HTL LTD.

Registered Office: GST Road, Guindy, Chennai – 600 032.
CIN: U93090TN1960PLC004355
Email Id: coo@htlchennai.com **Website:** www.htlchennai.com
Phone: 044-22501020. **Fax:** 044-22500341.

60th Annual Report 2020-21
Date of Annual General Meeting: 16th JULY 2021 @ 12 Noon
Venue: Registered Office,
GST Road,
Guindy,
Chennai – 600 032.

Thru' Video Conferencing over MS Team

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NOTICE

Notice is hereby given that the Sixtieth Annual General Meeting of HTL Limited will be held on **Friday, the 16th July, 2021 at 12 Noon** at the Registered Office of the Company at GST Road, Guindy, Chennai – 600 032 thru' Video Conferencing over MS Team (link will be sent by email separately) to transact the following business:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2021 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of **Mr. Mahendra Nahata** (holding DIN 00052898) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

Registered Office
GST Road, Guindy
Chennai – 600 032.

Place: Chennai
Date: 16.06.2021

By Order of the Board
For HTL Limited

S. Narayanan

S.NARAYANAN
Company Secretary
Membership No. ACS 5772

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.

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2. **INFORMATION OF DIRECTOR RETIRING BY ROTATION AND 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.**

Name of the Director	**Mr. Mahendra Nahata**
DIN	00052898
Date of Birth	19.05.1959
Date of first Appointment	16.10.2001
Experience/Expertise in Specific Functional Areas	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.
Qualification(s)	B.Com (Hons.)
Directorship in other Companies	HFCL Limited; Reliance Jio Infocomm Limited; DragonWave HFCL India Private Limited; MN Ventures Private Limited; HFCL Advance Systems Private Limited; Krishiv Ventures Private Limited; Pranatharthi Ventures Private Limited
Chairmanship/ Membership of Committees (across all public Cos.)	**HFCL Limited-** Chairman of Corporate Social Responsibility Committee, Chairman of Risk Management Committee. Chairman of Committee of Directors (Banking Operation) **Reliance Jio Infocomm Limited-** Member of Allotment Committee
Shareholding in the Company	Nil
Relationship with other Directors and KMPs of the Company	Nil
No. of Board Meetings held / Attended in the year 2020	6/6
Last Remuneration drawn	Nil

Registered Office
GST Road, Guindy
Chennai – 600 032.

Place: Chennai
Date: 16.06.2021

By Order of the Board
For HTL Limited

S.NARAYANAN
Company Secretary
Membership No. ACS 5772

HTL LTD.

Registered Office: GST Road, Guindy, Chennai - 600 032

DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting the 60th Annual Report and Audited Accounts for the financial year ended 31st March 2021.

FINANCIAL RESULTS (Rs. in crore)

PARTICULARS	2020-21	2019-20
Revenue from Operations	643.04	430.56
Other Income	3.74	2.61
Total Income	646.78	433.17
Profit / (loss) Before Depreciation, Finance Charges and Taxation	86.72	71.26
Less: Depreciation	14.34	11.28
Finance Charges	26.99	23.71
Taxation	17.25	(3.20)
Net Profit/ (Loss) for the year	28.14	39.46
Other Comprehensive Income /Expenditure Remeasurement of defined benefit plans	0.37	(0.57)
Total Comprehensive Income for the year	28.51	38.89
Cost towards the options (ESOP / RSU) granted to the Employees of the Company by the Holding Company.	0.18	0.36
Surplus / (Deficit) Brought Forward from Previous Year	(13.83)	(53.08)
Surplus / (Deficit) Carried to the Balance Sheet	14.86	(13.83)

DIVIDEND

In view of the marginal surplus available after setting of the accumulated losses at the end of the Current Financial Year, taking into consideration of the business exigencies due to continued COVID-19 pandemic and also the expansion plans of the Company, no dividend can be recommended for the year.

RESERVES

The profits of the Company for the year ended 31st March 2021 of Rs. 14.86 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. 64303.93 Lakhs during the financial year 2020-21 and the value of sales of different products made during the year under review with comparative figures of the previous year are: -

(Rs in Lakhs)

PRODUCTS	2020-21	2019-20
Sale of Products – OFC , FRP & OFC Accessories	64044.80	42949.10
Sale of Services	10.58	5.30
Other Operating Revenues	248.54	101.97
TOTAL	**64303.93**	**43056.37**

The Company's operations were affected adversely during the period between 01.04.2020 to 31.07.2020 due to intermittent lockdowns declared and restrictions in the engagement of labour by Government due to Coronavirus COVID-19 pandemic.

The Company ensured all pre-cautionary measures to protect the interest of all employees and made all its best efforts for continuing its business operations in the COVID – 19 pandemic environment during the year under review.

The Company carried out the preparatory arrangements for its wire harness products for Aerospace and Automobile Industries and these divisions are expected to make sales in the next financial year i.e. 2021-22.

OUTLOOK

The COVID-19 pandemic has led to demographic shifts in demand while accelerating digitalization. Demand for enhanced broadband and fixed access for more capacity and coverage will further establish the need for 5G in the future.

The Government of India is in the process of laying Bharat Net in villages all over India & it is expected to be completed in about 2.5 years. The government's programmes such as the Smart Cities mission have proved to be a stimulant to the deployment of fibre based backhand. This will lead to a strong demand for OFC and fibre optic interconnectivity products.

The launch of 5G is expected in the later part of 2021. The number of internet subscribers is expected to double by 2021 to 829 million and the overall IP traffic is expected to grow four fold.

Further, the growth of FTTH & FTTX subscriptions supplemented by Government Schemes and the entry of Private players will also increase the demand of OFC.

In view of the above future OFC & OFC Accessories' demand, the Company's OFC & OFC accessories business in the coming years are expected to be continued to be good.

SIGNIFICANT EVENTS

The Company enhanced its ARP capacity from 25000 to 55000 as a part of its expansion plan at Hosur Plant. The Commercial production of ARP from expanded capacity is expected to be in operation during May 2021.

The Company has obtained the sanction of credit facilities from State Bank of India, Nehru Place Branch, to the tune of Rs. 85 Crores (Rupees Eighty Five Crores Only) in February 2021, viz., Cash Credit- Rs. 15 crores; Term Loan- Rs. 30 Crores; and Letter of Credit- Rs. 40 Crores (including Bank Guarantee- Rs. 10 cores) to meet the additional working capital requirements and expansion plans. This is in addition to the renewed credit facilities of Rs.134 Crores availed from Yes Bank Ltd. during the year under review.

NUMBER OF MEETINGS OF THE BOARD HELD DURING THE YEAR

There were six meetings held during the Financial Year 2020-21 i.e., on 27.05.2020, 29.07.2020, 09.10.2020, 02.12.2020, 12.01.2021 and 26.02.2021. The intervening gap between two meetings of the Board is within the stipulated time frame prescribed in the Companies Act, 2013 considering the relaxations given in view of COVID- 19.

ANNUAL RETURN

Annual Return i.e. E-form MGT-7 for the FY2021 shall be filed by the Company in MCA Portal within the stipulated period and the same can also be accessed thereafter on the Company's website www.htlchennai.com.

Annual Return i.e. E-form MGT-7 for the FY2020 is already made available on the website of the Company.

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, 2021 are as follows;

Particulars	Amount in Rs.
Loans given	NIL
Guarantees provided	NIL
Investments made	17,07,950

HOLDING COMPANY

HFCL Ltd. (Formerly Himachal Futuristic Communications Ltd.) 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).

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.

Presently the sitting fee is Rs.2,500/- per Board / Committee meeting.

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 namely, Shri M.P.Shukla as Chairman of the NRC Committee, Shri Mahendra Nahata as a Member and Shri Sharad Trivedi as a Member.

There was no meeting held during the period under review.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

There was one meeting of the Corporate Social Responsibility Committee held on 30.03.2021 during the Financial Year 2020-21.

REGISTRAR AND SHARE TRANSFER AGENT (RTA)

M/s. KFin Technologies Private Ltd. (M/s. Karvy Computershare Private Limited amalgamated with this group Company), 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 financial year 2020-21, the Company has entered into transactions with related party viz., HFCL Ltd. (formerly Himachal Futuristic Communications Limited), the Holding Company and its Other Related Company viz., Exicom Tele-Systems Ltd., 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 Accounting Standard 24 are set out in Note No. 35 to the Financial Statements forming part of this Annual report.

FIXED DEPOSITS

During the financial year 2020-21, 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

In accordance with the provisions of Section 152 of the Act **Shri Mahendra Nahata** (DIN: 00052898) and **Shri Mahendra Pratap Shukla** (DIN: 00052977) are retiring by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

During the year under review Shri Y.L. Agarwal ceased to be a Director due to his sad demise on 10.10.2020. Your Board of Directors places on record their appreciation for the valuable contribution made by him during his tenure.

The Board took on record the letter from Government of India appointing Shri Sharad Trivedi, DoT as their Nominee in the Board of the Company w.e.f. 15.10.2020 for a period of three years or till the date of his superannuation or until further orders, whichever is the earliest.

The Board further took note of cessation of Shri R.K. Pathak on withdrawal of his nomination by Government of India w.e.f. 15.10.2020. The Board recorded its sincere appreciation for the valuable contribution made by Shri R.K. Pathak during his tenure as Directors of the Company.

INDEPENDENT DIRECTORS

The Company has Independent Directors 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) and that they are independent of management.

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 four Members namely, Shri M.P.Shukla as Chairman of the Audit Committee, Shri S.K.Gupta as a Member, Dr. R. M. Kastia as a Member and Shri K. C. Jani as a Member.

There were four meetings held during the Financial Year 2020-21 i.e., on 27.05.2020, 29.07.2020, 09.10.2020 and 12.01.2021.

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
2019-20	Regd. Office, GST Road, Guindy, Chennai Through Video Conferencing over MS Teams	07.08.2020	12 Noon
2018-19	Regd. Office, GST Road, Guindy, Chennai	29.07.2019	12 Noon
2017-18	Regd. Office, GST Road, Guindy, Chennai	27.07.2018	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
2019-20	Nil		
2018-19	8, Commercial Complex, Masjid Moth, Greater Kailash- II, New Delhi- 110 048	23.10.2018	12 Noon
	8, Commercial Complex, Masjid Moth, Greater Kailash- II, New Delhi- 110 048	28.12.2018	12 Noon
2017-18	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 there under.

Shri G.S. Naidu, Chief Operating Officer has been re-appointed as 'Manager' of the Company w.e.f. 25.06.2020 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, 2021, 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 RESPONSIBILTY

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 Shri M.P. Shukla, Director, Dr. R.M. Kastia, Director and Shri R.K. Pathak, GOI Nominee Director. The vision of CSR of the Company is to improve quality of life (social & economic) of the community and society in which it operates.

The CSR Committee of the Company approved a Mobile Healthcare Project for providing preventive healthcare for the needy people in association with Wockhardt Foundation over a period of 3 years at a total cost of Rs.1,15,23,310.24/-, of which Rs.65,48,425/-, is provisioned as the CSR expenditure in the financial year 2020-21 being 2% of average annual profits of the last 3 years.

The Company has not spent any amount out of the above mentioned amount during the Financial Year 2020-21 since the said CSR Project was taken up during March 2021 and hence, the Company initiated 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 Amount" and will be transferring the above mentioned amount of Rs. 65,48,425/- to the said account as stipulated in the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

It has been decided that the total accumulated unspent CSR obligation as on 31.3.2020 to the tune of Rs. 255.39 lakhs (not provisioned in the books & only disclosed in the Board's Report) shall not be spent or carried forward any further after taking into consideration of the continued adverse implications in the business operations of the Company due to Covid-19 pandemic & its continuing efforts to relieve itself from these business exigencies.

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' observations in the Standalone Auditors' Report are self-explanatory and do not call for any further comments. The Statutory Auditors in the Annexure to the Auditors' Report has mentioned about delay in depositing of few statutory dues. In future, the Management will make all efforts to deposit the same within time.

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. Balasubramaniam, Practising Company Secretary having Membership No. F10011 and C.P.No.11979 to conduct the Secretarial Audit of your Company for the financial year 2020-21. The Secretarial Audit Report is annexed herewith as **ANNEXURE III** to this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

PERSONNEL

The manpower strength at the close of the financial year was 344 as compared to 268 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 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, 2021 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, 2021) and date of this Report (April 23, 2021).

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, 2021 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, 501, Surya Kiran Building, K. G. Marg, Connaught Place, New Delhi – 110001. Further, M/s. Profaids Consulting, Chartered Accountants, OMS Court, Level 3, No. 1, Nathamuni Street, GN Chetty Road, T. Nagar, Chennai- 600 017, conducted their Internal Financial Control (IFC) Audit of Systems and Procedures adopted by the Company during the Financial Year 2020-21.

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

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.

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.

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

The Company is not required to maintain any cost records as specified in Section 148(1) of the Companies Act, 2013.

ACKNOWLEDGEMENTS

Your Board of Directors place on record their sincere thanks for the assistance and support extended by the Department of Telecommunications, Government of India, Government of Tamil Nadu, Reliance Group, BSNL, BBNL, SIPCOT and SIDCO and all the Suppliers, Vendors and Customers . Your Directors also wish to express their gratitude for the co-operation and assistance extended by the Banks and Suppliers.

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.

For and on behalf of the Board

Place: New Delhi
Date: 23.04.2021

MAHENDRA NAHATA
CHAIRMAN
DIN : 00052898

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 2020-21 and were paid remuneration not less than Rs.1,02,00,000/- and employees who were employed for a part of financial year 2020-21 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 under the Companies Act.	7,015,387	Permanent	Chief Operating Officer and Manager*	BE(Electrical) 34 Years	25.06.2015	57 Yrs	President Business Head, M/s. Sudarshan Telecom Ltd, Mysore.
2	Shri. C D Ponnappa	6,167,993	Permanent	Chief Financial Officer	B. Com, ACA. SMP (IIM) 24 Years	17.06.2016	49 Yrs	Associate Vice President, M/s. Software Paradigms India Pvt Ltd. Mysore.
3	Shri S. Krishnakumar	3,450,000	Permanent	Associate Vice President - Automotive Division	B.E (Automobile), MBA. 27 years	15.11.2019	49 Yrs	DGM - Business Management & Supply Chain (OEM&OES), MINDA Corporation Ltd., Chennai
4	Shri CP Mahender	2,688,000	Permanent	Vice President - HR	BCS, MPM. 29 Years	12.06.2020	54 Yrs	Vice President - HR &IR, Kihema Power & Infrastructure Co Pvt.Ltd.,Chennai
5	Shri. S.Rajasekaran	2,600,004	Permanent	Deputy General Manager (SCM)	B.E. (Industrial Engineering), MBA - Material Management. 20 Yrs	28.08.2019	46 Yrs	Head - Supply Chain M/s. Danfoss Industries, Chennai
6	Shri. Anil B Lagad	2,576,634	Permanent	GM (Marketing)	M.Sc. (Physics) 20 Years	25.08.2015	44 Yrs	Manager, M/s. Sterlite Technologies, Silvassa
7	Shri. Devasia Chacko	2,522,303	Contractual	Deputy General Manager	SSLC. 46 years	01.02.2009	66 Yrs	DGM, M/s. HFCL Ltd., New Delhi
8	Shri Rishikesh Doijode	2,400,000	Permanent	GM - Aerospace & Defence Division	B.Tech (E & C) 13 years.	12.12.2009	38 Yrs	Manager, M/s. Rossell Techsys, Bangalore
9	Shri. Gajendra Singh	2,364,570	Permanent	GM (Technical)	M.Tech. 30 Yrs	30.01.2017	57 Yrs	DGM-Quality Control M/s.BGR Energy, Chennai
10	Shri. S. Narayanan	2,079,012	Contractual	Company Secretary & GM (Legal)	B.Com., ACA., ACS. 39 Years	01.07.2016	62 Yrs	Co. Secy, & GM(Legal), M/s. HTL Ltd, Chennai

Notes:

(i) The remuneration shown above comprises Salary, Allowances, Perquisites, Ex-gratia, Medical, Company's contribution to Provident Fund and all other reimbursements, if any.

(ii) None of the employees is related to any Director of the Company.

(iii) 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.

MAHENDRA NAHATA
CHAIRMAN
DIN: 00052898

ANNEXURE –II TO THE DIRECTORS REPORT

The Annual Report on CSR Activities for the Financial Year 2020- 21

Brief outline on CSR Policy of the Company.

The Board of Directors of the Company have constituted the CSR committee and also approved the CSR policy of Your Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR Committee has 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) Rural Development Projects.

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	Shri. M.P. Shukla	Chairman	1	1
2	Dr. R.M. Kastia	Member	1	1
3	Shri R.K. Pathak	Member	1	-

1. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

   The CSR Policy has been placed on the website of the Company. Members can access the same on the Company's web site: www.htlchennai.com

2. The details 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 (attach the report). **Not Applicable**

3. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
Nil			
Total			

4. 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. 32,74,21,246/-.

5. (a) Two percent of average net profit of the company as per section 135(5)

   Rs. 65,48,425/-.

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(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

Not Applicable.

(c) Amount required to be set off for the financial year, if any

Not Applicable.

(d) Total CSR obligation for the financial year (7a+7b-7c).

Rs. 65,48,425/-.

6. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (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	65,48,425	*	Nil		

*The provisioned and unspent amount of Rs. 65,48,425/- will be transferred to a separate bank Account viz., HTL-Unspent Corporate Social Responsibility Account as stipulated in the Act.

(b) Details of CSR amount spent against ongoing projects for the financial year:

(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	Promoting Preventive Health Care	Yes	Tamil Nadu	Chennai	3yrs	10500000	0	**	No	Wockhardt Foundation	CSR00000161
	Total						10500000	0				

** The CSR Committee of the Company approved a Mobile Healthcare project for providing preventive healthcare for the needy people in association with Wockhardt Foundation over a period of 3 years at a total cost of Rs.1,15,23,310.24/-, of which Rs.65,48,425/-, is provisioned as the CSR expenditure in the financial year 2020-21 being 2% of average annual profits of the last 3 years.

The Company has not spent any amount out of the above mentioned amount during the Financial Year 2020-21 and hence, the Company initiated necessary 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 Amount" and will be transferring the above mentioned amount of Rs. 65,48,425/- to the said account as stipulated in the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
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.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
	Nil								
	Total								

(d) Amount spent in Administrative Overheads:- **Nil**
(e) Amount spent on Impact Assessment, if applicable:- **Not Applicable**
(f) Total amount spent for the Financial Year (8b+8c+8d+8e):- **Nil**
(g) 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)	Nil
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

7. (a) 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.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2019-20	-	-	-	-	-	-
2.	2018-19	-	-	-	-	-	-
3.	2017-18	-	-	-	-	-	-
	Total						

The Board of Directors of the Company decided that the total accumulated unspent CSR obligation as on 31.3.2020 to the tune of Rs. 255.39 lakhs (not provisioned in the books & only disclosed in the Board's Report) shall not be spent or carried forward any further after taking into consideration of the continued adverse implications in the business operations of the Company due to Covid-19 pandemic & its continuing efforts to relieve itself from these business exigencies.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	**Project ID.**	**Name of the Project.**	**Financial Year in which the project was commenced.**	**Project duration.**	**Total amount allocated for the project (in Rs.).**	**Amount spent on the project in the reporting Financial Year (in Rs).**	**Cumulative amount spent at the end of reporting Financial Year. (in Rs.)**	**Status of the project - Completed /Ongoing.**
					Nil			
	Total							

In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **Nil**
(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s). **Nil**

(b) Amount of CSR spent for creation or acquisition of capital asset. **Nil**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. **Nil**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). **Nil**

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

The Project namely Mobile Medical Clinic was identified and the NGO namely Wockhardt Foundation have been engaged during March 2021 for implementation of the said Project. The said Project will be implemented at a total cost of Rs. 1,05,00,000/ - over a period of three years.

Dr.R.M.Kastia	**M.P.SHUKLA**
Director	**Chairman of CSR Committee**
DIN : 00053059	**DIN: 00052977**

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Annexure III. to the Directors' Report.

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021
[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 31.03.2021. 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 2021** ('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 2021** 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, 1992; **(Not applicable during the Audit period).**

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;**(Not applicable during the Audit period).**

f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(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, 2009 **(Not applicable during the Audit period).**

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(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 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.

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 Executive Directors and Non-Executive Directors. 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 excepting certain cases where notices were sent less than seven days from the date of meetings and the Company subsequently obtained the consent of the Directors for the shorter notice, 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. Shareholders' approval u/s 180 obtained for enhancement of the borrowing limit of the Board from Rs.200 Crores to Rs.300 Crores ;
2. Owing to the COVID-19 pandemic and subsequent to the intermittent lockdowns imposed by the Government, the Company's operations were adversely affected during the year under review.

R. Balasubramanian
Practising Company Secretary
FCS No. 10011, CP No. 11979
UDIN: F010011C000078651

Place: Chennai
Date: 13.04.2021

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 thecontents 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: F010011C000078651

Place: Chennai
Date: 13.04.2021

INFORMATION UNDER SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES, 2014 FOR THE YEAR ENDED 31ST MARCH, 2021.

(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 31.03.2021	Financial Year ended 31.03.2020
Foreign exchange earned in terms of actual inflows.	1215.80	1149.12
Foreign exchange outgo in terms of actual outflows.	5739.95	7468.36

For and on behalf of the Board

MAHENDRA NAHATA
CHAIRMAN
DIN : 00052898

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, 2021, 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, 2021, 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 31st March 2021, total loan outstanding is Rs. 624.20 Lacs and Interest Accrued is Rs. 2856.50 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.

Emphasis of Matter

a) We draw attention to Note 49 of the standalone financial statements which describes management's assessment of the impact of COVID-19 pandemic on its business operations and financial results. The said assessment made by the management is highly dependent upon the circumstances as they evolve in subsequent period.

b) Due to Covid-19 situation, we have not been able to visit and examine the original books of account and supporting documents. As a result, the entire audit was carried out based on remote access of the data as provided by the management through electronic means. We have relied on Management Assurance of the authenticity, completeness and accuracy of these records electronically submitted to us.

Our opinion is not modified in respect of above matters.

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 skepticism 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.

Other Matter

The comparative standalone financial statements of the Company for the year ended March 31,2020 were audited by predecessor auditor. The report of the predecessor auditor on comparative financial statements for the year ended 31st March, 2020 dated 27th May 2020 expressed an unqualified opinion. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

A. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

(e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the company has not paid or provided for any remuneration to its directors during the year and hence comment over whether the remuneration is in accordance with the provisions of Section 197 of the Act does not arise.

(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 35 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.

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

Nishant Bhansali
Partner
Membership No: 532900
UDIN: 21532900AAAAIY4352

Place: New Delhi
Date: April 23, 2021

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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. In respect of the Company's fixed assets (Property Plant and Equipment), we report that:

   (a) The Company has maintained proper records showing full particulars including quantitative details and situations of its Fixed Assets (Property Plant and Equipment).

   (b) Fixed Assets (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 Fixed Assets (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 immovable properties, are held in the name of the Company except the following:

Particular of Assets	Value of Assets	Remark
30.99 acres land at Guindy Industrial Area, Chennai	Re. 1	Refer Note No. 40 to the Financial Statement.

2. As per the information furnished, the Inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, having regard to the nature and location of stocks, the frequency of physical verification is reasonable. In our opinion, the discrepancies noticed on physical verification were not material in relation to the operation of the company and the same have been properly dealt with in the books of accounts.

3. As per the information furnished, the company has not granted any loans, secured or unsecured, to companies, firms and other parties covered in the register maintained under Section 189 of the Companies Act, 2013. 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, 2013.

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, 2021 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	4392 Lacs	AY 2014-15	Appeal before ITAT, Delhi

8. According to our audit procedures and the information and explanation given to us, the company has not paid the dues to government, the dues not paid during the year and/or as on balance sheet date i.e. 31st March, 2021 are as follows:

Loan from Government of India

Rs. in Lacs

Period of due for repayment	Principal	Interest
More than 8 years	624.20	1,617.83
More than 6 to 8 years	-	300.42
More than 3 to 6 years	-	450.63
Mar-19	-	52.52
Mar-20	-	150.21
Mar-21	-	84.88
Total	**624.20**	**2,656.50**

As referred in Note 43 of the Financial Statement, the Company proposed a right issue of equity shares funded by way of conversion of outstanding loan along with the interest due to government.

9. Based on our examinations of the records and information and explanations given to us, the term loans have been applied for the purpose for which these are raised. However, the company has not raised any money by way of initial public offer (IPO) or further public offer (FPO) (including debt instruments).

10. 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 by its officers or employees has been noticed or reported during the year.

11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration during the year and hence comment on obtaining requisite approvals mandated by the provisions of section 197 read, with Schedule V to the Act does not arise.

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. According to information and explanations given to us and based on our examination of records of the company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence the provision of clause 3(xvi) are not applicable to the Company.

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

Nishant Bhansali
Partner
Membership No: 532900
UDIN: 21532900AAAAIY4352

Place: New Delhi
Date: April 23, 2021

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HTL LIMITED AS ON 31ST MARCH, 2021.

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, 2021 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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: 21532900AAAAIY4352

Place: New Delhi
Date: April 23, 2021

HTL Limited
(CIN: U93090TN1960PLC004355)
(All amounts are Rs in Lakhs.)
Balance Sheet as at March 31,2021

Assets	Note No.	As at March 31, 2021	As at March 31, 2020
Non-current Assets			
(a) Property, Plant and Equipment	4	11,221.64	11,348.89
(b) Capital work-in-progress	4a	824.02	218.38
(c) Intangible assets (other than Goodwill)	4b	69.49	65.82
(d) Financial Assets			
(i) Other Bank Balance	5	265.84	580.63
(e) Deferred tax Assets (Net)	6	-	320.21
(f) Other non-current assets			
(i) Capital Advances		236.87	17.45
Total non-current assets		**12,617.86**	**12,551.38**
Current Assets			
(a) Inventories	7	12,772.32	6,986.02
(b) Financial Assets			
(i) Investments	8	17.08	10.16
(ii) Trade Receivables	9	18,530.30	11,958.60
(iii) Cash & cash equivalents	10	29.68	208.01
(iv) Bank balances other than (iii) above	11	1,015.72	660.54
(v) Others	12	347.20	393.76
(c) Current Tax Assets (Net)	13	-	58.07
(d) Other current assets	14	809.12	417.75
Total current assets		**33,521.42**	**20,692.91**
Total Assets		**46,139.28**	**33,244.29**

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HTL Limited
(CIN: U93090TN1960PLC004355)
(All amounts are Rs in Lakhs.)
Balance Sheet as at March 31,2021

Equity and Liabilities	Note No.	As at March 31, 2021	As at March 31, 2020
Equity			
(a) Equity Share capital	15	1,500.00	1,500.00
(b) Other Equity	15	1,485.75	(1,382.71)
Total Equity		**2,985.75**	**117.29**
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	7,784.00	7,554.87
(ii) Others	17	7,200.00	7,200.00
(b) Provisions	18	405.32	378.02
(c) Deferred tax liabilities (Net)	6	397.50	-
Total non-current liabilities		**15,786.82**	**15,132.89**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	5,272.82	3,988.75
(ii) Trade Payables			
(a) total outstanding dues of micro enterprises and small enterprises; and	20	1,399.65	374.42
(b) total outstanding dues of creditors other than micro enterprises and small enterprises.		18,754.81	10,038.53
(iii) Other financial liabilities	21	1,198.95	2,971.64
(b) Other current liabilities	22	305.82	415.91
(c) Provisions	23	31.31	204.86
(d) Current Tax Liabilities (Net)	13	403.36	-
Total current liabilities		**27,366.71**	**17,994.11**
Total Liabilities		**43,153.53**	**33,127.00**
Total equity and liabilities		**46,139.28**	**33,244.29**

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, 23rd April 2021

For and on behalf of the Board

MAHENDRA NAHATA
Chairman
DIN: 00052898

K.C. JANI
Director
DIN: 02535299

S. NARAYANAN
Company Secretary
ACS 5772
New Delhi, 23rd April 2021

C D PONNAPPA
Chief Financial Officer
PAN: ACZPP1337Q

HTL Limited
(CIN: U93090TN1960PLC004355)
(All amounts are Rs in Lakhs.)
Statement of Profit and loss for the year ended March 31, 2021

	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I.	**INCOME**			
	Revenue from operations	24	64,303.93	43,056.37
	Other Income	25	374.17	261.01
	Total Income (I)		**64,678.10**	**43,317.38**
II.	**EXPENSE**			
	Cost of Material Consumed	26	48,055.87	27,114.56
	Other Direct cost	27	663.43	433.83
	Purchases of Stock-in-Trade		3,291.56	3,693.29
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	26.1	(2,002.03)	(24.00)
	Employee benefits expense	28	3,298.54	2,578.18
	Finance Cost	29	2,698.57	2,371.17
	Depreciation and Amortization expenses	4 & 4b	1,433.89	1,128.24
	Other Expenses	30	2,698.08	2,396.16
	Total Expenses (II)		**60,137.91**	**39,691.43**
III	**Profit / (loss) before exceptional items and income tax (I-II)**		**4,540.19**	**3,625.95**
IV	Exceptional item (net of tax)		-	-
V	**Profit / (Loss) before tax (III - IV)**		**4,540.19**	**3,625.95**

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HTL Limited
(CIN: U93090TN1960PLC004355)
(All amounts are Rs in Lakhs.)
Statement of Profit and loss for the year ended March 31, 2021

	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
VI	**Tax expenses**			
	Current tax		1,007.94	-
	Deferred Tax		708.68	(320.21)
			1,716.62	**(320.21)**
VII	Profit for the period (V-VI)		**2,823.57**	**3,946.15**
VIII	Other Comprehensive Income			
	A.) Items that will not be reclassified to profit or loss			
	(i) Remeasurement of defined benefit plans;		(35.90)	57.39
	(ii) Income tax on above item;		9.04	-
	Other comprehensive income for the year after tax (VIII)		**(26.86)**	57.39
IX	**Total comprehensive income for the year (VII+VIII)**		**2,850.43**	**3,888.76**
	Earnings per share attributable to the equity holders of the Company during the year			
	Basic earnings per share	31	**188.24**	**263.08**
	Diluted earnings per share	31	**188.24**	**263.08**

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, 23rd April 2021

For and on behalf of the Board

MAHENDRA NAHATA
Chairman
DIN: 00052898

K.C. JANI
Director
DIN: 02535299

S. NARAYANAN
Company Secretary

C D PONNAPPA
Chief Financial Officer

New Delhi, 23rd April 2021

HTL Limited
(CIN: U93090TN1960PLC004355)
(All amounts are Rs in Lakhs.)
Statement of Cash Flow for the year ended 31st March, 2021

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
I.	**Cash Flow From Operating Activities**		
	Net Profit Before Tax	4,540.19	3,625.95
	Adjustments for		
	Depreciation and Amortization expenses	1,433.89	1,128.24
	Excess provision written back	(104.68)	(18.30)
	Bad debts, Loans and Advances, other balances written off (net)	25.09	98.64
	Loss on Sales/Discard of Property, Plant and Equipment	0.17	3.57
	Share based payment (refer note no. 43)	18.02	36.18
	Finance costs	2,698.57	2,371.17
	Interest Income	(92.49)	(93.65)
	Exchange Fluctuation Income (Net)	(13.08)	127.00
		8,505.70	**7,278.81**
	Change in operating assets and liabilities		
	(Increase)/Decrease in trade receivables	(6,596.79)	(5,737.67)
	(Increase)/Decrease in inventories	(5,786.30)	50.59
	Increase/(decrease) in trade payables	9,754.58	(3,961.69)
	(Increase) in other financial assets	41.11	(93.64)
	(Increase)/decrease in other current assets	(391.37)	302.46
	Increase in other current liabilities	4.44	553.25
	Cash generated from operations	**5,531.36**	**(1,607.88)**
	Income taxes (paid)/refund	(546.51)	(9.61)
	Net cash inflow from operating activities	**4,984.84**	**(1,617.49)**
II	**Cash flows from investing activities**		
	Payments for property, plant and equipment including CWIP & Capital Advances	(4,097.36)	(1,975.86)
	Sale of Property, Plant and Equipment	-	2.85
	(Increase)/decrease in financial instruments with bank	(40.39)	417.95
	Payments for purchase of investments	(6.92)	(9.14)
	Interest received	97.94	167.69
	Net cash outflow from investing activities	**(4,046.73)**	**(1,396.51)**

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HTL Limited
(CIN: U93090TN1960PLC004355)
(All amounts are Rs in Lakhs.)
Statement of Cash Flow for the year ended 31st March, 2021

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
III	**Cash flows from financing activities**		
	Proceeds of borrowings	1,979.29	6,422.30
	(Repayment) of borrowings	(449.80)	(449.80)
	Interest paid	(2,645.94)	(3,744.21)
	Net cash inflow (outflow) from financing activities	**(1,116.45)**	**2,228.29**
IV	Net increase (decrease) in cash and cash equivalents	**(178.34)**	**(785.71)**
VI	Cash and cash equivalents at the beginning of the financial year	208.00	993.71
	Effects of exchange rate changes on cash and cash equivalents	-	-
VII	Cash and cash equivalents at end of the year	**29.67**	**208.00**
Reconciliation of cash and cash equivalents as per the cash flow statement			
	Cash and cash equivalents as per above comprise of the following		
	Cash and cash equivalents (Note 10)	29.68	208.01
	Bank overdrafts	-	-
	Balances per statement of cash flows	29.68	208.01

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, 23rd April 2021

For and on behalf of the Board

MAHENDRA NAHATA
Chairman
DIN: 00052898

K.C. JANI
Director
DIN: 02535299

S. NARAYANAN
Company Secretary

C D PONNAPPA
Chief Financial Officer

New Delhi, 23rd April 2021

HTL Limited
(CIN: U93090TN1960PLC004355)
Statement of Changes in Equity for the period ended 31st March, 2021
(All amounts are Rs in Lakhs.)

Equity Share Capital

Particulars	No. of Shares	Amount
As at March 31, 2019	15	1,500
Changes in equity share capital		-
As at March 31, 2020	15	1,500
Changes in equity share capital		-
As at March 31, 2021	15	1,500

Other equity

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	Capital Reserve *	Securities Premium Reserve	Other Reserves	Retained Earnings	Share Based Payment	Exchange differences on translating the financial statements of a foreign operation	Remeasurement of defined benefit plans - Other Comprehensive Income	
Balance as at March 31, 2019	0.00			(5,268.56)	10.44		(59.53)	(5,307.66)
Share Based Payment to employee (Refer note no.43)	-	-	-	-	36.18	-	-	36.18
Total Comprehensive Income for the year	-	-	-	3,946.15	-	-	(57.39)	3,888.76
Balance as at March 31, 2020	0.00			(1,322.41)	46.62		(116.92)	(1,392.71)
Share Based Payment to employee (Refer note no. 43)	-	-	-	-	18.02	-	-	18.02
Total Comprehensive Income for the year	-	-	-	2,823.57	-	-	26.86	2,850.43
Balance as at March 31, 2021	0.00			1,501.16	74.65	-	(90.06)	1,485.74

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

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

MAHENDRA NAHATA
Chairman
DIN: 00052898

K.C. JANI
Director
DIN: 02535299

NISHANT BHANSALI
Partner
M.No.: 532900

S. NARAYANAN
Company Secretary
ACS 5772
New Delhi, 23rd April 2021

C D PONNAPPA
Chief Financial Officer
PAN: ACZPP1337Q

New Delhi, 23rd April 2021

HTL Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2021
(All amounts are in Rs. Lakh unless otherwise stated)

1. Corporate information

HTL Limited ("the Company") had been engaged in manufacture of various types of Digital Electronic Telephone Exchange Equipment for rural and urban networks, Power Plants, Telephone Instruments, Transmission Systems (DCME, MUXs, SDH, Dias), Access Products (WLL- CORdect, HDSL, DLC, PMP) and Data Communication Products (Cross Connects, Data Modems and Internet Products). 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 of various types of Optical Fibre Cables and Accessories for Optical Fibre Cables. The Company has also started the required arrangements for manufacturing of Wire Harness products for Aerospace & Automobile industries. These divisions are expected to make sales in the next financial year i.e. 2021-22.

The financial statements are approved for issue by the Company's Board of Directors on April 23, 2021.

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:-

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

3. Significant accounting policies

3.1. Basis of preparation

3.1.1. <u>Compliance with Ind AS</u>

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time

3.1.2. Historical Cost Convention

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

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

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

The Standalone Financial Statements are presented in Indian Rupees 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
b) Held primarily for the purpose of trading, or
c) Expected to be realised within twelve months after the reporting period other than for (a) above, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

months after the reporting period

All other liabilities are classified as non-current.

3.3. Fair value measurement

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

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

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

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

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

- Level 1 — Quoted (unadjusted)

  This hierarchy includes financial instruments measured using quoted prices.

- Level 2

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

  Level 2 inputs include the following:

  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

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

PPE are stated at actual cost less accumulated depreciation and impairment loss. Actual cost is inclusive of freight, installation cost, duties, taxes and other incidental expenses for bringing the asset to its working conditions for its intended use (net of CENVAT) and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management. It include professional fees and borrowing costs for qualifying assets.

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

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

Depreciation is provided for on 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:-

[illegible]	[illegible]
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) Intangible assets

➢ **Recognition of intangible assets**

a. Computer software

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

➢ **De-recognition of intangible assets**

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

➢ **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. 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.

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 Group 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.

Derecognition

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

3.8. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

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

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

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

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

3.9. Inventories

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

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

- Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average Cost Method.

- Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on Weighted Average 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 Vaulted 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

- **<u>Sale of Goods</u>**

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.

- <u>Interest income</u>

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

- <u>Rental income</u>

  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.

- <u>Insurance Claims</u>

  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.

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

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

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

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

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

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

As a lessor

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

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

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

Transition to Ind AS 116

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 - 'Leases'. This standard is effective from 1st April, 2019. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor.

The lease expenses, which were recognised as a single amount (operating expenses), will consist of two elements: depreciation and interest expenses. The standard has become effective from 2019 and the Company has assessed no impact of application of Ind AS 116 on Company's financial statements.

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

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

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

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

3.14. 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 present value of obligation under gratuity is determined based on actuarial valuation using Project Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

Leave Encashment

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

III **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. 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.

3.19. GST/Cenvat Credit

The GST/CENVAT 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".

3.20. 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.

3.21. Income taxes

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

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

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

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

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

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

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

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

3.22. 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 Rs in Lakhs.)

Notes forming part of the Financials Statements for the year ended March 31, 2021

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 March 31, 2019	9,063.48	2,615.16	89.35	23.70	40.19	125.12	65.59	6.36	12,028.94
Additions	2,342.95	358.98	247.78	12.19	18.21	13.89	-	-	2,994.00
Disposals / Adjustments	9.96	-	-	-	-	-	-	-	9.96
As at March 31, 2020	**11,396.46**	**2,974.14**	**337.13**	**35.89**	**58.40**	**139.01**	**65.59**	**6.36**	**15,012.98**
Additions	544.67	573.23	4.57	51.68	54.68	45.17	-	-	1,274.00
Disposals / Adjustments	-	-	-	-	0.51	-	0.16	-	0.68
As at March 31, 2021	**11,941.13**	**3,547.37**	**341.70**	**87.57**	**112.57**	**184.18**	**65.43**	**6.36**	**16,286.30**
Accumulated depreciation and impairment									
As at March 31, 2019	1,857.87	545.56	3.09	2.76	21.87	87.62	52.96	-	2,571.73
Depreciation for the year	864.98	130.29	50.53	7.76	13.08	24.55	4.72	-	1,095.91
Disposals / Adjustments	3.55	-	-	-	-	-	-	-	3.55
As at March 31, 2020	**2,719.30**	**675.85**	**53.62**	**10.52**	**34.95**	**112.17**	**57.68**	**-**	**3,664.09**
Depreciation for the year	1,116.04	148.54	73.83	13.62	21.58	26.14	1.32	-	1,401.07
Disposals / Adjustments	-	-	-	-	0.35	-	0.15	-	0.50
As at March 31, 2021	**3,835.34**	**824.39**	**127.45**	**24.14**	**56.18**	**138.31**	**58.86**	**-**	**5,064.66**
Net Carrying Value									
As at March 31, 2020	8,677.16	2,298.29	283.51	25.37	23.45	26.84	7.91	6.36	11,348.89
As at March 31, 2021	**8,105.79**	**2,722.98**	**214.25**	**63.43**	**56.39**	**45.87**	**6.57**	**6.36**	**11,221.64**

1: **Significant estimate: Useful life of tangible assets**

The Company has estimated the useful life of the tangible assets based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than the life taken, depending on technical innovations and competitor actions.

2: Refer to Note no. 39 for the Registry status of land situated at Guindy Industrial Area, Chennai,

3: Refer Note 16 and 19 for details of assets pledged.

(All amounts are Rs in Lakhs.)

4a Capital work-in-progress

Particulars	Buildings	Plant & Machinery	Intangible Assets (Software)	Total
As at March 31, 2019	25.45	152.87	-	178.31
Additions	219.71	2,522.02	-	2,741.73
Disposals / Adjustments	188.29	2,513.38	-	2,701.67
As at March 31, 2020	56.88	161.50	-	218.38
Additions	308.79	795.43	15.68	1,119.90
Disposals / Adjustments	340.96	173.30	-	514.27
As at March 31, 2021	24.71	783.63	15.68	824.02

4b Intangible Asset

Particulars	Intangible Asset (Software)	Total
Gross Carrying Value		
As at March 31, 2019	158.69	158.69
Additions	3.87	3.87
Disposals / Adjustments	-	-
As at March 31, 2020	162.56	162.56
Additions	36.49	36.49
Disposals / Adjustments	-	-
As at March 31, 2021	199.05	199.05
Accumulated depreciation and impairment		
As at March 31, 2019	64.42	64.42
Depreciation for the year	32.33	32.33
Disposals / Adjustments	-	-
As at March 31, 2020	96.74	96.74
Depreciation for the year	32.82	32.82
Disposals / Adjustments	-	-
As at March 31, 2021	129.56	129.56
Net Carrying Value		
As at March 31, 2020	65.82	65.82
As at March 31, 2021	69.49	69.49

HTL Limited
(All amounts are Rs in Lakhs.)
Notes forming part of the Financials Statements for the year ended March 31, 2021

Non-Current Financial Assets - Other Bank Balances

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed Deposits with Bank (Maturity more than 12 months)*	265.84	580.63
Total	265.84	580.63

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

i Deferred Tax Assets / (Liabilities)

Particulars	Brought Forward Losses/ Unabsorbed Depreciation	Defined Benefit Obligations/Provisions	Property, plant and Equipment	Total
As at 1 April, 2019	-	-	-	-
(Changed)/Credited				
- to Statement of profit and loss	1,141.95	139.27	(961.01)	320.21
- to other comprehensive income	-	-	-	-
As at 31 March, 2020	**1,141.95**	**139.27**	**(961.01)**	**320.21**
(Changed)/Credited				
- to Statement of profit and loss	(1,141.95)	(17.49)	450.77	(708.67)
- to other comprehensive income	-	(9.04)	-	(9.04)
As at 31 March, 2021		112.74	(510.24)	(397.50)

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

Particulars	As at March 31, 2021	As at March 31, 2020
Inventories (As certified and valued by the management)		
Raw Material	6,683.84	3,809.30
Raw Material-In transit	1,017.00	309.84
	7,700.84	**4,119.14**
Work-in-progress	1,364.99	913.12
Finished goods	3,182.50	1,652.99
Stock-in-trade Goods	87.13	66.48
Stores & Spares	422.45	234.29
Loose tools	14.41	-
Total	12,772.32	6,986.02

8 Current Financial Assets - Investments

Particulars	As at March 31, 2021	As at March 31, 2020
Unquoted Investments		
Investments in Equity instrument	17.08	10.16
Total	17.08	10.16

9.1 Details of Current Financial Assets - Investments

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Financial assets measured at FVTOCI				
(a) Investment in equity instruments				
Unquoted Equity Shares (Fully Paid up)				
(i) NSL Wind Power Company (Phoolwadi) Private Limited - Face Value Rs. 10/- per share	1,70,795	17.08	1,01,595	10.16
Total Investment FVTOCI		**17.08**		**10.16**
Total Current Financial Investments		17.08		10.16

(All amounts are Rs in Lakhs.)

9 Current Financial Assets - Trade Receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables	18,530.30	11,958.60
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit Impaired	-	-
	18,530.30	11,958.60
Less: Provisions for Doubtful Receivables	-	-
Total	**18,530.30**	**11,958.60**
Break-up of security details		
(a) Secured, considered good;	-	-
(a) Unsecured, considered good;	18,530.30	11,958.60
(c) Doubtful	-	-
	18,530.30	11,958.60
Less: Provisions for Doubtful Receivables	-	-
Total	18,530.30	11,958.60

9.1 The credit period towards trade receivables generally ranges between 30 to 120 days. General payment terms includes process time with the respective customers between 30 to 60 days and certain retention money within 180 Days.

9.2 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.

9.3 Above balance of trade receivables include recoverable from related party. (Refer note no 35)

10 Current Financial Assets - Cash & cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Cash & Cash Equivalents		
Balance with banks;	28.55	207.78
Cash on hand;	1.13	0.23
Total	29.68	208.01

11 Current Financial Assets - Other Bank Balances

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed Deposits with Bank (Maturity more than 3 Months but less than 12 months) *	1,015.72	660.54
Total	1,015.72	660.54

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

12 Current Financial Assets -Other Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured,Considered good		
A) Advances other than capital advances.		
a.) Security Deposits	173.76	214.86
b.) Other Advances	150.00	150.00
B) Interest Receivables	23.44	28.89
Total	347.20	393.76

13 Current Tax Assets/(Liabilities)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Tax Assets/(Liabilities) -Net	(403.36)	58.07
Total	(403.36)	58.07

HTL Limited

(All amounts are Rs in Lakhs.)

Notes forming part of the Financials Statements for the year ended March 31, 2021

14 Other Current Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured,Considered good		
Advances Recoverable in cash or in kind	1.75	7.01
Advances to Vendors	272.58	210.61
Indirect Tax Recoverable	113.90	114.78
Prepaid Expenses	341.43	80.13
Export Incentive Receivable	79.46	5.21
Total	809.12	417.75

15 (a) Equity Share Capital

Authorized Share Capital

Particulars	No of Shares	Amount
As at March 31, 2019	20,00,000	2,000.00
Increase during the year		
As at March 31, 2020	20,00,000	2,000.00
Increase during the year		
As at March 31, 2021	20,00,000	2,000.00

Shares issued, subscribed and fully paid-up

Movement in Equity Share Capital

Particulars	No of shares	Amount
As at March 31, 2019	15,00,000	1,500.00
Add: Shares issued during the year		
As at March 31, 2020	15,00,000	1,500.00
Add: Shares issued during the year		
As at March 31, 2021	15,00,000	1,500.00

Equity Shares

i) 1,110,000 (Previous year-11,10,000) Equity Shares of Rs.100/- each are fully paid up, are held by the Holding Company, HPCL Limited

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

Name of Shareholder	As at March 31, 2021 No. of share held	As at March 31, 2020 No. of share held
HPCL Limited (Formerly known as Himachal Futuristic Communications Ltd)	11,09,997	11,10,000
% of Holding	*74.00%*	*74.00%*
Manoj Baid*	1	-
Baburaj Eradath*	1	-
Tarun Kalra*	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

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

(b) Other Equity

Particulars	As at March 31, 2021	As at March 31,
Capital Reserve	0	0
Retained Earnings	1,501	(1,322)
Other Comprehensive Income	(90)	(117)
Share based payment to Employees *	75	57
Total	1,486	(1,383)

*Share based Payment related to ESOPs and RSU's granted by the holding company to the employees of HTL (Ref Note No.43)

HTL Limited
(All amounts are Rs in Lakhs.)
Notes forming part of the Financials Statements for the year ended March 31, 2021

(i) Capital Reserve

Particulars	As at March 31, 2021	As at March 31,
Opening Balance	0.00	0.00
Increase during the year	-	-
Decrease during the year	-	-
Closing	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, 2021	As at March 31,
Opening Balance	(1,322.41)	(5,268.56)
Add; Net profit for the period	2,823.57	3,946.15
Closing	1,501.16	(1,322.41)

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

Particulars	As at March 31, 2021	As at March 31,
Opening	(116.92)	(59.53)
Increase during the year	-	(57.39)
Decrease during the year	26.86	-
Closing	(90.06)	(116.92)

(iv) Share based payment

Particulars	As at March 31, 2021	As at March 31, 2020
Opening	56.62	20.44
Increase during the year	18.02	36.18
Closing Balance	74.65	56.62

16 Non-Current Financial Liabilities - Borrowings

Particulars	As at March 31,2021	As at March 31,2020
Borrowings		
a) Term Loans from Banks (Secured)	2,053.31	1,909.07
b) Loans from Govt. of India *	624.20	624.20
Interest Accrued on above loan*	2,656.50	2,571.60
d) Loan from related party*	2,450.00	2,450.00
Total	7,784.01	7,554.87

*Also refer Note No. 42

16.1 The amount due for repayment by Company in respect to the repayments of Principal and Interest as under:

Loan from Govt. of India

Period of due for repayment	Principal	Interest
More than 8 years	624.20	1,617.83
More than 6 to 8 years	-	300.42
More than 3 to 6 years	-	450.63
Mar-19	-	52.52
Mar-20		150.21
Mar-21		84.88
Total	624.20	2,656.50

Also refer Note No. 41

16.2 Repayment Schedule for Term Loan from Bank as on 31.03.2021

Period of due for repayment	Term Loan 1	Term Loan 2
Outstanding amount	2,059.00	670.17
Repayment Due		
2021-22	580.13	95.74
2022-23	586.27	191.48
2023-24	592.74	191.48
2024-25	299.86	191.48
Total	**2,059.00**	**670.17**

16.3 Term Loan of Rs.2059.00 Lakhs (Previous year Rs.2483.76) from one of the bank.

16.4. Term loan of Rs.3000 Lakhs sanctioned and disbursed up to 31.03.2021 is amount to Rs.670.17 Lakhs (Previous year -NIL) from one of the banks. Repayment of this term loan would be made in 14 equal quarterly instalment beginning at the end of six months from the disbursement.

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

1.) All Immovable Fixed Assets and Moveable Fixed Assets (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 Chaiman of the Company
6.)Agreement to Pledge of 23.90% shareholding of HTL Limited by HFCL Limited (Holding Company)

17 Non-Current Financial Liabilities - Other Liabilities

Particulars	As at March 31,2021	As at March 31,2020
Others		
Advance from related parties	7,200.00	7,200.00
Total	**7,200.00**	**7,200.00**

Also refer Note No. 42

18 Provisions

Particulars	As at March 31,2021	As at March 31,2020
Provisions for Employee Benefits		
a) Provisions for Gratuity	291.30	271.55
b) Provision for Leave Encashment	114.02	106.46
Total	**405.32**	**378.02**

19 Current Financial Liabilities - Borrowings

Particulars	As at March 31,2021	As at March 31,2020
Borrowings		
Secured		
(i) from Banks-Working Capital	3,419.05	3,488.75
(ii) from Banks-Buyer's Credit	1,353.77	-
Unsecured		
(i) from other parties	500.00	500.00
Total	**5,272.82**	**3,988.75**

19.1 Working Capital Loan of Rs.3419.05 Lakhs (previous year Rs.3488.75 Lakhs) and Buyer's Credit of Rs.1353.77 Lakhs (Previous year-NIL) from Bank is secured against the following on pari-passu charge basis:

1.) All Immovable Fixed Assets and Moveable Fixed Assets (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 Chaiman of the Company
6.)Agreement to Pledge of 23.90% shareholding of HTL Limited by HFCL Limited

20 Current Financial Liabilities - Trade Payables

Particulars	As at March 31,2021	As at March 31,2020
Trade Payables		
Due to Micro and Small Enterprises (refer note no. 45)	1,399.65	374.42
Others	18,754.81	10,038.53
Total	**20,154.45**	**10,412.95**

HTL Limited

(All amounts are Rs in Lakhs.)

Notes forming part of the Financials Statements for the year ended March 31, 2021

21 Current Financial Liabilities - Other Liabilities

Particulars	As at March 31,2021	As at March 31,2020
Other Financial Liabilities		
a.) Current Maturity of Long term loans	675.87	574.69
b) Interest accrued but not due;		
-Interest on Term loans	22.67	24.78
-Interest on Working Capital Loan	-	36.16
-Interest on others	55.51	49.50
c) Creditors for Capital goods	13.39	1,975.20
d) Other Employees Related liabilities	245.70	203.65
e) Liability on account of outstanding forward contracts	52.86	-
f) Expenses Payable	132.95	107.67
Total	1,198.95	2,971.64

22 Other Current Liabilities

Particulars	As at March 31,2021	As at March 31,2020
a) Advances from Customers:	13.15	32.32
b) Others		
Statutory Liabilities	279.00	377.17
Other liabilities	13.70	6.43
Total	305.85	415.91

23 Provisions

Particulars	As at March 31,2021	As at March 31,2020
Provisions for Employee Benefits		
Provisions for Gratuity	11.67	4.11
Provisions for Leave Encashment	16.24	16.14
Provisions - Others	3.39	184.62
Total	31.31	204.86

HTL Limited

(All amounts are Rs in Lakhs.)

Notes forming part of the Financials Statements for the year ended March 31, 2021

24 Revenue from operations

Particulars	For the years ended March 31, 2021	For the years ended March 31, 2020
Sale and Services		
-Manufacturing and trading activities	64,044.80	42,949.10
-Service Income	10.58	5.30
Other Operating Revenues		
-Scrap Sale	90.93	37.74
-Export Incentives	117.71	8.21
-Discount from Vendors	39.90	56.02
Total	64,303.93	43,056.37

25 Other Income

Particulars	For the years ended March 31, 2021	For the years ended March 31, 2020
Other non-operating income		
Interest Income	92.49	93.65
Excess provision written back	104.68	18.30
Rent Received	95.69	76.15
Exchange Fluctuation Income (Net)	13.08	-
Miscellaneous Income	68.23	72.91
Total	374.17	261.01

26 Cost of Material Consumed

Particulars	For the years ended March 31, 2021	For the years ended March 31, 2020
Opening Balance	3,809.30	4,283.93
Add : Purchases during the year	50,930.40	26,639.94
	54,739.71	30,923.87
Less: Closing Stock	6,683.84	3,809.30
	48,055.87	27,114.56

(All amounts are Rs in Lakhs.)

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

Particulars	For the years ended March 31, 2021	For the years ended March 31, 2020
Closing Stock		
Finished Goods	3,183	1,652.99
Stock in Trade- Goods	87	66.48
Works in progress	1,365	913.12
	4,635	**2,632.58**
Opening Stock		
Finished Goods	1,653	1,396.13
Stock in Trade- Goods	66	136.71
Works in progress	913	1,075.74
	2,633	2,608.59
Net Changes (Opening -Closing)	(2,002.83)	(24.00)

27 Other Direct Cost

Particulars	For the years ended March 31, 2021	For the years ended March 31, 2020
Consumption of stores and spares parts	658.63	433.83
Loose Tools written off	4.80	-
Total	**663.43**	**433.83**

28 Employee benefits expenses

Particulars	For the years ended March 31, 2021	For the years ended March 31, 2020
Salaries, bonus and allowances	3,081.55	2,361.09
Contribution to Provident and other funds	101.59	91.91
Staff welfare expenses	97.37	89.00
Share Based Payments to Employees (Refer note 43)	18.02	36.18
Total	**3,298.54**	**2,578.18**

29 Finance costs

Particulars	For the years ended March 31, 2021	For the years ended March 31, 2020
Bank Loan Interest	636.51	567.99
Interest on other loans	1,142.54	1,300.56
Other Interest	668.05	159.94
Bank Charges and loan processing charges	251.47	342.67
Total	**2,698.57**	**2,371.17**

HTL Limited

(All amounts are Rs in Lakhs.)

Notes forming part of the Financials Statements for the year ended March 31, 2021

30 Other expenses

Particulars	For the years ended March 31, 2021	For the years ended March 31, 2020
Rates and Taxes	95.62	238.82
Auditors' Remuneration		
Audit Fee	12.00	10.00
Tax Audit Fee	4.00	4.00
Other Services	2.87	1.10
Out of pocket expenses	0.01	1.60
Legal and Professional Charges	248.59	170.43
Communication Expenses	20.41	14.80
Travelling and Conveyance Expenses	79.53	97.87
Power and Fuel & Water Charges	1,068.28	772.77
Repairs and Maintenance	72.77	78.43
Insurance Expenses	57.14	64.53
Selling and Distribution Expenses	725.59	555.52
Office and General Expenses	118.94	100.31
Bad debts, Loans and Advances, other balances written off (net)	18.09	19.52
Directors Sitting Fees	0.80	0.60
Liquidated Damages on Sales	7.00	79.12
Exchange Fluctuation Loss (Net)	-	127.00
Corporate Social Responsibiltiy (Refer Note 44)	65.48	-
Miscellaneous Expenditure	100.95	59.74
Total	**2,698.08**	**2,396.16**

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Basic & Diluted Earnings per share	Rs.	Rs.
Profit for the period after Taxes	2,824	3,946
Profit attributable to Equity Shareholders	**2,824**	**3,946**
Weighted average number of ordinary Equity shares (used as denominator for calculating basic EPS)	15,00,000	15,00,000
Weighted average number of ordinary Equity shares (used as denominator for calculating diluted EPS)	15,00,000	15,00,000
Nominal value of ordinary Equity share	Rs.100	Rs. 100
Earnings per share basic	**188.24**	**263.08**
Earnings per share diluted	**188.24**	**263.08**

(All amounts are Rs in Lakhs.)

32 **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 tangible asset Note 4
2. Estimation of useful life of intangible asset Note 4b
3. Estimation of defined benefit obligation Note 33
4. Estimation of contingent liabilities refer Note 34
5. Estimation of fair value of unlisted securities Note 37

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.

33 During the year, 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	31-Mar-21	31-Mar-20
Employer's Contribution to Provident Fund	95.41	83.29

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		Leave Encashment	
A	**Expenses recognised in Statement of Profit and Loss :**	**31-Mar-21**	**31-Mar-20**	**31-Mar-21**	**31-Mar-20**
1	Current service Cost	24.43	21.67	37.54	16.22
2	Past service cost	-	-	-	-
3	Curtailment & Settlement Cost/(Credit)	-	-	-	-
4	Interest Expense	19.73	13.45	8.26	7.05
	Defined Benefits Cost included in P&L	**44.16**	**35.12**	**45.80**	**23.27**

B	**Other Comprehensive Income**	**31-Mar-21**	**31-Mar-20**	**31-Mar-21**	**31-Mar-20**
1	Actuarial (Gain) / Losses due to Demographic Assumption changes in DBO	-	3.66	-	-
2	Actuarial (Gain) / Losses due to Financial Assumption changes in DBO	10.54	(15.53)	5.21	(8.50)
3	Actuarial (Gain)/ Losses due to Experience on DBO	(24.05)	65.47	(27.60)	12.30
	Total Actuarial (gain)/loss included in OCI	**(13.51)**	**53.60**	**(22.39)**	**3.79**
	Total cost recognised in P&L and OCI				
1	Cost Recognised in P&L	44.16	35.12	45.80	23.27
2	Remeasurement Effect Recognised in OCI	(13.51)	53.60	(22.39)	3.79
	Total Defined Benefit Cost	**30.64**	**88.72**	**23.41**	**27.06**

C	**Net Asset/(Liability) Recognised in Balance Sheet**	**31-Mar-21**	**31-Mar-20**	**31-Mar-21**	**31-Mar-20**
1	Present value of Funded Obligation	-	-	-	-
2	Fair Value of Plan Assets	-	-	-	-
3	Present value of Unfunded obligation	302.97	275.66	130.26	122.60
	Funded status [Surplus/(Deficit)]	**(302.97)**	**(275.66)**	**(130.26)**	**(122.60)**
4	Present value of Encashment Obligation	-	-	118.84	107.80
5	Present value of Availment Obligation	-	-	11.42	14.80
6	**Revised Sch III of Companies Act, 2013**				
	Current Liability	11.67	4.11	16.24	16.14
	Non-Current Liability	291.30	271.55	114.02	106.46

HTL Limited
(All amounts are Rs in Lakhs.)
Notes forming part of the Financials Statements for the year ended March 31, 2021

D	Changes in Present Value of Obligations	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
1	Present Value of Defined Benefits Obligation at Beginning (Opening)	275.66	209.15	122.60	112.15
2	Current Service Cost	24.43	21.67	37.54	16.22
3	Interest Cost	19.73	13.45	8.26	7.05
4	Curtailment & Settlement Cost/(Credit)	-	-	-	-
5	Actuarial (Gains)/Loss	(13.51)	53.60	(22.39)	3.79
6	Benefits Paid	(3.34)	(22.21)	(15.75)	(16.60)
7	Present Value Of Defined Benefits Obligation at the end (Closing)	302.97	275.66	130.26	122.60

E	Changes in Fair Value of Plan Assets	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
1	Fair Value of Plan Assets at the beginning	-	-	-	-
2	Expected Return on Assets	-	-	-	-
3	Employer Contribution	-	-	-	-
4	Employer direct benefit payments	3.34	22.21	15.75	16.60
5	Plan Participants Contributions	-	-	-	-
6	Settlements By Fund Manager	-	-	-	-
7	Benefits Payouts	(3.34)	(22.21)	(15.75)	(16.60)
8	Actuarial gain/(Loss)	-	-	-	-
9	Fair Value of Plan assets at the end	-	-	-	-

F	Sensitivity analysis of the defined benefit obligation	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
	Impact of the change in Discount Rate				
1	Present Value of Obligation at the end	302.97	275.66	130.26	122.60
	Impact due to increase of 0.5%	(23.12)	(22.16)	(11.14)	(10.31)
	Impact due to decrease of 0.5%	26.07	24.95	12.80	11.82
	Impact of the change in salary increase				
2	Present Value of Obligation at the end	302.97	275.66	130.26	122.60
	Impact due to increase of 0.5%	26.06	24.44	12.73	11.77
	Impact due to decrease of 0.5%	(23.79)	(22.85)	(11.26)	(10.43)

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

G	Maturity profile of defined benefit obligation:	31-Mar-21	31-Mar-20	31-Mar-21	[illegible]
	Projected Benefit Obligation at end	302.97	275.66	130.26	122.60
	PAYOUTS				
1	March 2021 to March 2022	11.67	4.11	5.69	2.02
2	March 2022 to March 2023	4.42	9.84	2.09	5.35
3	March 2023 to March 2024	4.45	4.10	2.10	1.99
4	March 2024 to March 2025	5.08	4.77	2.72	2.01
5	March 2025 to March 2026	24.90	4.19	11.87	2.04
6	March 2026 to March 2027	142.57	137.68	51.77	57.68
7	March 2027 onwards	109.78	110.98	54.03	51.50

H	Acturial Assumptions	31-Mar-21	31-Mar-20	31-Mar-21	[illegible]
1	Discount Rate	7.20%	6.79%	7.20%	6.79%
2	Expected Return on Assets	0.00%	0.00%	0.00%	0.00%
3	Salary Escalation	6.00%	6.00%	6.00%	6.00%
4	Attrition rate	1.00%	1.00%	1.00%	1.00%
5	Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) 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.

(All amounts are Rs in Lakhs.)

34 Commitments and Contingencies

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

		As at 31.Mar.21	As at 31.Mar.20
(i)	Unexpired Letters of Credit	657.35	47.79
(ii)	Guarantees given by banks on behalf of the Company	2,605.82	2,445.02
(iii)	Impact of pending litigations not acknowledged as debt in financial statements	4,711.51	4,519.64
(iv)	Custom Duty against import under EPCG scheme	460.42	541.23

(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 is having derivative contract, however no contingent liability is involved as on 31st March 2021.

(d) There is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Hon. Supreme Court vide its ruling in February 2019, in relation to the scope of compensation on which the organization and its employees are to contribute towards Provident Fund. The Company will evaluate its position and act, as clarity emerges.

(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.21	As at 31.Mar.20
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,295.06	62.08

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

(i). Name and description of related parties.

Relationship	Name of Related Party
(a) Holding Company:	HFCL Limited
(b) Fellow Subsidiary:	Moneta Finance Private Limited HFCL Advance Sysytems Private Limited Polixel Securities Systems P.Ltd Dragonwave HFCL India P.Ltd (w.e.f 17.12.2019) Raddef Pvt. Ltd. (w.e.f 15.05.2019)
(c) Enterprise owned or significantly influenced by holding company's KMP or their relatives	Exicom Tele-systems Ltd
(d) Joint Venture of Holding Co.:	Dragonwave HFCL India P.Ltd. (up to 17.12.2019)
(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.

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HTL Limited

(All amounts are Rs in Lakhs.)

Notes forming part of the Financials Statements for the year ended March 31, 2021

(ii). Nature of transactions - The transactions entered into with the related parties during the year along with related balances as at 31st March, 2021 are as under:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Purchases/receiving of Goods & Materials		
HFCL Limited	13,006.26	2,615.05
Sales/rendering of Goods & Materials		
HFCL Limited	19,634.70	11,388.50
Income - Rent /Other expenses		
HFCL Limited	-	1.58
Exicom Tele-systems Ltd	-	2.88
Expenses - recovered		
HFCL Limited	-	2.88
Loan received		
HFCL Limited	-	-
Interest on Loans and Advances		
HFCL Limited	997.50	1,095.35
Outstanding (Net of Payable/Receivable)		
HFCL Limited - Trade Payable	1,056.16	-
HFCL Limited - Trade Receivable	9,405.90	5,890.28
Exicom Tele-systems Ltd-Trade Receivable	-	11.67
HFCL Limited - Advance	7,200.00	7,200.00
HFCL Limited - Loan	2,450.00	2,450.00
Remuneration of Key Management Personnel's		
(a) Short term employee benefits		
Mr.G.S.Naidu, COO & Manager	54.41	52.90
Mr. C. D. Ponnappa Chief Financial Officer	47.90	46.60
Mr. S Narayanan, Company Secretary	20.79	20.32
(b) Post employment benefits*		
Mr.G.S.Naidu, COO & Manager	3.32	3.32
Mr. C. D. Ponnappa Chief Financial Officer	2.85	2.85
Mr. S Narayanan, Company Secretary	-	-
(c) Other long term benefits*	-	-
(d) Share based payment#		
Mr.G.S.Naidu, COO & Manager	12.42	14.47
Mr. C. D. Ponnappa Chief Financial Officer	10.93	12.75
Mr. S Narayanan, Company Secretary	-	-

* 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.

36 **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.

(All amounts are Rs in Lakhs.)

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a) Primary Segment Information (by Business Segments)

The Company is 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 1.59% (Previous year 1.42%) of the total turnover of the Company, hence there are no reportable geographical segments.

Revenue of approximately 88.95% (Previous year 72%) are derived from two (Previous year– three) external customers which individually accounted for more than 10%.

37 Financial Instruments by Category

Particulars	Mar-21			Mar-20		
	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost
1) Financial Assets						
i) Investments						
Equity shares						
(i) NSL Wind Power Company (Phoolwadi) Private Limited	-	17.08	-	-	10.16	-
ii) Trade Receivables	-	-	18,530.30	-	-	11,958.60
iii) Bank Deposits	-	-	365.84	-	-	580.63
iv) Cash and Cash Equivalents	-	-	29.68	-	-	208.01
v) Other Bank balances	-	-	1,015.72	-	-	660.54
vi) Other Financial Assets	-	-	347.20	-	-	393.76
Total Financial Assets	-	17.08	20,188.74	-	10.16	13,801.54
2) Financial Liabilities						
i) Borrowings						
A) From Banks	-	-	7,502.00	-	-	5,972.51
B) From Others	-	-	6,230.69	-	-	6,145.80
ii) Trade Payables	-	-	20,154.45	-	-	10,412.95
iii) Other Financial Liabilities	52.86	-	7,670.22	-	-	9,596.95
Total Financial Liabilities	52.86	-	41,557.36	-	-	32,128.21

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, 2021

Financial Assets measured at Fair Value recurring Fair value measurements at 31-03-2021	Note No.	Level 1	Level 2	Level 3
Financial Assets				
Investments				
(i) NSL Wind Power Company (Phoolwadi) Private Limited	8	-	-	17.08
Total Financial Assets				17.08

Financial Liabilities measured at Fair Value recurring Fair value measurements at 31-03-2021	Note No.	Level 1	Level 2	Level 3
Financial Liabilities				
Other Financial Liabilities	21	-	52.86	-
Total Financial Liabilities			52.86	-

(b) Year Ending March 31, 2020

Financial Assets measured at Fair Value recurring Fair value measurements at 31-03-2020	Note No.	Level 1	Level 2	Level 3
Financial Assets				
Investments				
(i) NSL Wind Power Company (Phoolwadi) Private Limited	9	-	-	10.16
Total Financial Assets		-	-	10.16

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.

38 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, 2021					
Borrowings	16, 19 & 21	13,732.69	5,948.69	7,784.00	13,732.69
Trade Payables	20	20,154.45	20,154.45	-	20,154.45
Other liabilities	17 & 21	7,723.08	523.08	7,200.00	7,723.08
As at March 31, 2020					
Borrowings	16, 19 & 21	12,118.31	4,563.44	7,554.87	12,118.31
Trade Payables	20	10,412.95	10,412.95	-	10,412.95
Other liabilities	17 & 21	9,596.95	2,396.95	7,200.00	9,596.95

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 2021 and 31 March 2020.

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. 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,2021 was Rs.17.08 Lakhs, (March 31st, 2020 was Rs.10.16 Lakhs), the fair value of which is determined using valuation techniques.		For equity instruments, a 10% increase in prices would have led to approximately an additional gain of Rs.1.71 Lakhs for year ending March 2021 (Rs.1.02 for year ending March 2020) in other comprehensive income. A 10% decrease in prices would have led to an equal but opposite effect.

2. INTEREST RATE RISK		
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. Company has Borrowings with Banks & Others amounting to Rs. 14,307.38 Lakhs as at March 31st, 2021 (Rs.12,118.31 Lakhs as at March 31st, 2020) Interest Expenses on Borrowings for year ended March 31st, 2021 is Rs. 1779.05 Lakhs (Rs.1868.55 Lakhs as at March 31st, 2020)	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. 35.77 Lakhs loss for year ended March 31st, 2021 (Rs.30.30 Lakhs loss for year ended March 31st 2020) in Interest Income. A 0.25% decrease in interest rates would have led to an equal but opposite effect.

Credit Risk

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

Trade Receivables

Customer credit risk is managed by each business unit subject to the Company established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. At 31 March 2021, the Company had top 3 customers (31 March 2020: top 3 customers) that owed the Company more than INR 15571.72 Lakhs (31 March 2020: 5947.15 Lakhs) and accounted for approximately 85.39% (31 March 2020: 76.85 %) of all the receivables outstanding.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9 . The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

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

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

Capital management

Capital includes issued equity capital and share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value. The following table provides detail of the debt and equity at the end of the reporting period :

Particulars	31-Mar-21	31-Mar-20
Debt [Note 16, 19 & 21]	13,732.69	12,118.31
Less: Cash and Cash equivalents (Note 10)	(29.68)	(208.01)
Net Debt	13,703.01	11,910.30
Total Equity	2,985.75	117.29
Net Debt to Equity Ratio	4.59	101.55

The company is planning to expand in future and thus management is hopeful of bringing the Debt to Equity ratio within the industry range.

39 Out of the total land in possession of the Company at Guindy Industrial Area, Chennai, land measuring 35.89 acres is held by the Company in the capacity of assignee in terms of assignment deed dated 1.12.1968 executed by Government of Tamil Nadu for Industrial Development of Guindy Industrial Area, Chennai. In order to give title of the above assigned land in favour of the Company, the Government of Tamil Nadu had required the Company to surrender back 4.90 acres of unutilised land to the Small Industries Department, Chennai. The Company had surrendered the vacant land measuring 4.90 acres to the Small Industries Department, Chennai in 2002. In respect of the remaining land measuring 30.99 acres, the name of the Company has been entered in the revenue records of the Government of Tamil Nadu.
In respect of above said land, a Show Cause Notice (SCN) was issued on 08th June, 2020, by Office of the Revenue Divisional Officer, Guindy, Chennai, objecting on patta of assigned land entered in the revenue records of the Govt. Subsequently, interim stay on SCN was granted by Hon'ble Madras High Court on 19th June, 2020.

40 Loan of Rs. 624.20 Lakhs (Previous year Rs.624.20 Lakhs) together with interest accrued and due thereon of Rs.3003.49 Lakhs (Previous year Rs.2918.60 Lakhs) is due to Government of India (GOI). In addition to this, the Govt. of India has accepted the request to adjust Rs. 347.00 Lakhs compensation receivable by HTL in case of ETP claim against the outstanding interest portion in respect of GOI Loan. (Refer Note: 41 below).

41 Claims of Rs. 347.00 Lakhs receivable from BSNL against the compensation approved by Telecom Commission vide letter No. U-37012/3/97-FAC dated 1st May, 2001 for pre-closure of ETP project. Department of Telecommunications (DoT) vide letter No.U-37012-3/97-FAC dated 02.12.2003 has conveyed the decision of the competent authorities to adjust the above said amount against the interest portion of the outstanding Government of India Loan. In reply, the Company requested DoT vide letter no. 43.12 ETP dated 08.12.2003 to adjust the compensation amount of Rs. 347.00 Lakhs against the principal amount of loan outstanding as on 01.05.2001, the date on which the compensation was approved. The Govt. of India has reiterated the adjustment of Rs.347.00 Lakhs compensation receivable by HTL in case of ETP claim against the interest portion of the outstanding loan from Government of India (GOI) . After adjustment of ETP compensation of Rs 347 lakhs against the interest portion of outstanding GOI loan in terms of GOI letter dated 2nd December, 2003, the Company has made adequate interest provisions till 31.03.2021. In the financial statements, the company has adjusted the said claim receivable from the interest liability due to GOI, though a formal concurrence of adjustment & subsequent interest reconciliations is still ongoing. The Company expects no further liability, once the adjustment is agreed upon. [Refer Note 40 above]

42 The Company has proposed for a right issue of equity shares for Rs. 12,000 lakhs in the ratio of equity shares holding i.e 26% by GOI and 74% by HFCL Limited, Holding Company. It is also proposed that the right issue be funded by way of conversion of outstanding loan along with interest due from GOI and advances/ loans extended by HFCL. The Company is regularly following and submitting all clarifications & additional information asked by GOI from time to time for obtaining the administrative approval so that the required formalities under the Companies Act can be taken up accordingly . In view of this, loans outstanding from GOI along with interest and advances/loan received from HFCL have been shown under Non-Current Financial Liability instead of Current Financial Liability.

43 **Share Based Payment**

a) ESOP Plan

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

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

Particulars	March 31, 2021		March 31, 2020	
	No. of Options	Weighted Average Exercise price (Rs.)	No. of Options	Weighted Average Exercise price (Rs.)
Outstanding at the beginning of the year	2,04,400	20.65	1,34,000	20.65
Granted During the year	66,709	20.65	87,600	20.65
Forfeited during the year	-	-	17,200	20.65
Exercise during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	2,71,109	20.65	2,04,400	20.65
Exercisable at the end of the year	-	-	-	-
Exercise prices for outstanding options at the end of year	-	-	-	-

b) RSU Plan

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

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

Particulars	March 31, 2021		March 31, 2020	
	No. of Options	Weighted Average Exercise price (Rs.)	No. of Options	Weighted Average Exercise price (Rs.)
Outstanding at the beginning of the year	2,04,400	1	2,34,500	1
Granted During the year	-	-	-	-
Forfeited during the year	-	-	30,100	-
Exercise during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	2,04,400	1	2,04,400	1
Exercisable at the end of the year	-	-	-	-
Exercise prices for outstanding options at the end of year				

44 **Corporate Social Responsibility Expenses:**

The Company has not spent any amount during the Financial Year 2020-21 towards its approved Ongoing CSR projects and hence, the company will be opening a separate bank Account in Yes Bank Ltd, T.Nagar Branch, Chennai – 600 017 in the name "HTL Ltd. – Unspent Corporate Social Responsibility Amount" and transferring the unspent provisioned amount of Rs. 65,48,425/- to the said account as stipulated in the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

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

	Particulars	As at March 31, 2021	As at March 31, 2020
a.	Principal amount due	185.79	89.78
	Interest due on above	2.39	1.10
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	3.39	1.10
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.20 ' 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.

46 **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 31,2021		As at March 31,2020	
		Amount in Foreign Currency	Equivalent in INR (Lakhs)	Amount in Foreign Currency	Equivalent in INR (Lakhs)
Forward Contracts (Sell)	USD/INR	18,41,748.62	1,353.77	-	-

c) Foreign Currency Exposure:

Particulars		As at March 31,2021		As at March 31,2020	
		Amount in Foreign Currency	Equivalent in INR (Lakhs)	Amount in Foreign Currency	Equivalent in INR (Lakhs)
Trade Payable	USD/INR	23,15,393.09	1,701.92	5,69,955.54	429.87
Capex Payable	USD/INR	-	-	25,83,049.62	1,947.26
Trade Receivable	USD/INR	3,36,104.02	247.05	6,37,705.99	480.74

d) Foreign currency sensitivity analysis:

The following details are 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 31,2021		As at March 31,2020	
	INR Strengthens by 5%	INR weakening by 5%	INR Strengthens by 5%	INR weakening by 5%
USD Impact	72.74	(72.74)	94.81	(94.81)

47 For the Financial Year 2020-21, the Company has after evaluation, decided to adopt the option permitted under section 115BAA of Income Tax Act, 1961 (as introduced by the Taxation Laws (Amendment) Ordinance 2019) of the lower effective corporate tax rate of 25.17% (including surcharge and cess) instead of the earlier rate of 29.12% (including surcharge and cess). Accordingly, the company has recognized the Provision for Income Tax for the financial year ended 31st March 2021 based on the rates prescribed in the aforesaid section.

48 Tax Reconciliation

Particulars	FY 2020-21	FY 2019-20
Net Profit as per Statement of Profit and Loss (before tax)	**4,540.19**	**3,625.95**
Current Tax rate @ 25.17% (Previous year 29.12%)	**1,142.68**	**1,055.88**
Adjustment		
Depreciation & other adjustment	(7.31)	(246.65)
Amount of eligible / ineligible expenditure	30.12	29.20
Carry forward loss and Unabsorbed Depreciation	(157.52)	(838.43)
Tax Provision as per Books	**1,007.94**	**0.00**

HTL Limited
(All amounts are Rs in Lakhs.)
Notes forming part of the Financials Statements for the year ended March 31, 2021

49 Impact of Covid 19

The Company's operations were affected adversely during first half of the period under review due to intermittent lockdowns declared and restrictions in the engagement of labour by Government due to COVID-19 pandemic. The Company has taken all precautions and measures to protect the interest of all employees and made best efforts for its business operations. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of the financial statements including their coverability of carrying amounts of financial and non financial assets. Further the impact assessment does not indicate any adverse impact on the ability of the company to continue as a going concern. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of the financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of the assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

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

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

NISHANT BHANSALI
Partner
M.No.: 532900

New Delhi, 23rd April 2021

For and on behalf of the Board

MAHENDRA NAHATA
Chairman
DIN: 00052898

K.C. JANI
Director
DIN: 02535209

S. NARAYANAN
Company Secretary
ACS 5777

C D PONNAPPA
Chief Financial Officer
PAN: [illegible]

New Delhi, 23rd April 2021

HTL LIMITED
(CIN: U93090TN1960PLC004355)
Regd.Office: GST Road, Guindy, Chennai-600 032.
Email:coo@htlchennai.com Website: www.htlchennai.com
Phone: 044- 22501020 Fax: 044-22500341.

ATTENDANCE SLIP

60TH ANNUAL GENERAL MEETING 2021

I/We hereby record my/our presence at the 60th Annual General Meeting of the Company at GST Road, Guindy, Chennai - 600032 thru' Video Conferencing over MS Team on Friday, 16th July, 2021 at 12 Noon.

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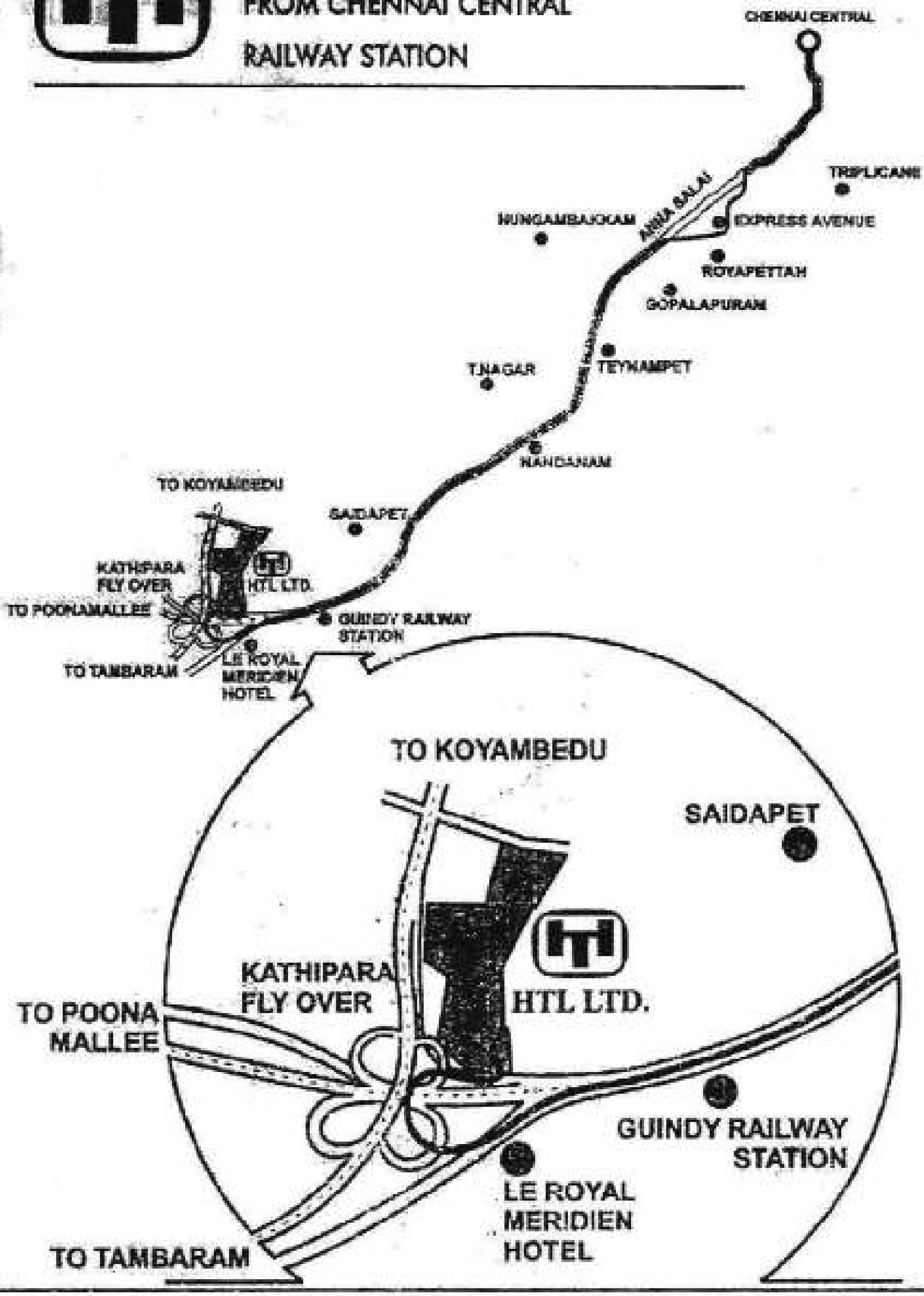
Member's Folio	Member's/ Proxy's Name	Member's / Proxy's Signature

Note:

1. Please complete the Folio No and name, sign the Attendance Slip and hand it over at the Meeting Hall.
2. Physical copy of the Annual Report for 2021 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 SHAREHOLDER

DISPATCH OF AGM NOTICE & E-VOTING DURING AGM

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 and Circular No. 02/2021 dated January 13, 2021. The forthcoming AGM will thus be held through video conferencing (VC). Hence, Members can attend and participate in the ensuing AGM through VC over MS Team (Thru' the Link provided in the email).

2. Pursuant to the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014 (as amended) and MCA General Circular No. 17/2020 dated April 13, 2020, the Company is sending Notice of the AGM only through e-mails registered with the Company or with the depository participant/ depository.

3. The Members 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 all 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 through e-voting.

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.htlchennai.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.

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GUIDELINES TO SHAREHOLDER

DISPATCH OF AGM NOTICE & E-VOTING DURING AGM

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 and January 13, 2021, 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 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@htlchennai.com.

    (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:
Name: **S.Narayanan** E-mail: **snarayanan@htlchennai.com**
Telephone/Mobile No. 7010456750

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HTL LIMITED **PROXY FORM**

(CIN: U93090TN1960PLC004355)
Regd.Office: GST Road, Guindy, Chennai – 600032. (Tamil Nadu)
Email: coo@htlchennai. Website: www.htlchennai.com
Phone: 044-22501020 Fax : 044-22500341.

[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 60th Annual General Meeting of the Company, to be held on Friday, 16th July, 2021 at 12 Noon at GST Road, Guindy, Chennai – 600 032 (Tamil Nadu) thru' Video Conferencing over MS Team and at any adjournment thereof in respect of such resolutions as are indicated below;

**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 Audited Financial Statements of the Company for the year ended 31st March, 2021, Reports of the Board of Directors and the Auditors thereon.		

2.	To re-appoint **Mr. Mahendra Nahata** (holding DIN 00052898), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment as a Director.		

Signed this ______ day of ________ 2021.

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' coloumn 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.