HTL LIMITED

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

65th Annual Report 2025-26
Date of Annual General Meeting: 24th July 2026 @ 12.30 P.M.
Venue: Registered Office,
57, GST Road,
Guindy,
Chennai – 600 032

And

Thru' Video Conferencing over MS Teams.

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NOTICE

Notice is hereby given that the Sixty Fifth Annual General Meeting of HTL Limited will be held on **Friday, the 24th July, 2026 at 12.30 P.M.** at the Registered Office of the Company at GST Road, Guindy, Chennai – 600 032 and thru' Video Conferencing over MS Teams (link will be provided to the Members on receipt of their request) to transact the following business:

AS ORDINARY BUSINESS

1. **Adoption of Financial Statements**

To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2026 together with the Reports of the Board of Directors and Auditors thereon.

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

"**RESOLVED THAT** the Audited Financial Statements of the Company for the year ended 31st March, 2026 together with the Reports of the Board of Directors and Auditors thereon be and are hereby received and adopted."

2. **Appointment of Director in place of the retiring Director**

To appoint a Director in place of Shri Rajeev Sabherwal (holding DIN- 08420761) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

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

"**RESOLVED THAT** Shri Rajeev Sabherwal (holding DIN- 08420761) who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as Director of the Company who shall be liable to retire by rotation under Section 152 of the Companies Act, 2013."

AS SPECIAL BUSINESS

3. **Re-appointment and payment of remuneration of Shri G. S. Naidu, Chief Operating Officer as 'Manager' of the Company under the Companies Act, 2013.**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any statutory modification(s) or re-enactment thereof for the time being in force) and such other approvals as maybe necessary, consent of the Company be and is hereby accorded for the re-appointment of Shri G. S. Naidu, Chief Operating Officer as the Manager of the Company for a period of one year w.e.f. 25.6.2025 as recommended by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors of the Company in their meeting held on 24.3.2026 with the revised remuneration amounting to Rs. 1,10,84,431/- w.e.f. 1.4.2025 including payment of revised remuneration for FY 2024-25 w.e.f. 1.4.2024 amounting to Rs. 96,20,453/- with the terms and conditions set out in the explanatory statement annexed to this Notice convening this meeting including remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the period of his tenure."

4. **Ratification of the remuneration payable to the Cost Auditors.**

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

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

"**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], and as recommended by the Audit Committee and approved by the Board of Directors in their Meeting held on 23rd July, 2025 the Company hereby ratifies the remuneration amounting to Rs. 75,000/- (Rupees Seventy Five Thousand only) plus applicable taxes, payable to M/s STARP & Associates, Cost Accountants (Firm Registration No. 004143), Chennai, who are appointed as the Cost Auditors to conduct the audit of cost records made and maintained by the company for the products viz., Fibre Reinforced Plastic (FRP) Rods and other applicable products under Passive Connectivity Solutions Division and Electrical Wiring Interconnect Solutions Division and any other products coming under the purview of Cost Audit for the financial year commencing on 01st April, 2025 and ending on 31st March, 2026.

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

By Order of the Board
For HTL Limited

Registered Office:
GST Road, Guindy
Chennai – 600 032

S. N[illegible]

(S. Narayanan)
Company Secretary
Membership No. A5772

Place: Chennai
Date: 18.06.2026

Notes:

1. **Proxy**

(i) Article 66 of the Articles of Association of the Company provides that a member entitled to attend and vote at a meeting may appoint another person (whether a member or not) as his proxy to attend a meeting and vote on a poll. No member shall appoint more than one proxy to attend on the same occasion. A proxy shall not be entitled to speak at a meeting or to vote except on a poll. The instrument appointing a proxy shall be in writing and be signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.

(ii) Article 67 of the Articles of Association of the Company provides that the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of the Company not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll not less than 24 hours before the time appointed for taking of the poll and in default the instrument of proxy shall not be treated as valid.

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

Name of the Director	**Shri Rajeev Sabherwal**
DIN	08420761
Date of Birth (Age in Years)	03.12.1960 (65 years)
Date of first Appointment	29.08.2022
Experience/Expertise in Specific Functional Areas	He has held prestigious command and staff appointments including serving in the Military Operations Directorate twice. He has in-depth knowledge of emerging operational paradigms and technological transformation. He has been instrumental in paving the future of the Indian Armed Forces towards Net Centric Capabilities and Information Warfare. With an astute understanding and penchant for Operational Communications, he has been instrumental in steering the policy and doctrine formulations in the modern communication battlespace.
Qualification(s)	He is a graduate of Defence Services Staff College, Wellington, Higher Command Course, Mhow and National Defence College, New Delhi. He is a Member of The Institution of Electronics and Telecommunication Engineers.

Directorship in other Companies	Raddef Private Limited
Chairmanship/ Membership of Committees (across all public Cos.)	**HTL Limited:** Chairman of Corporate Social Responsibility Committee
Shareholding in the Company	Nil
Relationship with other Directors and KMPs of the Company	Nil
No. of Board Meetings held / Attended during the financial year 2025-26	6/6
Details of Remuneration sought to be paid	Except, sitting fee for attending the Board and/or Committee meetings, no other remuneration is payable.
Last Remuneration drawn	Rs. 90,000/- (Rupees Ninety Thousand only). (Sitting fee for attending Board/Committee meetings during FY 2025-26)
Terms and conditions of re-appointment and Remuneration	As mentioned in the Resolution and Statement. Shareholders may also refer Remuneration Policy which is available on the website of the Company i.e. www.htllimited.com

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

ITEM NO. 3

Shri G. S. Naidu is a B.E. (Hons.) in Electrical Engineering from Bhopal University of Madhya Pradesh around 4 decades of extensive experience in Manufacturing Business Operations, Green field / Expansion projects. He started his career with M/s. National Aluminium Co. Ltd. in 1985, during project stage having capital outlay of 2.4 billion USD and later joined M/s. Optel Telecommunication Ltd., the pioneer company in the field of Optical Fibre, Optical Fibre Cable and Telecom Equipments.

During his employment with M/s. HFCL Ltd. 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. After joining the services of the Company, he established the manufacturing operations of OFC & OFC Accessories and further expanded the Company's business in Wire Harness products for Automotive & Industrial Sectors and Aerospace & Defence Sectors.

Shri G. S. Naidu, Chief Operating Officer of the Company has been designated as the 'Manager' of the Company since 25.6.2015 in the absence of Managing

Director as per the provisions of the Companies Act, 2013. Since then he has been re-appointed as the designated 'Manager' in pursuant to Section 2(53) of the Companies Act, 2013 for a period of one year from time to time. He has been re-appointed for a further period of one year w.e.f. 25.6.2025, with the payment of revised remuneration effective from 1.4.2025 during his tenure including revised remuneration for FY 2024-25 w.e.f. 1.4.2024 amounting to Rs. 96,20,453/- with the approval of the Board of Directors on the recommendation of the Nomination and Remuneration Committee of the Company in their meeting held on 24.03.2026 subject to the approval of Members in compliance with the provisions of the Companies Act, 2013 as per the terms detailed in the **Annexure- I.**

A copy of the remuneration details of Shri G. S. Naidu is enclosed as **Annexure- I.** The same may be treated as the abstract of the terms of the appointment of the Manager.

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

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

Shri G. S. Naidu along with his relatives, is deemed to be interested in the Resolution set out at Item No. 3 of the accompanying Notice with regard to his re-appointment.

Save and except the above, none of the Directors and Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the accompanying Notice.

The Board recommends the Special Resolution set forth in Item No. 3 of the Notice for the approval of members.

ITEM NO. 4

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company is required to appoint a Cost Accountant to audit the cost records for applicable products being manufactured by the Company. Based on the recommendation of the Audit Committee, the Board at its meeting held on July 23, 2025, approved the appointment of M/s STARP & Associates, Cost Accountants (Firm Registration No. 004143) as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company, pertaining to the for the products viz., Fibre Reinforced Plastic (FRP) Rods and other applicable products under Passive Connectivity Solutions Division and Electrical Wiring Interconnect Solutions Divisionand any other products coming under the purview of Cost Audit for the financial year commencing on 01st April, 2025 and ending on 31st March, 2026, at a remuneration of Rs. 75,000/- (Rupees Seventy Five Thousand Only) plus applicable taxes.

In accordance with the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the remuneration payable to Cost Auditors for the financial year 2025-26 as recommended by the Audit Committee and subsequently approved by the Board of Directors has to be ratified by the Members of the Company by way of an Ordinary Resolution.

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

The Board recommends the Ordinary Resolution set forth in Item No. 4 of the Notice for the approval of members.

Registered Office:
GST Road, Guindy
Chennai – 600 032

Place: Chennai
Date: 18.06.2026

By Order of the Board
For HTL Limited

(S. Narayanan)
Company Secretary
Membership No. A5772

Annexure – I

Remuneration

Name: Gilkara Shrinivas Naidu

Designation: Chief Operating Officer & Designated 'Manager'

	Remuneration w.e.f. 1.4.2024 for FY 2024-25	Remuneration w.e.f. 1.4.2025 for FY 2025-26
Details of Remuneration	**INR**	**INR**
Basic Salary	39,46,044	39,46,044
Flexi Pay	37,56,324	42,58,260
Provident Fund	4,73,520	4,73,520
Gratuity (4.81% of Basic)	1,89,720	1,89,720
Total Compensation	**83,65,608**	**88,67,544**

Plus:

I.	Variable Performance Linked Incentive	12,54,845	22,16,887*

II. Long Term Incentive (LTI) Plan**

LTI for FY 2024-25 – payable in FY 2025-26	34,52,821
LTI for FY 2025-26 – payable in FY 2026-27	39,46,080

*Subject to the prescribed terms linked to Individual performance, Business Unit performance and the Company's performance.

**The LTI Component is payable based on annual evaluation of business performance of the Company.

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<table>
<tr><th colspan="3">Statement as per Schedule V of the Companies Act, 2013 — Annexure- II</th></tr>
<tr><th>Sl. No.</th><th>Details</th><th>Information</th></tr>
<tr><td>I.</td><td>General Information</td><td></td></tr>
<tr><td>(1)</td><td>Nature of Industry</td><td>Telecommunications Sector - Manufacturing of Optical Fibre Cables (OFC), Cable Reinforcement Solutions, Electrical Wiring Inconnect System- Wire Harness Products for Automotive & Industrial Sectors and for Aerospace & Defence, Passive Connectivity Solutions.</td></tr>
<tr><td>(2)</td><td>Date or expected date of commencement of commercial production</td><td>The Company started commercial production of Teleprinters in 1961. On phasing out of the above production, manufacture of telecom equipments / components / accessories had been carried out. Now, manufacturing Optical Fibre Cables (OFC), Cable Reinforcement Solutions, Electrical Wiring Inconnect System- Wire Harness Products for Automotive & Industrial Sectors and for Aerospace & Defence, Passive Connectivity Solutions.</td></tr>
<tr><td>(3)</td><td>In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus</td><td>Not Applicable</td></tr>
<tr><td>(4)</td><td>Financial performance based on given indicators</td><td>
<table>
<tr><th rowspan="2">Financial Parameters</th><th colspan="3">Years</th></tr>
<tr><th>2022-23</th><th>2023-24</th><th>2024-25</th></tr>
<tr><td colspan="4">(Rs. in lakhs)</td></tr>
<tr><td>Turnover</td><td>126441.06</td><td>84428.55</td><td>57459.53</td></tr>
<tr><td>Net Profit / (Loss)</td><td>6459.52</td><td>2847.42</td><td>-1500.95</td></tr>
<tr><td>Amount of dividend paid</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Rate of dividend paid</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
</table>
</td></tr>
<tr><td>(5)</td><td>Export performance and net foreign exchange collaborations</td><td>Export Earnings during FY 2024-25 were Rs. 3,646.75 Lakhs.</td></tr>
<tr><td>(6)</td><td>Foreign investments or collaborations, if any.</td><td>Nil</td></tr>
<tr><td>II</td><td>Information about the appointee</td><td></td></tr>
<tr><td>(1)</td><td>Background details</td><td>Shri G.S.Naidu, is a B.E. (Hons.) in Electrical Engineering from Bhopal University of Madhya Pradesh about four decades of extensive experience in Manufacturing Business Operations, Green field / Expansion projects. He started his career with M/s. National Aluminium Co.Ltd. in 1985, during project stage having capital outlay of 2.4 billion USD and later joined M/s. Optel Telecommunication Ltd., the pioneer company in the field of Optical Fibre, Optical Fibre cable and Telecom Equipments. During his employment with M/s.HFCL at Goa Plant and M/s. Sudarshan Telecom (a division of M/s. West Coast Paper Mills Ltd.), he spearheaded the entire business activities of manufacturing of Optical Fibre Cable. He also headed a green field power cable project of M/s. General Cable Energy India Pvt.Ltd. (a unit of the General Cable Corporation, USA) having a capital outlay of 45 Million USD.</td></tr>
<tr><td>(2)</td><td>Past remuneration (during the immediate preceding 3 employments)</td><td>
<table>
<tr><th>Organisation</th><th>Period</th><th>Total Remuneration (Amount in Rs.)</th></tr>
<tr><td>HTL Ltd.</td><td>25th June 2022 to 24th June 2023</td><td>95,72,369</td></tr>
<tr><td>HTL Ltd.</td><td>25th June 2023 to 24th June 2024</td><td>1,77,31,843</td></tr>
<tr><td>HTL Ltd.</td><td>25th June 2024 to 24th June 2025</td><td>94,12,926</td></tr>
</table>
</td></tr>
</table>

Annexure- II

Statement as per Schedule V of the Companies Act, 2013

Sl. No.	Details	Information
(3)	Recognition or awards	Nil
(4)	Job Profile and his suitability	He is heading the Company as Designated "Manager" under the Companies Act and overseeing the business operations of the Company viz., Manufacturing, Marketing, Finance, Administration and Compliance of all applicable statutory provisions . He is having around 4 decades of experience in Senior Management positions in reputed Companies, including Telecom Companies. After joining the services of the Company, he established the manufacturing operations of OFC & OFC Accessories and further expanded the Company's business in Wire Harness products for Automotive & Industrial Sectors and Aerospace & Defence Sectors.
(5)	Remuneration proposed	Remuneration as approved by the Nomination and Remuneration Committee & Board of Directors in their meeting held on 24.3.2026, subject to the approval of the Shareholders.

Rs. Per Annum

Particulars	Remuneration w.e.f. 1.4.2024 for FY 2024-25	Remuneration w.e.f. 1.4.2025 for FY 2025-26
Basic Salary	39,46,044	39,46,044
Flexi Pay	37,56,324	42,58,260
Provident Fund	4,73,520	4,73,520
Gratuity	1,89,720	1,89,720
Performance Linked Incentive	12,54,845	22,16,887
TOTAL CTC	**96,20,453**	**1,10,84,431**

Additional Benefit:

Long Term Incentive Payable for FY 2024-25 - Rs. 34,52,821/-

Long Term Incentive Payable for FY 2025-26 - Rs. 39,46,080/-

Statement as per Schedule V of the Companies Act, 2013 — **Annexure- II**

Sl. No.	Details	Information
(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. 96,20,453/- p.a. in HTL Ltd. as Chief Operating Officer & designated 'Manager' of the Company during the FY 2024-25. He is now re-appointed as 'Manager' w.e.f. 25.6.2025 for a period of one year with the revised remuneration of Rs. 110,84,431/- p.a. w.e.f. 1.4.2025 during FY 2025-26. 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 does not have any direct or indirect pecuniary relationship with the Company, other than receiving remuneration, and has no relationship with the managerial personnel.
III	**Other information**	
(1)	Reasons of loss or inadequate profits.	The slump in the market for the Company's main product viz., Optical Fiber Cable is continued both domestically & abroad since the second half of FY 2023-24 and because of this fact not only your Company but also all the Manufacturing Companies in the similar industries in India were adversely affected in the business operations during the financial year 2024-25.
(2)	Steps taken or proposed to be taken for improvement.	The Company has taken all required steps in order to increase its turnover in its divisions viz., Passive Connectivity Solutions (PCS) and Electrical Wiring Interconnection Solutions (EWIS) so that the financial performance can be improved.
(3)	Expected increase in productivity and profits in measurable terms.	Turnover during 2026-27 is expected to be Rs. 1,200 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;	Not Applicable
(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.	

Annexure- III

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

Name of the Manager	**Shri G. S. Naidu**
PAN	ABRPN4626P
Date of Birth (Age in Years)	19.07.1963 (62 years)
Date of first Appointment	25.06.2015
Experience/Expertise in Specific Functional Areas	He is having a rich experience of about four decades in manufacturing operations, including Optical Fibre Cables and also is having specialized in manufacturing of Optical Fibre Cables. After joining the services of the Company, he established the manufacturing operations of OFC & OFC Accessories and further expanded the Company's business in Wire Harness products for Automotive & Industrial Sectors and Aerospace & Defence Sectors.
Qualification(s)	B.E. Hons.
Directorship in other Companies	Nimpaa Telecommunications Private Limited (Nominated by the Holding Company viz., HFCL Limited)
Chairmanship/ Membership of Committees (across all public Cos.)	**HTL Ltd**: Risk Management Committee- Member
Shareholding in the Company	Nil
Relationship with other Directors and KMPs of the Company	Nil
No. of Board Meetings held / Attended during the financial year 2025-26	5/5
Details of Remuneration sought to be paid w.e.f. 25.6.2025	Rs. 1,10,84,431/-
Last Remuneration drawn 25.6.2024 to 24.6.2025	Rs. 94,12,926 /-
Terms and conditions of re-appointment and Remuneration	As mentioned in the Resolutions and Statements. Shareholders may also refer Remuneration Policy which is available on the website of the Company i.e. www.htllimited.com

The above statement may be treated as part of Statement annexed under Section 102 of the Companies Act, 2013 for Item No. 3 of the Notice of AGM (1/2026).

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HTL LTD.

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

DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting the 65th Annual Report and Audited Accounts for the financial year ended 31st March 2026.

FINANCIAL RESULTS **(Rs. in Lakhs)**

PARTICULARS	**2025-26**	**2024-25**
Revenue from Operations	89,840.78	57,459.53
Other Income	782.33	486.74
Total Income	**90,623.11**	**57,946.27**
Profit / (Loss) Before Depreciation, Finance Charges and Taxation	14,179.32	3,647.62
Less: Depreciation & Amortization of Expenses	1,894.09	2,030.87
Finance Charges	3,109.10	3,569.85
Taxation	2,449.46	(441.14)
Net Profit / (Loss) for the year	**6,726.67**	**(1,511.96)**
Other Comprehensive Income / Expenditure Re-measurement of defined benefit plans	12.48	11.01
Total Comprehensive Income for the year	**6,739.15**	**(1,500.95)**
Cost towards the options (ESOP / RSU) granted to the Employees of the Company by the Holding Company.	(24.64)	-
Surplus / (Deficit) Brought Forward from Previous Year	14,183.30	15,684.25
Surplus / (Deficit) Carried to the Balance Sheet	20,897.81	14,183.30

DIVIDEND

After taking into consideration the Company's requirement of funds for carrying out its operations and its expansion plans the Board of Directors could not recommend payment of dividend for the year.

RESERVES

The profit of the Company for the year ended 31st March 2026 of Rs. 6,726.67 lakhs have been retained in the Surplus account and there were no other transfers to the Reserves for the year under review.

CHANGES IN CAPITAL STRUCTURE

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

OPERATIONAL REVIEW

The Company has achieved a Turnover of Rs. 89,840.78 lakhs during the financial year 2025-26 and the value of sales of different products & services provided during the year under review with comparative figures of the previous year are:-

(Rs. in Lakhs)

Description	2025-26	2024-25
Sale of Products & Services – OFC, CRS, PCS, DCS, Wire Harness Products for Aerospace & Defense Sectors and for Automotive & Industrial Sectors	89,402.83	57,261.22
Other Operating Revenues	437.95	198.31
TOTAL	**89,840.78**	**57,459.53**

OUTLOOK

The Government of India announced in the Finance Bill 2026 Tax Holiday benefit for the Foreign Companies in establishing Data Centers in India. This is expected to result in substantial increase in the demand for Data Centre Cables and Interconnects.

The prospects for the export of Data Centre Connectorised Solutions are very robust.

The demand for Optical Fiber Cables and Accessories is expected to grow due to (i) Nationwide 5G rollouts; (ii) Data centre expansion; (iii) Execution of BharatNet Phase III; and (iv) Robust export demand.

India's defence production has witnessed remarkable growth since the launch of the "Make in India" initiative. Once heavily reliant on foreign suppliers, the nation is now emerging as a formidable player in indigenous defence manufacturing. This resulted in growing demand for Tactical Assemblies and your Company has already started its supplies and it is one of the leading suppliers to Indian Army.

The system integration in Defence Wiring Harness and Electrical Wiring Interconnect Systems (EWIS) are rapidly growing and consequently the demand for Wire Harness Products is consistently increasing. Your Company has made tie-up arrangements with the Original Equipment Manufacturers (OEMs) and its turnover is expected to increase in the coming years.

SIGNIFICANT EVENTS

- The business prospects for Optical Fiber Cables (OFC) & OFC Accessories have improved during the year under review when compared to the last financial year 2024-25.
- Your Company obtained an order to the tune of Rs. 101 crores (including applicable GST) for supply of Tactical Assemblies from Indian Army and also started its supplies during the year under review.

- Your Company successfully completed the inspections / tests carried out by the prospective Customers for supply of Multi Fiber Push On (MPO) Cables for their Data Centres and also started its supplies during the year under review.
- Your Company strengthened its Customer base for its Electrical Wiring Interconnect Systems by establishing association with Automobile - Original Equipment Manufacturers (OEMs) and started achieving more turnover during the year under review. Further, it is expected to increase the turnover of this division in the coming years with their continuous repeat Orders.
- In EWIS Division, Your Company received an order for 9-meter double decker bus harness from a commercial vehicle manufacturer and orders for supplying cable assemblies from a defence PSU.
- In Cable Reinforcement Solutions (CRS) Division, Your Company received multiple export orders worth USD 373K for Ultraviolet Fiberglass Reinforced Plastic (UV FRP) from global customers.
- In Passive Connectivity Solutions (PCS) Division, Your Company received orders from domestic telecom companies for Unlicensed Band Backhaul Radios (UBRs), supplying installation material kits used in setting up broadband, office hub or fiber connectivity at the customer locations, and supplying patch cords from another customer.
- In Data Centre Solutions Division, Your Company has established a State of Art Assembly Lines with ISO Class controlled environment for manufacturing high Fiber count Connectorised Solutions for Data Centre applications and initial supplies have been made in Q4 of the year under review.

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

There were six meetings held during the Financial Year 2025-26 i.e., on 20.05.2025, 23.07.2025, 15.10.2025, 20.01.2026, 02.02.2026 and 24.03.2026. The intervening gap between two meetings of the Board is within the stipulated time prescribed in the Companies Act, 2013.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

In terms of requirements of Schedule IV to the Act, a separate meeting of the Independent Directors was held on 14.03.2026 for FY 2025-26.

The meeting of the Independent Directors was attended by all the two Independent Directors, viz., Dr. Tamali Sengupta and Smt. Bela Banerjee.

ANNUAL RETURN

The Annual Return of the Company as on 31st March, 2025 in prescribed e-form MGT-7 in accordance with Section 92(3) of the Act, read with Section 134(3)(a) of the Act, is available on the website of the Company and may be accessed at the web-link: https://htllimited.com/uploadimages/FY2024-25.pdf.

Further, the Annual Return i.e. e-form MGT-7 for the FY 2025-26 shall be filed by the Company with the Registrar of Companies, Tamil Nadu within the stipulated period and the same can also be accessed thereafter on the Company's website.

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

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

LOANS, GUARANTEES AND INVESTMENTS

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 outstanding as at 31st March, 2026 are as follows:

Particulars	Amount (Rs. in Lakhs)
Loans given	Nil
Guarantees provided	Nil
Investments made	409.15

HOLDING COMPANY

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

PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

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

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

Presently the sitting fees is Rs.15,000/- per Board / Committee meeting.

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

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

DIRECTORS

As on 31st March, 2026, the Company had 7 (Seven) Directors on the Board.

Re-Appointments / Appointments

In accordance with the provisions of Section 152 of the Act, Shri Rajeev Sabherwal (DIN: 08420761), Director (Non- Executive) is liable to retire by rotation at the ensuing 65th Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

His brief resume and other related information are being given in the Notice convening the 65th AGM of your Company.

Your Directors recommend his re-appointment as Non-Executive Director of your Company.

During the year under review, on recommendation of the Nomination and Remuneration Committee the Board of Directors appointed Smt. Bela Banerjee (DIN: 07047271) as a Non-Executive, Additional Director in the category of Independent Director, w.e.f. 10.06.2025, who was further appointed as an Independent Director for one term of consecutive five years, not liable to retire by rotation, w.e.f. 10.06.2025 to 09.06.2030, by the Shareholders of the Company in their 64th Annual General Meeting by way of an ordinary resolution. The Company received a declaration from the said Independent Director confirming that she met the criteria of Independence as prescribed under the provisions of the Act, read with the Schedules and Rules issued thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and she is independent of Management. In the opinion of the Board, she possesses requisite qualifications, experience, expertise and holds highest standards of integrity. She also fulfills the conditions specified in the Companies Act, 2013 ('the Act') as well as the Rules made thereunder and is independent of the management.

Shri Sanjay Kumar (DIN: 11255483) has been appointed by Government of India vide their letter Ref. No. E-5-5/2021-PSA dated August 08, 2025 as a Nominee Director of the Company and the Company inducted him on its Board w.e.f. August 22, 2025 on compliance of the provisions of the Companies Act.

Cessation

Dr. R. M. Kastia (DIN: 00053059) ceased to be a Director w.e.f. May 13, 2025 on his resignation from the Board of the Company and the same was accepted by the Board.

Shri Pankaj Garg (DIN: 10513597) ceased to be a Director w.e.f. August 08, 2025 consequent upon withdrawal of nomination by Government of India vide their letter Ref. No. E-5-5/2021-PSA dated August 08, 2025.

Declaration by the Company

The Company has issued confirmation to its Directors, confirming that it has not made any default under Section 164(2) of the Act, as on 31st March, 2026.

Declaration by Independent Director

The Company has received declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of the Act, read with the Schedules and Rules issued thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and that they are independent of the management.

AUDIT COMMITTEE

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

Dr. R. M. Kastia ceased to be a Member & Chairman of the Committee consequent upon cessation of his directorship on resigning from the Board of the Company w.e.f. May 13, 2025.

Shri K. C. Jani, a Member in the Committee has been designated by the Board as Chairman of the Committee w.e.f. May 20, 2025.

Smt. Bela Banerjee has been nominated by the Board as a Member of the Committee w.e.f. July 23, 2025.

There were six meetings held during the Financial Year 2025-26 i.e., on 20.05.2025, 17.06.2025, 23.07.2025, 15.10.2025, 05.01.2026 and 02.02.2026.

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 four Members viz., Dr. Tamali Sengupta, Chairman, Shri Mahendra Nahata, Member, Smt. Bela Banerjee, Member and Shri Mehul R. Joshi, Member.

Dr. R. M. Kastia ceased to be a Member & Chairman of the Committee consequent upon cessation of his directorship on resigning from the Board of the Company w.e.f. May 13, 2025.

Dr. Tamali Sengupta a Member in the Committee has been designated by the Board as Chairman of the Committee w.e.f. May 20, 2025.

Smt. Bela Banerjee has been nominated by the Board as a Member of the Committee w.e.f. July 23, 2025.

There was one meeting of the Nomination and Remuneration Committee held on 24.03.2026 during the Financial Year 2025-26.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

The Members of the CSR Committee are Shri Rajeev Sabherwal, Chairman, Shri K. C. Jani, Member, Dr. Tamali Sengupta, Member and Shri Sanjay Kumar, Member.

Dr. R. M. Kastia ceased to be a Member & Chairman of the Committee consequent upon cessation of his directorship on resigning from the Board of the Company w.e.f. May 13, 2025.

Shri Rajeev Sabherwal has been nominated as a Member and also designated as Chairman of the Committee by the Board w.e.f. May 20, 2025.

Shri Pankaj Garg ceased to be a Member consequent upon cessation of his directorship on withdrawal of nomination from the Board of the Company by Government of India w.e.f. August 08, 2025.

Shri Sanjay Kumar has been nominated by the Board as a Member of the Committee w.e.f. July 23, 2025

There was no meeting of the Corporate Social Responsibility Committee held on during the year under review since there was no obligation as per the applicable provisions / Rules of the Companies Act during the financial year 2025-26.

REGISTRAR AND SHARE TRANSFER AGENT (RTA)

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

RELATED PARTY TRANSACTIONS

During the year under review, the Company has entered into transactions with related parties viz., HFCL Limited, the Holding Company and its Associate Company viz., Nimpaa Telecommunications Private Limited and Other Related Companies viz., Exicom Tele-Systems Limited & Exicom Energy Systems Private Limited and Wholly owned Subsidiaries of the Holding Company viz., HFCL Inc., HFCL B.V. & HFCL Technologies Private Limited and step-down Subsidiaries of the Holding Company viz., HFCL Canada Inc., HFCL UK Limited and HFCL Pty. Ltd. and MN Ventures Private Limited, being common directorship held by Shri Mahendra Nahata as defined under Section 2(76) of the Companies Act, 2013 read with the Companies (Specification of Definitions Details) Rules, 2014, which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013 and the Rules issued there under.

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

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

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

There are transactions required to be reported in prescribed Form AOC-2 pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the details of which is annexed herewith as **Annexure - I** to this Report.

FIXED DEPOSITS

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

GENERAL BODY MEETINGS

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

Financial Year	Location	Date	Time
2024-25	Regd. Office, GST Road, Guindy, Chennai Thru' Video Conferencing over MS Teams	08.08.2025	12.30 P.M.
2023-24	Regd. Office, GST Road, Guindy, Chennai Thru' Video Conferencing over MS Teams	26.07.2024	12.30 P.M.
2022-23	Regd. Office, GST Road, Guindy, Chennai Thru' Video Conferencing over MS Teams	28.07.2023	12.30 P.M.

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

Financial Year	Location	Date	Time
2024-25	Regd. Office, GST Road, Guindy, Chennai Through Video Conferencing over MS Teams	15.4.2024	12 Noon
2023-24	Nil.		
2022-23	Nil.		

COMPLIANCE WITH SECRETARIAL STANDARDS

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

KEY MANAGERIAL PERSONNEL

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

Shri G. S. Naidu, Chief Operating Officer has been re-appointed as 'Manager' of the Company w.e.f. 25.06.2025 for a further period of one year by the Board of Directors in their meeting held on 24.03.2026 on recommendation of the Nomination and Remuneration Committee subject to the approval of the Shareholders in the ensuing AGM.

PARTICULARS OF EMPLOYEES' AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Management Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), a statement showing the details of the employee of the Company in terms of remuneration drawn as per the said Rules is 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, 2026, the applicable accounting standards have been followed along with proper explanations relating to material departures;
2. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent (read with Note No. 3 of Notes to the Audited Statement of Accounts) so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the Directors had prepared the annual accounts on a going concern basis;
5. that the Directors have laid down proper internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
6. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DEPOSITORY SYSTEMS

Your Company's Scrip has come under compulsory dematerialisation as per the amended provisions of the Companies Act, 2013. All the equity shares of the Company is dematerialised.

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

CORPORATE SOCIAL RESPONSIBILITY

The details of the progress made in respect of CSR projects of the Company during the financial year 2025-26 are:-

CSR Projects of the Company			
	Mobile Medical Unit @ Hosur- in association with Wockhardt Foundation	**Mobile Medical Unit- 2 @ Chennai- in association with Wockhardt Foundation**	**Inclusive Education for Children with Special Needs @ Chennai - in association with Arya Samaj Seva Foundation (ASSF) formerly Tamil Nadu Arya Samaj Educational Society (TNAES)**
Total Project Cost	1,05,00,000	1,08,85,456	1,75,10,000

(Amount in Rs.)			
Project Period	3 years	3 Years	3 Years
Commenced on	30.01.2023	02.08.2023	01.12.2023
End on	29.01.2026 **(Completed)**	01.08.2026 **(In Progress)**	30.11.2026 **(In Progress)**
Amount Spent as on 31.3.2026 (in Rs.)	1,05,00,000	94,59,826	1,51,87,000
No of beneficiaries covered during FY 2025-26	23,569	24,987	91

Pursuant to the applicable provisions and Rules of the Companies Act, 2013, the Company had no CSR obligation for the year under review.

The Company has laid down a Corporate Social Responsibility (CSR) Policy along with Composition of Committee. The CSR Policy along with Composition of Committee is available on the website of the Company and may be accessed at the web-link: https://htllimited.com/uploadfile/HTL_CSR-Policy.pdf

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

AUDITOR AND AUDITOR'S REPORT

At the 64th Annual General Meeting of the Company, M/s. Oswal Sunil & Company (Firm Registration. No. 016520N), Chartered Accountants, New Delhi were appointed for one term of consecutive 5 years as Statutory Auditors of the Company to hold office till the conclusion of 69th Annual General Meeting.

The Auditors' Report does not contain any qualification, reservation or adverse remark for the year under review.

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

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Shri R. Balasubramanian, Practising Company Secretary having Membership No. F10011 and C.P.No.11979 to conduct the Secretarial Audit of your Company for the financial year 2025-26. The Secretarial Audit Report is annexed herewith as **Annexure – IV** to this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark for the year under review.

PERSONNEL

The manpower strength at the close of the financial year was 350 as compared to 321 at the beginning of the financial year.

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

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN 31st MARCH, 2026 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 (31st March, 2026) and date of this Report (28th April, 2026).

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

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

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

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

INDIAN ACCOUNTING STANDARDS (IND AS)

Your Company's financial statements for the year ended 31st March, 2026 are the financial statements prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

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

Your Company maintains appropriate systems of internal control including monitoring procedures. These internal control systems ensure reliable and accurate financial reporting, safeguarding of assets, keeping constant check on cost structure and adhering to management policies. The internal controls are commensurate with the size, scale and complexity of our operations and facilitate timely detection of any irregularities and early remedial steps against factors such as loss from unauthorized use and disposition. Company policies, guidelines and procedures provide for adequate checks and balances which are meant to ensure that all transactions are authorized, recorded and reported correctly. The internal controls are continuously assessed and improved / modified to meet changes in business conditions, statutory and accounting requirements.

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

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

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

RISK MANAGEMENT

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

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

The Policy on Vigil Mechanism / Whistle Blower Policy may be accessed at the web-link: https://htllimited.com/uploadimages/HTL_Whistle-Blower-Policy.pdf

PREVENTION OF SEXUAL HARASSMENT

The Company has in place a Policy on Prevention of Sexual Harassment at Workplace and has complied with the provisions relating to the constitution of Internal Complaints

Committee(s) (ICCs) in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the rules made thereunder. ICCs at each workplace of the Company, have been set up to redress complaints, if any, received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. ICC of the Company has also filed Annual Return for the calendar year 2025 with the District Officer, as required under Section 21(1) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rule 14 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013.

The details of complaints filed under the Sexual Harassment of Women at Workplace (Prevention, prohibition and Redressal) Act, 2013 are provided below:

Particulars	**Details**
Number of complaints of sexual harassment received in the year	Nil
Number of complaints disposed off during the year	Nil
number of cases pending for more than ninety days	Nil

COMPLIANCE WITH PROVISIONS RELATING TO THE MATERNITY BENEFITS ACT, 1961

The Company has duly complied with all applicable provisions of the Maternity Benefits Act, 1961.

CAUTIONARY STATEMENT

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

CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS

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

COST RECORDS AND COST AUDIT

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

The Board at its meeting held on 23rd July, 2025, appointed M/s. STARP & Associates, Cost Accountants (Firm Registration No. 004143) as the Cost Auditors of the Company on recommendation of the Audit Committee to conduct audit of cost records maintained by the Company, for the products viz., Aramid Reinforced Plastic (ARP) Rods, Fibre Reinforced Plastic (FRP) Rods, HDPE, Wire Harness and any other products coming under the purview of Cost Audit for the financial year commencing on 01st April, 2025 and ending on 31st March, 2026 in accordance with the Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014. The remuneration is to be ratified by the Members in the ensuing Annual General Meeting.

ACKNOWLEDGEMENTS

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

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

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

For and on behalf of the Board

Place: New Delhi
Date : 28.04.2026

Mahendra Nahata
Chairman
DIN: 00052898

Annexure - I to the Directors' Report

Form No. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under fourth proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis:** There were no contracts/ arrangements entered into by the Company during the financial year ended March 31, 2026 which were not at arm's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

Sl. No.	Corporate identity number (CIN) and Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	CIN: L64200HP1987PLC007466 HFCL Limited, Holding Company	1. operating lease arrangement for letting out one 12F Ribbon Line, one Coloring Line, two Ribbon Strander and one Dual Coloring Line.	01st June 2025 to 31st March 2027	The said transaction was made on arms' length basis, pursuant to the necessary approvals granted by the Audit Committee and Board of Directors of the Company, amounting to Rs. 98.59 lakhs in aggregate as per the terms and conditions stated in the Operating Lease Agreement executed on 11th June 2025.	20.5.2025	Nil
		2. operating lease arrangement for letting out one Optical Fiber Coloring & Rewinding (Single Head) machine.	09th February 2026 to 31st March 2027	The said transaction was made on arms' length basis, pursuant to the necessary approvals granted by the Audit Committee and Board of Directors of the Company, amounting to Rs. 3.15 lakhs in aggregate as per the terms and conditions stated in the Operating Lease Agreement executed on 12th February 2026.	2.2.2026	Nil

For and on behalf of the Board

Mahendra Nahata
Chairman
DIN: 00052898
New Delhi, 28th April 2026

K.C. JANI
Director
DIN: 02535299
Mumbai, 28th April 2026

Annexure - II to the Directors' Report

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

Details of the employees of the Company in terms of remuneration drawn and the names of employees who were employed throughout the financial year 2025-26 and were paid remuneration not less than Rs.1,02,00,000/- per annum and employees who were employed for a part of financial year 2025-26 and were paid remuneration not less than Rs. 8,50,000/- per month.

Name of the Employee	:	Shri. G S Naidu
Designation	:	Chief Operating Officer and Manager*
Nature of Employment	:	Permanent
Remuneration (in Rs.)	:	1,60,41,510/-
Qualifications & Experience	:	BE (Electrical) & 40 Years
Date of Commencement of Employment	:	15.06.2015
Age (Years)	:	62 years
Last Employment Held & Designation	:	President & Business Head, M/s. Sudarshan Telecom Ltd., Mysuru

*Appointed as 'Manager' under the Companies Act w.e.f. 25.06.2015.

Notes:
(i) The remuneration shown above comprises of Salary, Allowances, Perquisites, Ex-gratia, Medical, Company's contribution to Provident Fund and all other reimbursements, if any.
(ii) Shri. G S Naidu is not related to any Director of the Company.
(iii) Shri. G S Naidu does not hold by himself or along with his spouse and dependent children any equity shares in the Company.

For and on behalf of the Board

Place: New Delhi
Date : 28.04.2026

Mahendra Nahata
Chairman
DIN: 00052898

Annexure - III to the Directors' Report

Annual Report on CSR Activities for the Financial Year 2025- 26

1. **Brief outline on CSR Policy of the Company.**

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

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

(i) Promoting health care including preventive health care.
(ii) Sanitation and making available safe drinking water.
(iii) Eradicating hunger, poverty and malnutrition.
(iv) To arrange establish, run, manage, control, look after and supervise the widows homes, old age homes, orphanages, child welfare centres and to provide medical relief and/or aid to the suffering human body.
(v) To establish sponsor, administer and provide funds, stipends, scholarships and study grants to enable poor deserving and /or meritorious students and teachers to pursue their studies, research and training in any fields in India.
(vi) Promoting education, including special education and employment enhancing vocation skills especially among children, youth, women, elderly and the differently abled and livelihood enhancement projects.
(vii) Rural development projects.

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1	Rajeev Sabherwal	Chairman / Non – Executive Director	Nil*	
2	Shri K.C. Jani	Member / Non – Executive Director		
3	Dr. Tamali Sengupta	Member / Non – Executive Woman Independent Director		
4	Shri Sanjay Kumar	Member / Non – Executive Nominee Director		

*There was no meeting of the Corporate Social Responsibility Committee held during the financial year 2025-26 since there was no obligation as per the applicable provisions / Rules of the Companies Act during the financial year 2025-26.

Shri Pankaj Garg (DIN: 10513597) ceased to be a Member consequent upon cessation of his directorship on withdrawal of nomination from the Board of the Company by Government of India w.e.f. August 08, 2025.

Shri Sanjay Kumar has been nominated by the Board as a Member of the Committee w.e.f. July 23, 2025.

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

   Composition of CSR Committee:

   https://htllimited.com/uploadfile/HTL_CSR-Policy.pdf

   CSR Policy:

   https://htllimited.com/uploadfile/HTL_CSR-Policy.pdf

   Approved CSR Projects:

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

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

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

   https://htllimited.com/uploadimages/140224111839DAVChennai-InclusiveEducationInitiativeforChildrenwithSpecialNeeds-FY2023-24.pdf

   https://htllimited.com/uploadfile/Purchase-and-Installation-of-Smart-Interactive-Boards.pdf

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

   Not Applicable.

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

   Not applicable.

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

   Not applicable.

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

   Not applicable.

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

   Not applicable.

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

   Not applicable.

6. **(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):- Not applicable**

(b) Amount spent in Administrative Overheads: - Nil

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

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: - Not applicable.

(e) CSR amount spent or unspent for the financial year 2025-26:

Total Amount Spent for the Financial Year 2025-26 (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Not applicable					

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

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Not applicable
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Balance Amount in Unspent CSR Account under Section 135 (6) (in Rs.)	Amount spent in the Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5), if any.		Amount remaining to be spent in succeeding financial years. (in Rs.)
					Amount (in Rs)	Date of transfer	
1.	2022-23	99,05,665	13,50,931	13,50,931	-	-	0
2.	2023-24	97,58,691	41,62,890	27,37,260	-	-	14,25,630
3.	2024-25	81,75,038	81,75,038	59,35,000			22,40,038
	Total	**2,78,39,394**	**1,36,88,859**	**1,00,23,191**	-	-	**36,65,668**

8. **Whether any capital has been created or acquired through CSR amount spent in the financial year:** Not applicable

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

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

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not applicable							

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

Not applicable.

Date : 28.04.2026

Mahendra Nahata
Director
DIN: 00052898

Rajeev Sabherwal
Chairman of CSR Committee
DIN: 08420761

Annexure - IV to the Directors' Report

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2026

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

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

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HTL Limited** (hereinafter called "the Company") for the year ended 31.03.2026. 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 2026** ('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 2026** according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;

2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not applicable during the Audit period).**

3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(Not applicable during the Audit period).**

4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable during the Audit period).**

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

    a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;**(Not applicable during the Audit period).**

    b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable during the Audit period).**

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable during the Audit period).**

d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(Not applicable during the Audit period).**

e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable during the Audit period).**

f. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not applicable during the Audit period).**

g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not applicable during the Audit period).**

h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable during the Audit period).**

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable during the Audit period).**

6. Labour Laws:

a. The Factories Act, 1948
b. Industrial Disputes Act, 1947
c. The Minimum Wages Act, 1948
d. The Payment of Wages Act, 1936
e. Employees' State Insurance Act, 1948
f. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
g. The Payment of Bonus Act, 1965
h. The Payment of Gratuity Act, 1972
i. The Contract Labour (Regulation and Abolition) Act, 1970
j. The Maternity Benefit Act, 1961
k. The Child Labour (Prohibition and Regulation) Act, 1986
l. The Industrial Employment (Standing Orders) Act, 1946
m. The Employees' Compensation Act, 1923
n. Equal Remuneration Act, 1976
o. The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

7. Environmental Laws:

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

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

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

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreement entered into by the Company. **(Not applicable during the Audit period).**

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

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

I FURTHER REPORT THAT:

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

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

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

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

I FURTHER REPORT THAT during the audit period, the Company did not have any major event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

R. Balasubramanian
Practising Company Secretary
FCS No. 10011 CP No. 11979
UDIN: F010011H000099694
PR No. 2641/2022

Place: Chennai
Date: 15.04.2026

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

Annexure A"

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

I report that:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

R. Balasubramanian
Practising Company Secretary
FCS No. 10011, CP No. 11979
UDIN: F010011H000099694
PR No. 2641/2022

Place: Chennai
Date: 15.04.2026

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, 2026.

(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 is drawing Solar and Wind Power for the Power requirements at its Guindy & Hosur Plants.

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

(B) TECHNOLOGY ABSORPTION:

(i) The efforts made by the Company towards technology absorption:
The technology of the products has been absorbed substantially during the year under review.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:
As a result of technology absorption, Company has been able to reduce product cost.

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

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

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

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

	(Rs. in Lakhs) Financial Year ended 31.03.2026	Financial Year ended 31.03.2025
Foreign exchange earned in terms of actual inflows.	9,222.38	3,646.75
Foreign exchange outgo in terms of actual outflows.	20,155.66	13,828.10

For and on behalf of the Board

Place: New Delhi
Date : 28.04.2026

Mahendra Nahata
Chairman
DIN: 00052898

INDEPENDENT AUDITORS' REPORT

To the Members of HTL Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **HTL Limited** ("the Company"), which comprise the balance sheet as at March 31, 2026, the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

Other Information

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The other information comprising the above documents is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

A. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

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

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

(e) On the basis of the written representations received from the directors as on 31st March, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

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

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V of the Act.

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

i) The Company has disclosed the impact of pending litigations on its financial position in its Note No 39 of the financial statements;

ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(i)

(a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity

("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

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

(k) Based on our examination which included test checks and as explained in Note 53 to the Financial Statements, the company has used an accounting software including software operated by third party, for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software and during the course of our audit we did not come across any instance of audit trail feature being tampered with. Such audit trails are preserved as per the statutory requirement for record retention.

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

Nishant Bhansali
Partner
Membership No: 532900
UDIN: **26532900OEBCFP7853**

Place: New Delhi
Date: 28th April 2026

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

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

1.

(a)

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

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

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

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

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

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

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

2.

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

(b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. As per the information and explanation given to us and represented by the management in Note 23.4 of the financial statement, the quarterly returns or statements filed by the company with banks are generally in agreement with the books of accounts of the Company.

3. According to the information and explanation given to us, the company has not made investments in or provided any guarantee or security or granted any loans or advances in nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Accordingly, provision of clause 3(iii) are not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, the Company has, in respect of loans, investments, guarantees, and security, complied with the provisions of Section 185 and 186 of the Companies Act.

5. According to the information and explanation given to us, the Company has not accepted any deposits, within the directives issued by the Reserve Bank of India, and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013. Hence the provisions of clause 3(v) are not applicable to the Company.

6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

7.

(a) According to the information and explanations given to us and records examined by us, the Company is generally regular in depositing, with the appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, custom duty, cess and other material statutory dues wherever applicable. According to information and explanation given to us, and as per the records examined by us, no undisputed arrears of statutory dues outstanding as at 31st March, 2026 from the date they became payable.

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

Name of the statute	Nature of dues	Gross Demand	Paid under Appeal	Period to which the amount relates	Forum where dispute is pending
The CGST Act 2017	Goods & Service Tax	332 Lacs	33 Lacs	July 2017 to March 2018	Commissioner Central Tax, Appeals - II, GST

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

9.

(a) According to our audit procedures and the information and explanation given to us, the company has not defaulted in the repayment of loans or borrowings or in payment of interest to any lender.

(b) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not been declared as willful defaulter by any bank or financial institution or any other lender.

(c) To the best of our knowledge and belief and according to the information and explanations given to us, the terms loans were applied for the purpose for which the loans were obtained.

(d) To the best of our knowledge and belief and according to the information and explanations given to us, the fund raised on short term basis have not been utilized for the long-term purposes.

(e) In our opinion, the Company does not have any subsidiaries, associates or joint ventures and accordingly the requirements under paragraph 3(ix)(e) and 3(ix)(f) are not applicable to the company.

10.

(a) Based on our examinations of the records and information and explanations given to us, the company has not raised any money by way of initial public offer (IPO) or further public offer (FPO) (including debt instruments).

(b) Based on our examinations of the records and information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures during the year.

11.

(a) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the company or on the company has been noticed or reported during the year.

(b) To the best of our knowledge and belief, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations given to us and based on our examination, there were no whistle-blower complaints received during the year by the Company;

12. The Company is not a Nidhi company, hence the provisions of clause 3(xii) are not applicable to the Company.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act 2013 where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

14.

(a) In our opinion and according to information provided to us, the internal audit of the company is being carried out by an independent firm of chartered accountants for which a scope of work has been agreed upon with them which is generally commensurate with the size and nature of the business of the Company.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

15. According to the information and explanation given to us and the books of accounts verified by us, the Company has not entered into any non-cash transaction with directors or persons connected with him and hence the provision of clause 3(xv) are not applicable to the Company.

16.

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

b) As represented by the management, the Group has more than one Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016. There are 3 unregistered CICs forming part of the Group.

17. The company has not incurred any cash losses in the current financial year and in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors of the Company during the year.

19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the board of directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

20. There are no amounts required to be spent towards Corporate Social Responsibility (CSR) in compliance Section 135 of the Companies Act, 2013. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.

21. The company is not required to present consolidated financial Statement. Accordingly, reporting under clause 3(xxi) of the Order is not applicable for the year.

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

Nishant Bhansali
Partner
Membership No: 532900
UDIN: **26532900OEBCFP7853**

Place: New Delhi
Date: 28th April 2026

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HTL LIMITED AS ON 31ST MARCH, 2026

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

TO THE MEMBERS OF HTL LIMITED

We have audited the internal financial controls over financial reporting of **HTL LIMITED** ("the Company") as of March, 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Nishant Bhansali
Partner
Membership No: 532900
UDIN: **26532900OEBCFP7853**

Place: New Delhi
Date: 28th April 2026

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HTL Limited
(CIN: U93090TN1960PLC004355)
(All amounts are in Rs Lakhs.)
Balance Sheet as at March 31,2026

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
Assets			
Non-current Assets			
(a) Property, Plant and Equipment	4	14,634.57	14,497.43
(b) Capital work-in-progress	5	261.76	1,084.72
(c) Intangible assets (other than Goodwill)	6	21.53	61.91
(d) Intangible assets under development	7	5.25	-
(e) Financial Assets			
(i) Investments	8	409.15	409.15
(ii) Others	9	560.34	164.79
(f) Deferred tax Assets (Net)	10	-	193.90
(g) Other non-current assets	11	271.56	304.81
Total non-current assets		**16,164.16**	**16,716.71**
Current Assets			
(a) Inventories	12	17,913.24	13,791.56
(b) Financial Assets			
(i) Investments	13	-	11.30
(ii) Trade Receivables	14	21,601.89	24,636.15
(iii) Cash and cash equivalents	15	7.64	26.39
(iv) Bank balances other than (iii) above	16	2,677.81	1,816.36
(v) Others	17	435.85	489.80
(c) Current Tax Assets (Net)	18	114.69	99.94
(d) Other current assets	19	4,438.66	1,854.64
Total current assets		**47,189.78**	**42,726.14**
Total Assets		**63,353.94**	**59,442.85**
Equity and Liabilities			
Equity			
(a) Equity Share capital	20	1,500.00	1,500.00
(b) Other Equity	20	20,897.81	14,183.30
Total Equity		**22,397.81**	**15,683.30**
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	7,985.61	8,585.91
(b) Provisions	22	393.52	269.30
(c) Deferred tax liabilities (Net)	10	336.19	-
Total non-current liabilities		**8,715.32**	**8,855.21**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	16,394.36	17,687.52
(ii) Trade Payables			
(a) total outstanding dues of micro enterprises and small enterprises;	24	1,909.23	1,211.53
(b) total outstanding dues of creditors other than micro enterprises and small enterprises.		11,472.24	14,026.69
(iii) Other financial liabilities	25	1,192.78	1,383.41
(b) Other current liabilities	26	404.40	539.17
(c) Provisions	27	54.34	56.02
(d) Current Tax Liabilities (Net)	18	813.46	-
Total current liabilities		**32,240.81**	**34,904.34**
Total Liabilities		**40,956.13**	**43,759.55**
Total equity and liabilities		**63,353.94**	**59,442.85**

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

As per our report of even date attached
For Oswal Sunil & Company
Chartered Accountants
Firm Reg. No.: 016520N

NISHANT BHANSALI
Partner
M.No.: 532900

New Delhi, 28th April 2026

For and on behalf of the Board

MAHENDRA NAHATA
Chairman
DIN: 00052898
New Delhi, 28th April 2026

K.C. JANI
Director
DIN: 02535299
Mumbai, 28th April 2026

S. NARAYANAN
Company Secretary
M.No ACS 5772
Chennai, 28th April 2026

C D PONNAPPA
Chief Financial Officer
PAN: ACZPP1337Q
Chennai, 28th April 2026

HTL Limited
(CIN: U93090TN1960PLC004355)
(All amounts are in Rs Lakhs.)
Statement of Profit and loss for the year ended March 31, 2026

	Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
I.	**INCOME**			
	Revenue from operations	28	89,840.78	57,459.53
	Other Income	29	782.33	486.74
	Total Income (I)		**90,623.11**	**57,946.27**
II.	**EXPENSE**			
	Cost of Material Consumed	30	59,601.04	41,284.98
	Other Direct cost	31	1,039.70	762.53
	Purchases of Stock-in-Trade		4,132.14	951.33
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	32	(3,085.22)	(519.31)
	Employee benefits expense	33	7,325.01	6,785.87
	Finance Costs	34	3,109.10	3,569.85
	Depreciation, Amortization and Impairment expenses	4 & 6	1,894.09	2,030.87
	Other Expenses	35	7,431.12	5,033.25
	Total Expenses (II)		**81,446.98**	**59,899.37**
III	**Profit / (loss) before exceptional items and income tax (I-II)**		**9,176.13**	**(1,953.10)**
IV	Exceptional item		-	-
V	**Profit / (Loss) before tax (III - IV)**		**9,176.13**	**(1,953.10)**
VI	**Tax expenses**			
	Current tax		1,923.57	60.06
	Deferred Tax		525.89	(501.20)
			2,449.46	(441.14)
VII	**Profit / (Loss) for the year (V-VI)**		**6,726.67**	**(1,511.96)**
VIII	**Other Comprehensive Income / (loss)**			
	Items that will not be reclassified to profit or loss			
	(i) Remeasurement of defined benefit plans;		16.68	14.71
	(ii) Income tax on above item:		(4.20)	(3.70)
	Other comprehensive income / (loss) for the year (VIII)		**12.48**	**11.01**
IX	**Total comprehensive income / (loss) for the year (VII+VIII)**		**6,739.15**	**(1,500.95)**
	Earnings / (loss) per share attributable to the equity holders of the Company during the year			
	Basic (in Rs.)	36	**448.44**	**(100.80)**
	Diluted (in Rs.)	36	**448.44**	**(100.80)**

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

As per our report of even date attached

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

NISHANT BHANSALI
Partner
M.No.: 532900

New Delhi, 28th April 2026

For and on behalf of the Board

MAHENDRA NAHATA
Chairman
DIN: 00052898
New Delhi, 28th April 2026

K.C. JANI
Director
DIN: 02535299
Mumbai, 28th April 2026

S. NARAYANAN
Company Secretary
M.No ACS 5772
Chennai, 28th April 2026

C D PONNAPPA
Chief Financial Officer
PAN: ACZPP1337Q
Chennai, 28th April 2026

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HTL Limited
(CIN: U93090TN1960PLC004355)
(All amounts are in Rs Lakhs.)
Statement of Cash Flow for the year ended 31st March, 2026

	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
I.	**Cash Flow From Operating Activities**		
	Net Profit / (Loss) Before Tax	9,176.13	(1,953.10)
	Adjustments for		
	Depreciation, Amortization and Impairment expenses	1,894.09	2,030.87
	Provision for Expected Credit Loss, Bad debts and other balances written off	407.79	65.43
	Loss on sales/discard of property, plant and equipment	9.97	11.46
	Share based payment (refer note no. 46)	(24.64)	-
	Finance costs	3,109.10	3,569.85
	Interest Income	(114.97)	(87.01)
	Exchange Fluctuation Income (Net)	(109.16)	60.68
		14,348.31	**3,698.18**
	Change in operating assets and liabilities		
	(Increase)/Decrease in trade receivables	2,626.47	(763.59)
	(Increase)/Decrease in inventories	(4,121.68)	(531.97)
	Increase/(Decrease) in trade payables	(1,747.59)	4,831.02
	(Increase)/Decrease in other financial assets	59.80	(76.91)
	(Increase)/Decrease in other Non-current assets	-	-
	(Increase)/Decrease in other current assets	(2,584.02)	(976.94)
	Increase/(Decrease) in other Non-current liabilities	124.22	0.01
	Increase/(Decrease) in other current liabilities	21.61	(1,410.64)
	Cash generated from operations	**8,727.12**	**4,769.16**
	Income taxes (paid)/refund	(1,124.86)	(598.36)
	Net cash from / (used in) operating activities	**7,602.26**	**4,170.80**
II	**Cash flows from investing activities**		
	Payments for property, plant and equipment including CWIP & Capital Advances	(1,491.03)	(1,186.49)
	Payment for intangible assets (other than goodwill) including CWIP	(6.06)	(5.30)
	Proceeds from sale of property, plant and equipment	1.99	6.12
	Bank deposits (placed)/matured (net)	(1,275.48)	(15.95)
	Proceeds from sale of investments	11.30	7.30
	Payments for purchase of investments	-	(409.15)
	Interest received	127.60	106.25
	Net cash from / (used in) investing activities	**(2,631.68)**	**(1,497.22)**
III	**Cash flows from financing activities**		
	Proceeds from borrowings (excluding supplier finance arrangements)	3,191.29	12,747.00
	(Repayment) of borrowings and advances	(4,175.75)	(11,378.90)
	Proceeds received from supplier finance arrangements	11,726.38	12,428.85
	(Repayments) under supplier finance arrangements	(12,635.38)	(12,893.14)
	Less:		
	Finance Cost under supplier finance arrangement	(271.49)	(250.66)
	Finance Cost paid on Other than supplier finance arrangements	(2,824.38)	(3,305.62)
	Net cash from / (used in) financing activities	**(4,989.33)**	**(2,652.47)**
IV	**Net increase (decrease) in cash and cash equivalents (I + II + III)**	(18.75)	21.11
V	Cash and cash equivalents at the beginning of the financial year	26.39	5.28
VI	**Cash and cash equivalents at end of the year**	7.64	26.39
	Notes:		
	i)The Statement of Cash flow has been prepared under the indirect method as set-out in the Ind AS - 7 "Statement of Cash Flow" as specified in the Companies (Indian Accounting Standards) Rules, 2015.		
	ii) Figures in bracket indicate cash outflow.		
	iii) Cash and cash equivalents (Refer Note 15) comprise of the following		
	Cash on Hand	0.30	0.66
	Balance with Banks in Current Accounts	7.34	14.15
	Fixed Deposits with Bank	-	11.58
	Balances per statement of cash flows	**7.64**	**26.39**
	iv) Analysis of movement in borrowings		
	Borrowings at the beginning of the year	19,073.44	18,169.63
	Movement due to cash transactions as per the Statement of Cash Flows	(984.46)	903.81
	Borrowings at the end of the year	**18,088.98**	**19,073.44**

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

As per our report of even date attached

For and on behalf of the Board

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

MAHENDRA NAHATA
Chairman
DIN: 00052898
New Delhi, 28th April 2026

K.C. JANI
Director
DIN: 02535299
Mumbai, 28th April 2026

NISHANT BHANSALI
Partner
M.No.: 532900

New Delhi, 28th April 2026

S. NARAYANAN
Company Secretary
M.No ACS 5772
Chennai, 28th April 2026

C D PONNAPPA
Chief Financial Officer
PAN: ACZPP1337Q
Chennai, 28th April 2026

HTL Limited
(All amounts are in Rs Lakhs.)
Statement of Changes in Equity for the year ended 31st March 2026

A) Equity Share Capital

Particulars	Amount
As at April 01, 2024	1,500.00
Changes in equity share capital	-
As at March 31, 2025	1,500.00
Changes in equity share capital	-
As at March 31, 2026	1,500.00

B) Other equity

Particulars	Reserves and Surplus			Other Comprehensive Income	Total
	Capital Reserve *	Retained Earnings	Share Based Payment	Remeasurement of defined benefit plans	
As at April 01, 2024	0.00	15,811.51	24.64	(151.90)	15,684.25
Share Based Payment to employee (Refer note no.46)	-	-	-	-	-
Total Comprehensive Income for the year	-	(1,511.96)	-	11.01	(1,500.95)
Balance as at March 31, 2025	0.00	14,299.55	24.64	(140.89)	14,183.30
Share Based Payment to employee (Refer note no. 46)	-	-	(24.64)	-	(24.64)
Total Comprehensive Income for the year	-	6,726.67	-	12.48	6,739.15
Balance as at March 31, 2026	0.00	21,026.22	-	(128.41)	20,897.81

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

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

As per our report of even date attached

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

NISHANT BHANSALI
Partner
M.No.: 532900

New Delhi, 28th April 2026

For and on behalf of the Board

MAHENDRA NAHATA
Chairman
DIN: 00052898
New Delhi, 28th April 2026

K.C. JANI
Director
DIN: 02535299
Mumbai, 28th April 2026

S. NARAYANAN
Company Secretary
M.No ACS 5772
Chennai, 28th April 2026

C D PONNAPPA
Chief Financial Officer
PAN: ACZPP1337Q
Chennai, 28th April 2026

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HTL Limited
Notes to the Financial Statements for the year ended March 31, 2026
(All amounts are in Rs. Lakh unless otherwise stated)

1. Corporate information

HTL Limited ("the Company") was a wholly owned undertaking of Government of India ('GOI') under the Department of Telecommunications ('DOT') till 16th October'2001 when the Government divested 74 % of its shareholding in the Company as part of its divestment program, including transfer of management control, to HFCL Limited, which is now the Holding Company. The Company is manufacturing Optical Fiber Cables, Passive Connectivity Solution, Cable Reinforcement Solutions and Electrical Wiring Interconnect System – Wire Harness Solutions.

The financial statements are approved for issue by the Company's Board of Directors on 28th April 2026.

2. Application of new and revised Ind -AS

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

Recent accounting pronouncements: -

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

During the year, the MCA has notified amendments to the standards below:

Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025. The amendment to Ind AS 7 requires disclosure of supplier finance arrangements, including their nature, carrying amount of related liabilities, and payment terms. Ind AS 107 includes such arrangements as a factor that may give rise to concentration of liquidity risk. The Company has evaluated these amendments and provided the required disclosures in the financial statements.

Ind AS 1 – Presentation of Financial Statements, to be applied retrospectively for annual reporting periods beginning on or after 1 April 2026, in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, with early adoption permitted. The amendment clarifies that a liability is classified as current if a covenant breach exists as at the reporting date and the entity does not have the right to defer settlement for at least twelve months, even if the lender subsequently waives the breach. However, where a grace period of at least twelve months is available as at the reporting date, the liability is classified as non-current. The Company has not early adopted this amendment and is currently evaluating its impact on the classification of liabilities in the financial statements.

3. Material accounting policies

3.1. Basis of preparation

3.1.1. Compliance with Ind AS

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

3.1.2. Historical Cost Convention

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

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The Financial Statements are presented in Indian Rupees Lakhs except where otherwise stated.

3.1.3. Use of Estimates and Judgments

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

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

3.1.4. Material accounting policies

The accounting policies, as set out in the following paragraph of this note, have been consistently applied, to all the periods presented in these financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy.

The company adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from 1 April 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

3.2. Current versus non-current classification

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

a) Expected to be realised or intended to be sold or consumed in normal operating cycle, **or**

b) Held primarily for the purpose of trading, or

c) Expected to be realised within twelve months after the reporting period other than for (a) above, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

a) It is expected to be settled in normal operating cycle, **or**

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

c) It is due to be settled within twelve months after the reporting period other than for (a) above, or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

3.3. Fair value measurement

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

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

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

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

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

- Level 1 — Quoted (unadjusted)
  This hierarchy includes financial instruments measured using quoted prices.

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

  Level 2 inputs include the following:

  a) quoted prices for similar assets or liabilities in active markets.
  b) quoted prices for identical or similar assets or liabilities in markets that are not active.
  c) inputs other than quoted prices that are observable for the asset or liability.
  d) Market – corroborated inputs.

- Level 3
  They are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

3.4. Non-current assets held for sale

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

3.5. Property Plant and Equipment

Freehold Land is carried at the actual cost. All other items of PPE are stated at actual cost less accumulated depreciation and impairment loss. Actual cost is inclusive of freight, installation cost, duties, taxes and other incidental expenses for bringing the asset to its working conditions for its intended use (net of eligible input taxes) and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management.

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

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

Depreciation of these PPE commences when the assets are ready for their intended use. Property, Plant and Equipment (PPE) and intangible assets are not depreciated or amortized once classified as held for sale.
Depreciation is provided for on Buildings (including buildings taken on lease) and Plant & Machinery on straight line method and on other PPE on written down value method on the basis of useful life. On assets acquired on lease (including improvements to the leasehold premises), amortization has been provided for on Straight Line Method over the primary period of lease.

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

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

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

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

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or over the shorter of the assets useful life and the lease term if there is an uncertainty that the company will obtain ownership at the end of the lease term.

An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

3.6. Intangible Assets

(i) Recognition of intangible assets

a. Internally Generated Assets

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

b. Computer software

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

(ii) De-recognition of intangible assets

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

(iii) Amortisation periods and methods

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

3.7. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.7.1. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories based on business model of the entity:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortized cost

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instrument at FVTOCI

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVTPL

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

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

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

Equity investments

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

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

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

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

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

De-recognition of financial assets

A financial asset is de-recognized only when

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

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

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Group has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L).

3.7.2 Financial liabilities

Financial liabilities and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

Financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Financial guarantee contracts

Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Derecognition

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

3.8. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

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

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

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

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

3.9. Inventories

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

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

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

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

Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Contract Work in Progress : It is valued at cost

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

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

3.10. Revenue recognition

Sale of Goods

The company derives revenue from sale of manufactured goods and traded goods. In accordance with Ind AS 115, the company recognizes revenue from sale of products and services at a time when performance obligation is satisfied and upon transfer of control of promised products or services to customer in an amount that reflects the consideration the company expects to receive in exchange for their products or services.

The company disaggregates the revenue based on nature of products/geography. The company presents revenues net of indirect taxes in its Statement of Profit and loss.

Export Incentives

Export incentives are accounted for on export of goods, if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are reasonably expected to be fulfilled.

Interest income

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

Dividends

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

Rental income

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

Insurance Claims

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

3.11. Foreign currency transactions

The functional currency of the Company is Indian Rupees which represents the currency of the economic environment in which it operates.

Transactions in currencies other than the Company's functional currency (are recognized at the rates of exchange prevailing at the dates of the transactions. Monetary items denominated in foreign currency at the year end are translated at the functional currency spot rate of exchange at the reporting date.

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

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

3.12. Employee Benefits

Short term employee benefits:-

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Long-Term employee benefits

Compensated expenses which are not expected to occur within twelve months after the end of period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

Post-employment obligations

i. Defined contribution plans

Provident Fund and employees' state insurance schemes

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (presently 12%) of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. In addition, some employees of the Company are covered under the employees' state insurance schemes, which are also defined contribution schemes recognized and administered by the Government of India.

The Company's contributions to both these schemes are expensed in the Statement of Profit and Loss. The Company has no further obligations under these plans beyond its monthly contributions.

ii. **Defined benefit Gratuity plan**

The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee salary and years of employment with the Company. The Company provides for the Gratuity Plan based on actuarial valuations in accordance with Indian Accounting Standard 19 (revised), "Employee Benefits". The Company makes periodic contributions to the HDFC Standard Life Insurance Company Ltd for the Gratuity Plan in respect of employees. The present value of obligation under gratuity is determined based on actuarial valuation using Project Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

iii. **Other Long Term Employee Benefits**

Leave Encashment

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

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

iv. **Actuarial gains and losses are recognized in OCI as and when incurred.**

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above),are recognized in other comprehensive income except those included in cost of assets as permitted in the period in which they occur and are not subsequently reclassified to profit or loss.

The retirement benefit obligation recognized in the Financial Statements represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

Termination benefits

Termination benefits are recognized as an expense in the period in which they are incurred.

3.13. **Share-based compensation**

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

3.14. Borrowing Costs

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

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

3.15. 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.

3.16. 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.

3.17. 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.

3.18. Income taxes

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

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

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

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

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

3.19. Exceptional Items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities, which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

HTL Limited
(All amounts are in Rs Lakhs.)
Notes forming part of the Financial Statements for the year ended March 31, 2026

4 Property, Plant and Equipment

Particulars	Plant and Machinery	Building	Electrical Installations	Furniture and Fixtures	Office Equipments	Computers	Vehicles	Land Freehold	Total
Gross Carrying Value									
As at April 01, 2024	18,864.43	6,177.25	853.25	149.83	248.18	389.65	49.40	6.36	26,738.35
Additions	639.86	736.22	4.49	20.49	22.58	27.00	-	-	1,450.64
Disposals / Adjustments	80.02	-	-	-	-	-	-	-	80.02
As at March 31, 2025	**19,424.27**	**6,913.47**	**857.74**	**170.32**	**270.76**	**416.65**	**49.40**	**6.36**	**28,108.97**
Additions	1,134.47	689.49	30.30	0.15	44.36	94.36	8.87	-	2,002.00
Disposals / Adjustments	387.90	-	(346.19)	-	3.54	33.26	23.54	-	102.05
As at March 31, 2026	**20,170.84**	**7,602.96**	**1,234.23**	**170.47**	**311.58**	**477.75**	**34.73**	**6.36**	**30,008.92**
Accumulated depreciation and impairment									
As at April 01, 2024	9,102.49	1,502.33	436.92	87.93	181.83	308.46	41.77	-	11,661.73
Depreciation for the year	1,185.00	292.39	109.32	18.96	34.73	56.67	1.97	-	1,699.04
Impairment for the year	313.21	-	-	-	-	-	-	-	313.21
Disposals / Adjustments	62.44	-	-	-	-	-	-	-	62.44
As at March 31, 2025	**10,538.26**	**1,794.72**	**546.24**	**106.89**	**216.56**	**365.13**	**43.74**	**-**	**13,611.54**
Depreciation for the year	1,127.66	336.36	86.66	16.57	35.57	37.38	2.38	-	1,642.58
Impairment for the year	211.04	-	-	-	-	-	-	-	211.04
Disposals / Adjustments	360.11	-	(326.56)	-	3.30	31.60	22.36	-	90.81
As at March 31, 2026	**11,516.85**	**2,131.08**	**959.46**	**123.46**	**248.83**	**370.91**	**23.76**	**-**	**15,374.35**
Net Carrying Value									
As at March 31, 2025	8,886.01	5,118.75	311.50	63.43	54.20	51.52	5.66	6.36	14,497.43
As at March 31, 2026	**8,653.99**	**5,471.88**	**274.77**	**47.01**	**62.75**	**106.84**	**10.97**	**6.36**	**14,634.57**

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

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter*/ director or employee of promoter/ director	Property held since which date
Property, plant and equipment (refer note 44)	Land (Assigned) at Guindy Industrial Area, Chennai	-	State Government of Tamil Nadu	No	30th September 1970

2. The Company has not revalued any property, plant and equipment in current financial year as well as previous year.
3. Refer Note 21 and 23 for details of assets pledged.

5 Capital work-in-progress

Particulars	Buildings	Plant & Machinery	Electrical Installations	Office Equipments	Computers	Total
As at April 01, 2024	**342.06**	**359.61**	**9.09**	-	-	710.76
Additions	984.44	1,355.46	9.13	6.42	21.03	2,376.48
Disposals / Adjustments	971.37	1,017.56	13.59	-	-	2,002.52
As at March 31, 2025	**355.13**	**697.51**	**4.63**	**6.42**	**21.03**	**1,084.72**
Additions	313.47	584.27	61.03	36.59	18.94	1,014.30
Disposals / Adjustments	618.44	1,105.82	32.99	40.04	39.97	1,837.26
As at March 31, 2026	**50.16**	**175.96**	**32.67**	**2.97**	**-**	**261.76**

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

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress					
As at March 31, 2025	1,082.44	2.28	-	-	1,084.72
As at March 31, 2026	222.72	39.04	-	-	261.76

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

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HTL Limited
(All amounts are in Rs Lakhs.)
Notes forming part of the Financial Statements for the year ended March 31, 2026

6 **Intangible Assets (other than goodwill)**

Particulars	Intangible Asset (Software)	Total
Gross Carrying Value		
As at April 01, 2024	260.35	260.35
Additions	5.30	5.30
Disposals / Adjustments	-	-
As at March 31, 2025	**265.65**	**265.65**
Additions	0.81	0.81
Disposals / Adjustments	5.12	5.12
As at March 31, 2026	**261.34**	**261.34**
Accumulated Amortization and impairment		
As at April 01, 2024	185.12	185.12
Amortization for the year	18.62	18.62
Disposals / Adjustments	-	-
As at March 31, 2025	**203.74**	**203.74**
Amortization for the year	40.47	40.47
Disposals / Adjustments	4.40	4.40
As at March 31, 2026	**239.81**	**239.81**
Net Carrying Value		
As at March 31, 2025	61.91	61.91
As at March 31, 2026	**21.53**	**21.53**

Notes:
1. The Company has not revalued any intangible assets in current financial year as well as previous year

7 **Intangible assets under development**

Particulars	Intangible Assets (Software)
As at April 01, 2024	-
Additions	-
Disposals / Adjustments	-
As at March 31, 2025	-
Additions	5.25
Disposals / Adjustments	-
As at March 31, 2026	**5.25**

7.1 Ageing details of Intangible assets under development *

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress					
As at March 31, 2025	-	-	-	-	-
As at March 31, 2026	5.25	-	-	-	5.25

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

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HIL Limited
(All amounts are in Rs Lakhs.)
Notes forming part of the Financial Statements for the year ended March 31, 2026

8 Non -Current Financial Assets - Investments

Particulars	As at March 31, 2026	As at March 31, 2025
Unquoted Investments		
Investments in Equity instrument	409.15	409.15
Total	**409.15**	**409.15**

8.1 Details of Non-Current Financial Assets - Investments

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Financial assets measured at FVTOCI				
Investment in equity instruments (Non Trade)				
Unquoted Equity Shares (Fully Paid up)				
Ampitus IRU Private limited- FV Rs 10/- per share	40,91,500	409.15	40,91,500	409.15
Total		**409.15**		**409.15**

9 Non-Current Financial Assets - Others

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered Good		
Fixed Deposits with Bank (Maturity more than 12 months)*	560.34	164.79
Total	**560.34**	**164.79**

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

10 Deferred Tax Assets / (Liabilities)

Particulars	Defined Benefit Obligations	Property, plant and Equipment	Others	Total
As at 1 April, 2024	75.12	(433.87)	75.15	**(303.60)**
(Changed)/Credited:				
- to Statement of profit and loss	8.15	13.74	479.31	**501.20**
- to other comprehensive income	(3.70)	-	-	**(3.70)**
As at 31 March, 2025	**79.57**	**(440.13)**	**554.46**	**193.90**
(Changed)/Credited:				
- to Statement of profit and loss	37.35	(75.30)	(487.94)	**(525.89)**
- to other comprehensive income	(4.20)	-	-	**(4.20)**
As at 31 March, 2026	**112.72**	**(515.43)**	**66.52**	**(336.19)**

11 Other non-current assets

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, Considered Good		
Capital Advances	271.56	304.81
Total	**271.56**	**304.81**

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

Particulars	As at March 31, 2026	As at March 31, 2025
Inventories		
Raw Material	8,561.45	7,652.76
Raw Material-In transit	880.58	531.81
	9,442.03	**8,184.57**
Work-in-progress	3,197.38	1,228.89
Finished goods	3,346.67	2,510.48
Stock-in-trade Goods	800.16	519.62
Stores & Spares	903.73	1,104.74
Loose tools	223.27	243.26
Total	**17,913.24**	**13,791.56**

13 Current Financial Assets - Investments

Particulars	As at March 31, 2026	As at March 31, 2025
Unquoted Investments		
Investments in Equity instrument	-	11.30
Total	**-**	**11.30**

13.1 Details of Current Financial Assets - Investments

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Financial assets measured at FVTOCI				
Investment in equity instruments (Non Trade)				
Unquoted Equity Shares (Fully Paid up)				
- NSL Wind Power Company (Phoolwadi) Private Limited - FV Rs 10/- per share	-	-	1,12,995	11.30
Total Current Financial Investments		**-**		**11.30**

HTL Limited
(All amounts are in Rs Lakhs)
Notes forming part of the Financial Statements for the year ended March 31, 2026

14 Current Financial Assets - Trade Receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Undisputed Trade Receivables -Unsecured, Considered Good	21,582.34	24,636.15
Disputed Trade Receivables -Unsecured, Considered Good	19.55	-
Undisputed Trade Receivables - Credit Impaired	193.29	7.63
	21,795.18	24,643.78
Less: Expected Credit Loss allowance	193.29	7.63
Total	**21,601.89**	**24,636.15**
Movement in the expected credit loss allowance of trade receivables are as follows:		
Balance at the Beginning of the year	7.63	-
Add: Provided during the year	185.66	7.63
Less: Provision reversed	-	-
Balance at the end of the year	**193.29**	**7.63**

14.1 Trade Receivable Ageing Schedule as at 31st March,2026

Particulars	Not Due	Less than 6 Months	6 Months - 1 Year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables							
- Considered good	14,759.94	5,853.93	210.70	266.72	578.02	106.32	21,775.63
- Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
- Considered good	-	-	-	-	-	-	-
- Credit impaired	-	-	-	19.55	-	-	19.55
Total	**14,759.94**	**5,853.93**	**210.70**	**286.27**	**578.02**	**106.32**	**21,795.18**
Less : Expected credit loss allowance of trade receivables	-	(4.34)	(2.11)	(12.61)	(94.49)	(79.74)	(193.29)
Total current trade	**14,759.94**	**5,849.59**	**208.59**	**273.66**	**483.53**	**26.58**	**21,601.89**

Trade Receivable Ageing Schedule as at 31st March,2025

Particulars	Not Due	Less than 6 Months	6 Months - 1 Year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables							
- Considered good	10,809.42	9,929.28	1,550.78	2,214.77	131.90	-	24,636.15
- Credit impaired	-	-	-	-	2.21	5.42	7.63
Disputed Trade Receivables							
- Considered good	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Total	**10,809.42**	**9,929.28**	**1,550.78**	**2,214.77**	**134.11**	**5.42**	**24,643.78**
Less : Expected credit loss allowance of trade receivables	-	-	-	-	(2.21)	(5.42)	(7.63)
Total current trade receivables	**10,809.42**	**9,929.28**	**1,550.78**	**2,214.77**	**131.90**	**-**	**24,636.15**

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

14.3 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.

14.4 Above balance of trade receivables include recoverable from related party (Refer Note 41).

15 Current Financial Assets - Cash & cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Cash & Cash Equivalents		
Balance with banks:		
- in current account	7.34	14.15
Cash on hand	0.30	0.66
Fixed Deposits with Bank (Original maturity less than 3 months)	-	11.58
Total	**7.64**	**26.39**

16 Current Financial Assets - Other Bank Balances

Particulars	As at March 31, 2026	As at March 31, 2025
Fixed Deposits with Bank (Maturity more than 3 Months but less than 12 months) *	2,641.15	1,761.22
Balance with banks in CSR Unspent account ** (Refer Note 47)	36.66	55.14
Total	**2,677.81**	**1,816.36**

* Above fixed deposit held as margin money/securities with banks.
** Rs 36.66 Lakhs (Previous year Rs 55.14 Lakhs) has restricted use.

17 Current Financial Assets -Other Assets

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, Considered good		
Security Deposits	357.52	357.52
Interest Receivables	35.43	48.06
Other Claims Recoverable	42.90	84.22
Total	**435.85**	**489.80**

18 Current Tax Assets/(Liabilities)

Particulars	As at March 31, 2026	As at March 31, 2025
Current Tax Assets (Net of Income Tax provision)	114.69	99.94
Current Tax Liabilities (Net of Advance Tax & TDS/TCS)	(813.46)	-
Total	**(698.77)**	**99.94**

19 Other Current Assets

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, Considered good		
Indirect Tax Recoverable	2,743.24	981.48
Prepaid Expenses	344.58	432.73
Export Incentive Receivable	25.03	9.16
Advances Recoverable in cash or in kind	19.40	11.86
Deposit with Statutory Authorities under Appeal	33.36	33.36
Unbilled revenue	439.64	4.78
Advances to Vendors	833.41	376.27
Total	**4,438.66**	**1,854.64**

(All amounts are in Rs Lakhs.)

20 **(a) Equity Share Capital**

(i) Authorised Share Capital

Particulars	No of Shares	Amount
As at 1 April, 2024	20,00,000	2,000.00
Increase during the year	-	-
As at 31 March, 2025	20,00,000	2,000.00
Increase during the year	-	-
As at 31 March, 2026	20,00,000	2,000.00

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

Particulars	No of shares	Amount
As at 1 April, 2024	15,00,000	1,500.00
Add: Shares issued during the year	-	-
As at 31 March, 2025	15,00,000	1,500.00
Add: Shares issued during the year	-	-
As at 31 March, 2026	15,00,000	1,500.00

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

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

Name of Shareholder	As at March 31, 2026	As at March 31, 2025
	No. of share held	No. of share held
HFCL Limited	11,09,997	11,09,997
% of Holding	*74.00%*	*74.00%*
Manoj Baid*	1	1
Baburaj Eradath*	1	1
Tarun Kalra*	1	1
Govt. of India represented by President of India	3,89,996	3,89,996
% of Holding	*26.00%*	*26.00%*
Shri Premjit Lal, DDG (IR), DoT	2	2
Shri Ranvijay Singh, Director (PSF), DoT	1	1
Shri Khagesh Garg, Director (Staff), DoT	1	1

(v) Shareholding of Promoters

S.No.	Shares held by promoters at the end of the year			% of change during the year
	Promoter Name	**No. of Shares**	**% of Total Shares**	
1	HFCL Limited	11,09,997	74.00%	0%
2	Manoj Baid*	1		
3	Baburaj Eradath*	1		
4	Tarun Kalra*	1		

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

(vi) Terms and Rights attached to Equity Shares

The Company has issued equity shares of Rs 100/- each. Upon show of hands every member present shall have one vote and upon a poll every member present in person or by proxy or by duly authorised representative shall have one vote for every shares held by him. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts as per Statute in proportion to their shareholdings.

(b) Other Equity

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Capital Reserve	0.00	0.00
(ii) Retained Earnings	21,026.22	14,299.55
(iii) Other Comprehensive Income -Remeasurement of Defined Benefit Plans	(128.41)	(140.89)
(iv) Share based payment to employees *	-	24.64
Total	**20,897.81**	**14,183.30**

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

(i) Capital Reserve *

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	0.00	0.00
Increase during the year	-	-
Decrease during the year	-	-
Closing Balance	**0.00**	**0.00**

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

(ii) Retained Earnings

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	14,299.55	15,811.51
Add: Net profit / (loss) for the year	6,726.67	(1,511.96)
Add: Transferred from Share based payment reserve	-	-
Closing Balance	**21,026.22**	**14,299.55**

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

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	(140.89)	(151.90)
Increase during the year	12.48	11.01
Decrease during the year	-	-
Closing Balance	**(128.41)**	**(140.89)**

(iv) Share based payment to Employees

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	24.64	24.64
Increase during the year	-	-
Decrease during the year	(24.64)	-
Closing Balance	-	**24.64**

HTL Limited
(All amounts are in Rs Lakhs.)
Notes forming part of the Financial Statements for the year ended March 31, 2026

21 Non-Current Financial Liabilities - Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Secured		
Term Loans*		
- from Banks	272.34	947.25
- from NBFC	7,755.61	7,644.02
Less : Current Maturities of Long Term borrowings - Bank	(272.34)	(775.94)
Less : Current Maturities of Long Term borrowings - NBFC	(2,220.00)	(1,679.42)
	5,535.61	6,135.91
Unsecured		
Loan from related party	2,450.00	2,450.00
Total	7,985.61	8,585.91

* Net off of Rs. 104.7 Lakhs (Previous year Rs. 58.85 Lakhs) as finance charges

21.1 Repayment Schedule for Term Loan from Bank and NBFC as on 31.03.2026

Period of due for repayment	Term Loan Bank	Term Loan NBFC	Unsecured Loan
Outstanding amount	272.34	7,755.61	2,450.00
Repayment Due			
2026-27	272.34	2,220.00	-
2027-28	-	2,220.00	612.50
2028-29	-	1,870.00	816.67
2029-30	-	1,240.00	816.67
2030-31	-	205.61	204.17
2031-32	-	-	-
	272.34	7,755.61	2,450.00

21.2 Term Loan of Rs. 272.34 Lakhs (PY Rs. 947.25 Lakhs) from banks are secured by pari- passu charge basis on
1) All Moveable Property Plant and Equipment (both present and future)
2) Registered Mortgage of 2.56 acres Industrial land parcel in Guindy, Chennai
3) All current assets and Cash Flows (both present & future)
4) Corporate Guarantee of HFCL Limited (Holding Company) & M/s MN Ventures Private Limited
5) Personal Guarantee of the Chairman of the Company
6) Agreement to Pledge of 23.90% shareholding of HTL Limited by HFCL Limited
21.3 Term Loan of Rs. 7,755.61 Lakhs (PY Rs. 7,644.02 Lakhs) from NBFC is secured by pari- passu charge basis on
1) All Immoveable Assets of Plant at Hosur, Tamil Nadu
2) Corporate Guarantee of HFCL Limited (Holding Company) & M/s MN Ventures Private Limited
3) Personal Guarantee of the Chairman of the Company
21.4 For terms of repayment of loan from related party, refer note 45.

22 Non-Current Liabilities - Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
Provisions for Employee Benefits (Refer note 38)		
a) Provisions for Gratuity	238.02	175.81
b) Provision for Leave Encashment	155.50	93.49
Total	393.52	269.30

23 Current Financial Liabilities - Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Borrowings - Loans repayable on demands		
Secured		
(i) from Banks-Working Capital	9,400.15	8,083.01
(ii) Current Maturities of Long term Borrowings	2,492.34	2,455.36
Unsecured		
(i) from banks - Supplier Financing	2,265.71	3,174.71
(i) from banks - Customer Bills Discounting	2,236.16	3,923.44
Total	16,394.36	17,687.52

23.1 Working Capital Loan of Rs 9,400.15 Lakhs (previous year Rs 8,083.01 Lakhs) from Bank is secured against the following on pari passu charge basis
1) All Moveable Property Plant and Equipment (both present and future)
2) Registered Mortgage of 2.56 acres Industrial land parcel in Guindy, Chennai
3) All current assets and Cash Flows (both present & future)
4) Corporate Guarantee of HFCL Limited (Holding Company) & M/s MN Ventures Private Limited
5) Personal Guarantee of the Chairman of the Company
6) Agreement to Pledge of 23.90% shareholding of HTL Limited by HFCL Limited
23.2 Unsecured vendor bills discounting is repayable on due dates as agreed with the lenders.
23.3 Unsecured Customer bills discounting is repayable on due dates by the customers.
23.4 Quarterly Returns/Statements of Current Asset filed by the company with Banks are generally in agreement with the books of account.
23.5 Unsecured Borrowings from other parties having maturity of less than one year.

HLL Limited
(All amounts are in Rs Lakhs)
Notes forming part of the Financial Statements for the year ended March 31, 2026

24 Current Financial Liabilities - Trade Payables

Particulars	As at March 31, 2026	As at March 31, 2025
Trade Payables - Undisputed		
Due to Micro and Small Enterprises (Refer note no. 48)	1,909.23	1,211.53
Others	11,472.24	14,026.69
Total	**13,381.47**	**15,238.22**

24.1 Ageing details of Trade payables:

Particulars	Outstanding for following periods from due date of payment					
Particulars	**Not Due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
As at March 31, 2026						
(i) MSME	1,783.79	122.87	2.57	-	-	1,909.23
(ii) Others	7,557.23	3,332.63	555.71	-	26.67	11,472.24
Total	**9,341.02**	**3,455.50**	**558.28**	-	**26.67**	**13,381.47**
As at March 31, 2025						
(i) MSME	1,013.65	160.70	24.67	12.51	-	1,211.53
(ii) Others	6,842.67	7,115.63	42.82	20.19	5.38	14,026.69
Total	**7,856.32**	**7,276.33**	**67.49**	**32.70**	**5.38**	**15,238.22**

24.2. There are no Disputed MSME or Disputed others trade payable balances as on 31st Mar 2026 and 31st March 2025.

25 Current Financial Liabilities - Other Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Other Financial Liabilities		
a) Interest accrued		
-Interest on Term loans	2.36	8.70
-Interest on Working Capital Loan	43.06	23.49
b) Creditors for Capital goods *	96.44	441.68
c) Expenses Payable	595.85	441.34
d) Security Deposit	81.20	143.20
e) Other Employees Related liabities	373.87	325.00
Total	**1,192.78**	**1,383.41**

* Creditors for Capital goods includes amount payable to MSME vendors amounts to Rs. 62.98 Lakhs (31st March 2025 - Rs. 47.65 Lakhs)

26 Other Current Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Advances from Customers	207.32	392.34
Statutory Liabilities payable	124.05	99.01
Other liabilities	73.03	47.82
Total	**404.40**	**539.17**

27 Current Liabilities - Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
Provisions for Employee Benefits (Refer note 38)		
Provisions for Gratuity	17.43	24.24
Provisions for Leave Encashment	36.91	31.78
Total	**54.34**	**56.02**

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RTL Limited
(All amounts are in Rs Lakhs.)
Notes forming part of the Financial Statements for the year ended March 31, 2026

28 Revenue from operations

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale and Services		
-Manufacturing and trading activities	89,402.83	57,261.22
Other Operating Revenues		
-Scrap Sale	246.24	143.08
-Export Incentives	191.71	55.23
Total	**89,840.78**	**57,459.53**

29 Other Income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Other non-operating income		
Interest Income	114.97	87.01
Rent Received	428.52	262.85
Exchange Fluctuation Income (Net)	109.16	-
Miscellaneous Income	129.68	136.88
Total	**782.33**	**486.74**

30 Cost of Material Consumed

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	7,652.76	7,985.45
Add : Purchases during the year	60,509.73	40,952.29
	68,162.49	48,937.74
Less: Closing Stock	8,561.45	7,652.76
	59,601.04	**41,284.98**

31 Other Direct Cost

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of stores and spares parts	872.51	627.71
Loose Tools written off	167.19	134.82
Total	**1,039.70**	**762.53**

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Closing Stock		
Finished Goods	3,346.67	2,510.48
Stock in Trade- Goods	800.16	519.62
Works in progress	3,197.38	1,228.89
	7,344.21	**4,258.99**
Opening Stock		
Finished Goods	2,510.48	1,786.61
Stock in Trade- Goods	519.62	152.15
Works in progress	1,228.89	1,800.92
	4,258.99	3,739.68
Net Changes (Opening -Closing)	**(3,085.22)**	**(519.31)**

HTL Limited
(All amounts are in Rs Lakhs.)
Notes forming part of the Financial Statements for the year ended March 31, 2026

33 Employee benefits expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, bonus and allowances	6,904.72	6,505.62
Contribution to Provident and other funds	183.77	193.37
Staff welfare expenses	236.52	86.88
Total	**7,325.01**	**6,785.87**

34 Finance costs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Bank Loan Interest	1,712.37	1,780.76
Interest on other loans	301.98	531.16
Other Interest	594.52	708.81
Bank Charges and loan processing charges	500.23	549.12
Total	**3,109.10**	**3,569.85**

35 Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Rates and Taxes	232.18	177.47
Auditors' Remuneration		
Audit Fee	18.00	18.00
Tax Audit Fee	5.00	5.00
Other Services	5.10	4.70
Out of pocket expenses	0.93	0.37
Legal and Professional Charges	171.87	196.23
Loss on Sale of Property, Plant and Equipment	9.97	11.46
Communication Expenses	7.58	8.77
Travelling and Conveyance Expenses	251.86	219.45
Power and Fuel & Water Charges	1,335.24	1,436.97
Repairs and Maintenance	432.99	258.90
Insurance Expenses	184.00	206.92
Selling and Distribution Expenses	4,025.96	1,911.50
Office and General Expenses	196.63	191.50
Bad debts and other balances written off (net)	83.51	37.17
Provision for Expected credit losses	185.66	7.63
Liquidated damages on Sales	138.62	20.63
Directors Sitting Fees	6.15	7.35
Exchange Fluctuation Loss (Net)	-	60.68
Corporate Social Responsibiltiy (Refer Note 47)	-	132.59
Miscellaneous Expenditure	139.87	119.96
Total	**7,431.12**	**5,033.25**

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Basic & Diluted Earnings per share	Rs.	Rs.
Profit & Loss for the year	6,726.67	(1,511.96)
Profit & Loss attributable to Equity Shareholders (A)	**6,726.67**	**(1,511.96)**
Weighted average number of ordinary Equity shares (B) (used as denominator for calculating basic EPS)	15,00,000	15,00,000
Weighted average number of ordinary Equity shares (C) (used as denominator for calculating diluted EPS)	15,00,000	15,00,000
Nominal value of ordinary Equity share (Rs)	100.00	100.00
Earnings per share-Basic (A/B) (Rs)	**448.44**	**(100.80)**
Earnings per share-Diluted (A/C) (Rs)	**448.44**	**(100.80)**

37 **Critical accounting estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. [illegible] Detailed information about each of these estimates and judgements 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 judgements are:
1. Estimation of useful life of Property, Plant and Equipment Note 4
2. Estimation of useful life of intangible asset Note 5
3. Estimation of defined benefit obligation Note 38
4. Estimation of contingent liabilities refer Note 39
5. Estimation of fair value of unlisted securities Note 42

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

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

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

Particulars	31-Mar-26	31-Mar-25
Employer's Contribution to Provident Fund	181.11	190.27

b) Defined Benefit Plan
The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation and the obligation for leave encashment is recognised in the same manner as gratuity.

	Gratuity		Leave Encashment	
A Expenses recognised in Statement of Profit and Loss:	**31-Mar-26**	**31-Mar-25**	**31-Mar-26**	**31-Mar-25**
Current service Cost	49.42	34.27	88.62	58.76
Past service cost	39.65	-	30.87	-
Curtailment & Settlement Cost/(Credit)	-	-	-	-
Interest Expense	12.70	12.36	6.58	7.09
Defined Benefits Cost included in P&L	**101.77**	**46.63**	**126.07**	**65.85**

B Other Comprehensive Income	**31-Mar-26**	**31-Mar-25**	**31-Mar-26**	**31-Mar-25**
Actuarial (Gain) / Losses due to Demographic Assumption changes in DBO	-	2.93	-	1.95
Actuarial (Gain) / Losses due to Financial Assumption changes in DBO	(10.16)	5.11	(7.70)	3.17
Actuarial (Gain)/ Losses due to Experience on DBO	(6.28)	(10.73)	7.46	(17.14)
Total Actuarial (gain)/loss included in OCI	**(16.44)**	**(2.69)**	**(0.24)**	**(12.02)**
Total cost recognised in P&L and OCI				
Cost Recognised in P&L	101.77	46.63	126.07	65.85
Remeasurement Effect Recognised in OCI	(16.44)	(2.69)	(0.24)	(12.02)
Total Defined Benefit Cost	**85.33**	**43.94**	**125.83**	**53.83**

C Net Asset/(Liability) Recognised in Balance Sheet	**31-Mar-26**	**31-Mar-25**	**31-Mar-26**	**31-Mar-25**
Present value of Funded Obligation	-	-	-	-
Fair Value of Plan Assets	-	-	-	-
Present value of Unfunded obligation	255.45	200.05	192.42	125.27
Funded status [Surplus/(Deficit)]	(255.45)	(200.05)	(192.42)	(125.27)
Present value of Unavailable Obligation	-	-	-	-
Present value of Availment Obligation	-	-	-	-
Revised Sch III of Companies Act, 2013				
Current Liability	17.43	24.24	36.51	31.78
Non-Current Liability	238.02	175.81	155.91	93.49

D Changes in Present Value of Obligations	**31-Mar-26**	**31-Mar-25**	**31-Mar-26**	**31-Mar-25**
Present Value of Defined Benefits Obligation at Beginning	200.05	185.65	125.27	[illegible]
Current Service Cost	49.42	34.27	88.62	58.76
Past service cost	39.65	-	30.87	-
Interest Cost	12.70	12.36	6.58	7.09
Curtailment & Settlement Cost/(Credit)	-	-	-	-
Actuarial (Gain)/Loss	(16.44)	(2.69)	(0.24)	(12.02)
Benefits Paid	(29.93)	(29.54)	(58.68)	[illegible]
Present Value Of Defined Benefit Obligation at the end	**255.45**	**200.05**	**192.42**	**125.27**

E Changes in Fair Value of Plan Assets	**31-Mar-26**	**31-Mar-25**	**31-Mar-26**	**31-Mar-25**
Fair Value of Plan Assets at the beginning	-	-	-	-
Expected Return on Assets	-	-	-	-
Employer Contribution	-	-	-	-
Employer Direct Benefit payments	29.93	29.54	58.68	[illegible]
Plan Participants Contribution	-	-	-	-
Settlements by Fund Manager	-	-	-	-
Benefits Payouts	(29.93)	(29.54)	(58.68)	[illegible]
Actuarial (gain)/Loss	-	-	-	-
Fair Value of Plan assets at the end	-	-	-	-

F Sensitivity analysis of the defined benefit obligation	**31-Mar-26**	**31-Mar-25**	**31-Mar-26**	**31-Mar-25**
Impact of the change in Discount Rate				
Present Value of Obligation at the end	255.45	200.05	192.42	125.27
Impact due to increase of 1%	(14.58)	(11.91)	(11.10)	(7.51)
Impact due to decrease of 1%	16.50	13.61	12.66	8.19
Impact of the change in salary increase				
Present Value of Obligation at the end	255.45	200.05	192.42	125.27
Impact due to increase of 1%	16.42	13.34	12.34	8.15
Impact due to decrease of 1%	(14.71)	(11.86)	(10.72)	(7.23)

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

G Maturity profile of defined benefit obligation:	**31-Mar-26**	**31-Mar-25**	**31-Mar-26**	**31-Mar-25**
Projected Benefit Obligation at end	255.45	200.05	192.42	125.27
PAYOUTS				
March 2026 to March 2027	17.43	23.13	17.08	15.00
March 2027 to March 2028	24.37	3.98	20.71	5.79
March 2028 to March 2029	14.90	18.42	9.20	11.98
March 2029 to March 2030	21.96	6.77	18.01	9.20
March 2030 to March 2031	19.69	15.41	10.13	10.06
March 2031 to March 2036	50.13	47.92	32.85	22.70
March 2036 onwards	101.38	78.83	84.43	51.84

H Actuarial Assumptions	**31-Mar-26**	**31-Mar-25**	**31-Mar-26**	**31-Mar-25**
Discount Rate	7.35% & 6.80% (TTC)	6.86%	7.35% & 6.03% (TTC)	6.86%
Expected Return on Assets	0.00%	0.00%	0.00%	0.00%
Salary Escalation	[illegible]	[illegible]	[illegible]	[illegible]
Attrition rate	5.00%	5.00%	5.00%	5.00%
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

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

On 21 November 2025, the Government of India notified four Labour Codes [illegible] in accordance with Ind AS 19 – Employee Benefits, changes to employee benefit obligations arising from legislative amendments are treated as plan amendments requiring immediate recognition of past service cost in the Statement of Profit and Loss [illegible] the Institute of Chartered Accountants of India. This has resulted in a net increase of Rs 70.52 Lakhs in the past service cost [illegible] gratuity and leave encashment, which has been recognised as employee benefits expense during the year. The Company is in process of [illegible] with the notified Labour Codes and continues to monitor the finalisation of Central and State Rules and any further clarifications issued by the Government in respect of the Labour Codes.

39 Commitments and Contingencies

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

	As at 31.Mar.26	As at 31.Mar.25
(i) Unexpired Letters of Credit	3,623.00	1,667.97
(ii) Guarantees given by banks on behalf of the Company	3,331.23	2,511.30
(iii) Claims against the Company towards income tax and GST in dispute not acknowledged as debt (Deposited under protest CY - Rs 33.36 Lakhs (PY - Rs 33.36 Lakhs))	332.41	332.41

Notes:
(a) The Company's pending litigations comprise of claims against the Company and proceedings pending with Tax Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position.
(b) The Company periodically reviews all its long term contracts to assess for any material foreseeable losses. Based on such review wherever applicable, the Company has made adequate provisions for these long term contracts in the books of account as required under any applicable law/accounting standard.
(c) The company does not have any outstanding derivative contract as on 31st March 2026 and 31st March 2025.
(d) There are no amounts which are required to be transferred to the Investor Education and protection fund by the company.
(e) The Code on Social Security, 2020 has been notified and is applicable from November 21, 2025. The Company is in the process of evaluating the impact of the Code, including changes relating to the definition of wages and consequent implications on employee benefit obligations such as provident fund and employee state insurance. Accordingly, the impact of the Code on the financial statements, if any, is not presently ascertainable and will be recognised in the period in which such changes are implemented.

(b) Commitments and Other Obligations	As at 31.Mar.26	As at 31.Mar.25
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	645.37	192.59
ii) Uncalled capital commitment pertaining to investments	-	-
iii) Custom Duty against import under EPCG scheme	1,331.08	4,747.31

40 Segment Reporting

In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the financial statements.

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 consolidated 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/income which are not directly allocable to the segments are included under un-allocable expenditure/income.
iv. Segment results include margins on inter-segment sales which are reduced in arriving at the profit before tax of the Group.
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 Group as a whole and not allocable to any segment.
vi. 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

The Company's operations primarily relate to manufacturing of telecom products, defence products and other products relating thereto. Accordingly, segments have been identified in line with Indian Accounting Standard on Segment Reporting Ind AS-108 - Telecom products, Defence products and other products are the primary business segments. Details of business segments are as follows:

Particulars	Business Segments						Total	
	Telecom Products		Defence Products		Other Products			
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment Revenue								
Turnover	75,756.41	44,055.49	7,428.52	4,005.47	6,656.05	8,708.58	89,840.78	57,459.55
Segment Results	10,868.25	1,290.04	848.84	(541.35)	(206.18)	(675.78)	11,502.90	1,282.60
Unallocated Finance charges							3,109.10	2,509.65
Unallocated expenses							-	132.59
Unallocated income							782.33	486.74
Profit before tax							9,176.13	(1,953.10)
Income tax (net)							2,449.16	(152.17)
Profit after tax							6,726.57	(1,511.90)
Other Information								
Segment assets	45,705.76	45,973.69	7,191.17	5,159.64	3,472.97	4,079.81	56,371.90	55,211.10
Unallocated other assets							6,982.05	1,229.42
Total assets							63,353.91	56,440.55
Segment liabilities	21,360.28	24,662.27	856.85	1,589.09	2,315.37	1,625.22	27,752.54	35,076.98
Unallocated other liabilities							15,223.59	10,682.97
Total liabilities							40,956.17	45,759.35
Depreciation							1,894.00	2,038.57

b) Secondary Segment Reporting (by Geographical Segments)

The Company caters mainly to the needs of the domestic market and the export turnover being 13.33% (Previous year 6.52%) of the total turnover of the Company.

i) Revenue as per Geographical Area (Ind AS108, Para 33(a))

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
With in India	77,940.54	53,713.41
Outside India	11,900.61	3,746.15
Total	**89,840.78**	**57,459.56**

ii) Revenue of approximately 30% (Previous year 0%) are derived from two external customers which individually accounted for more than 10%.
iii) None of the non-current assets are located outside India.

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

(i) Name and description of related parties

Relationship	Name of Related Party
(a) Holding Company	HFCL Limited
(b) Fellow Subsidiary	Moneta Finance Private Limited HFCL Advance Systems Private Limited Polixel Security Systems Private Limited Dragonwave HFCL India Private Limited RaddeI Private Limited HFCL Technologies Private Limited HFCL B.V. - Netherlands HFCL Inc. - United States of America
(c) Step-down Fellow Subsidiary	HFCL Canada Inc. HFCL UK Limited HFCL Poland Sp. z o.o (w.e.f. May 17.2024) HFCL Pte Limited (w.e.f. October 28.2024)
(d) Enterprise owned or significantly influenced by holding company's KMP or their relatives	Exicom Tele-systems Ltd Exicom Energy Systems Private Limited Exicom Power Systems Private Limited
(e) Enterprises owned or significantly influenced by key management personnel or their relatives	Nimpa Telecommunications Private Limited
(f) Key management personnel	Mr. G.S. Naidu, COO & Manager Mr. C. D. Ponnappa Chief Financial Officer Mr. S Narayanan, Company Secretary

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

(All amounts are in Rs Lakhs)

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

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Purchases/receiving of Goods & Services		
HFCL Limited	19,223.36	[illegible]
Nimpaa Telecommunications Private Limited	-	15.54
Exicom Energy Systems Pvt. Ltd	-	8.00
Sales/rendering of Goods & Services		
HFCL Limited	40,395.83	21,908.20
Exicom Tele-systems Ltd	41.34	312.89
Nimpaa Telecommunications Private Limited	24.56	15.37
Exicom Energy Systems Pvt. Ltd	7.81	70.61
HFCL Inc	6,569.08	154.39
HFCL Canada Inc	-	30.26
HFCL Technologies Private Ltd	-	42.34
Expenses - Other expenses		
HFCL Limited	735.58	623.00
Nimpaa Telecommunications Private Limited	683.37	725.67
Repayment of Advances during the year		
HFCL Limited	-	7,200.00
Expenses - Interest on Loans and Advances		
HFCL Limited	245.00	404.76
Receipt of Security Deposit (Rent) during the year		
HFCL Limited	-	73.20
Closing Balances of Receivables (including Unbilled Revenue)		
HFCL Limited	7,265.84	14,347.38
Nimpaa Telecommunications Private Limited	0.72	18.79
Exicom Tele-systems Ltd	-	23.73
Exicom Energy Systems Pvt. Ltd	16.05	40.53
HFCL B.V	172.53	172.55
HFCL Inc	3,804.30	1,280.00
HFCL Canada Inc	70.30	30.26
HFCL Technologies Private Ltd	-	[illegible]
Closing Balances of Payable		
HFCL Limited	273.20	[illegible]
Nimpaa Telecommunications Private Limited	233.40	78.77
Exicom Energy Systems Pvt. Ltd	-	2.32
Closing Balances of Loan		
HFCL Limited	2,450.00	2,450.00
Closing Balances of Security deposit		
HFCL Limited	73.20	73.20

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Remuneration of Key Management Personnel's		
(a) Short term employee benefits		
Mr. G S Naidu, COO & Manager	100.42	96.03
Mr. C. D. Ponnappa Chief Financial Officer	17.86	19.48
Mr. S [illegible], Company Secretary	41.06	37.50
(b) Post employment benefits*		
Mr. G S Naidu, COO & Manager	-	-
Mr. C. D. Ponnappa Chief Financial Officer	-	-
Mr. S [illegible], Company Secretary	-	-
(c) Other long term benefits #	-	-
(d) Remuneration Payable		
Mr. G S Naidu, COO & Manager	58.52	26.51
Mr. C. D. Ponnappa Chief Financial Officer	5.50	18.42
Mr. S [illegible], Company Secretary	3.27	6.39

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

Major Terms and Conditions of transactions with related parties
i) Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
ii) The remuneration to Key Managerial Personnel are in line with the HR policies of the company.
iii) Outstanding balances of related parties at the year-end are unsecured.

42 Financial Instruments by Category

Particulars	Mar-26			Mar-25		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
1) Financial Assets						
I) Investments						
Equity shares						
(i) Amplus [illegible] Private Limited	-	409.15	-	-	409.15	-
(ii) NSL Wind Power Company (Phoolwadi) Private Limited	-	-	-	-	11.30	-
II) Trade Receivables	-	-	21,601.80	-	-	24,650.13
III) Bank Deposits	-	-	500.54	-	-	164.79
IV) Cash and Cash Equivalents	-	-	7.04	-	-	20.39
V) Other Bank Balances	-	-	2,077.81	-	-	1,816.36
VI) Other Financial Assets	-	-	435.83	-	-	189.87
Total Financial Assets	-	409.15	25,283.53	-	420.45	27,133.48
2) Financial Liabilities						
I) Borrowings						
A) From Banks/NBFC	-	-	19,693.81	-	-	18,848.99
B) From Others	-	-	4,096.10	-	-	6,424.44
II) Trade Payables	-	-	13,381.47	-	-	15,238.23
III) Other Financial Liabilities	-	-	1,192.78	-	-	1,983.21
Total Financial Liabilities	-	-	38,954.22	-	-	42,895.06

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 categorised into Level 1, Level 2 and Level 3 inputs.

(a) Year Ending March 31, 2026

Financial Assets measured at Fair Value recurring Fair value measurements at 31-03-2026	Note No.	Level 1	Level 2	Level 3
Financial Assets				
Investments				
(i) Amplus [illegible] Private limited	8	-	-	409.15
(ii) NSL Wind Power Company (Phoolwadi) Private Limited	13	-	-	-
Total Financial Assets		-	-	409.15

(b) Year Ending March 31, 2025

Financial Assets measured at Fair Value recurring Fair value measurements at 31-03-2025	Note No.	Level 1	Level 2	Level 3
Financial Assets				
Investments				
(i) Amplus [illegible] Private limited	8	-	-	409.15
(ii) NSL Wind Power Company (Phoolwadi) Private Limited	13	-	-	11.30
Total Financial Assets		-	-	420.45

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 judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

43 **Financial Risk Management**

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

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

Liquidity Risk

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

The Company participates in a reverse factoring program via the M1xchange (TReDS) platform, primarily to facilitate efficient payment processing for MSME suppliers. This arrangement allows the Company to consolidate payments through financial institutions rather than settling with each supplier individually. While these arrangements result in payment terms that differ from standard MSME trade payable terms, the Company incorporates these extended obligations into its maturity monitoring and working capital planning. The Company ensures sufficient liquidity is maintained to settle these liabilities with the financing institutions on their revised due dates, thereby mitigating any risk of concentration or timing mismatches in cash outflows.

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, 2026					
Borrowings	21 & 23	24,379.97	16,914.37	7,465.61	**24,379.98**
Trade Payables	24	15,381.47	15,381.47	-	**15,381.47**
Other liabilities	25	1,102.78	1,102.78	-	**1,102.78**
As at March 31, 2025					
Borrowings	21 & 23	26,273.43	17,687.52	8,585.91	**26,273.43**
Trade Payables	24	15,238.22	15,238.22	-	**15,238.22**
Other liabilities	25	1,383.41	1,383.41	-	**1,383.41**

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 2026 and 31 March 2025.

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
1. PRICE RISK		
The company is mainly exposed to the price risk due to its investment in equity instruments. The price risk arises due to uncertainties about the future market values of these investments. Equity Price Risk is related to the change in market reference price of the investments in equity securities. The fair value of the company's investments is carried through other comprehensive income which exposes to equity price risks. In general, these securities are not held for trading purposes.	In order to manage its price risk arising from investments, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.	As an estimation of the approximate impact of price risk investments in equity instruments, the Company has calculated the impact as follows. For equity instruments, a 10% increase in prices would have led to approximately an additional gain of Rs.43.92 Lakhs for year ending March 2026 (Rs.42.04 Lakhs for year ending March 2025) in other comprehensive income. A 10% decrease in prices would have led to an equal but opposite effect.
2. INTEREST RATE RISK		
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates.	In order to manage its interest rate risk, The Company diversifies its portfolio in accordance with the risk management policies.	As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 0.25% change in interest rates. A 0.25% increase in interest rates would have led to approximately an additional Rs. 60.95 Lakhs loss for year ended March 31st, 2026 (Rs.65.68 Lakhs loss for year ended March 31st 2025). A 0.25% decrease in interest rates would have led to an equal but opposite effect.

Credit Risk

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

Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. To manage trade receivable, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, economic trends, analysis of historical bad debts and aging of such receivables.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 13. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables to be reasonably low as most of the customers are Government and large Corporate organisations though there may be normal delays in collections.

Financial Instruments and cash deposits

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

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

Capital management

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

Particulars	31-Mar-26	31-Mar-25
Debt (Note 21 & 23)	24,379.97	26,273.43
Less: Cash and Cash equivalents (Note 15)	(7.64)	(26.39)
Net Debt	**24,372.33**	**26,247.04**
Total Equity	22,397.81	15,683.30
Net Debt to Equity Ratio	**1.09**	**1.67**

44 The Government of Tamil Nadu have executed a Deed of Indenture dated 30.09.1970 in favour of the Company for total land measuring 35.89 acres possessed by it since 1968 as Assignee in the Guindy Industrial Estate and registered the same vide Document No. 22 of 1972 at Sub Registrar Office, Alandur. As agreed by Government of India on the proposal of Government of Tamil Nadu for surrender of the vacant land measuring 4.90 acres by the Company during the process of disinvestment of shares in the Company in 2001, the Company had surrendered the vacant land measuring 4.90 acres to the Small Industries Department, Chennai in 2002 in order to get a clear title for the remaining land of 30.99 acres. In this process, the name of the Company has been entered in the revenue records of the Government of Tamil Nadu for 30.27 acres by issue of pattas, excepting the Approach Road of 0.72 acres. The Company has been continuously following up with Government of Tamil Nadu for obtaining the clear title for 30.99 acres.

In respect of the above said land, a Show Cause Notice (SCN) was issued on 19th June, 2020, by Office of the Revenue Divisional Officer, Guindy, Chennai, objecting on the pattas issued on the said assigned land. The Company has filed a Writ Petition against the said SCN and an interim stay was granted by Hon'ble Madras High Court on 10th June, 2020. The last hearing was fixed on 20th August, 2024 but not listed. It is yet to be listed by the Hon'ble Madras High Court for next hearing.

The Company represented to the Government of Tamil Nadu requesting to restore the Company's Name in the Revenue Records and in consideration it will withdraw the above Writ Petition. It is under favourable consideration of the Government.

45 The loan received from the related party, M/s. HFCL Ltd., shall be repaid by the Company in 12 equal quarterly installments, commencing from the quarter ending September 2027.

46 **Share Based Payment**

ESOP Plan

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

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

Particulars	March 31, 2026		March 31, 2025	
	No. of Options	**Weighted Average Exercise price (Rs.)**	**No. of Options**	**Weighted Average Exercise price (Rs.)**
Outstanding at the beginning of the year	1,04,800	20.65	1,04,800	20.65
Granted During the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercise during the year	1,04,800	20.65	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	1,04,800	20.65
Exercisable at the end of the year	-	-	-	-
Exercise prices for outstanding options at the end of year	-	-	-	-

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[illegible] Limited
(All amounts are in Rs Lakhs)
Notes forming part of the Financial Statements for the year ended March 31, 2026

47 Corporate Social Responsibility Expenses

Particulars	March 31, 2026	March 31, 2025
Amount required to be spent by the company for the year	Nil	Rs. 1[illegible] Lakhs
Amount of expenditure incurred	Nil	Rs. 59.[illegible] Lakhs
Shortfall at the end of the year	Nil	Rs. 81.75 Lakhs
Total of previous years shortfall	Rs. 36.66 Lakhs	Rs. 55.14 Lakhs
Reason for shortfall	Not Applicable	Pertains to ongoing CSR project
Nature of CSR activities	Ongoing CSR Projects viz., Preventive health care facilities and Inclusive Education for Children with Special Needs	Preventive health care facilities, Inclusive Education for Children with Special Needs and Promoting Education thru' Modern Teaching Aids
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant accounting standard	Nil	Nil
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	Opening Provision = Rs. 136.89 Lakhs (+) Provision made = Rs. 0.00 Lakhs (-) Expenditure incurred = Rs. 100.23 Lakhs Closing Provision = Rs. 36.66 Lakhs	Opening Provision = Rs. 178.17 Lakhs (+) Provision made = Rs. 81.75 Lakhs (-) Expenditure incurred = Rs. 123.[illegible] Lakhs Closing Provision = Rs. 136.89 Lakhs

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

	Particulars	As at March 31, 2026	As at March 31, 2025
a.	Principal amount due to Micro and Small Enterprises (including capital creditors) *	1,972.21	1,2[illegible]
b.	Interest due on above	-	-
c.	Interest paid during the period beyond the appointed day	Nil	Nil
d.	Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	Nil	Nil
e.	Amount of interest accrued and remaining unpaid at the end of the period	-	-
f.	Amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to small enterprise for the purpose of disallowance as a deductible expenditure under Sec 23 of the Act	Nil	Nil

Note: The above information and that given in Note No 2[illegible] Trade Payables regarding Micro and Small Enterprises has been determined on the basis of information available with the Company and has been relied upon by the auditors.

* Includes amount of Rs. [illegible] lakhs (Previous year Rs. [illegible] lakhs) outstanding beyond [illegible] Micro and Small Enterprises as at 31st March 2026.

49 Analytical Ratios

Ratios	Numerator	Denominator	Current Period (2025-26)	Previous Period (2024-25)	% Variance
Current ratio (in times)	Total Current Assets	Total Current Liabilities	1.46	1.22	19.[illegible]%
Debt-Equity ratio (in times)	Total Debt	Total Shareholders Funds	1.09	1.[illegible]	35.02%
Debt Service coverage ratio (in times)	Net Profit after taxes + Depreciation and other amortisation + Interest + Loss on sale of Fixed assets	Interest + Principal Payments	1.29	0.37	20[illegible]%
Inventory turnover ratio (in times)	Cost of goods sold	Avg Inventory	3.89	3.16	23.[illegible]%
Trade receivables turnover ratio (in times)	Revenue from Operations	Avg Accounts Receivable	5.[illegible]	2.[illegible]	[illegible]%
Trade payables turnover ratio (in times)	Purchases	Avg Accounts Payable	4.12	1.26	[illegible]%
Net capital turnover ratio (in times)	Revenue from Operations	Avg Working Capital	7.07	[illegible]	47.[illegible]%
Return on equity ratio (in %)	Net Income (PAT)	Avg Shareholders Equity	20.33%	[illegible]%	[illegible]%
Net profit ratio (in %)	Net Income (PAT)	Revenue from Operations	7.09%	(2.[illegible]%)	[illegible]%
Return on Capital employed (in %)	EBIT	Avg Capital Employed	20.01%	2.7[illegible]%	[illegible]%
Return on Investment (in %)	Income from Investments	Avg Investments	N.A	N.A	-

Explanation for variance exceeding 25%:

[illegible]

(B) Other statutory information

[illegible]

50 In the opinion of the Board, all assets other than property, plant and equipment and non-current investments, have a realisable value in the ordinary course of business which is not significantly different from the amount at which it is stated. Balances of various trade payables, trade receivables, loans and advances, security deposits and other parties are subject to confirmation / reconciliation and consequential adjustment thereof, if any. [illegible]

51 Foreign Currency Exposure

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

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

b) Foreign Currency Exposure

Particulars		As at March 31, 2026 Amount in Foreign Currency	As at March 31, 2026 Equivalent in INR	As at March 31, 2025 Amount in Foreign Currency	As at March 31, 2025 Equivalent in INR
Trade Payable	USD/INR	47,54,472	4,112.80	[illegible]	[illegible]
Trade Payable	JPY/INR	4,26,58,750	497.16	-	-
Trade Payable	EUR/INR	17,346	18.04	[illegible]	[illegible]
Trade Payable	GBP/INR	-	-	[illegible]	[illegible]
Capex Payable	USD/INR	-	-	[illegible]	162.[illegible]
Capex Payable	EUR/INR	-	-	[illegible]	[illegible]
Trade Receivable (including Unbilled Revenue)	USD/INR	60,[illegible]	5,[illegible]	[illegible]	[illegible]
Trade Receivable	GBP/INR	8,[illegible]	1,0[illegible]	[illegible]	[illegible]
Trade Receivable	AUD/INR	[illegible]	[illegible]	-	-
Trade Receivable	EUR/INR	-	-	[illegible]	[illegible]

c) Foreign currency sensitivity analysis

The following details are demonstrating the Company's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. [illegible]

Impact on Profit & loss for the year	As at March 31, 2026 INR Strengthens by 5%	As at March 31, 2026 INR weakening by 5%	As at March 31, 2025 INR Strengthens by 5%	As at March 31, 2025 INR weakening by 5%
USD Impact	(78.20)	78.20	[illegible]	[illegible]
JPY Impact	24.86	(24.86)	-	-
EURO Impact	0.90	(0.90)	[illegible]	[illegible]
AUD Impact	(0.32)	0.32	-	-
GBP Impact	(53.50)	53.50	(28.[illegible])	28.[illegible]

(All amounts are in Rs Lakhs)

52 Tax Reconciliation

Particulars	FY 2025-26	FY 2024-25
Net Profit as per Statement of Profit and Loss (before tax)	9,176.13	(1,933.10)
Current Tax rate @ 25.17%	2,309.45	(486.56)
Adjustments		
Amount (allowed)/disallowed as deduction under Income Tax Act, 1961	286.98	45.42
Set Off of Business Loss Carry Forward from prior years	(234.10)	-
Provision for Interest on Tax Payment	87.13	-
Tax Provision as per Books	**2,449.46**	**(441.14)**

53 The company has used an accounting software including software operated by third party for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software. Such audit trails are preserved as per the statutory requirement for record retention.

54 **Supplier Financing Arrangement**
In the ordinary course of business, the Company enters into supplier finance arrangements through the M1xchange TReDS (Trade Receivables Discounting System) platform for MSME Suppliers. These arrangements are in the nature of reverse factoring where the suppliers may opt to receive early payment from financial institutions/banks and the Company settles the amounts with such institutions/banks on agreed due dates which is generally different from the standard terms of MSME trade payables. The Company manages these arrangements as part of its working capital and liquidity management.

Particulars	FY 2025-26	FY 2024-25
Carrying amount of liabilities under SCF arrangement (presented as Current borrowings)	**2,268.71**	**3,174.71**
- of which suppliers have received payment from finance provider	2,268.71	3,174.71
Range of payment due dates		
Trade payables that are part of the arrangement	Upto 120 days	Upto 120 days
Trade payables that are not part of an arrangement	Upto 45 days	Upto 45 days

There were no foreign exchange differences or other non-cash transfers relating to the carrying amount of liabilities subject to supplier finance arrangements.

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

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

NISHANT BHANSALI
Partner
M.No.: 532508

For and on behalf of the Board

MAHENDRA NAHATA
Chairman
DIN: 00052898
New Delhi, 28th April 2026

K.C. JANI
Director
DIN: 02535298
Mumbai, 28th April 2026

S. NARAYANAN
Company Secretary
M.No ACS 5772

C D PONNAPPA
Chief Financial Officer
PAN: ACZPP1337Q

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ATTENDANCE SLIP

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

65th ANNUAL GENERAL MEETING 2026

I / We hereby record my / our presence at the 65th Annual General Meeting of the Company at GST Road, Guindy, Chennai – 600032 / thru' Video Conferencing over MS Teams on Friday, 24th July, 2026 at 12.30 P.M.

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

Note:

1. Please complete the Folio No. and name, sign the Attendance Slip and hand over / send it over at the Meeting Hall.
2. Physical copy of the Annual Report for 2026 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form are sent in the permitted mode to all Members.

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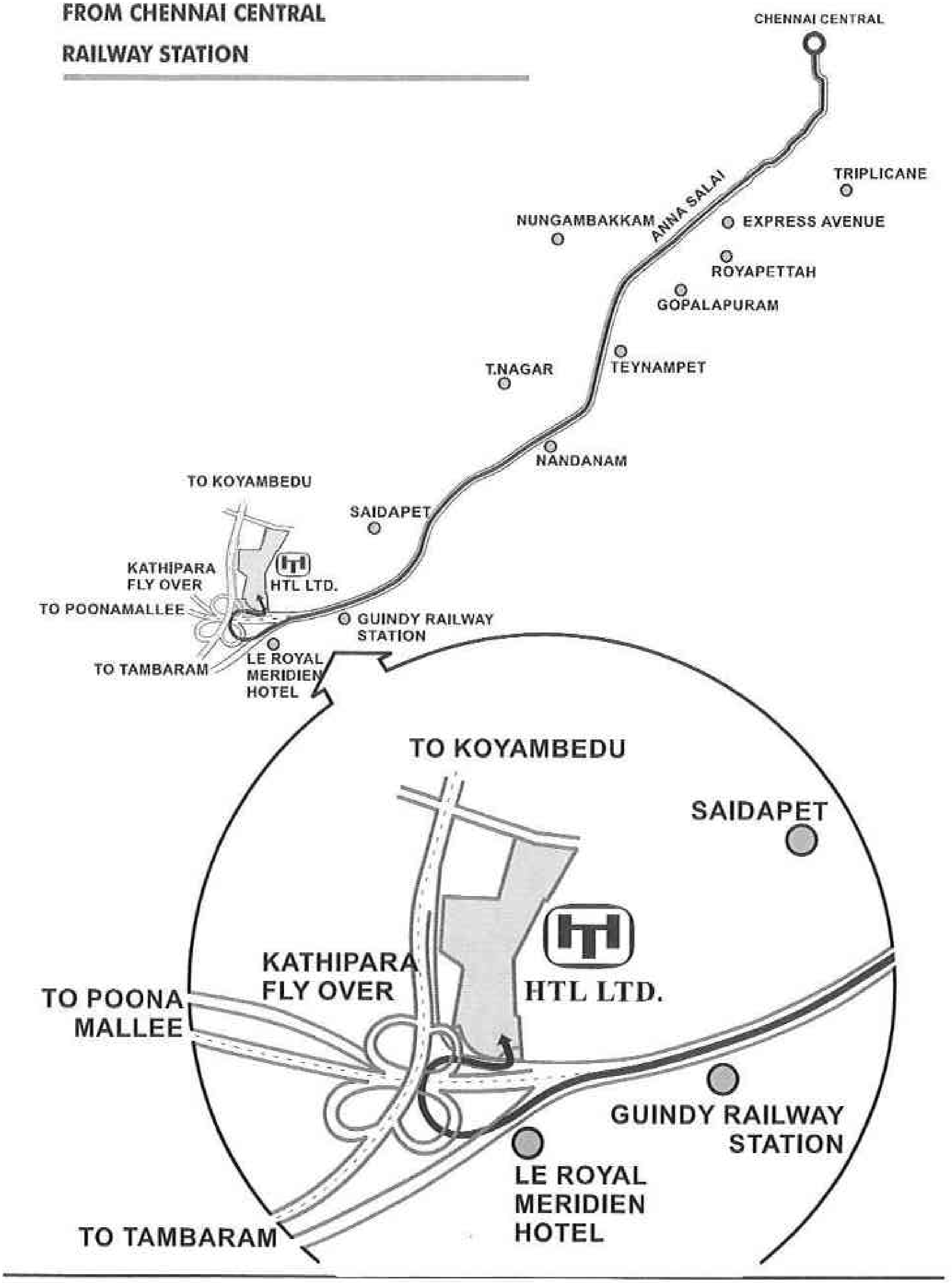
ROUTE MAP TO HTL FROM CHENNAI CENTRAL RAILWAY STATION



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GUIDELINES TO SHAREHOLDERS WHO OPT FOR ATTENDING THE 65TH AGM THRU' VIDEO CONFERENCING

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021, Circular No. 2/2022 dated May 05, 2022, General Circular No. 10/2022 dated December 28, 2022,General Circular No. 09/2023 dated September 25, 2023, General Circular No. 09/2024 dated September 19, 2024 and General Circular No. 03/2025 dated September 22, 2025. The forthcoming AGM will thus be held at the Registered Office of the Company at GST Road, Guindy, Chennai – 600 032 and thru' Video Conferencing. Hence, Members who send their requests from their registered email id with the Company for attending this meeting thru' Video Conferencing can attend and participate in the ensuing AGM through VC over MS Teams (Thru' the Link to be provided thru' the registered email).

2. Pursuant to the provisions of Section 101 of the Companies Act, 2013, the Company is sending Notice of the AGM to the address registered with the Company or with the depository participant/ depository.

3. The Members requesting to attend this meeting thru' Video Conferencing can join the AGM in the VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available to the interested Members, Directors, Key Managerial Personnel, Auditors etc.

4. The attendance of the Members attending the AGM through VC will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or body corporate can attend the AGM through VC and cast their votes.

GUIDELINES TO SHAREHOLDERS WHO OPT FOR ATTENDING THE 65TH AGM THRU' VIDEO CONFERENCING

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.htllimited.com.

7. The AGM has been convened through VC in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 02/2021 dated January 13, 2021, MCA Circular No. 19/2021 dated December 08, 2021, MCA Circular No. 21/2021 dated December 14, 2021, MCA Circular No. 2/2022 dated May 05, 2022, General Circular No. 10/2022 dated December 28, 2022, General Circular No. 09/2023 dated September 25, 2023, General Circular No. 09/2024 dated September 19, 2024 and General Circular No. 03/2025 dated September 22, 2025.

8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and MCA Circulars dated April 08, 2020, April 13, 2020,May 05, 2020, January 13, 2021, December 08, 2021, December 14, 2021, May 05, 2022, December 28, 2022,September 25, 2023, September 19, 2024 and September 22, 2025 the Company is providing facility of e-voting to its Members in respect of the business to be transacted at the AGM, details of which are as follows:-

   (i) Shareholders shall be able to cast their vote on all business items mentioned in the AGM Notice during the meeting only, on order of Poll by the Chairman of the Meeting.

   (ii) For this purpose, the Company is providing a designated e-mail address as follows, the Members can convey their votes, when a poll is required to be taken during the Meeting on any resolution, at such designated e-mail address: -

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

   (iii) During the Meeting held through VC facility, where a poll on any item is required, the Members shall cast their vote on the resolutions only by sending e-

GUIDELINES TO SHAREHOLDERS WHO OPT FOR ATTENDING THE 65TH AGM THRU' VIDEO CONFERENCING

mails through e-mail addresses, which are registered with the Company. The said e-mails shall only be sent to the designated e-mail address circulated by the Company.

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

Company: HTL Limited
Name: S. Narayanan
E-mail: snarayanan@htllimited.com
Telephone/Mobile No. 7010456750

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PROXY FORM

HTL LIMITED

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

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

Name of the Member (s)	:
Registered Address	:
E-mail Id	:
Client-Id	:
DP-ID	:

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 on my / our behalf at the 65th Annual General Meeting of the Company, to be held on Friday, 24th July, 2026 at 12.30 P.M. at GST Road, Guindy, Chennai – 600 032 (Tamil Nadu) / thru' Video Conferencing over MS Teams and at any adjournment thereof in respect of such resolutions as are indicated below;

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

Resolution No.	Resolutions	Optional	
		For	Against
Ordinary Business			
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2026 together with the Reports of the Board of Directors and Auditors thereon.		

2.	To appoint a Director in place of Shri Rajeev Sabherwal (holding DIN- 08420761) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.		
Special Business			
3.	To consider re-appointment and payment of remuneration of Shri G. S. Naidu, Chief Operating Officer as 'Manager' of the Company for a period of one year w.e.f. 25.6.2025 under the Companies Act, 2013.		
4.	To consider and ratify the remuneration payable to the Cost Auditors for the FY 2025-26.		

Signed this .... day of .... 2026.

Affix Revenue Stamp

Signature of Shareholder ....

Signature of Proxy Holder(s) ....

Notes:

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

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

(3) A person can act as a proxy on behalf of members not exceeding fifty and holding an aggregate of not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

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

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

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

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