



57th Annual Report 2017-2018



HTL Ltd.



HTL LTD.

Corporate Information

BOARD OF DIRECTORS AS ON 31.3.2018

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 P.K.SINHA	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), Fibre Reinforced Plastic (FRP) Rods for OFC and Impregnated Glass Fibre Roving (IGFR) for OFC at the Plant in Guindy Industrial Estate, Chennai – 600 032.

Manufacturing of Fibre Reinforced Plastic Rods (FRP) at the Plant in SIPCOT Industrial Complex, Phase – I, Hosur – 635 109.



S.No.	CONTENTS	Page No
1	Notice	5
2.	Directors' Report	15
3.	Auditors' Report	37
4.	Balance Sheet	45
5.	Profit & Loss Account	47
6.	Cash Flow Statement	49
7.	Statement of Changes in Equity	51
8.	Notes to Financial Statements	52
9.	Attendance Slip	97
10.	Route Map to the Venue of AGM	99
11.	Proxy Form	101



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 Seventh Annual General Meeting of HTL Limited will be held on **Friday, the 27th July 2018 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, 2018, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of **Shri Y.L.Agarwal** (holding DIN 00024770) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
3. To appoint a Director in place of **Shri K.C.Jani** (holding DIN 02535299) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
4. To appoint Auditors for the financial year 2018-19 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.”

AS SPECIAL BUSINESS

5. To consider and approve the Re-appointment & Remuneration of Shri G.S.Naidu, Chief Operating Officer as Manager of the Company:

The following Resolution may be passed with or without modifications as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) (including any statutory modification(s) or re-enactment thereof for the time being in force) , the consent of the Company be and is hereby accorded for the re-appointment of Shri G.S.Naidu, Chief Operating Officer as the ‘Manager’ of the Company w.e.f.



25.6.2017 for a period of one year as per the existing terms and conditions, which are set out in the explanatory statement annexed to this Notice convening this meeting, including remuneration to be paid in the event of loss or inadequacy of profit in any financial year during the period of his tenure.”

Registered Office
GST Road, Guindy
Chennai – 600 032.

By Order of the Board
For HTL Limited

Place: Chennai
Date : 25.06.2018

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.

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

ITEM NO: 5 Re-appointment & Remuneration of Shri G.S.Naidu, Chief Operating Officer as Manager:

Shri G.S.Naidu, is a B.E. (Hons.) in Electrical Engineering from Bhopal University of Madhya Pradesh with over 32 years of extensive experience in Manufacturing Business Operations, Green field / Expansion projects. He started his career with M/s.National Aluminium Co.Ltd. in 1985, during project stage having capital outlay of 2.4 billion USD and later joined M/s. Optel Telecommunication Ltd., the pioneer company in the field of Optical Fibre, Optical Fibre cable and Telecom Equipments. During his employment with M/s.HFCL at Goa Plant and M/s. Sudarshan Telecom (a division of M/s. West Coast Paper Mills Ltd.), he spearheaded the entire business activities of manufacturing of Optical Fibre Cable. He also headed a green field power cable project of M/s. General Cable Energy India Pvt. Ltd. (a unit of the General Cable Corporation, USA) having a capital outlay of 45 Million USD.



He has been appointed as the Chief Operating Officer of the Company w.e.f. 16.6.2015 and designated as the 'Manager' of the Company w.e.f. 25.6.2015 for a period of one year and re-appointed as the 'Manager' of the Company w.e.f. 25.6.2016 for a period of one year. He has been re-appointed as the 'Manager' of the Company w.e.f. 25.6.2017 for a further period of one year.

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

The re-appointment of Shri G.S.Naidu, Chief Operating Officer as Manager is for a further period of one year w.e.f. 25.6.2017 as per the existing terms and conditions, including remuneration and the same have been approved by the Board on 31.1.2018. A copy of the letter of remuneration issued earlier to Shri G.S.Naidu is enclosed as **Annexure – II**. The same may be treated as the abstract of the terms and conditions of the appointment of the Manager under Section 190 of the Companies Act, 2013.

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

Shri G.S.Naidu is not employed anywhere other than in HTL Limited.

Shri G.S.Naidu is interested in this Resolution. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution..

The Members are therefore requested to accord their approval to the above special resolution.



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.

<i>Name of the Director</i>	Shri Y.L.Agarwal	Shri K.C.Jani
<i>DIN</i>	00024770	02535299
<i>Date of Birth</i>	20.09.1936	18.01.1954
<i>Date of first Appointment</i>	28.12.2009	29.10.2015
<i>Experience/Expertise in Specific Functional Areas</i>	He is ex-Chairman of Telecommunications Consultants India Ltd. He is the ex President of Institution of Electronics and Telecom Engineers for two terms and he is also a distinguished fellow of the said Institution. He is having rich experience in Telecom and Broadband Services.	He is ex- Executive Director of IDBI. He looked after all functions of the Management mainly Operations, Finance and HR. He is also a visiting faculty in leading Business Schools.
<i>Qualification(s)</i>	B.Sc, B.E., DFIETE.	B.E., MBA.
<i>Directorship in other Companies</i>	HFCL Kongsung Telecom Limited. Infotel Business Solutions Ltd., AAPKA Geothermal Power Underground Pvt. Ltd., (Under strike off) HFCL Advance Systems Private Ltd. Electronics Systems Punjab Ltd. (Under Liquidation) Plura Solutions Private Ltd.	Gujarat Heavy Chemicals Limited. National Housing Bank.
<i>Chairmanship/ Membership of Committees (across all public Cos.)</i>	Audit Committee of Infotel Business Solutions Ltd.	NIL
<i>Shareholding in the Company</i>	NIL	NIL
<i>Relationship with other Directors and KMPs of the Company</i>	NIL	NIL
<i>No. of Board Meetings held / Attended in the year</i>	4/4	3/4
<i>Last Remuneration drawn (per annum)</i>	Sitting Fee of Rs.2,500/- per meeting attended.	Sitting Fee of Rs.2,500/- per meeting attended.

Registered Office
GST Road, Guindy
Chennai – 600 032.

Place: Chennai
Date : 25.06.2018

By Order of the Board
For HTL Limited

S.NARAYANAN
Company Secretary

Sl. No.	Details	Information																						
I.	General Information																							
(1)	Nature of Industry	Telecommunications Sector - Manufacturing of Fibre Reinforced Plastic (FRP) Rods, IGFR for Optical Fibre Cables, Optical Fibre Cables (OFC) and Accessories.																						
(2)	Date or expected date of commencement of commercial production	The Company started commercial production of Teleprinters on 14.12.1960. On phasing out of the above production, manufacture of telecom equipments / components / accessories had been carried out. Now, manufacturing of Fibre Reinforced Plastic (FRP) Rods, IGFR for Optical Fibre Cables , Optical Fibre Cables (OFC) and Accessories.																						
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable																						
(4)	Financial performance based on given indicators	<table border="1"> <thead> <tr> <th rowspan="2">Financial Parameters</th> <th colspan="2">Years</th> </tr> <tr> <th>2014-15</th> <th>2015-16</th> <th>2016-17</th> </tr> </thead> <tbody> <tr> <td>Turnover</td> <td>13753.92</td> <td>4337.49</td> <td>20830.11</td> </tr> <tr> <td>Net Profit / (Loss)</td> <td>12164.74</td> <td>333.77</td> <td>193.28</td> </tr> <tr> <td>Amount of dividend paid</td> <td>Nil</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Rate of dividend paid</td> <td>Nil</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table> <p>(Rs. in lakhs)</p>	Financial Parameters	Years		2014-15	2015-16	2016-17	Turnover	13753.92	4337.49	20830.11	Net Profit / (Loss)	12164.74	333.77	193.28	Amount of dividend paid	Nil	Nil	Nil	Rate of dividend paid	Nil	Nil	Nil
Financial Parameters	Years																							
	2014-15	2015-16	2016-17																					
Turnover	13753.92	4337.49	20830.11																					
Net Profit / (Loss)	12164.74	333.77	193.28																					
Amount of dividend paid	Nil	Nil	Nil																					
Rate of dividend paid	Nil	Nil	Nil																					
(5)	Export performance and net foreign exchange collaborations	Export Earnings during FY 2016-17 Rs. 490.48 Lakhs.																						
(6)	Foreign investments or collaborators, if any.	Nil																						
II	Information about the appointee																							
(1)	Background details	Shri G.S.Naidu, is a B.E. (Hons.) in Electrical Engineering from Bhopal University of Madhya Pradesh with over 30 years of extensive experience in Manufacturing Business Operations, Green field / Expansion projects. He started his career with M/s.National Aluminium Co.Ltd. in 1985, during project stage having capital outlay of 2.4 billion USD and later joined M/s. Optel Telecommunication Ltd., the pioneer company in the field of Optical Fibre, Optical Fibre cable and Telecom Equipments. During his employment with M/s.HFCL at Goa Plant and M/s. Sudarshan Telecom (a division of M/s. West Coast Paper Mills Ltd.), he spearheaded the entire business activities of manufacturing of Optical Fibre Cable. He also headed the power cable project of M/s. General Cable Energy India Pvt.Ltd. (a unit of the General Cable Corporation, USA)having a capital outlay of 45 Million USD.																						



	Organisation	Period	Total Amount (Per annum)	
			(Rs)	
(2) Past remuneration (during the immediate preceding 3 employments)	Sudarshan Telecom (a division of The West Coast Paper Mills Ltd.)	January 2013 To June 2015	Rs. 42,00,000	
	HTL Ltd.	25th June 2015 To 24th June 2016	Rs. 44,10,363	
	HTL Ltd.	25th June 2016 To 24th June 2017	Rs.47,80,390	
(3) Recognition or awards	Nil			
(4) Job Profile and his suitability	He is holding charge of all the operations of the Company viz., Manufacturing, Marketing, Finance and Administration. He is having over 30 years of experience in top level management in reputed Companies, including Telecom Companies.			
(5) Remuneration proposed	Proposed remuneration as approved by the Board of Directors in their meeting held on 31.1.2018 subject to the approval of the Shareholders.			
	Period From 25.6.2017 to 24.6.2018			
	Item Description	Rs. Per Month	Rs. Per Annum	
	Basic Salary	140000	1680000	
	House Rent Allowance	84000	1008000	
	Conveyance	35000	420000	
	Driver Allowance	15000	180000	
	Medical	11662	139944	
	LTA	11662	139944	
	Car Maintenance & Fuel etc.	35000	420000	
	Performance Linked Incentive		400000	
	Insurance Reimbursement		16800	
	Contribution to Provident Fund	16800	201600	
	Contribution to Gratuity		80769	
	Leave Encashment (Max.)**		93333	
		TOTAL		4780390

(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	Shri G.S.Naidu was drawing a CTC of Rs.42 Lakhs in Sudarshan Telecom with a Company's car & Driver as President (Works). He has been appointed as Chief Operating Officer in HTL Ltd., w.e. f. 16.6.2015 & has been designated as 'Manager' of the Company w.e.f. 25.6.2015 for a period of one year with a CTC of Rs. 44.10 lakhs per annum. Further, he has been re-appointed as 'Manager' for a period of one year w.e.f 25.6.2016 with a CTC of Rs. 47.80 lakhs. He is now re-appointed as 'Manager' w.e.f 25.6.2017 for a period one year with the same terms of remuneration. His remuneration is either at par or less than the remuneration drawn by persons of similar qualifications and experience in Telecom Companies.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Shri G.S.Naidu is not related to any of the Directors of the Company.
III		
(1)	Reasons of loss or inadequate profits.	Low margin in executed orders of BSNL / BBNL Orders, higher input costs, stiff competition in the Market. Lack of required Working Capital facilities from Banks.
(2)	Steps taken or proposed to be taken for improvement.	Action taken for controlling the input costs, Orders got from Private Parties like Reliance Jio and arrangements are made to get more export orders.
(3)	Expected increase in productivity and profits in measurable terms.	Turnover during 2017-18 is expected to be Rs.300 Crores and there will be increase in the profitability.



IV	Disclosures	
(1)	The shareholders of the company shall be informed of the remuneration package of the managerial person.	Yes. The same is being included in the Notice of their Meeting.
(2)	The following disclosures shall be mentioned in the Board of Directors report under the heading "Corporate Governance", if any attached to the annual report	
(i)	All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the Directors.	
(ii)	Details of fixed component and performance linked incentives along with the performance criteria;	Yes. The same is included.
(iii)	Service contracts, notice period, severance fees;	
(iv)	Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	
(3)	Prior approval of Central Government (Department of Corporate Affairs, New Delhi) to be obtained	Not Applicable



HTL Ltd.,
Registered Office: No. 57, GST Road, Guindy, Chennai - 600 032, INDIA.

June 13, 2016

Name: **Mr. G.S. Naidu**

Designation: **Chief Operating Officer**

Dear Mr. Naidu,

The management is pleased to revise your CTC with effect from April 1, 2016 as listed below.

<u>Emoluments</u>	<u>Per Month</u>	<u>Per annum</u>
Basic Salary	140,000	1,680,000
HRA	84,000	1,008,000
Special Allowance	35,000	420,000
Medical	11,662	139,944
LTA	11,662	139,944
PF	16,800	201,600
Drivers Allowances	15,000	180,000
Car Maintenance & Fuel etc.	35,000	420,000
Leave Encashment		93,333
Gratuity		80,769
Insurance Reimbursement		16,800
PLI (Performance Linked Incentive)		400,000
Total		<u>4,780,391</u>

All other terms and conditions of your employment will remain unchanged.

R.M. Kastia

Wholetime Director



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

<i>Name of the Manager</i>	G.S.Naidu
<i>PAN</i>	ABRPN4626P
<i>Date of Birth</i>	19.7.1963
<i>Date of first Appointment</i>	25.6.2015
<i>Experience/Expertise in Specific Functional Areas</i>	He is having a rich experience of three decades in manufacturing operations, including Optical Fibre Cables and also is having specialized in manufacturing of Optical Fibre Cables.
<i>Qualification(s)</i>	B.E. Hons.
<i>Directorship in other Companies</i>	NIL
<i>Chairmanship/ Membership of Committees (across all public Cos.)</i>	NIL
<i>Shareholding in the Company</i>	NIL
<i>Relationship with other Directors and KMPs of the Company</i>	NIL
<i>No. of Board Meeting held/ Attended during the year</i>	4/4
<i>Last Remuneration drawn (per annum)</i>	Rs. 47,80,391/-
<i>Proposed Remuneration (Per Annum)</i>	Rs. 47,80,391/-

The above statement may be treated as part of Statement annexed under Section 102 of the Companies Act, 2013 for Item No.5 of the AGM Notice



HTL LTD.

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

DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting the 57th Annual Report and Audited Accounts for the financial year ended 31st March 2018.

FINANCIAL RESULTS

(Rs.in crore)

PARTICULARS	2017-18 Rs.	2016-17 Rs.
Revenue from Operations	282.33	201.44
Other Income	9.92	6.86
Total Income	292.25	208.30
Profit / (loss) Before Depreciation, Finance Charges and Taxation	26.47	13.28
Less: Depreciation	6.81	5.98
Finance Charges	4.94	5.16
Taxation	0	0
Net Profit / (Loss) for the year	14.72	2.14
Other Comprehensive Income / Expenditure Re-measurement of defined benefit plans	(0.21)	(0.21)
Total Comprehensive Income for the year	14.51	1.93
Surplus / (Deficit) Brought Forward from Previous Year	(114.70)	(116.63)
Surplus / (Deficit) Carried to the Balance Sheet	(100.19)	(114.70)

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.282.33 crores during 2017-18 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	2017-18 (Rs.)	2016-17 (Rs.)
Sale of Products – OFC & FRP	28233.25	19543.02
Sale of Services	0.00	601.05
TOTAL	28233.25	20144.07



The financial performance of the Company is expected to increase further to the tune of Rs.100 crores during 2018-19 after taking up the sale of OFC accessories in a full fledged manner.

OUTLOOK

The Government of India's Policy envisages digital transformation (IOT, Cloud, Big Data and Mobility) and deployment of 5G technology by 2020. Considering this Government of India's mission, a continuous upsurge in data services has created significant demand for Optic Fibre Cable (OFC) networks, both on the last mile and backhaul fronts. As the telecom sector moves towards 5G technology, and the Government works towards realisation of the Digital India, Smart Cities and BharatNet Targets, the OFC industry is set to witness much higher demand. OFC will be essential to support high bandwidth services such as video-on-demand, virtual reality, IoT and artificial intelligence. Telecom operators have already increased capex guidance for strengthening their OFC networks. Organizations such as Indian Railways and Defence, and utilities in the power, oil & gas and CGD spaces have also earmarked significant capex for enhancing their OFC networks. Growing digitisation of cable TV networks will further add to OFC demand by multiple-system operators.

In support of this, the telecom department has initiated the BharatNet Programme to broadband enable all the Country's 250,000 Gram Panchayats by March 2019. In the process, it has laid more than 260,000 kms of Optic Fibre Cables across the length and breadth of the Country. In fact, the average rate of laying cables over the past 18 months has been more than 240 km per day. This project is on track to cover the remaining Gram Panchayats on schedule, by March 2019.

The Company has achieved a good growth in its OFC business during 2017-18 and it is hopeful with further growth both in Domestic and Export markets in the future.

SIGNIFICANT EVENTS

During the year under review, the following Plant & Machineries have been installed as per expansion plan Phase II:

- Spiral Armouring Machine – 20 Nos with 4 Nos Wire Flattening Machine
- UV FRP Lines - 3 Nos
- IGFR Lines – 2 Nos

During the year under review, 2 Nos of IGFR Lines have been transferred from Hosur Plant to Guindy Plant of the Company. After this transfer, the Hosur Plant manufactures only FRP & ARP Rods.

During the year under review, the Company has established its OFC Accessories Division in Guindy in order to meet the requirement of its Clients.

The Company made exports of Optical Fibre Cables to the tune of Rs. 6.76 Crores during the year under review.

The Company's efforts for obtaining the required working capital facilities and term loan from Banks / Financial Institutions were not successful due to negative net worth of the Company. The Company's proposal for conversion of its loan from the Holding Company namely Himachal Futuristic Communications Ltd., and the Department of Telecommunications is under active consideration of Department of Telecommunications so that the negative net-worth of the Company can become positive to enable the Company to get its required credit facilities from Banks / Financial Institutions for its business operations.

During the year under review, the Company has successfully taken all required action for implementation of SAP software for its business operations and all its operations will be in SAP w.e.f. from April 2018.



The Canteen facility at the Guindy Plant have been refurbished in total and put into operation during March 2018.

EXPANSION PLAN

It is planned to install Ribbon Cable Manufacturing, Tactical Cable lines and testing equipments with necessary civil infrastructure during next financial year after making necessary funding arrangements.

It is further planned to expand the OFC manufacturing at Guindy Plant during the next financial year. It is planned to add the following equipments:

S.No.	Machinery	Qty. (Nos.)
1	Colouring Line	2
2	12F Ribbon Line	2
3	Optical Fibre Secondary Coating Line (12 F / 24 F / Ribbon Cage)	4
4	SZ Stranding Line for Fiber / Ribbon Tube	3
5	Sheathing Line	2
6	Aramid Yarn Server	2
7	FTTH Line (2 F / 4 F payoff)	3
8	Wire Flattening	4
9	Spiral Armouring	20
10	OTDR	9
11	Ribbon Strander	2

S.No.	Auxiliary Equipments	Qty.(Nos.)
1	500 KVA DG Set with Control panel and Chimney	2
2	UPS System	2
3	Nitrogen Plant 15 NM ³	1
4	Cable / Piping and Other Auxiliary Equipments	

It is further planned to install 4 Nos. of IGFR Machines at Hosur Plant during the next financial year.

EXTRACT OF ANNUAL RETURN

The details as required in accordance with the Section 92(3) of the Companies Act 2013 read with the Companies (Management and Administration) Rules, 2014 are furnished in **ANNEXURE I** and forms part of this Report.

NUMBER OF MEETINGS OF THE BOARD HELD DURING THE YEAR

There were four meetings held during the Financial Year 2017-18 i.e., on 27.4.2017, 31.7.2017, 10.11.2017 and 31.1.2018.



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, 2018 are as follows;

	Amount in Rs.
Loans given	NIL
Guarantees made	NIL
Investments made	4,41,950

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 Whole Time Director / Manager.

The NRC fixes the remuneration package of Whole Time Director / Manager 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 Whole Time Director / 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 Whole Time Director / 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 P.K.Sinha as a Member.

There was no meeting held during the Financial Year 2017-18.

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 2017-18, 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.

During the year, the Company has also entered into transactions with related parties which were at arm's length basis but not in ordinary course of business as per details given below:-

Name of the Related Party & Nature of Relationship	Nature of Transaction	Value In Rs.
Himachal Futuristic Communications Ltd. Holding Company	High Seas Purchase of Optical Fibre Coloring and Rewinding Machines.- 2 Nos.	54,58,320
Himachal Futuristic Communications Ltd. Holding Company	High Seas Purchase of Steel Wire Flattering Machine with Alloy Pulley – 4 Nos. & Spiral Hose Helical Armoring Machine – 20 Nos.	2,37,87,540

Above related party transactions were entered into after obtaining approval of Audit Committee as well as Board of Directors of the Company.

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 2017-18, 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 Y.L. Agarwal (holding DIN 00024770) and **Shri K.C. Jani** (holding DIN 02535299) 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 R.K.Pathak as a Member and Dr.R.M.Kastia as a Member.

There were four meetings held during the Financial Year 2017-18 i.e., on 27.4.2017, 31.7.2017, 10.11.2017 and 31.1.2018.

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) remained the Key Management Personnel in accordance with the provisions of the Companies Act, 2013 and Rules made there under. During the year under review, Dr.R.M.Kastia ceased to be a Whole Time Director of the Company with effect from 1st February 2018 and hence also ceases to be a Key Management Personnel of the Company from that date. However, Dr. R.M.Kastia continues to be a Non-Executive Director of the Company. The Board has extended the tenure of Shri G.S.Naidu as Manager of the Company w.e.f. 25.06.2017 for a period of one year. The AGM Notice contains the details of appointment of Shri G.S.Naidu as Manager of the Company.

PARTICULARS OF EMPLOYEES' AND RELATED DISCLOSURES

In terms of the provisions of Section 197 of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Management Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in said Rules are given in **ANNEXURE II** annexed herewith and forms part of this Report.

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, 2018, 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, 2018 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. A30556 and C.P.No.11979 to conduct the Secretarial Audit of your Company for the financial year 2017-18. The Secretarial Audit Report is annexed herewith as **ANNEXURE III** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

CORPORATE SOCIAL RESPONSIBILITY

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 IV** 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 AND AUDITORS' REPORT

At the 56th 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 57th 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 178 as compared to 171 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 V** and forms part of this Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN MARCH 31,2017 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, 2018) and date of this Report (May 02, 2018).

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.

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 formulated a system 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.

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: 2nd May, 2018

MAHENDRA NAHATA
CHAIRMAN



EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U93090TN1960PLC004355
2	Registration Date	14.12.1960
3	Name of the Company	HTL LIMITED
4	Category/Sub-category of the Company	Unlisted and Company having Share Capital
5	Address of the Registered office & contact details	G.S.T.Road, Guindy, Chennai - 600032. E.Mail ID:coo@htlchennai.com Phone No: +91-44- 22501020 Fax: +91-44-22500341
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Karvy Computershare Private Limited, Karvy Selenium Tower-B, Plot No. 31&32, Gochibowli, Nanakramguda, Hyderabad- 500 032. E Mail ID: bandr@karvy.com. Telephone: +91-40-33211500. Fax: +91-40-23440674.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated.

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Optical Fibre Cable	27310*	98.11
2	Fibre Reinforced Plastic Rods for Optical Fibre Cables	27310*	1.89

* As per IEM issued by Dept. of Industrial Policy and Promotion, Ministry of Commerce, New Delhi.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Himachal Futuristic Communications Ltd., 8, Electronics Complex, Chambaghat, Solan - 173 213.	L64200HP1987PLC007466	Holding Company	74	2(46)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]			% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	% of Total Shares	
A. Promoters								
(1) Indian								
a) Individual/ HUF			-	0			0	0
b) Central Govt			-	0			0	0
c) State Govt(s)			-	0			0	0
d) Bodies Corp.	-	11,10,000	11,10,000	74		11,10,000	74	0
e) Banks / FI			-	0			0	0
f) Any other			-	0			0	0
Sub Total (A) (1)	-	11,10,000	11,10,000	74	-	11,10,000	74	0
(2) Foreign								0
a) NRI Individuals			-	0			0	0
b) Other Individuals			-	0			0	0
c) Bodies Corp.			-	0			0	0
d) Any other			-	0			0	0
Sub Total (A) (2)	-	-	-	0	-	-	0	0
TOTAL (A)	-	11,10,000	11,10,000	74	-	11,10,000	74	0



B. Public Shareholding								
1. Institutions								
a) Mutual Funds			-	0			0	0
b) Banks / FI			-	0			0	0
c) Central Govt		3,90,000	3,90,000	26		3,90,000	26	0
d) State Govt(s)			-	0			0	0
e) Venture Capital Funds			-	0			0	0
f) Insurance Companies			-	0			0	0
g) FII's			-	0			0	0
h) Foreign Venture Capital Funds			-	0			0	0
i) Others (specify)			-	0			0	0
Sub-total (B)(1):-	-	3,90,000	3,90,000	26	-	3,90,000	26	0
2. Non-Institutions								
a) Bodies Corp.								
i) Indian			-	0			0	0
ii) Overseas			-	0			0	0
b) Individuals								
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh			-	0			0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh			-	0			0	0
c) Others (specify)								
Non Resident Indians			-	0			0	0
Overseas Corporate Bodies			-	0			0	0
Foreign Nationals			-	0			0	0
Clearing Members			-	0			0	0
Trusts			-	0			0	0
Foreign Bodies - D R			-	0			0	0
Sub-total (B)(2):-	-	-	-	0	-	-	0	0
Total Public (B)	-	3,90,000	3,90,000	26	-	3,90,000	26	0
C. Shares held by Custodian for GDRs & ADRs								
Grand Total (A+B+C)	-	15,00,000	15,00,000	100	-	15,00,000	100	0

(ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2017)			Shareholding at the end of the year (As on 31.03.2018)		% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of Shares Pledged / encumbered to total shares	
1	Himachal Futuristic Communications Ltd.	11,10,000	74	0	11,10,000	0	0



(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Particulars	Shareholding at the beginning of the year (As on 01.04.2017)		Cumulative Shareholding at the End of the year (As on 31.03.2018)	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares
At the beginning of the year	11,10,000	74	11,10,000	74
Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. Allotment / transfer / bonus / sweat equity etc) #	#		#	
At the end of the year	11,10,000	74	11,10,000	74

There is no change in the Shareholding of the Promoter between 01.04.2017 to 31.03.2018

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding at the beginning of the year (As on 01.04.2017)		Increase / Decrease in Shareholding	Reason	Cumulative Shareholding at the End of the year (As on 31.03.2018)	
		No. of shares	% of total shares			No. of Shares	% of total shares of the Company
	Name						
1	Government of India	3,90,000	26	-	NA	3,90,000	26

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year (As on 01.04.2017)		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding at the End of the year (As on 31.03.2018)	
		No. of shares	% of total shares				No. of Shares	% of total shares of the Company
A	DIRECTORS							
1	Shri Mahendra Nahata Non-Executive Chairman	0 0	0.00 0.00	April 1, 2017 March 31, 2018	0	Nil movement during the year	0	0.00
2	Dr. R.M.Kastia Non-Executive Director	0 0	0.00 0.00	April 1, 2017 March 31, 2018	0	Nil movement during the year	0	0.00
3	Shri M.P.Shukla Non-Executive Director	0 0	0.00 0.00	April 1, 2017 March 31, 2018	0	Nil movement during the year	0	0.00
4	Shri Y.L.Agarwal Non-Executive Director	0 0	0.00 0.00	April 1, 2017 March 31, 2018	0	Nil movement during the year	0	0.00
5	Shri K.C. Jani Non-Executive Director	0 0	0.00 0.00	April 1, 2017 March 31, 2018	0	Nil movement during the year	0	0.00
6	Shri R.K.Pathak Govt of India Nominee Director	0 0	0.00 0.00	April 1, 2017 March 31, 2018	0	Nil movement during the year	0	0.00
7	Shri P.K. Sinha Govt. of India Nominee Director	0 0	0.00 0.00	April 1, 2017 March 31, 2018	0	Nil movement during the year	0	0.00
B	KEY MANAGERIAL PERSONNEL (KMP)							
1	Shri G.S. Naidu Manager	0 0	0.00 0.00	April 1, 2017 March 31, 2018	0	Nil movement during the year	0	0.00
2	Shri C D Ponnappa CFO	0 0	0.00 0.00	April 1, 2017 March 31, 2018	0	Nil movement during the year	0	0.00
3	Shri S. Narayanan Company Secretary & General Manager (Legal)	0 0	0.00 0.00	April 1, 2017 March 31, 2018	0	Nil movement during the year	0	0.00



V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	94,81,967.00	40,74,20,000.00	-	41,69,01,967.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	27,03,59,176.00	-	27,03,59,176.00
Total (i+ii+iii)	94,81,967.00	67,77,79,176.00	-	68,72,61,143.00
Change in Indebtedness during the financial year				
Addition	-	6,64,16,484.00	-	6,64,16,484.00
Reduction	94,81,967.00	-	-	94,81,967.00
Net Change	(94,81,967.00)	6,64,16,484.00	-	5,69,34,517.00
Indebtedness at the end of the financial year				
i) Principal Amount	-	40,74,20,000.00	-	40,74,20,000.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	33,67,75,660.00	-	33,67,75,660.00
Total (i+ii+iii)	-	74,41,95,660.00	-	74,41,95,660.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		R.M.Kastla	G.S.Naidu	
	Name	Whole Time Director (Upto 31.1.2018)		Rs.
	Designation	Manager		
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	73,00,800.00	16,80,000.00	89,80,800.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	58,40,640.00	27,07,888.00	85,48,528.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify - PF, Gratuity, Leave Encashment, Reimbursement of Gas, Electricity etc	21,90,240.00	3,11,733.00	25,01,973.00
	Total (A)	1,53,31,680.00	46,99,621.00	2,00,31,301.00
	Ceiling as per the Act			1,45,13,800.00

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Mahendra Nahata	M.P.Shukla	Y.L.Agarwal	K.C.Jani	
						Rs.
1	Independent Directors					
	Fee for attending board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify Sitting Fees	-	15,000.00	10,000.00	7,500.00	32,500.00
	Total (1)	-	15,000.00	10,000.00	7,500.00	32,500.00
2	Other Non-Executive Directors					-
	Fee for attending board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	32,500.00
	Total Managerial Remuneration	-	15,000.00	10,000.00	7,500.00	2,00,63,801.00
	Overall Ceiling as per the Act					1,45,46,300.00



C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs)
		Name Designation	C.D.Ponnappa CFO	S.Narayanan Company Secretary	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		14,40,000.00	12,08,406.00	26,48,406.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		24,27,904.00	4,55,145.00	28,83,049.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-	-	-
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission				
	- as % of profit		-	-	-
	- others, specify		-	-	-
5	Others - PF, Gratuity, Leave Encashment		2,67,200.00	-	2,67,200.00
	Total		41,35,104.00	16,63,551.00	57,98,655.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty		NIL			
Punishment		NIL			
Compounding		NIL			
B. DIRECTORS					
Penalty		NIL			
Punishment		NIL			
Compounding		NIL			
C. OTHER OFFICERS IN DEFAULT					
Penalty		NIL			
Punishment		NIL			
Compounding		NIL			

MAHENDRA NAHATA
CHAIRMAN



Annexure II 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 2017-18 and were paid remuneration not less than Rs.1,02,00,000/- and employees who were employed for a part of financial year 2017-18 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	Dr. R M Kastia	1,53,31,680	Contractual	Whole Time Director (upto 31.1.2018)	PG & Phd in Chemistry, FBIM London. 56 Years	01-02-2009	76 Yrs	Director , M/s. Himachal Futuristic Communications Ltd., New Delhi.
2	Shri. G S Naidu	46,99,621	Permanent	Chief Operating Officer	BE(Electrical) 32 Years	25-06-2015	54 Yrs	President Business Head, M/s. Sudarshan Telecom Ltd, Mysore.
3	Shri. C D Ponnappa	41,35,104	Permanent	Chief Financial Officer	B. Com, ACA. 22 Years	17-05-2016	45 Yrs	Associate Vice President, M/s. Software Paradigm Infotech Ltd, Mysore.
4	Shri. Devasia Chacko	21,71,791	Contractual	DGM	SSLC. 44 years	01-02-2009	63 Yrs	M/s. Himachal Futuristic Communications Ltd.,
5	Shri. Om Prakash Saraswat	21,65,474	Permanent	GM (Production)	B.Tech. (Electrical) 32 Years	10-08-2015	54 Yrs	AGM (Production) , M/s. Apar Industries, Umbergaon, Gujarat
6	Shri. Anil B Lagad	19,09,864	Permanent	DGM (Marketing)	M.Sc. (Physics) 18 Years	25-08-2015	41 Yrs	Manager , M/s. Sterlite Technologies, Silvassa
7	Shri. Sawgayaraj Karunakaran A.	17,97,325	Permanent	GM (HR & IR)	MSW HR, LLB 23Yrs.	01-10-2015	48 Yrs	GM (HR) , M/s. IM Gears P. Ltd.
8	Gajendra Singh	16,71,520	Permanent	GM Quality Assurance	M.TEC, 29 Yrs	30-01-2017	54 Yrs	DGM Quality Control BGR Energy
9	S Narayanan	16,63,551	Contractual	Company Secretary & GM (Legal)	B.Com., ACA., ACS. 37 Years	01-07-2016	59 Yrs	Co. Secy. & GM(Legal), M/s. HTL Ltd.
10	Shri. N Jeyakumar	13,40,271	Permanent	Senior Manager	B.E., MBA., BGL. 27 Yrs	01-07-1991	49 Yrs	Engineer , M/s. Data Decision Pvt. Ltd.

Notes :

- The remuneration shown above comprises Salary, Allowances, Perquisites, Ex-gratia, Medical, Company's contribution to Provident Fund and all other reimbursements, if any.
- None of the employees is related to any Director of the Company.
- None of the above employee draws remuneration more than the remuneration drawn by 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.

MAHENDRA NAHATA
CHAIRMAN



Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

[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 31.3.2018. 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 2018** ('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 2018** according to the provisions of:

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



-
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;**(Not applicable during the Audit period).**
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;**(Not applicable during the Audit period).**
 - d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**(Not applicable during the Audit period).**
 - e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;**(Not applicable during the Audit period).**
 - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable during the Audit period).**
 - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client**(Not applicable during the Audit period);**
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable during the Audit period).**
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable during the Audit period).**

6. Labour Laws:

- a. The Factories Act, 1948
- b. Industrial Disputes Act, 1947
- c. The Minimum Wages Act, 1948
- d. The Payment of Wages Act, 1936
- e. Employees' State Insurance Act, 1948
- f. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
- g. The Payment of Bonus Act, 1965
- h. The Payment of Gratuity Act, 1972
- i. The Contract Labour (Regulation and Abolition) Act, 1970
- j. The Maternity Benefit Act, 1961
- k. The Child Labour (Prohibition and Regulation) Act, 1986
- l. The Industrial Employment (Standing Orders) Act, 1946
- m. The Employees' Compensation Act, 1923
- n. Equal Remuneration Act, 1976
- o. Indian Contract Act, 1872.

7. Environmental Laws:

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



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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company. **(Not applicable during the Audit period).**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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

I FURTHER REPORT THAT:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, 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, there were no instances of:

1. Public / Rights / Preferential Issue of shares / debentures / sweat equity;
2. Redemption / buy-back of securities;
3. Major decisions taken by the Members in pursuance to Section 180 of Companies Act, 2013;
4. Merger / amalgamation / reconstruction, etc.,
5. Foreign technical collaborations.

R. Balasubramanian
Practising Company Secretary
ACS No. 30556, C.P. No. 11979

Place: Chennai

Date: 17.04.2018

*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.



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

I report that:

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

R. Balasubramanian
Practising Company Secretary
ACS No. 30556, C.P. No. 11979

Place: Chennai
Date: 17.04.2018



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.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. 41.37crores.

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

Rs. 82.74 Lakhs.

5. Details of CSR spent during the financial year:

- a. Total amount to be spent for the financial year: **Rs. 82.74 lakhs.**
- b. Amount unspent, if any: **Rs. 119.45 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 Sub-heads: 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



Annexure V to the Directors' Report

INFORMATION UNDER SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES, 2014 FOR THE YEAR ENDED 31ST MARCH, 2018.

(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 started purchasing wind power from a private Generator, M/s. NSL Wind Power Company (Pfoolwadi) Private Limited, Hyderabad w.e.f. August 2017 as per the guidelines prescribed by TANGEDCO for its both Guindy and Hosur Plants. The contract period for purchase of wind power is for two years.

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

(iii) The capital investment on energy conservation equipments: NIL

(B) TECHNOLOGY ABSORPTION:

(i) The efforts made by the Company towards technology absorption:

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

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

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

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

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

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

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

	(Rs. in Lakhs)	
	Financial Year Ended	Financial Year Ended
	31.03.2018	31.03.2017
Foreign exchange earned in terms of actual inflows.	675.66	490.48
Foreign exchange outgo in terms of actual outflows.	9212.89	1227.75

**MAHENDRA NAHATA
CHAIRMAN**



Independent Auditor's Report

To the Members of HTL Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of HTL Limited ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at 31 March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

1. We draw attention to Note 39 to the financial statements, the company has accumulated losses of Rs.10,017.98 Lakhs as at March 31, 2018, resulting in negative net worth of Rs. 8,517.98 Lakhs. These factors raise doubts that the Company will not be able to continue as a going concern. The Company has set up a plant to manufacture optical fibre cables and Fiber-to-home cables and in the process of infusion of funds. During the year, the Company has achieved Sales Turnover of Rs. 28233.25 Lakhs as compared to previous year Rs. 20144.06 lakhs. In view of the above, the financial statements have been prepared on a going concern basis. Our report is not qualified in respect of this matter.
2. We draw attention to Note 42 to the financial statements, regarding Rs.347 lakhs receivable from Department of Telecommunications (DoT) by the Company due to pre-closure of ETP project and the DoT vide letter No. U-37012-3/97-FAC dated 02.12.2003 has conveyed the decision of the competent authorities to adjust the said amount against the interest portion of the outstanding loan of Government of India. Pending the reworking and reconciliation of total interest payable and in view of the management provisions already made being adequate no further provision of interest has been made on GOI loan during the year. Our report is not qualified in respect of this matter.

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 section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
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, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - (d) the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;



-
- (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and
 - (g) 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 standalone Ind AS financial statements – Refer Note 34 to the standalone Ind AS 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 – Refer Note 34 to the standalone Ind AS financial statements;
 - 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’s Registration No. 105049W)

MANISH KUMAR SINGHAL

Partner

Membership No. 502570

Place: New Delhi

Date: 2nd May, 2018



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 statements for the year ended 31 March 2018, 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) As per the information furnished, the Company has not made investments, given loans, guarantees and securities as per the provisions of section 185, 186 of the Companies Act 2013.
- (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 has generally been regular in depositing undisputed statutory dues with the appropriate authorities in respect of provident fund, employees' state insurance, income-tax, VAT, service tax,



excise duty and other material statutory dues, *though there have been a slight delay in a few cases.*

According to the information and explanations given to us and as certified by the management, no undisputed dues in respect of provident fund, employees' state insurance, income-tax, sales-tax, excise duty and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, *except as follows:*

Sl. No.	Name of the Statute	Nature of Dues	Amounts in Rs. lakhs	Due Date
1.	Professional Tax	Professional Tax	1.63	Various dates
2.	Work Contract Tax	Work Contract Tax	0.22	Various dates

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

(viii) Based on our audit procedures and the information and explanations given to us, the company has defaulted in repayment of dues to government, the defaults during the year and/or as on balance sheet date i.e. 31st March, 2018 are as follows:

Loan from Govt. of India	Amount in Rs. Lakhs	
Period of Default	Principal	Interest
More than 7 years	624.20	1617.83
More than 5 to 7 years	-	300.42
More than 2 to 5 years	-	450.63

(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 give 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 section 197 read with 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, paragraph 3(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 Ind AS financial statements as required by the applicable accounting standards.



-
- (xiv) According to the information and explanations give 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, paragraph 3(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. 502570

Place: New Delhi
Date: 2nd May, 2018



Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of HTL Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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 controls 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 section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by 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 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

MANISH KUMAR SINGHAL
Partner
Membership No. 502570

Place: New Delhi
Date: 2nd May, 2018



HTL Limited - Financial Statements
(CIN: U93090TN1960PLC004355)
(All amounts are in Rs.)
Balance Sheet as on 31st March, 2018

Assets	Note No.	As at March 31, 2018	As at March 31, 2017
Non-current Assets			
(a) Property, Plant and Equipment	4	58,30,44,938	51,32,73,053
(b) Capital work-in-progress	5	1,54,66,215	29,55,781
(c) Financial Assets			
(i) Other Bank Balance	6	5,21,54,786	4,58,18,469
(d) Other non-current assets			
(i) Capital Advances		31,61,398	85,53,878
Total non-current assets		65,38,27,337	57,06,01,181
Current Assets			
(a) Inventories	7	32,89,48,533	25,25,31,710
(b) Financial Assets			
(i) Investments	8	4,41,950	-
(ii) Trade Receivables	9	57,04,64,442	72,53,31,695
(iii) Cash & cash equivalents	10	16,40,78,646	2,19,82,893
(iv) Bank balances other than (iii) above	11	2,75,30,050	10,00,93,872
(v) Others	12	91,86,708	56,31,488
(c) Current Tax Assets (Net)	13	37,83,813	1,80,23,941
(d) Other current assets	14	7,89,72,467	7,09,33,577
Total current assets		1,18,34,06,609	1,19,45,29,176
Total Assets		1,83,72,33,946	1,76,51,30,357



HTL Limited - Financial Statements
(CIN: U93090TN1960PLC004355)
(All amounts are in Rs.)
Balance Sheet as on 31st March, 2018

Equity and Liabilities	Note No.	As at March 31, 2018	As at March 31, 2017
Equity			
(a) Equity Share capital	15	15,00,00,000	15,00,00,000
(b) Other Equity	15	(1,00,17,98,349)	(1,14,69,37,790)
Total Equity		(85,17,98,349)	(99,69,37,790)
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	54,43,07,510	46,73,07,510
(ii) Others	17	72,00,00,000	72,00,00,000
(b) Provisions	18	2,18,29,295	1,83,15,119
Total non-current liabilities		1,28,61,36,805	1,20,56,22,629
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	10,00,00,000	18,64,81,967
(ii) Trade Payables	20		
(a) total outstanding dues of micro enterprises and small enterprises; and		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises.		1,18,42,35,407	1,21,86,51,960
(iii) Other financial liabilities	21	6,51,67,378	3,34,71,666
(b) Other current liabilities	22	2,58,21,772	11,43,73,908
(c) Provisions	23	2,76,70,933	34,66,016
Total current liabilities		1,40,28,95,490	1,55,64,45,518
Total Liabilities		2,68,90,32,295	2,76,20,68,147
Total equity and liabilities		1,83,72,33,946	1,76,51,30,357

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

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

MAHENDRA NAHATA
Chairman
(DIN: 00052898)

S. NARAYANAN
Company Secretary

R.M. KASTIA
Director
(DIN: 00053059)

C.D. PONNAPPA
C F O

New Delhi, 2nd May, 2018

New Delhi, 2nd May, 2018


HTL Limited - Financial Statements
(CIN: U93090TN1960PLC004355)
(All amounts are in Rs.)
Statement of Profit and loss for the year ended 31st March, 2018

Particulars		Note No.	For the year ended	
			March 31, 2018	March 31, 2017
I	INCOME			
	Revenue from operations	24	2,82,33,25,480	2,01,44,06,627
	Other Income	25	9,92,20,343	6,86,04,916
	Total Income (I)		2,92,25,45,823	2,08,30,11,544
II	EXPENSE			
	Cost of Material Consumed	26	2,28,89,81,874	1,46,65,79,153
	Other Direct cost	27	89,21,429	66,74,664
	(Increase) / Decrease in stock		(59,07,284)	(35,53,815)
	Employee benefits expense	28	17,01,09,204	17,84,91,346
	Finance Cost	29	4,93,96,996	5,15,87,542
	Depreciation	4	6,80,54,591	5,97,66,094
	Other Expenses	30	19,57,92,530	30,20,39,572
	Total Expenses (II)		2,77,53,49,339	2,06,15,84,556
III	Profit / (loss) before exceptional items and income tax (I-II)		14,71,96,484	2,14,26,988
IV	Exceptional item (net of tax)		-	-
V	Profit / (Loss) before tax (III - IV)		14,71,96,484	2,14,26,988
VI	Tax expense			
	Current tax		-	-
	Deferred Tax		-	-
VII	Profit / (Loss) for the period (V - VI)		14,71,96,484	2,14,26,988
Particulars		Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
VIII	Other Comprehensive Income			
	A.) Items that will not be reclassified to profit or loss			
	(i) remeasurement of defined benefit plans;		(20,57,043)	(20,99,277)
	(ii) Equity Instruments through OCI;		-	-
	B.) Items that will be reclassified to profit or loss;		-	-
	Other comprehensive income for the year after tax (X)		(20,57,043)	(20,99,277)

**HTL Limited - Financial Statements****(CIN: U93090TN1960PLC004355)****(All amounts are in Rs.)****Statement of Profit and loss for the year ended 31st March, 2018**

Particulars		Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
IX	Total comprehensive income for the year (VII+VIII)		14,51,39,441	1,93,27,711
	Earnings per share attributable to the equity holders of the Company during the year			
	Basic earnings per share	31	9.81	1.43
	Diluted earnings per share	31	9.81	1.43

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

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, 2nd May, 2018

MAHENDRA NAHATA

Chairman

(DIN: 00052898)

S. NARAYANAN

Company Secretary

R.M. KASTIA

Director

(DIN: 00053059)

C.D. PONNAPPA

C F O

New Delhi, 2nd May, 2018


HTL Limited - Financial Statements
(CIN: U93090TN1960PLC004355)
(All amounts are in Rs.)
Statement of Cash Flow for the year ended 31st March, 2018

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
I	Cash Flow From Operating Activities		
	Profit before income tax including OCI	14,51,39,441	1,93,27,711
	Adjustments for		
	Depreciation and Amortization expenses	6,80,54,591	5,97,66,094
	Gain on disposal of property, plant and equipment	-	(45,79,440)
	Liabilities written Back	(6,73,56,341)	(3,19,54,723)
	Finance costs	4,93,96,996	5,15,87,542
	Interest Income	(1,18,54,330)	(65,60,749)
	Net exchange differences	(40,60,166)	(44,27,883)
	Change in operating assets and liabilities		
	(Increase)/Decrease in trade receivables	15,48,67,253	(55,89,54,603)
	(Increase) in inventories	(7,64,16,823)	(8,93,48,224)
	Increase in trade payables	(3,03,56,387)	50,13,87,851
	(Increase) in other financial assets	(35,55,220)	(29,88,803)
	(Increase)/decrease in other current assets	(36,27,438)	2,26,60,574
	Increase in other current liabilities	65,23,298	6,21,82,960
	Cash generated from operations	22,67,54,874	1,80,98,306
	Income taxes (paid)/refund	1,42,40,128	34,92,839
	Net cash inflow from operating activities	24,09,95,002	2,15,91,145
II	Cash flows from investing activities		
	Payments for property, plant and equipment including CWIP & Capital Advances	(14,49,44,430)	(12,45,56,682)
	Increase/(decrease) in financial instruments with bank	6,62,27,505	(54,58,019)
	Payments for purchase of investments	(4,41,950)	-
	Loans to employees and related parties		
	Decrease in financial instruments with bank	-	-
	Proceeds from sale of property, plant and equipment	-	4,44,68,319
	Interest received	74,42,878	24,05,049
	Net cash outflow from investing activities	(7,17,15,997)	(8,31,41,333)

**HTL Limited - Financial Statements**

(CIN: U93090TN1960PLC004355)

(All amounts are in Rs.)

Statement of Cash Flow for the year ended 31st March, 2018

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
	Proceeds/(repayment) of borrowings	(94,81,967)	11,41,75,967
	Interest paid	(1,77,01,284)	(6,22,74,652)
	Net cash inflow (outflow) from financing activities	(2,71,83,251)	5,19,01,315
IV	Net increase (decrease) in cash and cash equivalents	14,20,95,754	(96,48,873)
VI	Cash and cash equivalents at the beginning of the financial year	2,19,82,893	3,16,31,767
	Effects of exchange rate changes on cash and cash equivalents	-	-
VII	Cash and cash equivalents at end of the year	16,40,78,646	2,19,82,893
<i>Reconciliation of cash and cash equivalents as per the cash flow statement</i>			
Particulars		March 31, 2018	March 31, 2017
	Cash and cash equivalents as per above comprise of the following		
	Cash and cash equivalents (note 10)	16,40,78,646	2,19,82,893
	Bank overdrafts	-	-
	Balances per statement of cash flows	16,40,78,646	2,19,82,893

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

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, 2nd May, 2018

MAHENDRA NAHATA

Chairman

(DIN: 00052898)

S. NARAYANAN

Company Secretary

R.M. KASTIA

Director

(DIN: 00053059)

C.D. PONNAPPA

C F O

New Delhi, 2nd May, 2018

**HTL Limited****(CIN: U93090TN1960PLC004355)****Statement of Changes in Equity for the period ended 31st March, 2018****Equity Share Capital**

Particulars	Note No.	Amount
As at March 31, 2016	14	15,00,00,000
Changes in equity share capital		-
As at March 31, 2017	14	15,00,00,000
Changes in equity share capital		-
As at March 31, 2018	14	15,00,00,000

Other equity

	Reserves and Surplus				Other Comprehensive Income		Total
	Capital Reserve *	Securities Premium Reserve	Other Reserves	Retained Earnings	Exchange differences on translating the financial statements of a foreign operation	Remeasurement of defined benefit plans - Other Comprehensive Income	
Balance as at March 31, 2016	1	-	-	(1,17,04,52,404)	-	41,86,903	(1,16,62,65,500)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	2,14,26,988	-	(20,99,277)	1,93,27,711
Dividends	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-
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)

* 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, 2nd May, 2018

MAHENDRA NAHATA

Chairman

(DIN: 00052898)

S. NARAYANAN

Company Secretary

R.M. KASTIA

Director

(DIN: 00053059)

C.D. PONNAPPA

C F O

New Delhi, 2nd May, 2018



Notes to the Standalone Financial Statements for the year ended March 31,2018
(All amounts are in Rs. unless otherwise stated)

1. Corporate information

HTL Limited (“the Company”) had been engaged in manufacture of various types of Digital Electronic Telephone Exchange Equipment for rural and urban networks, Power Plants, Telephone Instruments, Transmission Systems (DCME, MUXs, SDH, Dias), Access Products (WLL-CORdect, HDSL, DLC, PMP) and Data Communication Products (Cross Connects, Data Modems and Internet Products). The Company was a wholly owned undertaking of Government of India (‘GOI’) under the Department of Telecommunications (‘DOT’) till 16th October 2001 when the Government divested 74 % of its shareholding in the Company as part of its divestment program, including transfer of management control, to 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 02, 2018.

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

On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.



Notes to the Standalone Financial Statements for the year ended March 31,2018
(All amounts are in Rs. unless otherwise stated)

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

Amendment in Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

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.



Notes to the Standalone Financial Statements for the year ended March 31,2018
(All amounts are in Rs. unless otherwise stated)

3.1.3. Use of Estimates and Judgments

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

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

3.2. Current versus non-current classification

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

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle
- 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.



Notes to the Standalone Financial Statements for the year ended March 31,2018
(All amounts are in Rs. unless otherwise stated)

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.



Notes to the Standalone Financial Statements for the year ended March 31,2018
(All amounts are in Rs. unless otherwise stated)

3.5. Property Plant and Equipment

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

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

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

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

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

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

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

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

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



Notes to the Standalone Financial Statements for the year ended March 31,2018
(All amounts are in Rs. unless otherwise stated)

*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



Notes to the Standalone Financial Statements for the year ended March 31,2018
(All amounts are in Rs. unless otherwise stated)

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.



Notes to the Standalone Financial Statements for the year ended March 31,2018
(All amounts are in Rs. unless otherwise stated)

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.



Notes to the Standalone Financial Statements for the year ended March 31,2018
(All amounts are in Rs. unless otherwise stated)

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.



Notes to the Standalone Financial Statements for the year ended March 31,2018
(All amounts are in Rs. unless otherwise stated)

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.



Notes to the Standalone Financial Statements for the year ended March 31,2018
(All amounts are in Rs. unless otherwise stated)

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



Notes to the Standalone Financial Statements for the year ended March 31,2018
(All amounts are in Rs. unless otherwise stated)

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



Notes to the Standalone Financial Statements for the year ended March 31,2018
(All amounts are in Rs. unless otherwise stated)

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



Notes to the Standalone Financial Statements for the year ended March 31,2018
(All amounts are in Rs. unless otherwise stated)

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. 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.



Notes to the Standalone Financial Statements for the year ended March 31,2018
(All amounts are in Rs. unless otherwise stated)

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

3.16. 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.

3.17. 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.

3.18. 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".

3.19. 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.

3.20. 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.



Notes to the Standalone Financial Statements for the year ended March 31,2018
(All amounts are in Rs. unless otherwise stated)

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.



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

Notes to Financial Statements for the year ended March 31, 2018

4 Property, Plant and equipment

(in Rs.)

Costs	Plant and Machinery	Building Freehold	Furniture and Fixtures	Office Equipments	Computers	Vehicles	Land Leasehold	Land Freehold	Total
As at March 31, 2016	40,67,10,864	12,52,06,638	-	12,11,617	40,30,232	64,44,931	2,43,992	2,99,473	54,41,47,747
Additions	9,11,69,415	1,82,17,896	76,873	2,32,709	32,11,201	46,500	92,430	3,36,422	11,33,83,446
Disposals / Adjustments	3,96,32,245	-	-	-	-	22,90,685	3,36,422	-	4,22,59,352
As at March 31, 2017	45,82,48,034	14,34,24,534	76,873	14,44,326	72,41,433	42,00,746	-	6,35,895	61,52,71,841
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	53,76,86,067	19,63,47,022	1,57,773	27,65,329	89,47,098	65,59,133	-	6,35,895	75,30,98,317
Accumulated depreciation and impairment	Plant and Machinery	Building Freehold	Furniture and Fixtures	Office Equipments	Computers	Vehicles	Land Leasehold	Land Freehold	Total
As at March 31, 2016	83,59,292	3,26,10,032	-	48,588	3,12,400	29,36,432	-	-	4,42,66,744
Depreciation for the year	4,74,35,010	56,12,735	14,850	6,28,742	40,44,863	20,29,893	-	-	5,97,66,094
Disposals / Adjustments	64,998	-	-	-	-	19,69,053	-	-	20,34,051
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
Net Book Value	Plant and Machinery	Building Freehold	Furniture and Fixtures	Office Equipments	Computers	Vehicles	Land Leasehold	Land Freehold	Total
As at March 31, 2016	39,83,51,572	9,25,96,605	-	11,63,029	37,17,832	35,08,499	2,43,992	2,99,473	49,98,81,003
As at March 31, 2017	40,25,18,729	10,52,01,766	62,023	7,66,996	28,84,170	12,03,474	-	6,35,895	51,32,73,053
As at March 31, 2018	42,58,85,363	15,11,72,548	1,10,319	13,76,943	17,52,483	21,11,387	-	6,35,895	58,30,44,938

Refer Note No. 41

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.



HTL Limited - Financial Statements

(All amounts are in Rs.)

Notes to Financial Statements for the year ended March 31, 2018**5 Capital Works-In-Progress**

Particulars	As at March 31, 2018	As at March 31, 2017
Buildings	32,27,098	29,55,781
Intangible Assets (Software)	1,22,39,117	-
	1,54,66,215	29,55,781

6 Non-Current Financial Assets - Other Bank Balances

Particulars	As at March 31, 2018	As at March 31, 2017
Fixed Deposits with Bank (Maturity more than 12 months)	5,21,54,786	4,58,18,469
Total	5,21,54,786	4,58,18,469



HTL Limited - Financial Statements

(All amounts are in Rs.)

Notes to Financial Statements for the year ended March 31, 2018

7 Inventories

Particulars	As at March 31, 2018	As at March 31, 2017
Inventories		
Raw Material	24,95,05,632	17,97,52,914
Work-in-progress	5,35,28,180	1,46,26,051
Finished goods	2,44,59,347	5,74,54,192
Stores & Spares	14,55,374	6,98,553
Total	32,89,48,533	25,25,31,710

8 Current Financial Assets - Investments

Particulars	As at March 31, 2018	As at March 31, 2017
Investments		
Investments in Equity shares	4,41,950	-
Total	4,41,950	-

Current Financial Assets - investments

Particulars	As at March 31, 2018	
	No. of Shares	Amount
Financial assets measured at FVTOCI		
(a) Investment in equity instruments		
Unquoted Equity Shares		
(i) NSL Wind Power Company (Phoolwadi) Private Limited - Fully Paid Up	44,195	4,41,950
Total Investment FVTOCI		4,41,950
Total Current Financial Investments		4,41,950

9 Current Financial Assets - Trade Receivables

Particulars	As at March 31, 2018	As at March 31, 2017
Trade Receivables		
(a) Unsecured, considered good;	57,04,64,442	72,53,31,695
Total	57,04,64,442	72,53,31,695

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	33,40,95,812	-	-	33,40,95,812
0-180 days past due	10,26,77,193	-	-	10,26,77,193
181-365 days past due	7,08,34,260	-	-	7,08,34,260
More than 365 days past due	6,28,57,176	-	-	6,28,57,176
Total	57,04,64,442	-	-	57,04,64,442

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.



HTL Limited - Financial Statements

(All amounts are in Rs.)

Notes to Financial Statements for the year ended March 31, 2018

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, 2018	As at March 31, 2017
Cash & Cash Equivalents		
Balance with banks;	10,34,50,581	16,95,125
Cash on hands;	1,55,429	2,87,768
Fixed Deposits with Bank (Original maturity less than 3 months)	6,04,72,636	2,00,00,000
Total	16,40,78,646	2,19,82,893

11 Current Financial Assets - Other Bank Balances

Particulars	As at March 31, 2018	As at March 31, 2017
Fixed Deposits with Bank (Maturity less than 12 months)	2,75,30,050	10,00,93,872
Total	2,75,30,050	10,00,93,872



HTL Limited - Financial Statements

(All amounts are in Rs.)

Notes to Financial Statements for the year ended March 31, 2018

12 Current Financial Assets -Other Assets

Particulars	As at March 31, 2018	As at March 31, 2017
Other Financial Assets		
A.) Advances other than capital advances;		
a.) Security Deposits		
(i) Unsecured, considered good;	91,86,708	56,31,488
Total	91,86,708	56,31,488

13 Current Tax Assets (Net)

Particulars	As at March 31, 2018	As at March 31, 2017
Advance tax/TDS(net of tax)	37,83,813	1,80,23,941
Total	37,83,813	1,80,23,941

14 Other Current Assets

Particulars	As at March 31,2018	As at March 31,2017
Other Current Assets		
Interest Receivables	85,67,152	41,55,700
Advances Recoverable in cash or in kind	1,28,33,174	85,65,971
Balance with GST, Custom, Excise etc.	3,85,16,142	2,78,53,523
Fixed Asset held for sale	-	1,40,28,353
Other Receivables	1,90,55,999	1,63,30,032
Total	7,89,72,467	7,09,33,577



HTL Limited - Financial Statements

(All amounts are in Rs.)

Notes to Financial Statements for the year ended March 31, 2018

15 (a) Equity Share Capital

Authorized	(In Rupees)	
	No of Shares	Amount
As at March 31, 2016	20,00,000	20,00,00,000
Increase during the year		
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

Issued

Movement in Equity Share Capital

	No of shares	Equity Share Capital par value
As at March 31, 2016	15,00,000	15,00,00,000
Add: Shares issued during the year	-	-
As at March 31, 2017	15,00,000	15,00,00,000
Add: Shares issued during the year	-	-
As at March 31, 2018	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 allotted 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.



HTL Limited - Financial Statements

(All amounts are in Rs.)

Notes to Financial Statements for the year ended March 31, 2018

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

Name of Shareholder		As at March 31, 2018 No. of share held	As at March 31, 2017 No. of share held
Himachal Futuristic Communications Ltd.		11,10,000	11,10,000
	% of Holding	74.00%	74.00%
Govt. of India represented by President of India		3,89,996	3,89,996
	% of Holding	25.99%	25.99%

iv) The reconciliation of the number of shares outstanding as at 31st March, 2018 is set out below:

Particulars	Number of Shares as at 31st March, 2018	Number of Shares as at 31st March, 2017
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, 2018	As at March 31, 2017
Capital Reserve	1	1
Retained Earnings	(1,00,17,98,349)	(1,14,69,37,790)
	(1,00,17,98,348)	(1,14,69,37,789)

(i) Capital Reserve

	Amount
As at March 31, 2016	1
Increase during the year	-
As at March 31, 2017	1
Increase during the year	-
As at March 31, 2018	1

(ii) Retained Earnings

	As at March 31, 2018	As at March 31, 2017
Opening Balance	(1,14,69,37,790)	(1,16,62,65,500)
Changes in accounting policy or prior period errors	-	-
Net profit for the period	14,71,96,484	2,14,26,988
<i>Items of Other Comprehensive Income recognised directly in Retained Earnings</i>		
Remeasurement of Defined benefit plans	(20,57,043)	(20,99,277)
Equity Instruments measured at Fair value	-	-
Closing Balance	(1,00,17,98,349)	(1,14,69,37,790)



HTL Limited - Financial Statements

(All amounts are in Rs.)

Notes to Financial Statements for the year ended March 31, 2018

16 Non-Current Financial Liabilities - Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017
Borrowings		
a) Term Loans		
(i) from other parties	6,24,20,000	6,24,20,000
b) Interest Accrued on above	23,68,87,510	23,68,87,510
c) Loans from related parties;	24,50,00,000	16,80,00,000
d) Vehicle loans	-	-
Total	54,43,07,510	46,73,07,510

Also refer Note No. 43

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

Loan from Govt. of India

(Amount in Rs. Lakhs)

Period of due for repayment	Amounts	
	Principal	Interest
More than 7 years	624.20	1,617.83
More than 5 to 7 years	-	300.42
More than 2 to 5 years	-	450.63
Total	624.20	2,368.88

Also refer Note No. 42

17 Non-Current Financial Liabilities - Other Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
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, 2018	As at March 31, 2017
Provisions		
a.) Provisions for Employee Benefits	2,18,29,295	1,83,15,119
Total	2,18,29,295	1,83,15,119



HTL Limited - Financial Statements

(All amounts are in Rs.)

Notes to Financial Statements for the year ended March 31, 2018

19 Current Financial Liabilities - Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017
Borrowings		
a) Loans repayable on demands		
(i) from Banks*	-	94,81,967
(ii) from other parties	10,00,00,000	10,00,00,000
b) Loans from related parties;	-	7,70,00,000
Total	10,00,00,000	18,64,81,967

* Secured against Term Deposits of Total Value Rs.186.62 lacs

20 Current Financial Liabilities - Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017
Trade Payables		
Micro, Small & Medium Enterprises	-	-
Others	1,18,42,35,407	1,21,86,51,960
Total	1,18,42,35,407	1,21,86,51,960

21 Current Financial Liabilities - Other Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Retention Money	-	-
Other Financial Liabilities		
a) Current maturities of long-term debts;	-	-
b) interest accrued but not due	6,51,67,378	3,34,71,666
Total	6,51,67,378	3,34,71,666

22 Other Current Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Other Current Liabilities		
a) Advances from Customers;	29,72,121	8,75,52,448
b) Others -		-
Statutory Liabilities	98,43,538	93,57,911
Other liabilities	1,30,06,113	1,74,63,550
Total	2,58,21,772	11,43,73,908

23 Provisions

Particulars	As at March 31, 2018	As at March 31, 2017
Provisions for Employee Benefits	11,52,089	34,66,016
Provisions - Others	2,65,18,844	-
Total	2,76,70,933	34,66,016



HTL Limited - Financial Statements

(All amounts are in Rs.)

Notes to Financial Statements for the year ended March 31, 2018

24 Revenue from operations

Particulars	For the years ended March 31, 2018	For the years ended March 31, 2017
Sale of products	2,82,33,25,480	1,95,43,01,299
Sale of services	-	6,01,05,328
Total	2,82,33,25,480	2,01,44,06,627

25 Other Income

Particulars	For the years ended March 31, 2018	For the years ended March 31, 2017
Other non-operating income		
Interest Income	1,18,54,330	65,60,749
Others		
Excess provision written back	6,73,56,341	3,19,54,723
Profit on sales of Assets	-	45,79,440
Recovery of debts, loans & advances earlier written off	-	66,65,524
Scrap Sales	80,40,239	1,06,32,933
Rent Received	30,42,912	25,05,555
Foreign Exchange Fluctuation (Net)	40,60,166	44,27,883
Miscellaneous Income	48,66,355	12,78,108
Total	9,92,20,343	6,86,04,916

26 Cost of Material Consumed

	For the years ended March 31, 2018	For the years ended March 31, 2017
Opening Balance	17,97,52,914	9,46,57,059
Add : Purchases during the year	2,35,87,34,592	1,76,40,24,479
	2,53,84,87,506	1,85,86,81,538
Less: Closing Stock	24,95,05,632	17,97,52,914
Less: Trf to Modvat Receivables	-	21,23,49,471
	2,28,89,81,874	1,46,65,79,153

27 Other Direct Cost

Particulars	For the years ended March 31, 2018	For the years ended March 31, 2017
Consumption of stores and spares parts	89,21,429	66,74,664
Total	89,21,429	66,74,664



HTL Limited - Financial Statements

(All amounts are in Rs.)

Notes to Financial Statements for the year ended March 31, 2018

28 Employee benefits expenses

Particulars	For the years ended March 31, 2018	For the years ended March 31, 2017
Salaries, bonus and allowances	14,53,15,955	16,12,09,815
Contribution to Provident and other funds	65,77,952	73,10,139
Staff welfare expenses	1,82,15,297	99,71,393
Total	17,01,09,204	17,84,91,346

29 Finance costs / Finance Income (Net)

Particulars	For the years ended March 31, 2018	For the years ended March 31, 2017
Finance Costs:		
Bank Loan Interest	19,850	94,015
Other Interest	4,47,88,869	4,86,08,148
Bank Charges	45,88,277	28,85,379
Total	4,93,96,996	5,15,87,542

30 Other expenses

Particulars	For the years ended March 31, 2018	For the years ended March 31, 2017
Rates and Taxes	29,56,510	83,59,421
Auditors' Remuneration		
Audit Fee	10,00,000	10,00,000
Tax Audit Fee	4,00,000	2,00,000
Out of pocket expenses	2,95,066	4,12,740
Legal and Professional Charges	1,58,77,221	70,18,551
Excise Duty	7,05,55,680	20,65,71,553
Communication Expenses	5,82,711	8,51,758
Travelling and Conveyance Expenses	49,11,737	50,60,994
Power and Fuel & Water Charges	4,41,17,939	3,89,78,296
Repairs and Maintenance	57,35,631	1,63,44,429
Insurance Expenses	24,18,934	19,91,265
Directors Sitting Fees	28,438	40,303
Leasing Charges	59,700	5,42,662
Vehicles- Running & Maintenance(CAR)	3,79,025	9,41,095
Security Charges	55,32,920	60,77,261
Printing and stationery	7,02,759	15,05,823
Selling and Distribution Expenses	2,69,79,256	22,58,920
Miscellaneous Expenditure	1,32,59,003	38,84,501
Total	19,57,92,530	30,20,39,572



HTL Limited - Financial Statements

(All amounts are in Rs.)

Notes to Financial Statements for the year ended March 31, 2018

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

	Year ended March 31, 2018	Year ended March 31, 2017
Basic & Diluted Earnings per share	Rs.	Rs.
Profit /(Loss) after tax	14,71,96,484	2,14,26,988
Less: Preference dividend	-	-
Profit attributable to ordinary shareholders	14,71,96,484	2,14,26,988
Weighted average number of ordinary shares (used as denominator for calculating basic EPS)	1,50,00,000	1,50,00,000
Weighted average number of ordinary shares (used as denominator for calculating diluted EPS)	1,50,00,000	1,50,00,000
Nominal value of ordinary share	Re.1	Re.1
Earnings per share basic	9.81	1.43
Earnings per share diluted	9.81	1.43



HTL Limited - Financial Statements

(All amounts are in Rs.)

Notes to Financial Statements for the year ended March 31, 2018

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 defined benefit obligation Note 33
3. Estimation of contingent liabilities refer Note 34
4. 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.



HTL Limited - Financial Statements

(All amounts are in Rs.)

Notes to Financial Statements for the year ended March 31, 2018

A	Components of Employer expense	Gratuity		Leave Encashment	
		31-03-2018	31-03-2017	31-03-2018	31-03-2017
	Service Cost				
1	Current service Cost	10,75,751	12,84,503	12,70,414	12,44,284
2	Past service cost	-	-	-	-
3	Curtailement Cost/(Credit)	-	-	-	-
4	Settlement Cost/(Credit)	-	-	-	-
5	Total Service Cost	10,75,751	12,84,503	12,70,414	12,44,284
	Net Interest Cost				
6	Interest Expense on DBO	11,40,298	10,74,466	4,15,867	4,75,168
7	Interest (Income on Plan Asset)	-	(1,20,929)	-	-
8	Interest (income)on reimbursement rights	-	-	-	-
9	Interest expense on effect of (asset ceiling)	-	-	-	-
10	Total Net Interest	11,40,298	9,53,537	4,15,867	4,75,168
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	22,16,050	22,38,040	16,86,281	17,19,452



HTL Limited - Financial Statements

(All amounts are in Rs.)

Notes to Financial Statements for the year ended March 31, 2018

B	Net Asset/(Liability) Recognised in Balance Sheet –	31-03-2018	31-03-2017	31-03-2018	31-03-2017
1	Actuarial (Gain) / Losses due to Demographic Assumption changes in DBO	-	-	-	-
2	Actuarial (Gain) / Losses due to Financial Assumption changes in DBO	(4,10,799)	6,72,141	(1,82,177)	3,97,972
3	Actuarial (Gain)/ Losses due to Experience on DBO	36,890	5,81,167	26,13,129	3,46,139
4	Return on Plan Assets (Greater) / Less than Discount rate	15,12,016	1,01,858	-	-
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	11,38,107	13,55,166	24,30,952	7,44,111
8	Total cost recognised in P&L and OCI (Defined Benefit Cost)	-	-	-	-
9	Cost Recognised in P&L	22,16,050	22,38,040	16,86,281	17,19,452
10	Remeasurement Effect Recognised in OCI	11,38,107	13,55,166	24,30,952	7,44,111
11	Total Defined Benefit Cost	33,54,156	35,93,206	41,17,233	24,63,563

C	Net Asset/(Liability) Recognised in Balance Sheet	31-03-2018	31-03-2017	31-03-2018	31-03-2017
1	Present value of Benefit Obligation	-	1,59,36,674	75,34,515	73,56,476
2	Fair Value of Plan Assets	-	15,12,016	-	-
	Funded status [Surplus/(Deficit)]	(1,54,46,869)	(1,44,24,658)	(75,34,515)	(73,56,476)
3	Unrecognised Past Service Costs	-	-	-	-
4	Net Assets/(Liability)Recognised in balance sheet	1,54,46,869	1,44,24,658	(75,34,515)	(73,56,476)
5	Present value of Encashment Obligation	-	-	67,81,512	66,84,582
6	Present value of Availment Obligation	-	-	7,53,003	6,71,894
7	REVISED SCHEDULE III COMPANIES ACT, 2013	-	-	-	-
	CURRENT LIABILITY	2,97,187	27,21,925	8,54,902	9,83,497
	NON-CURRENT LIABILITY	1,51,49,682	1,17,02,733	66,79,613	63,72,979


HTL Limited - Financial Statements

(All amounts are in Rs.)

Notes to Financial Statements for the year ended March 31, 2018

D	Change in Obligation over the period ending on	31-03-2018	31-03-2017	31-03-2018	31-03-2017
1	Present Value of Defined Benefits Obligation at Beginning(Opening)	1,59,36,674	1,44,09,343	73,56,476	68,39,624
2	Current Service Cost	10,75,751	12,84,503	12,70,414	12,44,284
3	Interest Cost	11,40,298	10,74,466	4,15,887	4,75,168
4	Plan Amendments		-	-	
5	Prior Service Costs		-	-	
6	Curtailments		-	-	
7	Settlements		-	-	
8	Actuarial (Gains)/Loss	(3,73,909)	12,53,308	24,30,952	7,44,111
9	Benefits Paid	(23,31,945)	(22,88,662)	(39,39,194)	(19,46,711)
10	Acquisitions/Divestures				
11	Present Value Of Defined Benefits Obligation At the end (Closing)	1,54,46,869	1,57,32,958	75,34,515	73,56,476
	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	14,92,945	-	-
2	Expected Return on Assets	-	1,20,929	-	-
3	Employer Contribution	23,31,945	22,88,662	-	19,46,711
4	Plan Participants Contributions		-	39,39,194	
6	Settlements By Fund Manager		-	-	-
7	Benefits Payouts	(23,31,945)	(22,88,662)	-	(19,46,711)
8	Actuarial gain/(Loss)	(15,12,016)	(1,01,858)	(39,39,194)	
9	Fair Value of assets at the End	-	15,12,016	-	-
10	Actual Return on Plan Assets	(15,12,016)	19,071	-	-

E	Amounts Recognized in Other Comprehensive Income	31-03-2018	31-03-2017	31-03-2018	31-03-2017
1	Opening Unrecognized Losses / (Gains)	(3,33,416)	(18,92,298)	7,44,111	
2	Actuarial Loss / (Gain) On DBO	(3,73,909)	14,57,024	24,30,942	7,44,111
3	Actuarial Loss /(Gain) On Assets	15,12,016	1,01,858	-	-
4	Prior Service Cost (Credit)	-	-	-	-
5	Amortization Of Prior Service Cost	-	-	-	-
6	Amortization Actuarial Loss /(Gain)	-	-	-	-
7	Total Recognised In Other Comprehensive Income	8,04,691	(3,33,416)	31,75,063	7,44,111


HTL Limited - Financial Statements

(All amounts are in Rs.)

Notes to Financial Statements for the year ended March 31, 2018

F	Reconciliation Of Net Asset/(Liability) Recognised in Balance Sheet	31-03-2018	31-03-2017	31-03-2018	31-03-2017
1	Net Balance sheet Asset/(Liability) Recognised at beginning	(1,44,24,658)	(1,29,16,398)	(73,56,476)	(68,39,624)
2	Amount Recognised In Accumulated Other Comprehensive Income/Loss at the beginning of the period	(3,33,416)	(18,92,298)	(7,44,111)	-
3	(Accrued)/ Prepaid benefit cost(Before adjustment) at beginning the of period	(1,47,58,074)	(1,48,08,696)	(66,12,365)	(68,39,624)
4	Net Periodic Benefit (Cost)/Income for the period	(22,16,050)	(22,38,040)	(16,86,281)	(17,19,452)
5	Employer Contribution	23,31,945	22,88,662	39,39,194	19,46,711
6	Currency Impact		-		
7	(Accrued)/ Prepaid benefit cost(Before Adj) at end of period	(1,46,42,179)	(1,47,58,074)	(43,59,452)	(66,12,365)
8	Amount Recognised In Accumulated Other Comprehensive Income/Loss at the beginning of the period	(8,04,691)	(3,33,416)	31,75,063	7,44,111
9	Net Balance Sheet Asset/Liab Recognised at the end of the period	(1,54,46,869)	(1,44,24,658)	75,34,515	73,56,476

G	INFORMATION REQUIRED UNDER IND AS 19	31-03-2018	31-03-2017	31-03-2018	31-03-2017
	Projected Benefit Obligation	1,54,46,889	1,59,36,674	75,34,515	73,56,476
	Accumulated Benefit Obligation	1,15,84,800	1,28,95,031	-	-
	FIVE YEAR PAYOUTS				
1	2017	-	-	-	-
2	2018	2,97,187	17,15,810	1,46,370	3,61,308
3	2019	2,88,440	2,66,086	1,41,844	1,26,577
4	2020	2,80,346	2,58,138	1,37,596	1,23,039
5	2021	6,11,936	2,50,781	4,41,737	1,19,716
6	2022	2,62,495	3,71,825	1,24,069	1,48,923
	NEXT 5 YEAR PAYOUTS(6 - 10 YRS)	59,47,844	34,84,526	27,33,364	21,63,828



HTL Limited - Financial Statements

(All amounts are in Rs.)

Notes to Financial Statements for the year ended March 31, 2018

H	Components of Employer expense	31-03-2018	31-03-2017	31-03-2018	31-03-2017
1	Current service Cost	10,75,751	21,77,606	12,70,414	12,44,284
2	Interest cost	11,40,298	10,42,217	4,15,867	4,75,168
3	Expected return On assets	-	(1,12,494)	-	-
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	22,16,050	31,07,329	17,26,809	17,19,452

I	Assumptions	31-03-2018	31-03-2017	31-03-2018	31-03-2017
1	Discount Rate	7.72%	7.44%	7.72%	7.44%
2	Expected Return on Assets	0.00%	8.10%	0.00%	0.00%
3	Salary Escalation	3.00%	3.00%	3.00%	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	31-03-2018	31-03-2017	31-03-2018	31-03-2017
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%	100%	0%	0%
8	Total	0%	100%	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.



HTL Limited - Financial Statements

(All amounts are in Rs.)

Notes to Financial Statements for the year ended March 31, 2018

34 Commitments and Contingencies

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

	As at March 31, '18 (Rs in lakhs)	As at March 31, '17 (Rs in lakhs)
(i) Guarantees given by banks on behalf of the Company	721.25	1,000.51
(ii) Impact of pending litigations not acknowledged as debt in financial statements	323.13	322.88

(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, 2018 the Company did not have any outstanding term derivative contracts.



HTL Limited - Financial Statements

(All amounts are in Rs.)

Notes to Financial Statements for the year ended March 31, 2018

(b) Capital Commitments	As at March 31, '18 (Rs in lakhs)	As at March 31, '17 (Rs in lakhs)
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	45.00	435.30

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:	Moneta Finance Private Limited HFCL Advance Systems Private Limited Polixel Securities Systems P.Ltd (w.e.f. 09.08.2016)
(c) Associates of Holding Co.:	HFCL Bezeq Telecom 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. N Thangaraj, Chief Financial Officer (upto 04.07.16) Mr. C. D. Ponnappa Chief Financial Officer (from 05.07.16) 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, 2018 are as under:

Particulars	Amount (Rs. In lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
Purchases/receiving of Goods & Materials Himachal Futuristic Communications Limited	8873.83	5,788.98
Sales/rendering of Goods & Materials Himachal Futuristic Communications Limited	4291.85	2,758.66
Fixed Assets purchased Himachal Futuristic Communications Limited	237.88	519.50
Fixed Assets (scrapped)sold Himachal Futuristic Communications Limited	0	5.00
Income - Rent /Other expenses Himachal Futuristic Communications Limited	1.52	3.14
Expenses – recovered Himachal Futuristic Communications Limited	2.00	1.84



HTL Limited - Financial Statements

(All amounts are in Rs. in lakhs)

Notes to Financial Statements for the year ended March 31, 2018

Loan received		
Himachal Futuristic Communications Limited	-	1,350.00
Interest paid		
Himachal Futuristic Communications Limited	318.50	308.20
Outstanding - Payable (net)		
Himachal Futuristic Communications Limited - Trade Payable	7694.59	6,352.24
Himachal Futuristic Communications Limited - Advance*	7200.00	7,200.00
Himachal Futuristic Communications Limited - Loan with interest	3018.64	2,731.95
Remuneration of Key Management Personnel's #		
(a) Dr.R.M.Kastia, Whole Time Director (up to 31.01.2018)	153.32	161.64
(b) Shri.G.S.Naidu, Chief Operating Officer (From 25.06.15)	47.00	45.29
(c) Shri. N.Thangaraj, Chief Financial Officer(up to 04.07.16)	-	2.99
(d) Shri CD Ponnappa, Chief Financial Officer (From 05.07.16)	41.35	26.91
(e) Shri. S Narayanan, Company Secretary	16.64	26.59

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 2.43% (Previous year 2.45%) of the total turnover of the Company, hence there are no reportable geographical segments.

Revenue of approximately 88% (31/03/2017 - 82%) are derived from three (31.03.2017 – Three) external customer which individually accounted for more than 10%.



HTL Limited - Financial Statements

(All amounts are in Rs.)

Notes to Financial Statements for the year ended March 31, 2018

37 Financial Instruments by category

Particulars	Mar-18			Mar-17		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
1) Financial Assets						
I) Investments						
Equity shares						
(i) NSL Wind Power Company (Phoolwadi) Private Limited	-	4,41,950	-	-	-	-
Bank Deposits	-	-	5,21,54,786	-	-	4,58,18,469
II) Trade Receivables	-	-	57,04,64,442	-	-	72,53,31,695
III) Cash and Cash Equivalents	-	-	16,40,78,646	-	-	2,19,82,893
IV) Other Bank balances	-	-	2,75,30,050	-	-	10,00,93,872
V) Security deposits for utilities and premises	-	-	91,86,708	-	-	56,31,488
1) Total Financial Assets	-	4,41,950	82,34,14,632	-	-	89,88,58,417
2) Financial Liabilities						
I) Borrowings						
A) From Banks	-	-	-	-	-	94,81,967
B) From Others	-	-	64,43,07,510	-	-	64,43,07,510
II) Trade Payables	-	-	1,18,42,35,407	-	-	1,21,86,51,960
III) Other Liabilities	-	-	78,51,67,378	-	-	75,34,71,666
2) Total Financial Liabilities	-	-	2,61,37,10,295	-	-	2,62,59,13,103

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 31-03-2018	Note No.	Level 1	Level 2	Level 3
Financial Assets				
Investments				
(i) NSL Wind Power Company (Phoolwadi) Private Limited	8	-	4,41,950.0	-
Total Financial Assets		Nil	4,41,950	Nil



HTL Limited - Financial Statements

(All amounts are in Rs.)

Notes to Financial Statements for the year ended March 31, 2018

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 utilities and premises	12	-	91,86,708	-
Total Financial Assets		-	82,34,14,632	-

Liabilities 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 Liabilities	17 & 21	-	78,51,67,378	-
Total Financial Liabilities		-	2,61,37,10,295	-

Financial Assets measured at Fair Value recurring Fair value measurements at 31-03-2017	Note No.	Level 1	Level 2	Level 3
Financial Assets				
Investments		-	-	-
Total Financial Assets		Nil	Nil	Nil

Assets and Liabilities which are measured at Amortised Cost for which fair value are disclosed at 31-03-2017	Note No.	Level 1	Level 2	Level 3
Financial Assets				
Bank Deposits	6	-	4,58,18,469	-
Trade Receivables	9	-	72,53,31,695	-
Cash and Cash Equivalent	10	-	2,19,82,893	-
Other Bank Balances	11	-	10,00,93,872	-
Security deposit for utilities and premises	12	-	56,31,488	-
Total Financial Assets		-	89,88,58,417	-



HTL Limited - Financial Statements

(All amounts are in Rs.)

Notes to Financial Statements for the year ended March 31, 2018

Liabilities which are measured at Amortised cost at 31-03-2017	Note No.	Level 1	Level 2	Level 3
Financial Liabilities				
I) Borrowings				
A) From Banks	19	-	94,81,967	-
B) From Others	16 & 19	-	64,43,07,510	-
II) Trade Payables	20	-	1,21,86,51,960	-
III) Other Liabilities	17 & 21	-	75,34,71,666	-
Total Financial Liabilities		-	2,62,59,13,103	-

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, 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
As at March 31, 2017					
Borrowings	16 & 19	65,37,89,477	18,64,81,967	46,73,07,510	65,37,89,477
Trade Payables	20	1,21,86,51,960	1,21,86,51,960	-	1,21,86,51,960
Deposits		-	-	-	-
Obligations under finance lease		-	-	-	-
Other liabilities	17 & 21	75,34,71,666	3,34,71,666	72,00,00,000	75,34,71,666



HTL Limited - Financial Statements

(All amounts are in Rs.)

Notes to Financial Statements for the year ended March 31, 2018

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 2018 and 31 March 2017.

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
1. PRICE RISK		
<p>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.</p> <p>Equity Price Risk is related to the change in market reference price of the investments in equity securities.</p> <p>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, 2018 was Rs.4.41 Lakhs, (March 31st, 2017 was Rs.Nil), the fair value of which is determined using valuation techniques.</p>	<p>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.</p>	<p>As an estimation of the approximate impact of price risk investments in equity instruments, the Company has calculated the impact as follows.</p> <p>For equity instruments, a 10% increase in prices would have led to approximately an additional gain of Rs.0.44 lakhs for year ending March 2018 (Rs.Nil for year ending March 2017) in other comprehensive income. A 10% decrease in prices would have led to an equal but opposite effect.</p>
2. INTEREST RATE RISK		
<p>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.</p> <p>Company has Fixed deposits with Banks amounting to Rs. 14.02 Cr as at March 31st, 2018 (Rs.16.39 Cr as at March 31st, 2017)</p> <p>Interest Income earned on fixed deposit for year ended March 31st, 2018 is Rs. 0.80 Cr (Rs.0.63 Cr as at March 31st, 2017)</p>	<p>In order to manage its interest rate risk The Company diversifies its portfolio in accordance with the risk management policies.</p>	<p>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. 0.035 Cr gain for year ended March 31st, 2018 (Rs.0.04 Cr gain for year ended March 31st 2017) in Interest income. A 0.25% decrease in interest rates would have led to an equal but opposite effect.</p>

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.



HTL Limited - Financial Statements

(All amounts are in Rs.)

Notes to Financial Statements for the year ended March 31, 2018

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 2018, the Company had top 3 customers (31 March 2017: top 5 customers) that owed the Company more than INR 54.31 Cr (31 March 2017: 63.14 Cr) and accounted for approximately 95.19% (31 March 2017: 87.14 %) 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 14. 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 2018 and 31 March 2017 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-18	31-Mar-17
	INR	INR
Borrowings (Note 16 & 19)	64,43,07,510	65,37,89,477
Trade Payables (Note 19)	1,18,42,35,407	1,21,86,51,960
Others (Note 17 & 21)	78,51,67,378	75,34,71,666
Less: Cash and Cash equivalents (Note 10)	(16,40,78,646)	(2,19,82,893)
Deposits	-	-
Total Debt	2,44,96,31,649	2,60,39,30,210
Convertible preferences shares	-	-
Equity	(85,17,98,349)	(99,69,37,790)
Total Capital	(85,17,98,349)	(99,69,37,790)
Capital and Total Debt	1,59,78,33,300	1,60,69,92,421
Gearing Ratio	153%	162%

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.10,017.98 Lakhs (Previous year Rs.11,469.38 Lakhs) as at March 31, 2018, resulting in negative net worth of Rs. 8,517.98 Lakhs (Previous year Rs. 9,969.38 Lakhs). The Company's current liabilities exceed its current assets by Rs. 2,194.89 lakhs (Previous year Rs.3619.16 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.2715.88 Lakhs (Previous year: Rs. 2715.88 Lakhs).

The Company has set up a manufacture plant of optical fibre cables and Fiber-to-home cables, and during the year, the Company has achieved Sales Turnover of Rs. 28233.25 Lakhs as compare to previous year Rs. 20144.06 lakhs. The Management is confident for generating the cash flow from the expanded business. In view of above, the financial statements have been prepared on a going concern basis.



HTL Limited - Financial Statements

(All amounts are in Rs.)

Notes to Financial Statements for the year ended March 31, 2018

- 40 Loan of Rs. 624.20 Lakhs (Previous year Rs.624.20 Lakhs) together with interest accrued and due thereon of Rs. 2368.88 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 in 2002. In respect of the remaining land measuring 30.99 acres, the name of the Company has been entered in the revenue records of the Government of Tamil Nadu. 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) . Considering adequate provision having already been made on GOI Loan and pending reworking of the interest 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 and reconciliation of the total interest payable, the Company has not provided for the interest amounting to Rs. 150.21 lakhs during the year (Previous year Rs. 150.21 lakhs) (Cumulatively Rs. 300.42 lakhs). Further, in the financial statements, company has adjusted the said claim receivable from the interest liability due to GOI. The final adjustment for differential interest (Excess / short), if any, will be done once the reconciliation 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 Consequent to introduction of Goods and Service Tax (GST) w.e.f. 1st July, 2017, revenue from operation for the period from 1st July, 2017 to 31st March 2018 is net of GST, however sales till the period ended 30th June, 2017 and previous year are gross of excise duty. The net revenue from operation (Net of GST/Excise Duty, as applicable) for the year ended 31/03/2018 is Rs. 27527.69 lakhs and Previous year ended 31st March, 2017 is Rs. 18078.35 lakhs.
- 45 Based on information available with the Company, there are no overdue amounts payable to Micro, Small and Medium Enterprises as defined under The Micro, Small and Medium Enterprises Development Act, 2006. Further, the Company has not paid any interest to any Micro, Small and Medium Enterprises during the current year.



HTL Limited - Financial Statements**(All amounts are in Rs.)****Notes to Financial Statements for the year ended March 31, 2018****46 Deferred 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.

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

For and on behalf of the Board

MAHENDRA NAHATA
Chairman
(DIN: 00052898)

R.M. KASTIA
Director
(DIN: 00053059)

MANISH KUMAR SINGHAL
Partner
M.No. 502570

S. NARAYANAN
Company Secretary

C.D. PONNAPPA
C F O

New Delhi, 2nd May, 2018

New Delhi, 2nd May, 2018



HTL LIMITED

(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.

ATTENDANCE SLIP

**57th ANNUAL GENERAL MEETING
2018**

I/We hereby record my/our presence at the 57thAnnual General Meeting of the Company at GST Road, Guindy, Chennai- 600032 on Friday, 27th July, 2018 at 12 Noon.

Member's Folio

Member's / Proxy's Name

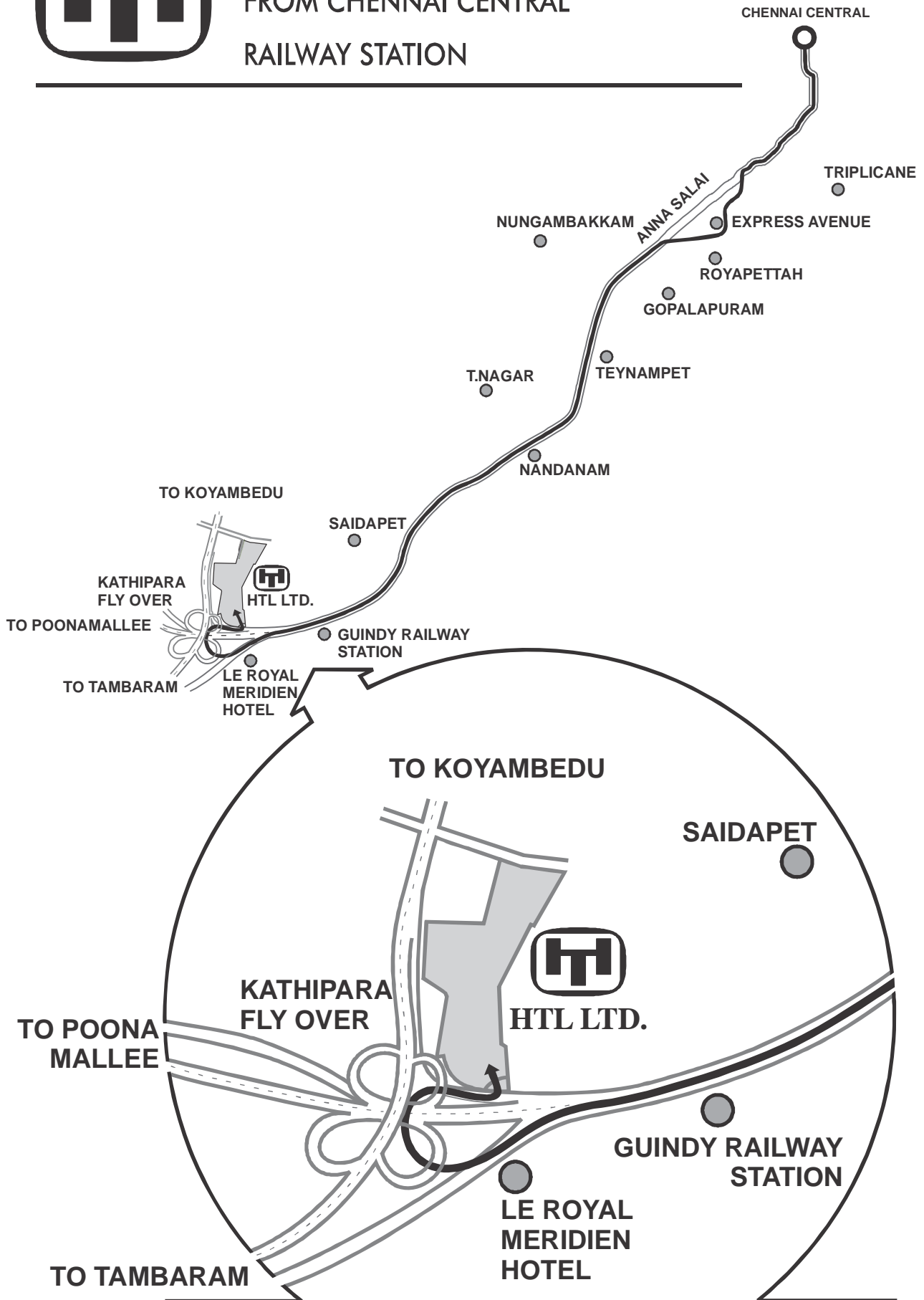
Member's / Proxy's Signature

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 2018 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**

(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.

PROXY FORM

[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 57th Annual General Meeting of the Company, to be held on Friday, 27th July, 2018 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 31 st March, 2018, together with the Reports of the Board of Directors and Auditors thereon.		
2.	Re-appointment of Shri Y.L.Agarwal (DIN: 00024770), who retires by rotation.		
3.	Re-appointment of Shri K.C.Jani (DIN: 02535299), 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.		
Special Business			
5.	Re-appointment & Remuneration of Shri G.S.Naidu, Chief Operating Officer as Manager of the Company (from 25.6.2017 to 24.6.2018).		

Signed this.....day of2018.

Signature of Shareholder

Signature of Proxy Holder(s).....

Affix Revenue
Stamp



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 57th 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.



Notes

A series of horizontal dotted lines for writing notes.



Notes

A series of horizontal dotted lines for writing notes.



HTL LTD.
Registered Office
G.S.T.Road,
Guindy,
Chennai - 600032

CIN:
U93090TN1960PLC004355

Website:
www.htlchennai.com