HTL LTD.

Corporate Information

BOARD OF DIRECTORS AS ON 31.3.2019

SHRI MAHENDRA NAHATA	NON- EXECUTIVE CHAIRMAN
DR. R.M.KASTIA	DIRECTOR
SHRI M.P.SHUKLA	DIRECTOR
SHRI Y.L.AGARWAL	DIRECTOR
SHRI K.C.JANI	DIRECTOR
SHRI R.K.PATHAK	NOMINEE DIRECTOR, GOVT. OF INDIA
SHRI S.K.GUPTA	NOMINEE DIRECTOR, GOVT. OF INDIA

SHRI G.S.NAIDU	CHIEF OPERATING OFFICER
SHRI C.D.PONNAPPA	CHIEF FINANCIAL OFFICER
SHRI S.NARAYANAN	COMPANY SECRETARY & GENERAL MANAGER (LEGAL)

BANKERS

CANARA BANK
Guindy, Chennai – 600 032.
Sipcot Industrial Complex, Hosur – 635 109.

STATE BANK OF INDIA
Guindy,
Chennai – 600 032.

THE SOUTH INDIAN BANK LTD.
Ashok Nagar, Chennai – 600 083.
Chittaranjan Park, New Delhi – 110 019.

AUDITORS

KHANDELWAL JAIN & CO.
Chartered Accountants
GF - 8 & 9, Hans Bhawan,
1, Bahadur Shah Zafar Marg,
New Delhi – 110 002.

REGISTERED OFFICE
G.S.T. Road
Guindy, Chennai – 600 032.

PLANTS

Manufacturing of Optical Fibre Cables (OFC), Accessories for OFC and Fibre Reinforced Plastic (FRP) Rods for OFC at the Plant in Guindy Industrial Estate, Chennai – 600 032.

Manufacturing of Fibre Reinforced Plastic (FRP) Rods for OFC, Impregnated Glass Fibre Roving (IGFR) for OFC and Aramid Reinforced Plastic (ARP) Rods for OFC at the Plant in SIPCOT Industrial Complex, Phase – I, Hosur – 635 109.

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

NOTICE

Notice is hereby given that the Fifty Eighth Annual General Meeting of HTL Limited will be held on **Monday, the 29th July 2019 at 12 Noon** at the Registered Office of the Company at GST Road, Guindy, Chennai – 600 032 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, 2019, together with the Reports of the Board of Directors and Auditors thereon.

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

3. To appoint a Director in place of **Shri M.P.Shukla** (holding DIN 00052977) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

4. To appoint Auditors for the financial year 2019-20 to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. M/s. Khandelwal Jain & Co., Chartered Accountants (Firm Regn. No. 105049W), the retiring Auditors of the Company are eligible for reappointment.

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

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions of the Companies Act, 2013 (as amended or re-enacted from time to time) read with the Companies (Audit and Auditors) Rules 2014, M/s. Khandelwal Jain & Co., Chartered Accountants (Firm Regn. No. 105049W) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration as shall be fixed by the Board of Directors of the Company, "

Registered Office
GST Road, Guindy
Chennai – 600 032.

Place: Chennai
Date : 05.07.2019

By Order of the Board
For HTL Limited

S.NARAYANAN
Company Secretary

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.

INFORMATION OF DIRECTORS 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	**Shri Mahendra Nahata**	**Shri M.P.Shukla**
DIN	00052898	00052977
Date of Birth	19.05.1959	18.06.1932
Date of first Appointment	16.10.2001	25.06.2007
Experience/Expertise in Specific Functional Areas	He has business experience of more than three decades. He is the promoter director of the holding Company viz., M/s. Himachal Futuristic Communications Ltd. He is the visionary behind the Company's technology partnership, business development and marketing initiatives.	He is ex-CMD of MTNL and also ex- Chairman of Telecommunications Consultants India Ltd. He has been bestowed with various awards for his outstanding contribution to the Telecom Industry, including Telecom Man of the Year 1992.
Qualification(s)	B.Com. (Hons.)	B.E (Electrical).
Directorship in other Companies	Himachal Futuristic Communications Ltd., Reliance Jio Infocomm Ltd, DragonWave HFCL India P Ltd, MN Ventures P Ltd, HFCL Advance Systems P Ltd., Krishiv Ventures P. Ltd., Pranatharthi Ventures Pvt. Ltd., MN Tele-Ventures LLP.	Himachal Futuristic Communications Ltd.
Chairmanship/ Membership of Committees (across all public Cos.)	Himachal Futuristic Communications Ltd. – Chairman of Corporate Social Responsibility Committee, Risk Management Committee , Banking Operation Committee and member of Allotment Committee (Warrants), Reliance Jio Infocomm Ltd. – Member of Allotment Committee.	Himachal Futuristic Communications Ltd. – Chairman of Board of Directors, Debenture Allotment Committee and Stakeholders' Relationship Committee. Member of Nomination , Remuneration & Compensation Committee, Corporate Social Responsibility Committee, Risk Management Committee and Allotment Committee (Warrants), HTL Ltd – Chairman of Audit Committee and Member of Nomination ad Remuneration Committee.
Shareholding in the Company	NIL	NIL
Relationship with other Directors and KMPs of the Company	NIL	NIL
No. of Board Meetings held / Attended in the year 2018	5/5	5/5
Last Remuneration drawn (per annum)	NIL	Sitting Fee of Rs.2, 500/- per meeting attended.

Registered Office
GST Road, Guindy
Chennai – 600 032.

By Order of the Board
For HTL Limited

Place: Chennai
Date : 05.07.2019

S.NARAYANAN
Company Secretary

HTL LTD.

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

DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting the 58th Annual Report and Audited Accounts for the financial year ended 31st March 2019.

FINANCIAL RESULTS

(Rs. in crore)

PARTICULARS	2018-19 Rs.	2017-18 Rs.
Revenue from Operations	467.68	282.33
Other Income	6.54	9.92
Total Income	474.22	292.25
Profit / (loss) Before Depreciation, Finance Charges and Taxation	70.05	26.47
Less: Depreciation	9.36	6.81
Finance Charges	13.19	4.94
Taxation	0	0
Net Profit / (Loss) for the year	47.50	14.72
Other Comprehensive Income / Expenditure Re-measurement of defined benefit plans	(0.60)	(0.21)
Total Comprehensive Income for the year	46.90	14.51
Cost towards the options (ESOP / RSU) granted to the Employees of the Company by the Holding Company.	0.21	0
Surplus / (Deficit) Brought Forward from Previous Year	(100.19)	(114.70)
Surplus / (Deficit) Carried to the Balance Sheet	(53.08)	(100.19)

DIVIDEND

In view of the accumulated losses of the Company, no dividend can be recommended for the year.

OPERATIONAL REVIEW

The Company has achieved a Turnover of Rs.467.68 crores during 2018-19 and the value of sales of different products made during the year under review with comparative figures of the previous year is: -

(Rs. in Lakhs)

PRODUCTS	2018-19 (Rs.)	2017-18 (Rs.)
Sale of Products – OFC & FRP	46761.38	28233.25
Sale of Services	6.23	0.00
TOTAL	**46767.61**	**28233.25**

The Company has achieved a good growth in its OFC business during 2018-19 and it is hopeful with further growth both in Domestic and Export markets in the next financial year after its planned expansion.

OUTLOOK

As India looks forward to making the 5G Leap, achieving Nation wide connectivity and digital literacy is of paramount importance. Government policy initiatives for creating a robust digital communication infrastructure will result in huge telecom infrastructure development with extensive fiberisation. With aggressive 4G-roll out and 5G, FTTx etc. on the anvil, networks shall become denser and deeper, making fiberisation imperative.

Going forward, the OFC demand is set to increase significantly given its role in providing high speed internet connectivity. It will be further bolstered by the growing demand for data, the government's emphasis on digitalisation with projects such as BharatNet and NFS, telecom operators' network strengthening plans, upgradation of broadband infrastructure, and the commercial launch of 5G in India.

Optical Fiber networks are playing an important role in the digital revolution with 5G commercialisation around the corner, new "D-Fibre" infrastructure will be essentially required. Hence, Optical Fiber and Cable Manufacturers will benefit the most from 5G-Lead Fibre Densification. The advent of IoT is expected to generate high demand for internet bandwith in coming years. The growing number of connected devices on the network is expected to further support market growth by increasing the demand for Optical Fibre Networks.

Your Company has achieved a good growth in its OFC Business during 2018-19 and it is confident with the further growth both in Domestic and Export Markets in future.

SIGNIFICANT EVENTS

Your Company has expanded its manufacturing capacity from 3.5 million FKM to 7 million FKM as envisaged during the year under review. This has resulted in the increase of the Turnover of the Company from Rs.282.33 crores (achieved in the previous year 2017-18) to Rs. 467.68 crores during the financial year 2018-19.

YES BANK has offered credit facilities to the tune of Rs.120 crores (Fund Based -Term Loan of Rs.30 Cr. & Over Draft – Rs. 40 Cr and Non Fund Based – Bank Guarantees & Letter of Credit – Rs.50 Cr.) to the Company for its business operations. The Company accepted the same with the approval of the Board of Directors and the documentations are in the advanced stage. The said credit facilities will be availed by the Company in the first quarter of the financial year 2019-20.

Your Company has strarted its OFC Accessories Division and received various product approvals from Government and Non Government Customers. The Company has received orders to the tune of Rs.90.82 Cr.

EXPANSION PLAN

Foreseeing the demand for OFC & OFC Accessories in Indian & Overseas Markets in the next 4 to 5 years, Your Company has planned to further expand its Capacity at Chennai plant for manufacturing the following products in order to capitalize the opportunities:

(i) Increase the OFC manufacturing capacity from 7 million FKM to 10.5 million FKM to meet the additional demands of lower count cables of RJIL (6F & 12F etc), and to cater to export market demands.

(ii) Riser Cable for FTTH network for Domestic and Export Markets.

Your Company is expecting orders from Bharat Net tenders & other private operators. Currently, Your Company is currently trading except for few items such as CPRI cables, FDMS, patch chords which are manufactured by us. Hence, in order to enhance revenue and profitability, it is planned to manufacture items like ADSS cable accessories, ODF racks etc.

In order to carry out the proposed expansion, the following Capital expenditure of Rs. 45 Cr is proposed during the next financial year 2019-20 and the same has been approved by the Board of Directors of the Company in their Meeting held on 5.3.2019.

A. OFC Business: Rs. 35.00 Cr

- Plant & Machinery - Rs. 26.00 Cr.
  (Including various plant performance improvement projects & IT related Capex).
- Utilities (DG, UPS, Transformers etc.) - Rs. 5.00 Cr.
- Civil work - Rs. 4.00 Cr.

B. Accessories Business: Rs. 10.00 Cr

The above proposed capex of Rs. 45 Cr will be arranged thru' an additional Term Loan of Rs. 25 Cr from Banks and the balance Rs. 20 Cr will be met out of internal accruals of the Company.

After completion of the proposed expansion, the Company is expected to achieve incremental revenue of Rs. 250 Cr from OFC business and Rs. 50 Cr from Accessories business in the full year of operation.

NUMBER OF MEETINGS OF THE BOARD HELD DURING THE YEAR

There were five meetings held during the Financial Year 2018-19 i.e., on 2.5.2018, 27.8.2018, 20.12.2018, 28.12.2018 and 5.3.2019.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return has been placed in the web site of the Company in pursuant to Section 134(3)(a) of the Companies act, 2013. Members can access in the Company's web site: www.htlchennai.com

LOANS, GUARANTEES AND INVESTMENTS.

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 outstanding as at 31st March, 2019 are as follows;

	Amount in Rs.
Loans given	NIL
Guarantees made	NIL
Investments made	1,01,950

HOLDING COMPANY

M/s. 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.

The term of office and remuneration of the Manager is subject to the approval of the Board of Directors, Shareholders and as per the provisions of the Companies Act, 2013.

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 Audit Committee, Shri Mahendra Nahata as a Member and Shri R.K.Pathak as a Member.

There was one meeting held on 20.12.2018 during the Financial Year 2018-19.

REGISTRAR AND SHARE TRANSFER AGENT (RTA)

M/s. Karvy Computershare Private Limited, 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 2018-19, the Company has entered into transactions with related party viz., M/s. Himachal Futuristic Communications Limited, the holding company, as defined under Section 2(76) of the Companies Act, 2013 read with 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 2018-19, 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

Shri Mahendra Nahata (holding DIN 00052898) and **Shri M.P.Shukla** (holding DIN 00052977) are retiring by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

AUDIT COMMITTEE

In pursuant to Section 177(8) with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014, the Company has an Audit Committee with three Members namely, Shri M.P.Shukla as Chairman of the Audit Committee, Shri S.K.Gupta as a Member and Dr.R.M.Kastia as a Member.

There were four meetings held during the Financial Year 2018-19 i.e., on 2.5.2018, 27.8.2018, 20.12.2018 and 5.3.2019.

GENERAL BODY MEETINGS

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

Year	AGM	Location	Date	Time
2017-18	AGM	Regd. Office, GST Road, Guindy, Chennai.	27.7.2018	12 Noon
2016-17	AGM	Regd. Office, GST Road, Guindy, Chennai.	04.8.2017	12 Noon
2015-16	AGM	Regd. Office, GST Road, Guindy, Chennai.	26.8.2016	12 Noon

No EGM was held in the above last 3 years.

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 the Companies Act, 2013 and Rules made there under. The Nomination and Remuneration Committee and the Board have re-appointed Shri G.S.Naidu as Manager of the Company w.e.f. 25.06.2018 for a further period of one year in their Meeting held on 20.12.2018 and the Members of the Company have accorded their approval in their Extra Ordinary Meeting held on 28.12.2018.

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, 2019, 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 have prepared the annual accounts for the financial year ended 31st March, 2019 on a going concern basis subject to the position as clarified in Note No. 39 of Notes to the Audited Statement of Accounts;

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.

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 2018-19. The Secretarial Audit Report is annexed herewith as **ANNEXURE II** to this Report**.** The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

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

The Company could not spend any amount on CSR activity during the year under review since:-

(i) The Company's net worth is continued to be negative;
(ii) The Company is facing severe financial constraints for its business operations;
(iii) The Company is in the process of revival; and
(iv) The Company has accumulated losses.

AUDITORS' REPORT

At the 57th Annual General Meeting (AGM) of the Company, Khandelwal Jain & Co, Chartered Accountants, New Delhi (Firm Registration No. 105049W) was appointed as the Statutory Auditors to hold office till the conclusion of the 58th AGM of the Company. Khandelwal Jain &Co., Chartered Accountants, Auditors of the Company retire at the conclusion of the ensuing AGM and having confirmed their eligibility, offer themselves for re-appointment.

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.

PERSONNEL

The manpower strength at the close of the year was 237 as compared to 178 at the beginning of the 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, 2019 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, 2019) and date of this Report (10th May, 2019).

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, 2019 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) (vii) 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 an in-house internal audit team as well as by the external internal auditor viz., M/s. Anil & Anil (Formerly, M/s. Atul Kulshrestha & Co,), Chartered Accountants.

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 other than those which were reportable to the Central Government.

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 Jio Infocomm Ltd., BSNL, BBNL, MTNL, SIPCOT and SIDCO. 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 : 10th May, 2019

MAHENDRA NAHATA

CHAIRMAN

Annexure I to Directors' Report

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

Names of the top ten employees of the Company in terms of remuneration drawn and the names of employees who were employed through out the financial year 2018-19 and were paid remuneration not less than Rs.1,02,00,000/- and employees who were employed for a part of financial year 2018-19 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	60,81,040	Permanent	Chief Operating Officer	BE(Electrical) 33 Years	25-06-2015	55 Yrs	President Business Head, M/s. Sudarshan Telecom Ltd, Mysore.
2	Shri. C D Ponnappa	53,51,176	Permanent	Chief Financial Officer	B. Com, ACA. 23 Years	17-05-2016	46 Yrs	Associate Vice President, M/s. Software Paradigm Infotech Ltd, Mysore.
3	Shri. Devasia Chacko	24,06,004	Contractual	DGM	SSLC. 45 years	01-02-2009	64 Yrs	DGM, M/s. Himachal Futuristic Communications Ltd., New Delhi
4	Shri. Anil B Lagad	22,21,956	Permanent	DGM (Marketing & Sales)	M.Sc. (Physics) 19 Years	25-08-2015	42 Yrs	Manager , M/s. Sterlite Technologies, Silvassa
5	Shri Rakesh Ghai	22,01,544	Permanent	General Manager (Marketing	BA 21 Years	01-09-2017	45 Yrs	DGM (Marketing) , M/s. West Coast Optilinks, Mysore
6	Gajendra Singh	21,04,019	Permanent	GM(Production)	M.TEC, 29 Years	30-01-2017	55 Yrs	DGM (Quality Control) BGR Energy Systems Ltd., Chennai
7	S Narayanan	18,90,012	Contractual	Company Secretary & GM (Legal)	B.Com., ACA., ACS. 38 Years	01-07-2016	60 Yrs	Co. Secy, & GM(Legal), M/s. HTL Ltd. Chennai
8	Shri. N Jeyakumar	12,54,672	Permanent	Senior Manager	B.E., MBA., BGL. 28 Years	01-07-1991	50 Yrs	Engineer , M/s. Data Decision Pvt. Ltd. Mumbai
9	Shri Shubham Tiwari	11,66,669	Permanent	DGM(Marketing & Sales)	PG Diploma in Management & Foreign Trade 10 Years	04-09-2018	34 Yrs	Huber & Suhner Electronics Pvt. Ltd. Gurgram.
10	Shri Dhramvir Singh	10,50,000	Permanent	DGM(Engineering Services)	B.Tech (Instrumentation) 14years	10-09-2018	37 Yrs	Shanghai Yupin Communication Technology Co. Ltd., Shanghai.

Notes

(i) The remuneration shown above comprises Salary, Allowances, Perquisites, Ex-gratia, Medical, Company's contribution to Provident Fund, Share based payments 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 Managing Director and Whole Time Director and holds by himself or along with his spouse and dependent children not having any equity shares in the Company.

For and on behalf of the Board

MAHENDRA NAHATA
CHAIRMAN

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[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 31.03.2019. 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 2019** ('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 2019** 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).**

2. 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. he Employees' Compensation Act, 1923
n. Equal Remuneration Act, 1976

3. 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, Non-Executive Directors and Independent 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, 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 borrowing of monies in excess of paid of capital and free reserves;
2. Shareholders' approval u/s 180 obtained for giving certain properties of the Company as security for availing credit facilities.

R. Balasubramanian
Practising Company Secretary
FCS No. 10011, C.P. No. 11979

Place: Chennai
Date: 11.04.2019

*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, C.P. No. 11979

Place: Chennai
Date: 11.04.2019

Detailed Report on Corporate Social Responsibility (CSR)

1. Note on CSR Policy:

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.

2. Composition of the CSR Committee

Your Company has a Corporate Social Responsibility Committee which is comprised of the following directors:

- Shri M.P.Shukla, Chairman
- Dr. Dr.R.M.Kastia, Member
- Shri R.K.Pathak, Member

3. Average Net Profit of the Company for last 3 financial years

The average net profits of the Company during the last three years is Rs. 565.96 Lakhs..

4. Prescribed CSR Expenditure (2% of this amount as in Item 3 above)

Rs. 11.32 Lakhs.

5. Details of CSR spent during the financial year:

a. Total amount to be spent for the financial year**:** Rs. 11.32 lakhs.

b. Amount unspent, if any**:** Rs. 202.28 Lakhs

c. Manner in which the amount spent during the financial year is detailed below. (Amounts in Rupees)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	**CSR project or activity identified.**	**Sector in which the Project is covered**	**Projects or Programs** **1. Local area or other** **2. Specify the State and district where projects or programs as undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or Programs** **Subheads:** **1. Direct expenditure on projects or programs.** **2. Overheads.**	**Cumulative expenditure upto to the reporting period**	**Amount spent: Direct or through implementing agency ***
	Not applicable						
	TOTAL						

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:

(i) The Company's net worth is continued to be negative;
(ii) The Company is in the process of revival;
(iii) The Company is having accumulated losses; and
(iv) The Company is facing severe financial constraints for its business operations; and furthermore.

We hereby confirm that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board

MAHENDRA NAHATA
CHAIRMAN

INFORMATION UNDER SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES, 2014 FOR THE YEAR ENDED 31ST MARCH, 2019.

(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 (Pfoolwadi) Private Limited, Hyderabad during the year under review 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.
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 31.03.2019	Financial Year Ended 31.03.2018
Foreign exchange earned in terms of actual inflows.	876.41	675.66
Foreign exchange outgo in terms of actual outflows.	5890.60	9212.89

For and on behalf of the Board

MAHENDRA NAHATA
CHAIRMAN

INDEPENDENT AUDITOR'S REPORT

To the Members of
HTL LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of HTL LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in Equity and 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 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, 2019, the profit and total 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 Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Going Concern** The company has accumulated losses of Rs.5,307.67 Lakhs as at March 31, 2019, resulting in negative net worth of Rs. 3,807.67 Lakhs. These factors raise doubts that the Company will not be able to continue as a going concern. (Refer Note No. 39)	**Principal Audit Procedures** Obtained, reviewed and considered the Company expansion details, order in hand, future business plan, compared the profitability with previous year, expected future profitability and proposed right issue of equity share.
2.	**Provision of Interest on Government of India (GOI) Loan** Pending the response to 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. (Refer Note No. 42)	**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.

Responsibilities of Management and Those Charged with Governance 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act,we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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

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

Report on Other Legal and Regulatory Requirements

1. 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, to the extent applicable.

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

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

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

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31stMarch, 2019 from being appointed as a director in terms of Section 164 (2) of the Act. 41.

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

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

      In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its 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 Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No: 105049W

Manish Kumar Singhal
Partner
Membership No. 502570

Place: New Delhi
Date: 10th may, 2019

Annexure-A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statementsfor the year ended 31 March 2019, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets and as informed, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for the following:

Particular of Assets	Value of Assets	Remark
30.99 acres land at Guindy Industrial Area, Chennai	Rs. 1	Refer Note No. 41

(ii) As per the information furnished, the Inventories have been physically verified by the management at reasonable intervals during the period. 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 of stocks were not material in relation to the operation of the Company and the same have been properly dealt with in the books of account.

(iii) 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, paragraphs 3(iii) (a), (b) and (c) of the Order are not applicable.

(iv) In our opinion and according to information and explanation given to us the Company has complied with the provisions of section 185 and 186 of the Act in respect of grant of loan, making investments, providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits during the year.

(vi) 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.

(vii) (a) According to the information and explanations given to us and records examined by us, the Company is generally regular in depositing, with the appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, custom duty, cess and other material statutory dues wherever applicable. According to information and explanation given to us, and as per the records examined by us, no undisputed arrears of statutory dues outstanding as at 31st March, 2019 from the date they became payable.

(b) According to the information and explanations given to us and as certified by the management, there are no dues outstanding of income-tax and goods & service tax on account of any dispute.

(viii) Based on our audit procedures and the information and explanations 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, 2019 are as follows:

Loan from Govt. of India — Amount in Rs. Lakhs

Period of due for repayment	Principal	Interest
More than 8 years	624.20	1617.83
More than 6 to 8 years	-	300.42
More than 3 to 6 years	-	450.63
Mar 2019	-	52.52

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section197 readwith Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph3 (xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone IndAS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the 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.

(xv) According to the information and explanations given to us and as certified by the management, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph3 (xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For KHANDELWAL JAIN & Co
Chartered Accountants
Firm's Registration No. 105049W

(Manish Kumar Singhal)
Partner
Membership No. 50257Place: New Delhi
Date: 10th May, 2019

Annexure–B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of HTL Limited ("the Company") as of 31March 2019 in conjunction with our audit of the standalone IndAS financial statements of the Companyfor 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 Auditof Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial ontrols that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditors' 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 issued by ICAI and deemed to be prescribed under section143(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 the 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 was 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 controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's 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 that, 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 generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has ,in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For KHANDELWAL JAIN & Co
Chartered Accountants
Firm's Registration No. 105049W

(Manish Kumar Singhal)
Partner
Membership No. 502570

Place: New Delhi
Date: 10th May, 2019

HTL Limited - Financial Statements
(CIN: U93090TN1960PLC004355)
(All amounts are in Rs.)
Balance Sheet as on 31st March, 2019

Assets	Note No.	As at March 31, 2019	As at March 31, 2018
Non-current Assets			
(a) Property, Plant and Equipment	4	94,57,20,651	58,30,44,938
(b) Intangible Assets	4a	94,26,914	-
(c) Capital work-in-progress	5	1,78,31,280	1,54,66,215
(d) Financial Assets			
(i) Other Bank Balance	6	5,37,37,047	5,21,54,786
(e) Other non-current assets			
(i) Capital Advances		89,74,136	31,61,398
Total non-current assets		**1,03,56,90,028**	**65,38,27,337**
Current Assets			
(a) Inventories	7	70,36,61,142	32,89,48,533
(b) Financial Assets			
(i) Investments	8	1,01,950	4,41,950
(i) Trade Receivables	9	63,19,57,491	57,04,64,442
(ii) Cash & cash equivalents	10	9,93,70,869	16,40,78,646
(iii) Bank balances other than (ii) above	11	11,21,74,845	2,75,30,050
(iv) Others	12	1,21,22,796	91,86,708
(c) Current Tax Assets (Net)	13	48,45,648	37,83,813
(d) Other current assets	14	9,73,14,125	7,89,72,467
Total current assets		**1,66,15,48,866**	**1,18,34,06,609**
Total Assets		**2,69,72,38,894**	**1,83,72,33,946**

HTL Limited - Financial Statements
(CIN: U93090TN1960PLC004355)
(All amounts are in Rs.)

Balance Sheet as on 31st March, 2019

Equity and Liabilities	Note No.	As at March 31, 2019	As at March 31, 2018
Equity			
(a) Equity Share capital	15	15,00,00,000	15,00,00,000
(b) Other Equity	15	(53,07,66,796)	(1,00,17,98,349)
Total Equity		**(38,07,66,796)**	**(85,17,98,349)**
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	54,95,59,109	54,43,07,510
(ii) Others	17	72,00,00,000	72,00,00,000
(b) Provisions	18	3,08,04,652	2,18,29,295
Total non-current liabilities		**1,30,03,63,761**	**1,28,61,36,805**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	5,00,00,000	10,00,00,000
(ii) Trade Payables	20		
(a) total outstanding dues of micro enterprises and small enterprises? and		2,11,13,895	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises."		1,49,61,88,213	1,18,42,35,407
(iii) Other financial liabilities	21	16,33,69,957	6,51,67,378
(b) Other current liabilities	22	3,26,14,756	2,58,21,772
(c) Provisions	23	1,43,55,108	2,76,70,933
Total current liabilities		**1,77,76,41,929**	**1,40,28,95,490**
Total Liabilities		**3,07,80,05,690**	**2,68,90,32,295**
Total equity and liabilities		**2,69,72,38,894**	**1,83,72,33,946**

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

As per our report of even date attached

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

MANISH KUMAR SINGHAL
Partner
M.No. 502570

New Delhi, 10th May, 2019

For and on behalf of the Board

MAHENDRA NAHATA
Chairman
(DIN: 00052898)

R.M. KASTIA
Director
(DIN: 00053059)

S. NARAYANAN
Company Secretary

C.D. PONNAPPA
C F O

New Delhi, 10th May, 2019

HTL Limited - Financial Statements
(CIN: U93090TN1960PLC004355)
(All amounts are in Rs.)
Statement of Profit and loss for the year ended 31st March, 2019

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I.	**INCOME**			
	Revenue from operations	24	4,67,67,61,059	2,82,33,25,480
	Other Income	25	6,54,26,547	9,92,20,343
	Total Income (I)		**4,74,21,87,606**	**2,92,25,45,823**
II.	**EXPENSE**			
	Cost of Material Consumed	26	3,71,58,94,298	2,28,89,81,874
	Other Direct cost	27	3,18,55,472	89,21,429
	Purchase of goods for resale		3,00,83,675	-
	(Increase) / Decrease in stock		(18,28,71,099)	(59,07,284)
	Employee benefits expense	28	19,85,37,079	17,01,09,204
	Finance Cost	29	13,18,56,496	4,93,96,996
	Depreciation	4 & 4a	9,35,61,891	6,80,54,591
	Other Expenses	30	24,82,97,877	19,57,92,530
	Total Expenses (II)		**4,26,72,15,689**	**2,77,53,49,340**
III	**Profit / (loss) before exceptional items and income tax (I-II)**		**47,49,71,917**	**14,71,96,483**
IV	Exceptional item (net of tax)		-	-
V	**Profit / (Loss) before tax (III - IV)**		**47,49,71,917**	**14,71,96,483**
VI	**Tax expense**			
	Current tax		-	-
	Deferred Tax		-	-
VII	Profit/(loss) for the period (V-VI)		**47,49,71,917**	**14,71,96,483**
VIII	Other Comprehensive Income			
	A.) Items that will not be reclassified to profit or loss			
	(i) remeasurement of defined benefit plans;		(59,84,024)	(20,57,043)
	(ii) Equity Instruments through OCI;		-	-
	B.) Items that will be reclassified to profit or loss;		-	-
	Other comprehensive income for the year after tax (VIII)		**(59,84,024)**	**(20,57,043)**

HTL Limited - Financial Statements
(CIN: U93090TN1960PLC004355)
(All amounts are in Rs.)
Statement of Profit and loss for the year ended 31st March, 2019

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
IX	**Total comprehensive income for the year (VII+VIII)**		**46,89,87,893**	**14,51,39,440**
	Earnings per share attributable to the equity holders of the Company during the year			
	Basic earnings per share	31	**316.65**	**98.13**
	Diluted earnings per share	31	**316.65**	**98.13**

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

As per our report of even date attached

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

MANISH KUMAR SINGHAL
Partner
M.No. 502570

New Delhi, 10th May, 2019

For and on behalf of the Board

MAHENDRA NAHATA
Chairman
(DIN: 00052898)

R.M. KASTIA
Director
(DIN: 00053059)

S. NARAYANAN
Company Secretary

C.D. PONNAPPA
C F O

New Delhi, 10th May, 2019

HTL Limited - Financial Statements
(CIN: U93090TN1960PLC004355)
(All amounts are in Rs.)
Statement of Cash Flow for the year ended 31st March, 2019

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
I.	**Cash Flow From Operating Activities**		
	Profit before income tax including OCI	46,89,87,893	14,51,39,441
	Adjustments for		
	Depreciation and Amortization expenses	9,35,61,891	6,80,54,591
	Gain on disposal of property, plant and equipment	-	-
	Liabilities written Back	(1,51,51,457)	(6,73,56,341)
	Share based payment (refer note no. 45)	20,43,660	
	Finance costs	13,18,56,496	4,93,96,996
	Interest Income	(1,17,01,972)	(1,18,54,330)
	Net exchange differences	(1,95,34,772)	(40,60,166)
	Change in operating assets and liabilities		
	(Increase)/Decrease in trade receivables	(6,14,93,049)	15,48,67,253
	(Increase) in inventories	(37,47,12,609)	(7,64,16,823)
	Increase in trade payables	35,26,01,475	(3,03,56,387)
	(Increase) in other financial assets	(29,36,088)	(35,55,220)
	(Increase)/decrease in other current assets	(1,66,16,106)	(36,27,438)
	Increase in other current liabilities	1,76,03,973	65,23,298
	Cash generated from operations	**56,45,09,335**	**22,67,54,874**
	Income taxes (paid)/refund	(10,61,835)	1,42,40,128
	Net cash inflow from operating activities	**56,34,47,500**	**24,09,95,002**
II	**Cash flows from investing activities**		
	Payments for property, plant and equipment including CWIP & Capital Advances	(47,38,42,322)	(14,49,44,430)
	Increase/(decrease) in financial instruments with bank	(8,62,27,056)	6,62,27,505
	Payments for purchase of investments	-	(4,41,950)
	Loans to employees and related parties	-	-
	Decrease in financial instruments with bank	-	-
	Proceeds from sale investments	3,40,000	-
	Interest received	99,76,420	74,42,878
	Net cash outflow from investing activities	**(54,97,52,958)**	**(7,17,15,997)**

HTL Limited - Financial Statements
(CIN: U93090TN1960PLC004355)
(All amounts are in Rs.)
Statement of Cash Flow for the year ended 31st March, 2019

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
III	**Cash flows from financing activities**		
	Proceeds/(repayment) of borrowings	(5,00,00,000)	(94,81,967)
	Interest paid	(2,84,02,318)	(1,77,01,284)
	Net cash inflow (outflow) from financing activities	**(7,84,02,318)**	**(2,71,83,251)**
IV	**Net increase (decrease) in cash and cash equivalents**	**(6,47,07,775)**	**14,20,95,754**
VI	Cash and cash equivalents at the beginning of the financial year	16,40,78,646	2,19,82,893
	Effects of exchange rate changes on cash and cash equivalents	-	-
VII	**Cash and cash equivalents at end of the year**	**9,93,70,870**	**16,40,78,646**

Reconciliation of cash and cash equivalents as per the cash flow statement

	Particulars	March 31, 2019	March 31, 2019
	Cash and cash equivalents as per above comprise of the following		
	Cash and cash equivalents (note 10)	9,93,70,870	16,40,78,646
	Bank overdrafts	-	-
	Balances per statement of cash flows	9,93,70,870	16,40,78,646

As per our report of even date attached

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

MANISH KUMAR SINGHAL
Partner
M.No. 502570

New Delhi, 10th May, 2019

For and on behalf of the Board

MAHENDRA NAHATA
Chairman
(DIN: 00052898)

R.M. KASTIA
Director
(DIN: 00053059)

S. NARAYANAN
Company Secretary

C.D. PONNAPPA
C F O

New Delhi, 10th May, 2019

HTL Limited
(CIN: U93090TN1960PLC004355)
Statement of Changes in Equity for the period ended 31st March, 2019
(All amounts are in Rs.)

Equity Share Capital

Particulars	Note No.	Amount
As at March 31, 2017	15	15,00,00,000
Changes in equity share capital		-
As at March 31, 2018	15	15,00,00,000
Changes in equity share capital		-
As at March 31, 2019	15	15,00,00,000

Other equity

	Reserves and Surplus						Other Comprehensive Income			Total
	Capital Reserve *	Securities Premium Reserve	Other Reserves	Retained Earnings	Effective portion of Cash Flow Hedges	Share Based Payment	Exchange differences on translating the financial statements of a foreign operation	Remeasurement of defined benefit plans - Other Comprehensive Income	Money received against share warrants	
Balance as at March 31, 2017	1	-	-	(1,14,90,25,417)	-	-	-	20,87,626	-	(1,14,69,37,790)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-		-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	14,71,96,484	-	-	-	(20,57,043)	-	14,51,39,441
Dividends	-	-	-		-	-	-	-	-	-
Transfer to retained earnings	-	-	-		-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2018	1	-	-	(1,00,18,28,933)	-	-	-	30,583	-	(1,00,17,98,349)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Share Based Payment to employee (Refer note no. 45)	-	-	-	-		20,43,660	-	-		20,43,660
Restated balance at the beginning of the reporting period	-	-	-		-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	47,49,71,917	-	-	-	(59,84,024)	-	46,89,87,893
Dividends	-	-	-		-	-	-	-	-	-
Transfer to retained earnings	-	-	-		-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	**1**	**-**	**-**	**(52,68,57,016)**	**-**	**20,43,660**	**-**	**(59,53,441)**	**-**	**(53,07,66,796)**

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

MANISH KUMAR SINGHAL
Partner
M.No. 502570

New Delhi, 10th May, 2019

MAHENDRA NAHATA
Chairman
(DIN: 00052898)

R.M. KASTIA
Director
(DIN: 00053059)

S. NARAYANAN
Company Secretary

C.D. PONNAPPA
C F O

New Delhi, 10th May, 2019

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 Himachal Futuristic Communications Limited (HFCL), which is now the Holding Company. From 2015-16, the Company has started manufacturing Optical Fibre Cables.

The financial statements are approved for issue by the Company's Board of Directors on May 10, 2019.

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:-

Standards issued but not yet effective

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified IndAS116, Leases. Ind AS 116 will replace the existing leases Standard, IndAS17 Leases, and related interpretations. 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. IndAS116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The enhanced disclosure requirements for lessees. IndAS116 substantially carries forward the lessor accounting requirements in IndAS17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under IndAS17 immediately before the date of initial application

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of IndAS116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to IndAS116, and take the cumulative adjustment to retained earnings, on the date of initial application (April1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted.The effect on adoption of Ind AS 116 Appendix C would be insignificant in the standalone financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the incometax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The company does not expect this amendment to have any impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The company does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

3. Significant accounting policies

3.1. Basis of preparation

3.1.1. Compliance with Ind AS

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 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 bringthe 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:-

Asset Class	Useful Life
Freehold Buildings*	Factory Building : 20 years Staff Quarters : 40 years
Leasehold Improvements	Over the period of lease
Plant & Machinery	8.33 years for Double Shift operated plant
Furniture & Fixtures	10 years
Electrical Installations	10 years
Computers	3 – 6 years
Office Equipments	5 years
Vehicles*	5 years
Air Conditioning Plant*	6.67 years
R & D Equipment	10 years
Telephone Exchange (Model)	13 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.

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

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of Impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Lease receivables under Ind AS 17

d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

e) Loan commitments which are not measured as at FVTPL

f) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

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

- Dies, Jigs and Fixtures : Written off at 12.5% p.a. on the original cost.

- Manufactured Tools each costing Rs. 5,000/- or less are charged off in full in the first year of use.

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

3.10. Revenue recognition

- **Sale of Goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue in respect of sales orders received on provisional price basis, is recognized on a provisional basis except to the extent stated otherwise. In respect of such sales orders, the Company recognizes the differential revenue, being the difference between provisional price and the final price, at the time when the provisional price gets firmed up.

- **Interest income**

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR).

- **Rental income**

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

- **Insurance Claims**

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

3.11. Excise and custom duty

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

3.12. Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

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.

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 acorresponding 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 expectedto be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service andnon-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.

4.**Property, Plant and equipment**

Costs	Plant and Machinery	Building Freehold	Electrical Installations	Furniture and Fixtures	Office Equipments	Computers	Vehicles	Land Leasehold	Land Freehold	Total
As at March 31, 2017	45,82,48,033	14,34,24,534	-	76,873	14,44,326	72,41,433	42,00,746	-	6,35,895	61,52,71,840
Additions	7,94,38,033	5,29,22,488	-	80,900	13,21,003	17,05,665	23,58,387	-	-	13,78,26,476
Disposals / Adjustments										-
As at March 31, 2018	53,76,86,066	19,63,47,022	-	1,57,773	27,65,329	89,47,098	65,59,133	-	6,35,895	75,30,98,316
Additions	36,86,61,595	6,51,68,786	89,35,332	22,11,957	12,53,404	35,64,803	-	-	-	44,97,95,878
Disposals / Adjustments										-
As at March 31, 2019	90,63,47,661	26,15,15,808	89,35,332	23,69,730	40,18,733	1,25,11,901	65,59,133	-	6,35,895	1,20,28,94,194
Accumulated depreciation and impairment	**Plant and Machinery**	**Building Freehold**	**Electrical Installations**	**Furniture and Fixtures**	**Office Equipments**	**Computers**	**Vehicles**	**Land Leasehold**	**Land Freehold**	**Total**
As at March 31, 2017	5,57,29,305	3,82,22,768	-	14,850	6,77,330	43,57,263	29,97,272	-	-	10,19,98,788
Depreciation for the year	5,60,71,399	69,51,706	-	32,604	7,11,056	28,37,352	14,50,474	-	-	6,80,54,591
Disposals / Adjustments										-
As at March 31, 2018	11,18,00,704	4,51,74,474	-	47,454	13,88,386	71,94,615	44,47,746	-	-	17,00,53,379
Depreciation for the year	7,39,86,414	93,81,903	3,08,741	2,28,944	7,98,236	15,67,426	8,48,500	-	-	8,71,20,164
Disposals / Adjustments										
As at March 31, 2019	18,57,87,118	5,45,56,377	3,08,741	2,76,398	21,86,622	87,62,041	52,96,246	-	-	25,71,73,543
Net Book Value	**Plant and Machinery**	**Building Freehold**	**Electrical Installations**	**Furniture and Fixtures**	**Office Equipments**	**Computers**	**Vehicles**	**Land Leasehold**	**Land Freehold**	**Total**
As at March 31, 2018	42,58,85,362	15,11,72,548	-	1,10,319	13,76,943	17,52,483	21,11,387	-	6,35,895	58,30,44,937
As at March 31, 2019	72,05,60,543	20,69,59,431	86,26,591	20,93,332	18,32,111	37,49,860	12,62,887	-	6,35,895	94,57,20,651

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.

4a Intangible Asset

Costs	Intangible Asset	Total
As at March 31, 2017	-	-
Additions	-	-
Disposals / Adjustments		-
As at March 31, 2018	-	-
Additions	1,58,68,641	1,58,68,641
Disposals / Adjustments		-
As at March 31, 2019	1,58,68,641	1,58,68,641
Accumulated depreciation and impairment	**Intangible Asset**	**Total**
As at March 31, 2017	-	-
Depreciation for the year	-	-
Disposals / Adjustments		-
As at March 31, 2018	-	-
Depreciation for the year	64,41,727	64,41,727
Disposals / Adjustments		
As at March 31, 2019	64,41,727	64,41,727
Net Book Value	**Intangible Asset**	**Total**
As at March 31, 2018	-	-
As at March 31, 2019	94,26,914	94,26,914

5 Capital Works-In-Progress

Particulars	As at March 31, 2019	As at March 31, 2018
Buildings	25,44,655	32,27,098
Plant & Machinery	1,52,86,625	-
Intangible Assets (Software)	-	1,22,39,117
	1,78,31,280	1,54,66,215

6 Non-Current Financial Assets - Other Bank Balances

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed Deposits with Bank (Maturity more than 12 months)	5,37,37,047	5,21,54,786
Total	**5,37,37,047**	**5,21,54,786**

7 Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
Inventories		
Raw Material	42,83,92,938	24,95,05,632
Work-in-progress	10,75,74,422	5,35,28,180
Finished goods	13,96,13,090	2,44,59,347
Stock-in-trade Goods	1,36,71,114	-
Stores & Spares	1,44,09,578	14,55,374
Total	**70,36,61,142**	**32,89,48,533**

8 Current Financial Assets - Investments

Particulars	As at March 31, 2019	As at March 31, 2018
Investments		
Investments in Equity shares	1,01,950	4,41,950
Total	**1,01,950**	**4,41,950**

Current Financial Assets - investments

Particulars	As at March 31, 2019		As at March 31, 2018	
	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 Valur Rs. 10/- per share	10,195	1,01,950	44,195	4,41,950
Total Investment FVTOCI		**1,01,950**		**4,41,950**
Total Current Financial Investments		**1,01,950**		**4,41,950**

9 Current Financial Assets - Trade Receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables		
(a) Secured, considered good;		
(a) Unsecured, considered good;	63,19,57,491	57,04,64,442
(c) Doubtful		
Total	**63,19,57,491**	**57,04,64,442**

9.1. Expected credit loss for Trade Receivables:

Ageing	Gross Carrying Amount	Expected loss rate	Expected credit loss (Provision)	Carrying amount of Trade receivables
Not Due	46,04,17,183	-	-	46,04,17,183
0-180 days past due	9,45,56,474	-	-	9,45,56,474
181-365 days past due	4,50,86,697	-	-	4,50,86,697
More than 365 days past due	3,18,97,136	-	-	3,18,97,136
Total	**63,19,57,491**	**-**	**-**	**63,19,57,491**

9.2 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 to be released at the end of the delivery completion.

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

10 Current Financial Assets - Cash & cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Cash & Cash Equivalents		
Balance with banks;	6,81,38,139	10,34,50,581
Cheques, drafts on hand;	-	-
Cash on hands;	1,32,730	1,55,429
Fixed Deposits with Bank (Original maturity less than 3 months)	3,11,00,000	6,04,72,636
Total	**9,93,70,869**	**16,40,78,646**

11 Current Financial Assets - Other Bank Balances

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed Deposits with Bank (Maturity less than 12 months)	11,21,74,845	2,75,30,050
Total	**11,21,74,845**	**2,75,30,050**

12 Current Financial Assets -Other Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Other Financial Assets		
A) Advances other than capital advances;		
a.) Security Deposits		
(i) Unsecured, considered good;	1,21,22,796	91,86,708
Total	**1,21,22,796**	**91,86,708**

13 Current Tax Assets (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance tax/TDS(net of tax)	48,45,648	37,83,813
Total	**48,45,648**	**37,83,813**

14 Other Current Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Other Current Assets		
Interest Receivables	1,02,92,704	85,67,152
Advances Recoverable in cash or in kind	5,65,83,054	1,28,33,174
Balance with GST, Custom, Excise etc.	1,26,24,537	3,85,16,142
Other Receivables	1,78,13,830	1,90,55,999
Total	**9,73,14,125**	**7,89,72,467**

15 (a) Equity Share Capital

Authorized **(In Rupees)**

	No of Shares	Amount
As at March 31, 2017	20,00,000	20,00,00,000
Increase during the year		
As at March 31, 2018	20,00,000	20,00,00,000
Increase during the year		
As at March 31, 2019	20,00,000	20,00,00,000

Issued

Movement in Equity Share Capital

	No of shares	Equity Share Capital par value
As at March 31, 2017	**15,00,000**	15,00,00,000
Add: Shares issued during the year		
Add: Bonus shares issued during the year		
Less: Share bought back during the year		
As at March 31, 2018	**15,00,000**	15,00,00,000
Add: Shares issued during the year		
As at March 31, 2019	**15,00,000**	15,00,00,000

Equity Shares

i) 82,000 (Previous year-82,000) Equity Shares of Rs.100/- each (41,000 shares issued on 30/06/1973 and 41,000 shares on 05/01/1983), fully paid up were alloted as fully paid up bonus shares by capitalisation of General Reserves.

ii) 1,110,000 (Previous year-1,110,000) Equity Shares of Rs.100/- each are fully paid up, are held by the Holding Company, Himachal Futuristic Communication Limited.

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

Name of Shareholder		**As at March 31, 2019** No. of share held	**As at March 31, 2018** No. of share held
Himachal Futuristic Communications Ltd.		11,10,000	11,10,000
	% of Holding	74%	74%
Govt. of India represented by President of India		3,89,996	3,89,996
	% of Holding	26%	26%

iv) The reconcilation of the number of shares outstanding as at 31st March, 2019 is set out below:

Particulars	Number of Shares as at 31st March, 2019	Number of Shares as at 31st March, 2018
Number of shares at the beginning	15,00,000	15,00,000
Add: Shares issued during the year		
Number of shares at the end	15,00,000	15,00,000

(b) Other Equity

	As at March 31, 2019	As at March 31, 2018
Capital Reserve	1	1
Retained Earnings	(53,28,10,457)	(1,00,17,98,349)
Share based payment to Employees *	20,43,660	-
	(53,07,66,796)	(1,00,17,98,348)

*Share based Payment related to ESOPs and RSU's granted by the holding company to the employees of HTL (Ref Note No.45)

(i) Capital Reserve

Particulars	Amount
As at March 31, 2017	1
Increase during the year	-
As at March 31, 2018	1
Increase during the year	-
As at March 31, 2019	1

(ii) Retained Earnings

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	(1,00,17,98,350)	(1,14,69,37,791)
Net profit for the period	47,49,71,917	14,71,96,484
Items of Other Comprehensive Income recognised directly in Retained Earnings		
Remeasurement of Defined benefit plans	(59,84,024)	(20,57,043)
Equity Instruments measured at Fair value		
	(53,28,10,457)	(1,00,17,98,350)

(iii) Share based payment

Particulars	Amount
As at March 31, 2017	-
Increase during the year	-
As at March 31, 2018	-
Increase during the year	20,43,660
As at March 31, 2019	20,43,660

16 Non-Current Financial Liabilities - Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings		
a) Term Loans		
(i) from Banks	-	-
(i) from other parties	6,24,20,000	6,24,20,000
b) Interest Accrued on above	24,21,39,109	23,68,87,510
c) Loans from related parties;	24,50,00,000	24,50,00,000
Total	54,95,59,109	54,43,07,510

Also refer Note No. 43

16.1 The amount due for repayment by Company in respect to the repayments of Principal and Interest as Loan from Govt. of India

Period of due for repayment	Amounts in Lakh	
	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
Total	624.20	2,421.40

Also refer Note No. 42

17 Non-Current Financial Liabilities - Other Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Others		
Advance from related parties	72,00,00,000	72,00,00,000
Total	**72,00,00,000**	**72,00,00,000**

Also refer Note No. 43

18 Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provisions		
a.) Provisions for Employee Benefits	3,08,04,652	2,18,29,295
b.) Provisions - Others	-	-
Total	**3,08,04,652**	**2,18,29,295**

19 Current Financial Liabilities - Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings		
a.) Loans repayable on demands		
(i) from Banks	-	-
(ii) from other parties	5,00,00,000	10,00,00,000
Total	**5,00,00,000**	**10,00,00,000**

20 Current Financial Liabilities - Trade Payables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Payables		
Micro, Small & Medium Enterprises	2,11,13,895	-
Others	1,49,61,88,213	1,18,42,35,407
Total	**1,51,73,02,108**	**1,18,42,35,407**

21 Current Financial Liabilities - Other Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Other Financial Liabilities		
a) interest accrued but not due;	16,33,69,957	6,51,67,378
Total	**16,33,69,957**	**6,51,67,378**

22 Other Current Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Other Current Liabilities		
a) Advances from Customers;	22,93,530	29,72,121
b) Others		
Statutory Liabilities	1,21,39,639	98,43,538
Other liabilities	1,81,81,586	1,30,06,113
Total	**3,26,14,756**	**2,58,21,772**

23 Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provisions		
Provisions for Employee Benefits	13,25,268	11,52,089
Provisions - Others	1,30,29,840	2,65,18,844
Total	**1,43,55,108**	**2,76,70,933**

24 Revenue from operations

Particulars	For the years ended March 31, 2019	For the years ended March 31, 2018
Sale of products	4,67,61,37,998	2,82,33,25,480
Sale of services	6,23,061	
Total	**4,67,67,61,059**	**2,82,33,25,480**

25 Other Income

Particulars	For the years ended March 31, 2019	For the years ended March 31, 2018
Other non-operating income		
Interest Income	1,17,01,972	1,18,54,330
Others		
Interest on Income Tax Refund	1,69,614	-
Excess provision written back	1,51,51,457	6,73,56,341
Scrap Sales	57,64,122	80,40,239
Rent Received	44,32,175	30,42,912
Foreign Exchange Fluctuation (Net)	1,95,34,772	40,60,166
Miscellaneous Income	86,72,435	48,66,355
Total	**6,54,26,547**	**9,92,20,343**

26 Cost of Material Consumed

	For the years ended March 31, 2019	For the years ended March 31, 2018
Opening Balance	24,95,05,632	17,97,52,914
Add : Purchases during the year	3,89,47,81,604	2,35,87,34,592
	4,14,42,87,236	2,53,84,87,506
Less: Closing Stock	42,83,92,938	24,95,05,632
	3,71,58,94,298	**2,28,89,81,874**

27 Other Direct Cost

Particulars	For the years ended March 31, 2019	For the years ended March 31, 2018
Consumption of stores and spares parts	3,18,55,472	89,21,429
Total	**3,18,55,472**	**89,21,429**

28 Employee benefits expenses

Particulars	For the years ended March 31, 2019	For the years ended March 31, 2018
Salaries, bonus and allowances	18,26,59,752	14,53,15,955
Contribution to Provident and other funds	95,82,068	65,77,952
Staff welfare expenses	62,95,259	1,82,15,297
Total	**19,85,37,079**	**17,01,09,204**

29 Finance costs / Finance Income (Net)

Particulars	For the years ended March 31, 2019	For the years ended March 31, 2018
Finance Costs:		
Bank Loan Interest	26,256	19,850
Other Interest	12,80,37,703	4,47,88,869
Bank Charges	37,92,537	45,88,277
	13,18,56,496	**4,93,96,996**

30 Other expenses

Particulars	For the years ended March 31, 2019	For the years ended March 31, 2018
Rent of machinery	7,52,173	-
Rates and Taxes	74,56,951	29,56,510
Auditors' Remuneration		
Audit Fee	10,00,000	10,00,000
Tax Audit Fee	6,00,000	4,00,000
Out of pocket expenses	2,59,346	2,95,066
Legal and Professional Charges	2,82,14,155	1,58,77,221
Excise Duty	-	7,05,55,680
Communication Expenses	6,95,772	5,82,711
Travelling and Conveyance Expenses	83,50,505	49,11,737
Power and Fuel & Water Charges	6,97,93,259	4,41,17,939
Repairs and Maintenance	1,32,08,113	57,35,631
Insurance Expenses	30,58,205	24,18,934
Office and General Expenses	29,71,867	-
Bad debts, Loans and Advances, other balances written off (net)	65,89,656	-
Directors Sitting Fees	72,500	28,438
Leasing Charges	-	59,700
Liquidated Damages on Sales	5,98,32,002	-
Vehicles- Running & Maintenance(CAR)	3,14,620	3,79,025
Security Charges	74,11,012	55,32,920
Printing and stationery	22,17,713	7,02,759
Selling and Distribution Expenses	2,54,69,079	2,69,79,256
Miscellaneous Expenditure	1,00,30,950	1,32,59,003
Total	**24,82,97,877**	**19,57,92,530**

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Basic & Diluted Earnings per share	**Rs.**	Rs.
Profit /(Loss) after tax	**47,49,71,917**	**14,71,96,484**
Less: Preference dividend	**-**	-
Profit attributable to ordinary shareholders	**47,49,71,917**	**14,71,96,484**
Weighted average number of ordinary shares (used as denominator for calculating basic EPS)	**15,00,000**	15,00,000
Weighted average number of ordinary shares (used as denominator for calculating diluted EPS)	**15,00,000**	15,00,000
Nominal value of ordinary share	**Rs.100**	**Rs. 100**
Earnings per share basic	**316.65**	**98.13**
Earnings per share diluted	**316.65**	**98.13**

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 4a
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” issued by the ICAI :

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	**Components of Employer expense**	**31-Mar-19**	**31-Mar-18**	**31-Mar-19**	**31-Mar-18**
	Service Cost				
1	Current service Cost	15,66,465	10,75,751	15,44,513	12,70,414
2	Past service cost	-	-	-	-
3	Curtailement Cost/(Credit)	-	-	-	-
4	Settlement Cost/(Credit)	-	-	-	-
5	Total Service Cost	15,66,465	10,75,751	15,44,513	12,70,414
	Net Interest Cost				
6	Interest Expense on DBO	12,03,311	11,40,298	5,21,830	4,15,867
7	Interest (Income on Plan Asset)	-	-	-	-
8	Interest (income)on reimbursement rights	-	-	-	-
9	Interest expense on effect of (asset ceiling)	-	-	-	-
10	**Total Net Interest**	12,03,311	11,40,298	5,21,830	4,15,867
11	Immediate Recognition of (Gain)/Losses/Other Long Term Benefits	-	-	-	-
12	Cost of Termination Benefits	-	-	-	-
13	Administrative Expenses and Taxes	-	-	-	-
14	**Defined Benefits cost included in P&L**	27,69,776	22,16,050	20,66,343	16,86,281

B	Net Asset/(Liability) Recognised in Balance Sheet –	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
1	Actuarial (Gain) / Losses due to Demographic Assumption changes in DBO	-	-	-	-
2	Actuarial (Gain) / Losses due to Financial Assumption changes in DBO	25,14,616	(4,10,799)	24,98,213	(1,82,177)
3	Actuarial (Gain)/ Losses due to Experience on DBO	1,84,155	36,890	7,87,040	26,13,129
4	Return on Plan Assets (Greater) / Less than Disount rate	-	15,12,016	-	-
5	Return on reimbursement rights (excluding interest income)	-	-	-	-
6	Changes in asset ceiling /onerous liability (excluding interest Income)	-	-	-	-
7	**Total actuarial (gain)/loss included in OCI**	26,98,771	11,38,107	32,85,252	24,30,952
8	**Total cost recognised in P&L and OCI (Defined Benefit Cost)**	-	-	-	-
9	Cost Recognised in P&L	27,69,776	22,16,050	20,66,343	16,86,281
10	Remeasurement Effect Recognised in OCI	26,98,771	11,38,107	32,85,252	24,30,952
11	**Total Defined Benefit Cost**	54,68,547	33,54,156	53,51,595	41,17,233

C	Net Asset/(Liability) Recognised in Balance Sheet	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
1	Present value of Funded Obligation	-	-		
2	Fair Value of Plan Assets	-	-	-	-
3	Present value of Unfunded obligation	2,09,15,416	1,54,46,869	1,12,14,504	75,34,515
	Funded status [Surplus/(Deficit)]	(2,09,15,416)	(1,54,46,869)	(1,12,14,504)	(75,34,515)
4	Unrecognised Past Service Costs	-	-	-	-
5	**Net Assets/(Liability)Recognised in balance sheet**	(2,09,15,416)	(1,54,46,869)	(1,12,14,504)	(75,34,515)
6	Present value of Encashment Obligation	-	-	1,03,51,706	67,81,512
7	Present value of Availment Obligation	-	-	8,62,798	7,53,003
8	**REVISED SCHEDULE III COMPANIES ACT, 2013**	-	-	-	-
	CURRENT LIABILITY	3,46,647	2,97,187	9,78,621	8,54,902
	NON-CURRENT LIABILITY	2,05,68,769	1,51,49,682	1,02,35,883	66,79,613

HTL Limited - Financial Statements
(All amounts are in Rs.)
Notes to Financial Statements for the year ended March 31, 2019

D	Change in Obligation over the period ending on	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
1	Present Value of Defined Benefits Obligation at Beginning(Opening)	1,54,46,869	1,59,36,674	75,34,515	73,56,476
2	Current Service Cost	15,66,465	10,75,751	15,44,513	12,70,414
3	Interest Cost	12,03,311	11,40,298	5,21,830	4,15,887
4	Plan Amendments	-	-	-	-
5	Prior Service Costs	-	-	-	-
6	Curtailments	-	-	-	-
7	Settlements	-	-	-	-
8	Actuarial (Gains)/Loss	26,98,771	(3,73,909)	32,85,253	24,30,952
9	Benefits Paid	-	(23,31,945)	(16,71,607)	(39,39,194)
10	Acquisitions/Divestures	-	-	-	-
11	Present Value Of Defined Benefits Obligation At the end (Closing)	2,09,15,416	1,54,46,869	1,12,14,504	75,34,515
	Reconciliation of Opening & Closing Values of Plan Assets				
	AS015 Para 120(e) (i) to (viii)				
1	Fair Value of Plan Assets at the beginning(Opening)	-	15,12,016	-	-
2	Expected Return on Assets	-	-	-	-
3	Employer Contribution	-	23,31,945	16,71,607	39,39,194
4	Plan Participants Contributions	-	-	-	-
6	Settlements By Fund Manager	-	-	-	-
7	Benefits Payouts	-	(23,31,945)	(16,71,607)	(39,39,194)
8	Actuarial gain/(Loss)	-	(15,12,016)	-	-
9	Fair Value of assets at the End	-	-	-	-
10	Actual Return on Plan Assets	-	(15,12,016)	-	-

E	Amounts Recognized in Other Comprehensive Income	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
1	Opening cumulative other comprehensive Income	8,04,691	(3,33,416)	31,75,063	7,44,111
2	Actuarial Loss / (Gain) On DBO	26,98,771	(3,73,909)	32,85,253	24,30,942
3	Actuarial Loss /(Gain) On Assets	-	15,12,016	-	-
4	Prior Service Cost (Credit)	-	-	-	-
5	Amortization Of Prior Service Cost	-	-	-	-
6	Amortization Actuarial Loss /(Gain)	-	-	-	-
7	**Total Recognised In Other Comprehensive Income**	35,03,462	8,04,691	64,60,316	31,75,063

F	Reconciliation Of Net Asset/(Liability) Recognised in Balance Sheet	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
1	Net Balance sheet Asset/(Liability) Recognised at beginning	(1,54,46,869)	(1,44,24,658)	(75,34,515)	(73,56,476)
2	Amount Recognised In Accumulated Other Comprehensive Income/Loss at the begginning of the period	(8,04,691)	(3,33,416)	(31,75,063)	(7,44,111)
3	(Accrued)/ Prepaid benefit cost(Before adjustment) at begginning the of period	(1,46,42,178)	(1,47,58,074)	(43,59,452)	(66,12,365)
4	Net Periodic Benefit (Cost)/Income for the period	(27,69,776)	(22,16,050)	(20,66,343)	(16,86,281)
5	Employer Contribution	-	23,31,945	16,71,607	39,39,194
6	Currency Impact	-	-	-	-
7	**(Accrued)/ Prepaid benefit cost(Before Adj) at end of period**	(1,74,11,954)	(1,46,42,179)	(47,54,188)	(43,59,452)
8	Amount Recognised In Accumulated Other Comprehensive Income/Loss at the begginning of the period	(35,03,462)	(8,04,691)	(64,60,316)	(31,75,063)
9	**Net Balance Sheet Asset/Liab Recognised at the end of the period**	(2,09,15,416)	(1,54,46,869)	(1,12,14,504)	(75,34,515)

HTL Limited - Financial Statements
(All amounts are in Rs.)
Notes to Financial Statements for the year ended March 31, 2019

G	INFORMATION REQUIRED UNDER IND AS 19	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
	Projected Benefit Obligation	2,09,15,416	1,54,46,889	1,12,14,504	75,34,515
	Accumulated Benefit Obligation	1,39,24,449	1,15,84,800		
	FIVE YEAR PAYOUTS				
1	2018	-	2,97,187	-	1,46,370
2	2019	3,46,647	2,88,440	9,78,621	1,41,844
3	2020	3,46,540	2,80,346	1,70,610	1,37,596
4	2021	7,52,505	6,11,936	4,88,784	4,41,737
5	2022	3,43,571	2,62,495	1,64,206	1,24,069
6	2023	3,87,229	-	1,79,707	-
7	NEXT 5 YEAR PAYOUTS(6-10YRS)	1,06,20,034	59,47,844	51,88,577	27,33,364

H	Components of Employer expense	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
1	Current service Cost	15,66,465	10,75,751	15,44,513	12,70,414
2	Interest cost	12,03,311	11,40,298	5,21,830	4,15,867
3	Expected return On assets	-	-	-	-
4	Amortization Of Prior Service Costs	-	-	-	-
5	Losses / (Gains) On Curtailments &Settlement	-	-	-	-
6	Net Actuarial Loss/(Gain)	-	-	-	-
7	Amortization of Actuarial Loss/(Gain)	-	-	-	-
8	**Total Emp. Exp Recognised in the Statement of P & L**	27,69,776	22,16,050	20,66,343	16,86,281

I	Assumptions	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
1	Discount Rate	7.79%	7.72%	7.79%	7.44%
2	Expected Return on Assets	0.00%	0.00%	0.00%	0.00%
3	Salary Esclaration	6.00%	3.00%	6.00%	3.00%
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

J	Assets Distribution	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
1	Govt Securities(Central&State)	0%	0%	0%	0%
2	Highquality Corporate Bonds	0%	0%	0%	0%
3	Equity shares of Listed Cos	0%	0%	0%	0%
4	Property	0%	0%	0%	0%
5	Special deposits	0%	0%	0%	0%
6	Others(PSU)	0%	0%	0%	0%
7	Assets Under Insurance Schemes	0%	0%	0%	0%
8	Total	0%	0%	0%	0%

Note-1: 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 Actuary.

34 **Commitments and Contingencies**

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

		As at 31,Mar,19 (Rs in lakhs)	As at 31,Mar,18 (Rs in lakhs)
(i)	Guarantees given by banks on behalf of the Company	976.46	721.25
(ii)	Impact of pending litigations not acknowledged as debt in financial statements	332.99	323.13

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

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

(c) As at 31st March, 2019 the Company did not have any outstanding term derivative contracts.

(b) Capital Commitments	**As at 31,Mar,19 (Rs in lakhs)**	**As at 31,Mar,18 (Rs in lakhs)**
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	126.10	45.00

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:	Himachal Futuristic Communications Limited(HFCL)
(b) Fellow Subsidiary:	HFCL Advance Sysytems Private Limited Polixel Securities Systems P.Ltd Moneta Finance Private Limited
(c) Associates of Holding Co.:	Exicom Tele-systems Ltd
(e) Joint Venture of Holding Co.:	Dragonwave HFCL India P.Ltd.
(f) Key management personnel :	Dr. R.M.Kastia, Whole Time Director (up to 31.01.2018) Mr.G.S.Naidu, COO & Manager Mr. C.D.Ponnappa Chief Finance Officer Mr. S.Narayanan, Company Secretary

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

(ii). Nature of transactions - The transactions entered into with the related parties during the year along with related balances as at 31st March, 2019 are as under:

Amount (Rs. In lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Purchases/receiving of Goods & Materials		
Himachal Futuristic Communications Limited	6,514.02	8873.83
Sales/rendering of Goods & Materials		
Himachal Futuristic Communications Limited	3,852.79	4291.85
Fixed Assets purchased		
Himachal Futuristic Communications Limited	83.62	237.88
Fixed Assets (scrapped)sold		
Himachal Futuristic Communications Limited	-	-
Income - Rent /Other expenses		
Himachal Futuristic Communications Limited	3.62	1.52
Exicom Tele-Systems Limited	3.30	
Expenses – recovered		
Himachal Futuristic Communications Limited	3.47	2.00
Loan received		
Himachal Futuristic Communications Limited	-	-
Interest paid		
Himachal Futuristic Communications Limited	1,132.10	318.50
Outstanding - Payable (net)		
Himachal Futuristic Communications Limited - Trade Payable	3,345.59	7694.59
Exicom Tele-Systems Limited	8.53	-
Himachal Futuristic Communications Limited - Adavnce	7200.00	7200.00
Himachal Futuristic Communications Limited - Loan with interest	4037.53	3018.64
Remuneration of Key Management Personnel's		
(a) Short term employee benefits	113.66	254.56
(b) Post employment benefits*	4.19	3.75
(c) Other long term benefits*	-	-
(d) Share based payments#	15.37	-

* Note: As the liabilities for defined benefit plans are provided on acturial 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.

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 2.53% (Previous year 2.43%) of the total turnover of the Company, hence there are no reportable geographical segments.

37 Financial Instruments by category

Particulars	Mar-19			Mar-18		
	FVTPL	FVTOCI	Amortisied Cost	FVTPL	FVTOCI	Amortisied Cost
1) Financial Assets						
I) Investments						
Equity shares						
(i) NSL Wind Power Company (Phoolwadi) Private Limited	-	1,01,950	-	-	4,41,950	-
Bank Deposits	-	-	5,37,37,047	-	-	5,21,54,786
II) Trade Receivables	-	-	63,19,57,491	-	-	57,04,64,442
III) Cash and Cash Equivalents	-	-	9,93,70,869	-	-	16,40,78,646
IV)Other Bank balances	-	-	11,21,74,845	-	-	2,75,30,050
V)Security deposits for utlilites and premises	-	-	1,21,22,796	-	-	91,86,708
1) Total Financial Assets	**-**	**1,01,950**	**90,93,63,048**	**-**	**4,41,950**	**82,34,14,632**
2) Financial Liabilites						
I) Borrowings						
A) From Banks	-	-	-	-	-	-
B) From Others	-	-	59,95,59,109	-	-	64,43,07,510
II) Trade Payables	-	-	1,51,73,02,108	-	-	1,18,42,35,407
III) Other Liabilites	-	-	88,33,69,957	-	-	78,51,67,378
2) Total Financial Liabilites	**-**	**-**	**3,00,02,31,174**	**-**	**-**	**2,61,37,10,295**

1. 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.

Financial Assets measured at Fair Value recurring Fair value measurements at 31-03-2019	Note No.	Level 1	Level 2	Level 3
Financial Assets				
Investments				
(i) NSL Wind Power Company (Phoolwadi) Private Limited	8	-	1,01,950	-
Total Financial Assets		-	**1,01,950**	-

Assets and Liabilities which are measured at Amortised Cost for which fair value are disclosed at 31-03-2019	Note No.	Level 1	Level 2	Level 3
Financial Assets				
Bank Deposits	6	-	5,37,37,047	-
Trade Receivables	9	-	63,19,57,491	-
Cash and Cash Equivalent	10	-	9,93,70,869	-
Other Bank Balances	11	-	11,21,74,845	-
Security deposit for utlities and premises	12	-	1,21,22,796	-
Total Financial Assets		**-**	**90,93,63,048**	**-**

Liabilites which are measured at Amortised cost at 31-03-2019	Note No.	Level 1	Level 2	Level 3
Financial Liabilities				
I) Borrowings				
A) From Banks		-	-	-
B) From Others	16 & 19	-	59,95,59,109	-
II) Trade Payables	20	-	1,51,73,02,108	-
III) Other Liabilites	21	-	88,33,69,957	-
Total Financial Liabilities		**-**	**3,00,02,31,174**	**-**

Financial Assets measured at Fair Value recurring Fair value measurements at 31-03-2018	Note No.	Level 1	Level 2	Level 3
Financial Assets				
Investments				
(i) NSL Wind Power Company (Phoolwadi) Private Limited	8	-	4,41,950	-
Total Financial Assets		-	**4,41,950**	-

Assets and Liabilities which are measured at Amortised Cost for which fair value are disclosed at 31-03-2018	Note No.	Level 1	Level 2	Level 3
Financial Assets				
Bank Deposits	6	-	5,21,54,786	-
Trade Receivables	9	-	57,04,64,442	-
Cash and Cash Equivalent	10	-	16,40,78,646	-
Other Bank Balances	11	-	2,75,30,050	-
Security deposit for utlities and premises	12	-	91,86,708	-
Total Financial Assets		**-**	**82,34,14,632**	**-**

Liabilites which are measured at Amortised cost at 31-03-2018	Note No.	Level 1	Level 2	Level 3
Financial Liabilities				
I) Borrowings				
A) From Banks		-	-	-
B) From Others	16 & 19	-	64,43,07,510	-
II) Trade Payables	20	-	1,18,42,35,407	-
III) Other Liabilites	17 & 21	-	78,51,67,378	-
Total Financial Liabilities		**-**	**2,61,37,10,295**	**-**

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 objectives and policies**

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

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

MANAGEMENT OF LIQUIDITY RISK

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

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

Particulars	Notes Nos.	Carrying amount	Less than 12 months	More than 12 months	Total
As at March 31, 2019					
Borrowings	16 & 19	59,95,59,109	5,00,00,000	54,95,59,109	59,95,59,109
Trade Payables	20	1,51,73,02,108	1,51,73,02,108	-	1,51,73,02,108
Deposits		-	-	-	-
Obligations under finance lease		-	-	-	-
Other liabilities	21	88,33,69,957	16,33,69,957	72,00,00,000	88,33,69,957
As at March 31, 2018					
Borrowings	16 & 19	64,43,07,510	10,00,00,000	54,43,07,510	64,43,07,510
Trade Payables	20	1,18,42,35,407	1,18,42,35,407	-	1,18,42,35,407
Deposits		-	-	-	-
Obligations under finance lease		-	-	-	-
Other liabilities	17 & 21	78,51,67,378	6,51,67,378	72,00,00,000	78,51,67,378

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 2019 and 31 March 2018.

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
1. PRICE RISK		
The company is mainly exposed to the price risk due to its investment in equity instruments. The price risk arises due to uncertainties about the future market values of these investments. Equity Price Risk is related to the change in market reference price of the investments in equity securities. The fair value of some of the Company's investments in fair value through other comprehensive income securities exposes to equity price risks. In general, these securities are not held for trading purposes. The fair value of unquoted equity instruments classified as fair value through other comprehensive income as at March 31st,2019 was Rs.1.02Lakhs, (March 31st, 2018 was Rs.4.41Lakhs), the fair value of which is determined using valuation techniques.	In order to manage its price risk arising from investments, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.	As an estimation of the approximate impact of price risk investments in equity instruments, the Company has calculated the impact as follows. For equity instruments, a 10% increase in prices would have led to approximately an additional gain of Rs.0.10 lakhs for year ending March 2019 (Rs.0.44 for year ending March 2018) 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 Fixed deposits with Banks amounting to Rs. 19.70 Cr as at March 31st, 2019 (Rs.14.02 Cr as at March 31st , 2018) Interest Income earned on fixed deposit for year ended March 31st , 2019 is Rs. 1.09 Cr (Rs.0.80 Cr as at March 31st , 2018)	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. 0.049 Cr gain for year ended March 31st, 2019 (Rs.0.035 Cr gain for year ended March 31st 2018) 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 2019, the Company had top 2 customers (31 March 2018: top 3 customers) that owed the Company more than INR 58.41 Cr (31 March 2018: 54.31 Cr) and accounted for approximately 92.44% (31 March 2018: 95.19 %) 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 09 . The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

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

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2019 and 31 March 2018 is the carrying amounts as illustrated in Note 10 except for financial guarantees.

Capital management

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

Particulars	31-Mar-19	31-Mar-18
	INR	INR
Borrowings Note (16 & 19)	59,95,59,109	64,43,07,510
Trade Payables (Note 20)	1,51,73,02,108	1,18,42,35,407
Others (Note 17 &21)	88,33,69,957	78,51,67,378
Less: Cash and Cash equivalents(Note 10)	(9,93,70,869)	(16,40,78,646)
Deposits	-	-
Total Debt	2,90,08,60,305	2,44,96,31,649
Convertible preferences shares	-	-
Equity	(38,07,66,796)	(85,17,98,349)
Total Capital	(38,07,66,796)	(85,17,98,349)
Capital and Total Debt	2,52,00,93,509	1,59,78,33,300
Gearing Ratio	115%	153%

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

39 The Company has accumulated losses of Rs.5,307.67 Lakhs (Previous year Rs.10017.98 Lakhs) as at March 31, 2019, resulting in negative net worth of Rs. 3,807.67 Lakhs (Previous year Rs. 8,517.98 Lakhs). The Company's current liabilities exceed its current assets by Rs. 1,160.93 lakhs (Previous year Rs.2,194.89 Lakhs) as of that date. Further, the Company has overdue loans from Government of India amounting to Rs.624.20 Lakhs (Previous year: Rs. 624.20 Lakhs) together with interest accrued and due thereon of Rs.2421.39 Lakhs (Previous year: Rs.2368.88 Lakhs).

During the year the Company has expanded the manufacturing capacity of optical fibre cables plant from 3.5 million FKM to 7 million FKM and set up Cable accessories manufacturing facility at Chennai plant. The Company has achieved Sales Turnover of 46767.61 Lakhs as compared to previous year Rs. 28233.25 lakhs and achieved Profit after Tax (PAT) of Rs.4689.88 Lakhs. Based on current business scenario and the expected sales in the upcoming years, management is very confident of making positive net-worth position soon. Considering these matters the company is of the opinion that there is no uncertainty about the company being not able to continue as a going concern and hence the financial statements have been prepared on a going concern basis.

40 Loan of Rs. 624.20 Lakhs (Previous year Rs.624.20 Lakhs) together with interest accrued and due thereon of Rs.2768.39 Lakhs (Previous year Rs.2715.88 Lakhs) is due to Government of India (GOI). In addition to this, the Govt. of India has acceded 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. 42 below].

41 Out of the total land in possession of the Company at Guindy Industrial Area, Chennai, land measuring 35.89 acres is held by the Company in the capacity of assignee in terms of assignment deed dated 3.12.1968 executed by Government of Tamil Nadu for Industrial Development of Guindy Industrial Area, Chennai. In order to give title of the above assigned land in favour of the Company, the Government of Tamil Nadu had required the Company to surrender back 4.90 acres of unutilised land to the Small Industries Department, Chennai. The Company had surrendered the vacant land measuring 4.90 acres to the Small Industries Department, Chennai in2002. 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. Other necessary formalities to transfer the land in favour of the Company are in progress.

42 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 31.03.2019. In the financial statements, company has adjusted the said claim receivable from the interest liability due to GOI. The Company expects no further liability, once the adjustment is agreed upon. [Refer Note 40 above]

43 The Board of Directors of the Company has proposed a right issue of equity shares for Rs. 12,000.00 lakhs in the ratio of equity shares holding i.e 26% by GOI and 74% by Himachal Futuristic Communications Limited (HFCL), Holding Company. It is also proposed that the right issue be funded by way of conversion of outstanding loan alongwith interest due from GOI and advances/ loans extended by HFCL. The Company is in the process of obtaining formal approval from the aforesaid shareholders. Accordingly, loan outstanding from GOI alongwith interest and advances/loan received from HFCL have been shown under Non-Current Financial Liability instead of Current Financial Liability.

44 The net revenue from operation (Net of GST) for the year ended 31/03/2019 is Rs.46767.61 lakhs and Previous year ended 31st March, 2018 is Rs. 28233.25 lakhs, however, sales till the period ended 30th June, 2017 includes Rs.705.56 Lakhs of gross of Excise Duty.

45 Share Based Payment

a) ESOP Plan

On October 15, 2018, Holding Company Himachal Futuristic Communication Limited [HFCL] 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, 2019		March 31, 2018	
	No. of Options	Weighted Average Exercise price (Rs.)	No. of Options	Weighted Average Exercise price (Rs.)
Outstanding at the beginning of the year	-	-	-	-
Granted During the year	134000	11.04	-	-
Forfeited during the year	-	-	-	-
Exercise during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	134000	11.04	-	-
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 Himachal Futuristic Communication Limited [HFCL] 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, 2019		March 31, 2018	
	No. of Options	Weighted Average Exercise price (Rs.)	No. of Options	Weighted Average Exercise price (Rs.)
Outstanding at the beginning of the year	-	-	-	-
Granted During the year	234500	1	-	-
Forfeited during the year	-	-	-	-
Exercise during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	234500	1	-	-
Exercisable at the end of the year	-	-	-	-
Exercise prices for outstanding options at the end of year		1	-	-

(Rs. In lakh)

45 Corporate social responsibility expenses:

	As at March 31, 2019	As at March 31, 2018
Opening	119.45	36.71
Gross amount to be spent by the Company during the year	11.32	82.74
Amount spent during the year:		
Contribution on acquisition of assets	-	-
On other purpos	-	-
Amount remained unspent	130.77	119.45

In view of the management, due to following reason amount is not spend during the year:
(i) The Company's net worth is negative
(ii) The Company is in process of revival.
(iii) The Company is having accumulated losses.
(iv) The Company is facing financial constraints for its business operations and further growth.

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

Particulars	As at March 31, 2019	As at March 31, 2018
a. Principal amount due	68,78,646	Nil
Interest due on above	55,556	Nil
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	Nil	Nil
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. 8 ' Trade Payables' regarding Micro, Small and Medium Enterprises has been determined on the basis of information available with the Company and has been relied upon by the auditors.

47 Defered Tax

In accordance with Ind AS 12 on 'Income Taxes', issued by the Institute of Chartered Accountants of India, on conservative basis, deferred tax assets have not been accounted for in the books, since the estimation of future taxable profits cannot be made with virtual certainty supported by convincing evidences, against which such deferred tax assets would be realized.

As per our report of even date attached

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

MANISH KUMAR SINGHAL
Partner
M.No. 502570

New Delhi, 10th May, 2019

For and on behalf of the Board

MAHENDRA NAHATA	**R.M. KASTIA**
Chairman	**Director**
(DIN: 00052898)	**(DIN: 00053059)**
S. NARAYANAN	**C.D. PONNAPPA**
Company Secretary	**C F O**

New Delhi, 10th May, 2019

HTL LIMITED

ATTENDANCE SLIP

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

58th ANNUAL GENERAL MEETING 2019

I/We hereby record my/our presence at the 58th Annual General Meeting of the Company at GST Road, Guindy, Chennai- 600032 on Monday, 29th July, 2019 at 12 Noon.

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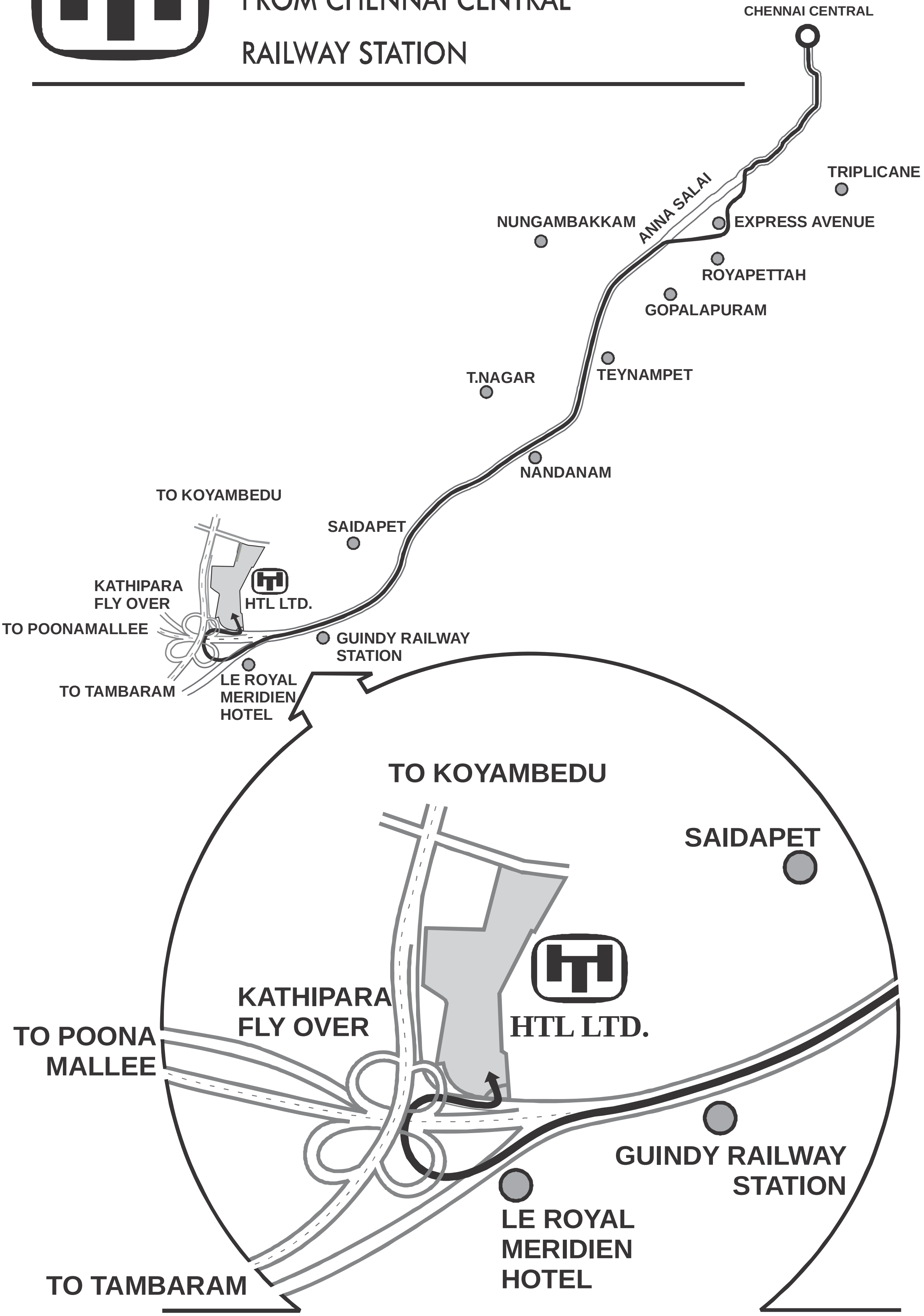
Member's Folio	Member's / Proxy's Name	Member's / Proxy's Signature

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 2019 and Notice of the Annual General Meeting alongwith Attendance Slip and Proxy Form is sent in the permitted mode to all members.

ROUTE MAP TO HTL FROM CHENNAI CENTRAL RAILWAY STATION



HTL LIMITED **PROXY FORM**

(CIN: U93090TN1960PLC004355)
Regd.Office: G.S.T.Road, Guindy, Chennai – 600032 (Tamil Nadu).
Email: coo@htlchennai.com 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 58th Annual General Meeting of the Company, to be held on Monday, 29th July, 2019 at 12 Noon at GST Road, Guindy, Chennai – 600 032 (Tamil Nadu) 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.	Consider and adopt Audited Financial Statements of the Company for the year ended 31st March, 2019, together with the Reports of the Board of Directors and Auditors thereon.		
2.	Re-appointment of Shri Mahendra Nahata (DIN: 00052898), who retires by rotation.		
3.	Re-appointment of Shri M.P.Shukla (DIN: 00052977), who retires by rotation		
4.	Appointment of M/s. Khandelwal Jain & Co., Chartered Accountants (Firm Registration No. 105049W), as Auditors and to fix their remuneration.		

Signed this......................day of ....2019.

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) For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 58th Annual General Meeting.

(4) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate 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.

** (5) This is only optional. Please put a 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

(6) Appointing a Proxy does not prevent a Member from attending the Meeting in person if he so wishes.

(7) Please complete all details including details of member(s) in above box before submission.