e.f. 14.10.2022.

Shri Sharad Trivedi ceased to be a Member of the Nomination and Remuneration Committee consequent upon his cessation as a Director of the Company w.e.f. 1.3.2023 on his superannuation from the services of Government of India.

There were three meetings of the Nomination and Remuneration Committee held during the Financial Year 2022-23 i.e., on 25.04.2022, 14.10.2022, and 20.01.2023.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has a Corporate Social Responsibility (CSR) Committee and also its policy of Corporate Social Responsibility pursuant to the requirements under the Companies Act, 2013.

The Members of the CSR Committee are Dr. R. M. Kastia, Chairman, Shri K. C. Jani, Member, and Dr. Tamali Sengupta, Member.

Dr. Tamali Sengupta inducted as Member of the Committee w.e.f. 14.10.2022.

Shri Sharad Trivedi ceased to be a Member of the CSR Committee consequent upon his cessation as a Director of the Company w.e.f. 1.3.2023 on his superannuation from the services of Government of India.

There was one meeting of the Corporate Social Responsibility Committee held on 17.03.2023 during the Financial Year 2022-23.

REGISTRAR AND SHARE TRANSFER AGENT (RTA)

M/s. KFIN Technologies Limited (formerly KFIN Technologies Private Limited), having its office at Selenium, Tower B, Plot No. 31 & 32, Gachibowli, Nanakramguda, Hyderabad-500 032 are the Registrar and Share Transfer Agent of the Company.

RELATED PARTY TRANSACTIONS

During the year under review, the Company has entered into transactions with related party viz., HFCL Limited, the Holding Company and its Associate Company viz., Nimpaa Telecommunications Private Limited and Other Related Company viz., Exicom Tele-Systems Limited, as defined under Section 2(76) of the Companies Act, 2013 read with the Companies (Specification of Definitions Details) Rules, 2014, which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013 and the Rules issued there under.

The Company has not entered into any transactions with the related parties which were at arm's length basis but not in ordinary course of business.

The details of the related party transactions as required under Indian Accounting Standard- 24 are set out in Note No. 41 to the Financial Statements forming part of this Annual Report.

The Company's policy on Related Party Transaction is available on the website of the Company at the web-link: <https://htllimited.com/uploadimages/271022154227HTL-PolicyonRPT.pdf>

FIXED DEPOSITS

During the year under review the Company has not accepted any deposit within the meaning of Section 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

DIRECTORS

As on March 31, 2023, the Company had 6 (Six) Directors on the Board and there is one vacancy of Nominee Director of Government of India.

During the year under review, on recommendation of the Nomination and Remuneration Committee the Board of Directors appointed Dr. Tamali Sengupta (DIN: 00358658) as a Non-Executive Additional Director, w.e.f. 25.4.2022, who was further appointed as a Woman Director (Independent) for one term of consecutive five years, w.e.f. 25.4.2022 to 24.4.2027, by the Shareholders of the Company in their 61st Annual General Meeting by special resolution. The Company has received a declaration from the said Independent Director confirming that she met the criteria of Independence as prescribed under the provisions of the Act, read with the Schedules and Rules issued thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and she is independent of Management. In the opinion of the Board, she possesses requisite qualifications, experience, expertise and holds highest standards of integrity. She also fulfills the conditions specified in the Companies Act, 2013 ('the Act') as well as the Rules made thereunder and are independent of the management.

Shri Rajeev Sabherwal (DIN: 08420761) was appointed as an Additional Director (Non-Executive), by the Board w.e.f. 29.8.2022 and he holds office up to the ensuing Annual General Meeting. His appointment as Director of the Company is being placed before the Shareholders for regularisation in the ensuing AGM.

In accordance with the provisions of Section 152 of the Act Shri Mahendra Nahata (DIN: 00052898) and Shri K.C. Jani (DIN: 02535299) are retiring by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

Shri Amit Katoch (DIN: 09349281) ceased to be a Director w.e.f. 20.1.2023 consequent upon his transfer of Services by Government of India.

Shri Sharad Trivedi (DIN: 08977689), Nominee Director of the Department of Telecommunications, Government of India ceased to be Director of the Company w.e.f. 1.3.2023 on his superannuation from the GOI Services on 28.2.2023.

Shri B. K. Nath (DIN: 10110868) has been nominated as a Director of Government of India w.e.f. 23.3.2023. The Government of India is yet to appoint one Nominee Director.

AUDIT COMMITTEE

In pursuant to Section 177(8) with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014, the Company has an Audit Committee with three Members viz., Dr. R. M. Kastia, Chairman, Shri K. C. Jani, Member, and Dr. Tamali Sengupta, Member.

Shri Amit Katoch ceased to be a Member of the Audit Committee consequent upon his cessation as a Director of the Company w.e.f. 20.1.2023 on transfer of services by Government of India.

There were five meetings held during the Financial Year 2022-23 i.e., on 25.04.2022, 15.07.2022, 14.10.2022, 15.12.2022 and 20.01.2023.

GENERAL BODY MEETINGS

- (a) Location and time where Annual General Meetings of the Company held in the last 3 years are given below:

Financial Year	Location	Date	Time
2021-22	Regd. Office, GST Road, Guindy, Chennai Through Video Conferencing over MS Teams	29.07.2022	12 Noon
2020-21	Regd. Office, GST Road, Guindy, Chennai Through Video Conferencing over MS Teams	16.07.2021	12 Noon
2019-20	Regd. Office, GST Road, Guindy, Chennai Through Video Conferencing over MS Teams	07.08.2020	12 Noon

- (b) Location and time where Extra Ordinary General Meetings of the Company held in the last 3 years are given below:

Financial Year	Location	Date	Time
2021-22	Nil		
2020-21	Regd. Office, GST Road, Guindy, Chennai Through Video Conferencing over MS Teams	04.01.2021	12 Noon
2019-20	Nil		

COMPLIANCE WITH SECRETARIAL STANDARDS

Your Directors confirm that the Secretarial Standards issued by the Institute of Company Secretaries of India, as applicable to the Company have been complied with.

KEY MANAGERIAL PERSONNEL

During the year under review, Shri G. S. Naidu, Manager, Shri C. D. Ponnappa, Chief Financial Officer and Shri S. Narayanan, Company Secretary & General Manager (Legal) continue to be the Key Management Personnel in accordance with the provisions of Section 203 of the Companies Act, 2013 and Rules made thereunder.

Shri G.S. Naidu, Chief Operating Officer has been re-appointed as 'Manager' of the Company w.e.f. 25.06.2022 for a further period of one year with required approvals.

PARTICULARS OF EMPLOYEES' AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Management Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), a statement showing the names of top ten employees of the Company in terms of remuneration drawn as per the said Rules are given in **ANNEXURE I** annexed herewith and forms part of this Report.

There is no employee drawing remuneration in excess of the limits set out in the said Rules.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134 of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed:

1. that in the preparation of the accounts for the financial year ended 31st March, 2023, the applicable accounting standards have been followed along with proper explanations relating to material departures;
2. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent (read with Note No. 3 of Notes to the Audited Statement of Accounts) so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the Directors had prepared the annual accounts on a going concern basis;

5. that the Directors have laid down proper internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
6. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DEPOSITORY SYSTEMS

Your Company's Scrip has come under compulsory dematerialisation as per the amended provisions of the Companies Act, 2013. So far, 74% of the equity shares have been dematerialised.

The ISIN allotted to the equity of the Company is INE133T01011.

CORPORATE SOCIAL RESPONSIBILITY

The vision of CSR of the Company is to improve quality of life (social & economic) of the community and society in which it operates.

Mobile Medical Unit, Chennai

The Company in association with a recognized NGO viz., M/s. Wockhardt Foundation has taken up a CSR project for promoting preventive healthcare to the needy people in and around Chennai through Mobile Medical Unit at a total cost of Rs. 1,05,00,000/- (Rupees One Crore and Five Lakhs only) for a project period of 3 years during the FY 2021-22 with a target to benefit about 25000 needy people and is in progress. The said project cost is met out of the CSR obligation of the Company for Financial Year 2020-21 to the tune of Rs. 65,48,425/- and the residual amount of Rs. 39,51,575/- is met from the CSR obligation of the Financial Year 2021-22.

The said Mobile Medical Unit (MMU) is accompanied by a professional healthcare team comprising of a qualified Doctor, a Lab Technician & a Pharmacist and is equipped to offer diagnostics, medicines, blood/ urine tests, etc., all of which are made available to the beneficiaries free of cost.

Mobile Medical Unit, Hosur

The Company in association with a recognized NGO viz., M/s. Wockhardt Foundation has taken up a CSR project for promoting preventive healthcare to the needy people through Mobile Medical Unit at a total cost of Rs. 51,50,550/- (Rupees Fifty One Lakhs Fifty Thousand Five Hundred and Fifty only) for a period of One Year in and around Hosur w.e.f. FY 2022-23. Of which Rs. 46,54,460/- has been allocated from the CSR Obligation of the Company for FY 2021-22.

In line with the Chennai project, the project period has been extended to 3 years from 1 year with the incremental cost of Rs. 53,49,450/- during the year under review. The residual cost of Rs. 58,45,540/- will be met from the Company's CSR obligation of FY 2022-23.

Mobile Medical Unit II, Chennai

After taking into consideration of the requirement of the needy people in Chennai, your Company has planned to take up a 2nd Mobile Medical Unit (MMU) Project in Chennai in association with Wockhardt Foundation for providing health care to about 25,000 needy

people per annum over a period of 3 years with an initial contribution of Rs. 40,60,125/- during financial year 2022-23 at a total cost of Rs. 1,08,85,456/- and the residual amount of Rs. 68,25,331/- will be met out of the CSR obligation of financial year 2023-24.

The CSR Obligation of the Company for the financial year 2022-23 comes to Rs. 99,05,665/-. Since the Company could not spend this amount during the Financial Year 2022-23, the Company has taken action to open a Bank Account in Yes Bank Ltd, T.Nagar Branch, Chennai – 600 017 in the name “HTL Ltd.- Unspent Corporate Social Responsibility Account FY 2022-23” and the amount of Rs. 99,05,666/- has been deposited to the said account on 24.04.2023 as per the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

In compliance with the requirements of Section 135 of the Act, the Company has laid down a Corporate Social Responsibility (CSR) Policy along with Composition of Committee. The CSR Policy along with Composition of Committee is available on the website of the Company and may be accessed at the web-link:

<https://htllimited.com/uploadimages/120423145219CSRPolicy&CompositionofCommittee.pdf>.

The disclosures as required under the Companies Act, 2013 read with applicable Rules are furnished in ANNEXURE II and forms part of this Report.

AUDITORS AND AUDITORS' REPORT

At the 59th Annual General Meeting of the Company, M/s. Oswal Sunil & Company (Firm Registration. No. 016520N), Chartered Accountants, New Delhi were appointed for one term of consecutive 5 years as Statutory Auditors of the Company to hold office till the conclusion of 64th Annual General Meeting.

The Auditors' Report does not contain any qualification, reservation or adverse remark.

Further, there were no frauds reported by the Statutory Auditors to the Audit Committee or the Board under Section 143(12) of the Act.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Shri R. Balasubramanian, Practising Company Secretary having Membership No. F10011 and C.P.No.11979 to conduct the Secretarial Audit of your Company for the financial year 2022-23. The Secretarial Audit Report is annexed herewith as ANNEXURE III to this Report.

Remarks by Secretarial Auditor

Further, the Company is required to appoint 2 (Independent Directors) pursuant to Section 149(4) of the Companies Act, 2013, of which, the Company has already appointed 1 (One) Independent Director and further in the process of identification and appointment of another Independent Director.

Explanation by the Board pursuant to Section 134(3)(f) of the Act

The Company has already appointed one Independent Director who is independent of management. The Company is in the process of identifying a suitable person for appointing him / her as another Independent Director as per the provisions of the Act,

read with the Schedules and Rules issued thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force).

PERSONNEL

The manpower strength at the close of the financial year was 397 as compared to 391 at the beginning of the financial year.

CONSERVATION OF ENERGY/ TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is set out in ANNEXURE IV and forms part of this Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN MARCH 31, 2022 AND DATE OF THIS REPORT

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year (March 31, 2023) and date of this Report (April 28, 2023).

APPLICATION MADE OR PENDING UNDER INSOLVENCY & BANKRUPTCY CODE, 2016 (IBC)

In pursuant to the Rule 8(5) of Accounts Rules 2014, there is no application made or pending under IBC, 2016 during the year under review.

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant/ material orders passed by the Regulators/ Courts or Tribunals impacting the going concern status of your Company and its operations in future.

INDIAN ACCOUNTING STANDARDS (IND AS)

Your Company's financial statements for the year ended 31st March, 2023 are the financial statements prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendments Rules, 2016 as applicable.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Having regard to Rule 8 (5) (viii) of the Companies (Accounts) Rules, 2014, the details in respect of adequacy of internal financial controls with reference to the financial statements of the Company are as follows:

Your Company maintains appropriate systems of internal control including monitoring procedures. These internal control systems ensure reliable and accurate financial reporting, safeguarding of assets, keeping constant check on cost structure and adhering to management policies. The internal controls are commensurate with the size, scale and complexity of our operations and facilitate timely detection of any irregularities and early

remedial steps against factors such as loss from unauthorized use and disposition, Company policies, guidelines and procedures provide for adequate checks and balances which are meant to ensure that all transactions are authorized, recorded and reported correctly. The internal controls are continuously assessed and improved / modified to meet changes in business conditions, statutory and accounting requirements.

Constant monitoring of the effectiveness of controls is ensured by periodical audits performed by the external Internal Auditor viz., M/s Anil Aggarwal & Co., Chartered Accountants, Chennai – 600 032.

The Audit Committee regularly meets and reviews the results of the various internal control audits both with the Auditors as well as with the respective Auditees.

The Audit Committee is apprised of the findings as well as the corrective actions that are taken. Periodical meetings between the Audit Committee and the Company Management also ensure the necessary checks and balances that may need to be built into the control system.

RISK MANAGEMENT

The Company has a comprehensive risk management policy to take care of the business and other risks related to the Company.

The Risk Management Policy of the Company may be accessed at the web-link: <https://htllimited.com/uploadimages/190221130320HTL-RiskManagementPolicy.pdf>

VIGIL MECHANISM / WHISTLE BLOWER POLICY

As required under Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Boards and its Powers) 2014, the Company has adopted a policy on vigil mechanism / whistle blower. The policy provides direct access to the Chairman of the Audit Committee in case any employee should choose to report or bring up a complaint.

Your Company affirms that no one has been denied access to the Chairman of the Audit Committee and also that no complaints were received during the year.

The Policy on Vigil Mechanism / Whistle Blower Policy may be accessed at the web-link: <https://htllimited.com/uploadimages/060422144313WhistleBlowerPolicy-VigilMechanism-HTL.final.pdf>

PREVENTION OF SEXUAL HARASSMENT

The Company has a Committee to redress complaints received regarding sexual harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013. All employees (permanent, contractual, temporary and trainees) are covered under this system. No complaints were received during the year under review.

CAUTIONARY STATEMENT

Important factors that would make a difference to the Company's operations/ future prospects include demand supply conditions, raw material prices, changes in government regulations, tax regimes and economic developments within the country and abroad and such other factors.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of business of the Company during the financial year under review.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS

There were no such frauds which were reported by Auditors during the year, under Section 143(12) of the Companies Act, 2013.

COST RECORDS AND COST AUDIT

Your Company has maintained cost accounts and records as specified by the Central Government under sub-section (1) of Section 148 of the Act and the relevant rules made thereunder.

The Board at its meeting held on October 14, 2022, appointed M/s. STARP & Associates, Cost Accountants (Firm Registration No. 004143) as the Cost Auditors of the Company on recommendation of the Audit Committee to conduct audit of cost records maintained by the Company, for the products viz., Aramid Reinforced Plastic (ARP) Rods, Fibre Reinforced Plastic (FRP) Rods, HDPE and any other products coming under the purview of Cost Audit for the financial year commencing on 01st April, 2022 and ending on 31st March, 2023 in accordance with the Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014. The remuneration is to be ratified by the Members in the ensuing Annual General Meeting.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the valuable co-operation and support received from Department of Telecommunications, Government of India, Government of Tamil Nadu, the Banks, and other stakeholders such as Shareholders, Customers and Suppliers, among others. The Directors look forward to their continued support in future.

Your Directors wish to place on record their sincere appreciation of the dedicated efforts put in by the employees at all levels in the Company.

Your Directors acknowledge your continued trust and confidence on the Company.

For and on behalf of the Board

Place: New Delhi

Date : 28.04.2023

R. M. Kastia

Director

DIN: 00053059

K. C. Jani

Director

DIN: 02535299

Annexure I to the Directors' Report

Statement containing particulars of employees in accordance with rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 or amendments made thereto:

Names of the top ten employees of the Company in terms of remuneration drawn and the names of employees who were employed through out the financial year 2022-23 and were paid remuneration not less than Rs.1,02,00,000/- per annum and employees who were employed for a part of financial year 2022-23 and were paid remuneration not less than Rs. 8,50,000/- per month

Sl. No.	Name	Remuneration (Rs)	Nature of Employment	Designation	Qualifications & Experience	Date of Commencement of Employment	Age (Years)	Last Employment Held
1	Shri. G. S. Naidu * Appointed as 'Manager' under the Companies Act.	96,05,182	Permanent	Chief Operating Officer and Manager*	BE(Electrical) 36 Years	25.06.2015	59 Yrs	President Business Head, M/s. Sudarshan Telecom Ltd., Mysore.
2	Shri. C. D. Ponnappa	67,09,488	Permanent	Chief Financial Officer	B. Com, ACA, SMP (IIM) 26 Yrs.	17.05.2016	51 Yrs	Associate Vice President, M/s. Software Paradigms India Pvt Ltd., Mysore.
3	Shri Kiran Kumar Balakrishna	44,77,817	Permanent	Associate Vice President (A&D)	B.E (Mech.) 30 Yrs.	20.01.2021	53 Yrs	Sr. Delivery Manager, M/s. L&T Technologies Services, Bangalore.
4	Shri Ramesh Kumar Nair	44,00,000	Permanent	Associate Vice President (PCS - Marketing)	BE - EEE / Pursuing PGM 18 Yrs.	27.10.2021	42 Yrs	AGM- Business Development / Product Management, M/s. Amphenol FCI India, Bangalore.
5	Shri C. P. Mahender	43,46,738	Permanent	Vice President - HR	BCS, MPM. 31 Yrs	12.06.2020	56 Yrs	Vice President - HR & IR, M/s. Kshema Power & Infrastructure Co Pvt.Ltd., Chennai.
6	Shri. Anil B. Lagad	42,00,060	Permanent	General Manager (PCS - Marketing)	M.Sc. (Physics) 22 Yrs.	25.08.2015	46 Yrs	Manager, M/s. Sterlite Technologies, Silvassa.
7	Shri S. Krishnakumar	41,82,090	Permanent	Associate Vice President - Automotive Division	B.E (Automobile), MBA 29 Yrs.	15.11.2019	51 Yrs	DGM - Business Management & Supply Chain (OEM&OES), M/s. MINDA Corporation Ltd., Chennai.
8	Shri O. V. S. Ramakrishna Sarma	34,00,000	Permanent	General Manager (Purchase)	BE Mech, PGDM-SCM 18 Yrs.	12.03.2022	42 Yrs	DGM - Purchase, M/s West Coast Optilinks, Mysore.
9	Shri. S. Rajasekaran	33,00,024	Permanent	General Manager (SCM)	B.E. (Industrial Engineering), MBA - Material Management 22 Yrs.	28.08.2019	48 Yrs	Head - Supply Chain M/s. Danfoss Industries, Chennai.
10	Shri Rishikesh Doijode	31,47,312	Permanent	GM - Aerospace & Defence Division	B.Tech.(E & C) 15 Yrs.	12.12.2019	40 Yrs	Manager, M/s. Rossell Techsys, Bangalore.

Notes :

- The remuneration shown above comprises Salary, Allowances, Perquisites, Ex-gratia, Medical, Company's contribution to Provident Fund and all other reimbursements, if any.
- None of the employees is related to any Director of the Company.
- None of the above employee draws remuneration more than the remuneration drawn by Manager and holds by himself or along with his spouse and dependent children not having any equity shares in the Company.

R. M. Kastia
Director

DIN: 00053059

K. C. Jani
Director

DIN: 02535299

Annexure II to the Directors' Report

Annual Report on CSR Activities for the Financial Year 2022- 23

1. Brief outline on CSR Policy of the Company.

The Board of Directors of the Company has the CSR committee and its CSR policy in pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Board has broadly identified the following CSR activities, around which your Company shall be focusing:

- (i) Promoting preventive health care.
- (ii) Sanitation and making available safe drinking water.
- (iii) Eradicating hunger, poverty and malnutrition.
- (iv) To arrange establish, run, manage, control, look after and supervise the widows homes, old age homes, orphanages, child welfare centers and to provide medical relief and/or aid to the suffering human body.
- (v) To establish sponsor, administer and provide funds, stipends, scholarships and study grants to enable poor deserving and /or meritorious students and teachers to pursue their studies, research and training in any fields in India.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1	Dr. R.M. Kastia	Chairman / Non – Executive Director	1	1
2	Shri K.C. Jani	Member / Non – Executive Director	1	1
3	Dr. Tamali Sengupta	Member / Non – Executive Woman Independent Director	1	1

Dr. Tamali Sengupta nominated as Member of the Committee w.e.f. 14.10.2022.

Shri Sharad Trivedi Ceased to be a Member in the Committee consequent upon cessation of his directorship on his superannuation from the Services of the Government of India w.e.f. March 01, 2023 on his Superannuation.

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

Composition of CSR Committee:

<https://htllimited.com/uploadimages/120423145219CSRPolicy&CompositionofCommittee.pdf>

CSR Policy:

<https://htllimited.com/uploadimages/120423145219CSRPolicy&CompositionofCommittee.pdf>

Approved CSR Projects:

<https://htllimited.com/uploadimages/080622162407HTLCSRProject-Chennai.pdf>

<https://htllimited.com/uploadimages/080622162614HTLCSRProject-Hosur.pdf>

https://htllimited.com/uploadimages/300323180053HTL_CSR_Project-2ndMMUChennai.pdf

4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.

Not Applicable.

5. (a) Average net profit of the company as per section 135(5).

The average net profits of the Company during the last three years is Rs. 49,52,83,265.63/-.

- (b) Two percent of average net profit of the company as per section 135(5):

Rs. 99,05,665/-.

- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:

Nil

- (d) Amount required to be set off for the financial year, if any:

Not Applicable.

- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]:

Rs. 99,05,665/-.

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number

1.	Mobile Medical Clinic-Chennai	Promoting Preventive Health Care	Yes	Tamil Nadu	Chennai	3yrs	1,05,00,000	26,41,260	(i) HTL Ltd. Unspent CSR Account-Rs. 65,48,425/- & (ii) HTL Ltd. Unspent CSR Account-FY 2021-22- Rs. 39,51,575/-	No	Wockhardt Foundation	CSR00000161
2.	Mobile Medical Clinic-Hosur	Promoting Preventive Health Care	Yes	Tamil Nadu	Hosur	3yrs	1,05,00,000	24,85,920	(i) HTL Ltd. Unspent CSR Account-FY 2021-22- Rs. 46,54,460/-	No	Wockhardt Foundation	CSR00000161
Total							1,05,00,000	51,27,180	1,51,54,460			

(b) Amount spent in Administrative Overheads: - Nil

(c) Amount spent on Impact Assessment, if applicable: - Not Applicable

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: - Rs. 51,27,180/-

(e) CSR amount spent or unspent for the financial year 2022-23:

Total Amount Spent for the Financial Year. 2022-23 (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Nil	99,05,666	24.04.2023	Nil		

(f) Excess amount for set off, if any: - Nil

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	99,05,665
(ii)	Total amount spent for the Financial Year	Nil
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Balance Amount in Unspent CSR Account under Section 135 (6) (in Rs.)	Amount spent in the Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5), if any.		Amount remaining to be spent in succeeding financial years. (in Rs.)
					Amount (in Rs)	Date of transfer	
1.	2019-20	-	-	-	-	-	-
2.	2020-21	65,48,425	40,63,135	26,41,260	-	-	14,21,875
3.	2021-22	86,06,035	86,06,035	24,85,920	-	-	61,20,115
	Total	1,51,54,460	1,26,69,170	51,27,180	-	-	75,41,990

8. Whether any capital has been created or acquired through CSR amount spent in the financial year: Yes

If Yes, enter the number of Capital assets created / acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year (All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries): -

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1.	Force Motors / LCV Mobile Medical Unit (MMU) Force	635 109	29.7.2022	24,85,920	CSR00000161	Wockhardt Foundation	Wockhardt Towers, Bandra Kurla Complex,

Traveller							Mumbai- 400 051
H.No-143, Nai Abadi Gali No-8, Police Choki Arjun Nagargurgaon- 122001 Gurgaon Haryana							
Location: Hosur, Tamil Nadu							

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): -

Since the Company could not spend on its approved CSR Projects which are in progress during FY 2022-23, the amount of Rs. 99,05,666/- has been transferred to a separate bank Account viz., HTL Ltd.- Unspent Corporate Social Responsibility Account FY 2022-23 on 24.04.2023 as per the Act.

Date : 28.04.2023

R. M. Kastia
Chairman of CSR Committee
DIN: 00053059

K. C. Jani
Director
DIN: 02535299

Annexure III to the Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
HTL Limited,
CIN: U93090TN1960PLC004355
G.S.T. Road, Guindy,
Chennai - 600032

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by HTL Limited (hereinafter called "the Company") for the year ended 31.03.2023. The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2023 ('Audit Period'), has complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2023 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not applicable during the Audit period).**
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(Not applicable during the Audit period).**
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable during the Audit period).**
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable during the Audit period).**

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable during the Audit period).**
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable during the Audit period).**
- d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(Not applicable during the Audit period).**
- e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable during the Audit period).**
- f. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not applicable during the Audit period).**
- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not applicable during the Audit period);**
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable during the Audit period).**
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable during the Audit period).**

6. Labour Laws:

- a. The Factories Act, 1948
- b. Industrial Disputes Act, 1947
- c. The Minimum Wages Act, 1948
- d. The Payment of Wages Act, 1936
- e. Employees' State Insurance Act, 1948
- f. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
- g. The Payment of Bonus Act, 1965
- h. The Payment of Gratuity Act, 1972
- i. The Contract Labour (Regulation and Abolition) Act, 1970
- j. The Maternity Benefit Act, 1961
- k. The Child Labour (Prohibition and Regulation) Act, 1986
- l. The Industrial Employment (Standing Orders) Act, 1946
- m. The Employees' Compensation Act, 1923
- n. Equal Remuneration Act, 1976

7. Environmental Laws:

- a. The Environment (Protection) Act, 1986
- b. The Water (Prevention & Control of Pollution) Act, 1974
- c. The Air (Prevention & Control of Pollution) Act, 1981

Based on the representation given by the Management of the Company, it is observed that there are no other laws which are specifically applicable to the business of the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company. **(Not applicable during the Audit period).**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. Further, the Company is required to appoint 2 (Independent Directors) pursuant to Section 149(4) of the Companies Act, 2013, of which, the Company has already appointed 1 (One) Independent Director and further in the process of identification and appointment of another Independent Director.

I FURTHER REPORT THAT the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

I FURTHER REPORT THAT:

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors, Independent Director and Woman Independent Director except as mentioned above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I FURTHER REPORT THAT there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I FURTHER REPORT THAT during the audit period, the Company had the following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc:

1. The Company had obtained the approval of Board of Directors and recommended to the Shareholders of the Company for their approval, the enhancement of the borrowing limit from Rs. 300 Crores to Rs. 500 Crores.

R. Balasubramanian
Practising Company Secretary
FCS No. 10011 CP No. 11979
UDIN: F010011E000188530
PR No. 2641/2022

Place: Chennai
Date: 25.04.2023

This report is to be read with my letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

“Annexure A”

To,
The Members,
HTL Limited,
CIN: U93090TN1960PLC004355
G.S.T. Road, Guindy,
Chennai - 600032

I report that:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

R. Balasubramanian
Practising Company Secretary
FCS No. 10011, CP No. 11979
UDIN: F010011E000188530
PR No. 2641/2022

Place: Chennai
Date: 25.04.2023

Annexure IV to the Directors' Report

INFORMATION UNDER SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES, 2014 FOR THE YEAR ENDED 31ST MARCH, 2023.**(A) CONSERVATION OF ENERGY:****(i) The steps taken or impact on conservation of energy:**

The Company's operation involves low energy consumption. Nevertheless, energy conservation measures have already been taken wherever possible. Efforts to conserve and optimise the use of energy through improved operational methods and other means will continue.

(ii) The steps taken by the Company for utilising alternative sources of Energy:

The Company has purchased wind power from a private Generator, M/s. NSL Wind Power Company (Phoolwadi) Private Limited, Hyderabad during the previous year as per the guidelines prescribed by TANGEDCO for its both Guindy and Hosur Plants.

The Company is also exploring the other alternative source of energy i.e. Solar.

(iii) The capital investment on energy conservation equipments: NIL**(B) TECHNOLOGY ABSORPTION:****(i) The efforts made by the Company towards technology absorption:**

The technology of the products has been absorbed substantially during the year under review.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

As a result of technology absorption, Company has been able to reduce product cost.

(iii) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), the following information may be furnished: NIL

- | | | | |
|-----|--|---|----------------|
| (a) | The details of Technology Imported | : | Not Applicable |
| (b) | The year of Import | : | Not Applicable |
| (c) | Whether the technology been fully absorbed | : | Not Applicable |
| (d) | If not fully absorbed, areas where absorption has not taken place and the reasons thereof and future plans of action | : | Not Applicable |

(iv) The expenditure incurred on Research and Development (R&D): Nil

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

	(Rs. in Lakhs)	
	Financial Year ended 31.03.2023	Financial Year ended 31.03.2022
Foreign exchange earned in terms of actual inflows.	3000.77	882.38
Foreign exchange outgo in terms of actual outflows.	15588.03	14216.18

For and on behalf of the Board

Place: New Delhi
Date : 28.04.2023

R. M. Kastia
Director
DIN: 00053059

K. C. Jani
Director
DIN: 02535299

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

- 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.
- As required by Section 143(3) of the Act, we report that:
 - 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.
 - 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.
 - 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.
 - 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.
 - 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.
 - 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:

period and outstanding amount as on balance sheet date i.e. 31 st 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	Principal	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	Interest	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-IA 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.

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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.

SD

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

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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
(iii) 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

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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

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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

R. M.KASTIA

Director

DIN: 00053059

K.C. JANI

Director

DIN: 02535299

NISHANT BHANSALI

Partner

M.No.: 532900

S. NARAYANAN

Company Secretary

M.No ACS5772

New Delhi, 28th April 2023

C D PONNAPPA

Chief Financial Officer

PAN: ACZPP1337Q

New Delhi, 28th April 2023

(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)

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:

- 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.
- Figures in bracket indicate cash outflow.
- 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 and on behalf of the Board

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

R. M.KASTIA
Director
DIN: 00053059

K.C. JANI
Director
DIN: 02535299

NISHANT BHANSALI
Partner
M.No.: 532900

S. NARAYANAN
Company Secretary
M.No ACS5772

C D PONNAPPA
Chief Financial Officer
PAN: ACZPP1337Q

New Delhi, 28th April 2023

New Delhi, 28th April 2023

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	Remeasurement of defined benefit plans	
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)	-	-	-	-	-
Total Comprehensive Income for the year	-	6,495.29	-	(35.77)	6,459.52
Balance as at March 31, 2023	0.00	12,954.65	24.64	(142.46)	12,836.83

* Capital Reserve of Rs. 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.: 016520N

For and on behalf of the Board

R. M.KASTIA
Director
DIN: 00053059

K.C. JANI
Director
DIN: 02535299

NISHANT BHANSALI
Partner
M.No.: 532900

C.D. PONNAPPA
Chief Financial Officer
PAN: ACZPP1337Q

S. NARAYANAN
Company Secretary
M.No A CS5772
New Delhi, 28th April 2023

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.

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.

HTL Limited**Notes to the Financial Statements for the year ended March 31, 2023****(All amounts are in Rs. Lakh unless otherwise stated)**

3.3. Fair value measurement

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

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

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

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

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

- **Level 1 — Quoted (unadjusted)**
This hierarchy includes financial instruments measured using quoted prices.
- **Level 2**
Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include the following:

- 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.

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.

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

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

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

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised 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.

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

HTL Limited**Notes to the Financial Statements for the year ended March 31, 2023****(All amounts are in Rs. Lakh unless otherwise stated)**

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
- ☐ 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.

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.

HTL Limited**Notes to the Financial Statements for the year ended March 31, 2023****(All amounts are in Rs. Lakh unless otherwise stated)**

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.

**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.

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.

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

HTL Limited**Notes to the Financial Statements for the year ended March 31, 2023****(All amounts are in Rs. Lakh unless otherwise stated)**

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 44)	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

HTL Limited
(All amounts are in Rs. Lakhs)
Notes forming part of the Financials Statements for the year ended March 31, 2023

5.1 Ageing details of capital work in progress (CWIP) *				
Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Projects in progress	2,110.40	5.58	-	-
As at March 31, 2022	638.58	146.34	-	-
As at March 31, 2023				2,115.98
				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	199.05	199.05
As at April 01, 2021	10.12	10.12
Additions	-	-
Disposals / Adjustments	209.17	209.17
As at March 31, 2022	49.52	49.52
Additions	-	-
Disposals / Adjustments	258.69	258.69
As at March 31, 2023		
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	74.00%	0%
2	Manoj Baid*	1		
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	More than 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

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				
Current Liability	2.09	10.42	13.85	15.26
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
PAYMENTS				
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) Customs 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

(e) 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"

(f). Name and description of related parties.

Relationship	Name of Related Party
(a) Holding Company:	HFCL Limited
(b) Fellow Subsidiary:	Monota 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	Ninpa 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.

HTL Limited

(All amounts are in Rs. Lakhs)

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

(ii). 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, 2023	Year ended March 31, 2022
Purchases/receiving of Goods & Materials		
HFCL Limited	39,449.93	24,266.69
Exicom Tele-systems Ltd	42.36	39.17
Nimpaa Telecommunications Private Limited	431.31	845.98
Sales/rendering of Goods & Materials		
HFCL Limited	51,965.59	32,760.25
Exicom Tele-systems Ltd	98.88	112.17
Nimpaa Telecommunications Private Limited	49.02	46.39
Exicom Energy Systems Pvt. Ltd	32.46	-
Expenses - Other expenses		
HFCL Limited	1,250.31	4.66
Exicom Tele-systems Ltd	-	-
Nimpaa Telecommunications Private Limited	902.07	664.58
Expenses - Interest on Loans and Advances		
HFCL Limited	965.00	965.00
Closing Balances of Receivables		
HFCL Limited	3,302.40	7,449.08
Exicom Tele-systems Ltd	24.19	52.38
Exicom Energy Systems Pvt. Ltd	4.06	-
Closing Balances of Payable		
HFCL Limited	702.97	790.92
Nimpaa Telecommunications Private Limited	66.69	329.06
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 Narayanan, Company Secretary	25.22	22.35
(b) Post employment benefits*		
Mr. G.S. Naidu, COO & Manager	-	-
Mr. C. D. Ponnappa Chief Financial Officer	-	-
Mr. S Narayanan, Company Secretary	-	-
(c) Other long term benefits #		
(d) Remuneration Payable		
Mr. G.S. Naidu, COO & Manager	15.58	8.31
Mr. C. D. Ponnappa Chief Financial Officer	11.18	8.41
Mr. S Narayanan, 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.

42 Financial Instruments by Category

Particulars	Mar-23			Mar-22		
	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost
1) Financial Assets						
I) Investments						
Equity shares						
(i) NSL Wind Power Company (Phoolwadi) Pvt Limited	-	18.60	-	-	17.08	-
II) Trade Receivables	-	-	18,149.69	-	-	17,217.76
III) Bank Deposits	-	-	251.42	-	-	422.67
IV) Cash and Cash Equivalents	-	-	84.34	-	-	65.83
V) Other Bank balances	-	-	2,162.74	-	-	2,217.20
VI) Other Financial Assets	-	-	283.86	-	-	447.90
Total Financial Assets	-	18.60	20,932.05	-	17.08	20,371.36
2) Financial Liabilities						
I) Borrowings						
A) From Banks	-	-	9,776.04	-	-	10,420.15
B) From Others	-	-	2,923.00	-	-	3,574.20
II) Trade Payables	-	-	10,830.23	-	-	15,678.19
III) Other Financial Liabilities	-	-	10,800.52	35.72	-	10,921.25
Total Financial Liabilities	-	-	34,329.79	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, 2023

Financial Assets measured at Fair Value recurring Fair value measurements at 31-03-2023	Note No.	Level 1	Level 2	Level 3
Financial Assets				
Investments				
(i) NSL Wind Power Company (Phoolwadi) Pvt Limited	12	-	-	18.60
Total Financial Assets		-	-	18.60
Financial Liabilities measured at Fair Value recurring Fair value measurements at 31-03-2023	Note No.	Level 1	Level 2	Level 3
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.	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.
Equity Price Risk is related to the change in market reference price of the investments in equity securities.		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.
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.		
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.	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.
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)		

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 value of the Company. 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 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 has agreed 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 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 the 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 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 2022, 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, 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 Telecom Services (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 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 Rs. 347.00 Lakhs, 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 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 01.05.2001, 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 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 HFL to the Company. 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 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 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 cost towards the options granted to the employee of the company by holding company through equity settled method. The Nomination, Remuneration and Compensation Committee has approved 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 in the 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 term 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 on the date of grant.

Particulars	March 31, 2023		March 31, 2022
	No. of Options	Weighted Average Exercise price (Rs.)	No. of Options
Outstanding at the beginning of the year	1,04,800	20.65	3,09,200
Granted During the year	-	-	-
Forfeited during the year	-	-	-
Exercise during the year	-	-	2,04,400
Expired during the year	-	-	-
Outstanding at the end of the year	1,04,800	20.65	1,04,800
Exercisable at the end of the year	-	-	17,200
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 the first and second 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 on the date of grant.

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 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
Outstanding at the beginning of the year	-	-	2,92,000
Granted During the year	-	-	-
Forfeited during the year	-	-	2,92,000
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., Wockhardt 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.	
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.	<p>Opening Provision = Rs. 126.69 Lacs (+) Provision made = Rs. 99.05 Lacs (-) Expenditure incurred = Rs. 51.27 Lacs Closing Provision = Rs. 174.47 Lacs</p> <p>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.</p> <p>The said NGO will be taking up the project during the FY 2023-24.</p>	<p>Opening Provision = Rs. 65.48 Lacs (+) Provision made = Rs. 86.06 Lacs (-) Expenditure incurred = Rs. 24.85 Lacs Closing Provision = Rs. 126.69 Lacs</p> <p>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.</p> <p>The said NGO will be taking up the project during the FY 2022-23.</p>

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

Ratios	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 weakens by 5%	INR Strengthens by 5%	INR weakens 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)	9,003.21	6,649.44
Current Tax rate @ 25.17%	2,265.93	1,673.53
Adjustment:		
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

For and on behalf of the Board

NISHANT BHANSALI
Partner
M.No.: 532900

R. M. KASTIA
Director
DIN: 00053059

K.C. JANI
Director
DIN: 02535299

S. NARAYANAN
Company Secretary
M.No ACS5772

C D PONNAPPA
Chief Financial Officer
PAN: ACZPP1337Q

New Delhi, 28th April 2023

New Delhi, 28th April 2023

ATTENDANCE SLIP

HTL LIMITED

(CIN: U93090TN1960PLC004355)

Regd.Office: GST Road, Guindy, Chennai-600 032.

Email: coo@htllimited.com; Website: www.htllimited.com

Phone: 044- 22501020.

62ND ANNUAL GENERAL MEETING 2023

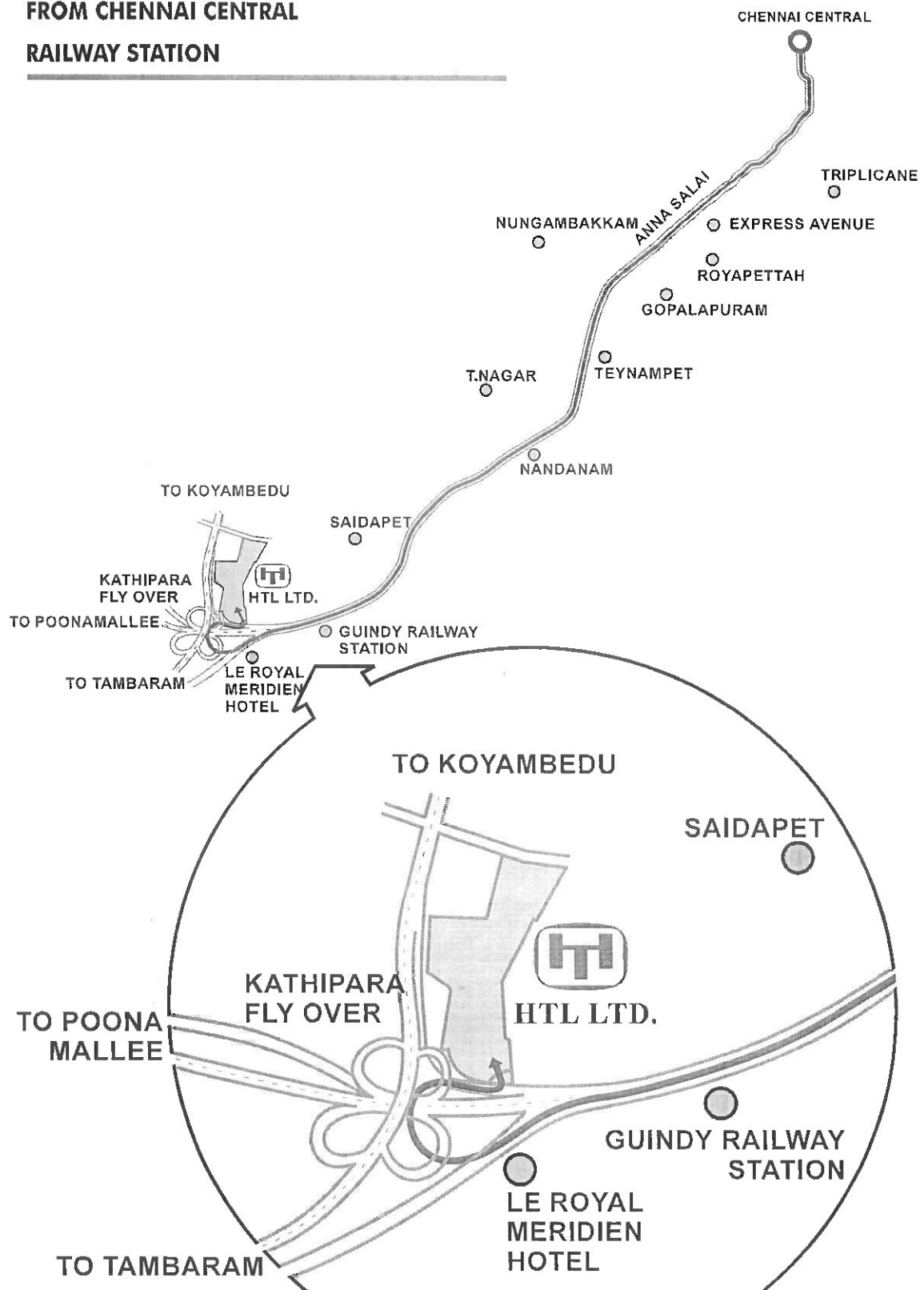
I/We hereby record my/our presence at the 62nd Annual General Meeting of the Company at GST Road, Guindy, Chennai - 600032 / thru' Video Conferencing over MS Teams on Friday, 28th July, 2023 at 12.30 P.M.

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Member's Folio	Member's/ Proxy's Name	Member's / Proxy's
Signature		

Note:

1. Please complete the Folio No and name, sign the Attendance Slip and hand over / send it over at the Meeting Hall.
2. Physical copy of the Annual Report for 2023 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode to all Members.

**ROUTE MAP TO HTL
FROM CHENNAI CENTRAL
RAILWAY STATION**



**GUIDELINES TO SHAREHOLDERS WHO OPT FOR ATTENDING THE 62ND
AGM THRU' VIDEO CONFERENCING**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021, Circular No. 2/2022 dated May 05, 2022 and General Circular No. 10/2022 dated December 28, 2022. The forthcoming AGM will thus be held at the Registered Office of the Company at GST Road, Guindy, Chennai – 600 032 and thru' Video Conferencing. Hence, Members who send their requests from their registered email id with the Company for attending this meeting thru' Video Conferencing can attend and participate in the ensuing AGM through VC over MS Teams (Thru' the Link to be provided thru' the registered email).
2. Pursuant to the provisions of Section 101 of the Companies Act, 2013, the Company is sending Notice of the AGM to the address registered with the Company or with the depository participant/ depository.
3. The Members requesting to attend this meeting thru' Video Conferencing can join the AGM in the VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available to the interested Members, Directors, Key Managerial Personnel, Auditors etc.
4. The attendance of the Members attending the AGM through VC will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or body corporate can attend the AGM through VC and cast their votes.

**GUIDELINES TO SHAREHOLDERS WHO OPT FOR ATTENDING THE 62ND
AGM THRU' VIDEO CONFERENCING**

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.htllimited.com.
7. The AGM has been convened through VC in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 02/2021 dated January 13, 2021, MCA Circular No. 19/2021 dated December 08, 2021, MCA Circular No. 21/2021 dated December 14, 2021, MCA Circular No. 2/2022 dated May 05, 2022 and General Circular No. 10/2022 dated December 28, 2022.
8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, December 08, 2021, December 14, 2021, May 05, 2022 and December 28, 2022 the Company is providing facility of e-voting to its Members in respect of the business to be transacted at the AGM, details of which are as follows:-
 - (i) Shareholders shall be able to cast their vote on all business items mentioned in the AGM Notice during the meeting only, on order of Poll by the Chairman of the Meeting.
 - (ii) For this purpose, the Company is providing a designated e-mail address as follows, the Members can convey their votes, when a poll is required to be taken during the Meeting on any resolution, at such designated e-mail address: -

**Designated E-Mail Address for casting votes by Members:-
snarayanan@htllimited.com.**

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GUIDELINES TO SHAREHOLDERS WHO OPT FOR ATTENDING THE 62ND

AGM THRU' VIDEO CONFERENCING

- (iii) During the Meeting held through VC facility, where a poll on any item is required, the Members shall cast their vote on the resolutions only by sending e-mails through e-mail addresses, which are registered with the Company. The said e-mails shall only be sent to the designated e-mail address circulated by the Company.

For any query/ grievance related to attending AGM through VC/OAVM or e-voting, please contact to the following person:-

Company: HTL Limited

Name: S.Narayanan

E-mail: snarayanan@htllimited.com

Telephone/Mobile No. 7010456750

PROXY FORM**HTL LIMITED**

(CIN: U93090TN1960PLC004355)

Regd. Office: GST Road, Guindy, Chennai – 600032. (Tamil Nadu)

Email: coo@htllimited.com; Website: www.htllimited.com

Phone: 044-22501020.

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

Name of the Member (s) :	
Registered Address :	
E-mail Id :	
Folio No :	DP-ID / Client-ID*

*Applicable for investors holding shares in electronic form.

I/We being the member(s) holding _____ shares of HTL Ltd., of Rs.100/- each hereby appoint:

(1) Name:

_____ Address: _____

E-Mail Id _____ Signature _____
or failing him:

(2) Name:

_____ Address: _____

E-Mail Id _____ Signature _____
or failing him:

(3) Name:

_____ Address: _____

E-Mail Id _____ Signature _____

And whose signature(s) are appended in Proxy Form as my / our proxy to attend and vote (on a poll) for me / us and my / our behalf at the 62nd Annual General Meeting of the Company, to be held on Friday, 28th July, 2023 at 12.30 P.M. at GST Road, Guindy, Chennai – 600 032 (Tamil Nadu) / thru' Video Conferencing over MS Teams and at any adjournment thereof in respect of such resolutions as are indicated below;

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

Resolution No.	Resolutions	Optional	
		For	Against
Ordinary Business			
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31 st March, 2023 together with the Reports of the Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Shri Mahendra Nahata (holding DIN- 00052898) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.		
3.	To appoint a Director in place of Shri K. C. Jani (holding DIN- 02535299) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.		
Special Business			
4.	To consider and approve re-appointment and revision in remuneration of Shri G. S. Naidu, Chief Operating Officer as 'Manager' of the Company under the Companies Act, 2013.		
5.	To consider and approve regularization of appointment of Additional Director, Shri Rajeev Sabherwal, as Director of the Company under the Companies Act, 2013.		
6.	To consider and ratify the remuneration payable to the Cost Auditors.		
7.	To consider and increase the borrowing powers of the Board and authorization limit to secure borrowings under Section 180(1)(c) of the Companies Act, 2013.		

Signed this _____ day of _____ 2023.

Affix
Revenue
Stamp

Signature of Shareholder _____

Signature of Proxy Holder (s) _____

Notes: (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 (Forty Eight) hours before the commencement of the Meeting.

(2) A Proxy need not be a Member of the Company.

- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding an aggregate of not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- ** (4) This is only optional. Please put an 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a Proxy does not prevent a Member from attending the Meeting in person if he so wishes.
- (6) Please complete all details including details of member(s) in above box before submission.
