

HFCL LIMITED

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 Website: www.hfcl.com / Corporate Identity Number (CTN): L64200HP1987PLC007466

STATEMENT OF UNAUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2022
(Rs. in Crore unless otherwise stated)

Sl. No.	Particulars	Standalone						Consolidated					
		Three months coded	Preceding three months ended	Corresponding three months ended in the previous year	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous Financial Year ended	Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous Financial Year ended
		December 31st 2022	September 30th 2022	December 31st 2021	December 31st 2022	December 31st 2021	March 31st 2022	December 31st 2022	September 30th 2022	December 31st 2021	December 31st 2022	December 31st 2021	March 31st 2022
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
I	INCOME												
	Revenue from Operations	1,002.01	1,119.35	1,107.36	3,072.57	3,220.48	4,286.44	1,085.84	1,173.47	1,215.21	3,310.33	3,544.13	4,727.11
	Other Income (refer note 5)	6.14	8.07	3.25	34.08	11.28	43.83	5.69	8.59	3.99	34.20	13.33	42.91
	Total Income	1,008.15	1,127.42	1,110.61	3,106.65	3,231.76	4,330.27	1,091.53	1,182.06	1,219.20	3,344.53	3,557.46	4,770.02
II	EXPENSES												
	Cost of materials/services consumed	446.88	478.77	584.00	1,417.04	1,472.42	2,127.92	459.12	452.80	634.33	1,426.75	1,625.19	2,355.55
	Purchases of stock-in-trade	269.90	384.38	296.22	915.10	980.88	1,203.00	280.33	406.28	306.35	966.53	1,009.51	1,243.71
	Change in inventories of finished goods, work-in progress and stock-in trade	32.14	(21.43)	(32.95)	(7.11)	(21.72)	(65.70)	16.39	(22.18)	(37.48)	(15.02)	(33.65)	(80.52)
	Employee benefits expenses	65.35	72.33	70.54	204.90	203.01	261.60	84.32	89.73	81.82	256.07	239.02	310.56
	Finance costs	26.37	31.45	30.22	86.32	104.19	132.64	37.03	39.42	39.12	114.27	128.65	166.40
	Depreciation, Impairment and Amortisation expenses	13.91	15.32	14.33	43.65	40.50	57.30	20.13	21.32	19.74	61.53	55.57	78.25
	Other expenses	47.02	64.50	53.46	174.66	153.81	231.84	58.04	80.83	59.62	212.51	178.09	267.74
	Total Expenses	901.57	1,025.32	1,015.82	2,834.56	2,933.09	3,948.60	955.36	1,068.22	1,103.50	3,022.64	3,202.38	4,321.69
III	Profit / (loss) before, exceptional items and tax (I-II)	106.58	102.10	94.79	272.09	298.67	381.67	136.17	113.84	115.70	321.89	355.08	448.33
IV	Share of net profits / (loss) of jointly control entities accounted for using equity method	-	-	-	-	-	-	0.75	(0.03)	0.15	(0.21)	0.06	0.16
V	Profit / (loss) before exceptional items and tax (III+IV)	106.58	102.10	94.79	272.09	298.67	381.67	136.92	113.81	115.85	321.68	355.14	448.49
VI	Exceptional item	-	-	-	-	-	-	-	-	6.38	-	6.38	6.38
VII	Profit / (Loss) before tax (V-VI)	106.58	102.10	94.79	272.09	298.67	381.67	136.92	113.81	109.47	321.68	348.76	442.11
VIII	Tax expense												
	Current Tax	28.52	25.50	24.17	69.76	76.20	96.96	38.38	28.87	27.51	85.93	89.51	114.50
	Deferred Tax	(1.84)	0.76	0.50	(1.46)	1.63	1.93	(3.08)	0.63	0.86	(3.28)	1.52	1.75
IX	Profit / (Loss) after tax for the period from continuing operations (VII- VIII)	79.90	75.84	70.12	203.79	220.84	282.78	101.62	84.31	81.10	239.03	257.73	325.86
X	Other Comprehensive Income												
	Items that will not be reclassified to profit or loss	0.46	(0.53)	1.17	0.49	1.26	2.18	0.42	(0.62)	1.05	0.44	1.09	2.02
	Income tax on above item	(0.18)	0.42	(0.08)	(0.06)	0.13	(0.04)	(0.17)	0.44	(0.03)	0.19	0.02	0.02
	Items that will be reclassified to profit or loss	0.59	(0.22)	0.12	0.32	(0.09)	(0.55)	(0.30)	(0.80)	0.12	(1.18)	(0.09)	(0.33)
	Other comprehensive income for the period after tax	0.87	(0.33)	1.21	0.75	1.30	1.79	(0.05)	(0.98)	1.14	(0.79)	1.19	1.71
XI	Total comprehensive income for the period (IX+X)	80.77	75.51	71.33	204.54	222.14	284.57	101.57	83.33	82.24	238.24	258.92	327.57
XII	Profit attributable to:												
	Owners of the Parent	-	-	-	-	-	-	96.13	81.84	78.38	229.15	247.80	313.12
	Non-controlling interests	-	-	-	-	-	-	5.49	2.43	2.72	9.88	9.94	12.75
XIII	Total comprehensive income attributable to:												
	Owners of the Parent	-	-	-	-	-	-	96.09	80.88	79.54	228.38	249.02	314.87
	Non-controlling interests	-	-	-	-	-	-	5.48	2.44	2.69	9.87	9.90	12.71
XIV	Paid-up Equity Share Capital (Face value of Re. 1/- each)	137.62	137.59	137.43	137.62	137.43	137.49	137.62	137.59	137.43	137.62	137.43	137.49
XV	Other Equity	-	-	-	-	-	2,590.87	-	-	-	-	-	2,680.88
XVI	Earnings per Share (face value of Re. 1/- each) -												
	Basic (Rs.)	0.58	0.55	0.53	1.48	1.71	2.15	0.69	0.60	0.59	1.66	1.91	2.38
	Diluted (Rs.)	0.58	0.55	0.54	1.48	1.71	2.15	0.69	0.60	0.60	1.66	1.92	2.38

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Unaudited Standalone and Consolidated segment wise revenue, results, assets and liabilities for the third quarter and nine months ended 31st December, 2022

(Rs. in Crore unless otherwise stated)

Sl. No.	Particulars	Standalone						Consolidated					
		Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous Financial Year ended	Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous Financial Year ended
		December 31st 2022	September 30th 2022	December 31st 2021	December 31st 2022	December 31st 2021	March 31st 2022	December 31st 2022	September 30th 2022	December 31st 2021	December 31st 2022	December 31st 2021	March 31st 2022
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
1	Segment Revenue												
	a. Telecom Products	544.67	522.81	375.68	1,545.41	1,072.94	1,509.51	692.58	671.04	512.36	1,983.72	1,470.38	2,055.17
	b. Turnkey Contracts and Services	457.34	596.54	731.68	1,527.16	2,147.54	2,776.93	391.97	502.43	702.85	1,325.32	2,073.75	2,671.73
	c. Others	-	-	-	-	-	-	1.29	-	-	1.29	-	0.21
	Revenue from Operations	1,002.01	1,119.35	1,107.36	3,072.57	3,220.48	4,286.44	1,085.84	1,173.47	1,215.21	3,310.33	3,544.13	4,727.11
2	Segment Results - Profit/(Loss) before tax and interest from each segment												
	a. Telecom Products	90.75	60.70	48.13	196.67	126.57	177.86	131.53	81.76	70.79	278.18	202.50	274.30
	b. Turnkey Contracts and Services	38.50	69.22	74.70	149.71	273.15	316.31	38.12	68.62	74.11	148.13	271.34	313.71
	c. Others	-	-	-	-	-	-	0.13	(0.48)	1.34	(0.83)	0.36	0.04
	Total	129.25	129.92	122.83	346.38	399.72	494.17	169.78	149.90	146.24	425.48	474.20	588.05
	Less: i. Interest	26.37	31.45	30.22	86.32	104.19	132.64	37.03	39.44	39.12	114.27	128.65	166.40
	ii. Other un-allocable expenditure net off	0.91	0.64	1.00	1.88	7.35	7.61	0.91	0.64	0.85	1.88	7.29	7.61
	iii. Un-allocable income	(4.61)	(4.27)	(3.18)	(13.91)	(10.49)	(27.75)	(5.08)	(3.99)	(3.20)	(12.55)	(10.50)	(28.07)
	Total Profit before Tax	106.58	102.10	94.79	272.09	298.67	381.67	136.92	113.81	109.47	321.68	348.76	442.11
3	Segment Assets												
	a. Telecom Products	1,444.14	1,366.79	1,183.60	1,444.14	1,183.60	1,220.88	1,833.06	1,715.36	1,547.81	1,833.06	1,547.81	1,574.25
	b. Turnkey Contracts and Services	3,047.84	2,979.37	3,101.03	3,047.84	3,101.03	2,816.26	3,052.81	2,985.34	3,109.62	3,052.81	3,109.62	2,823.55
	c. Others	-	-	-	-	-	-	3.97	1.80	5.12	3.97	5.12	3.63
	d. Un-allocated	576.40	593.35	839.40	576.40	839.40	770.04	574.40	591.35	837.40	574.40	837.40	770.04
	Total	5,068.38	4,939.51	5,124.03	5,068.38	5,124.03	4,807.18	5,464.24	5,293.85	5,499.95	5,464.24	5,499.95	5,171.47
4	Segment Liabilities												
	a. Telecom Products	894.00	864.38	503.37	894.00	503.37	686.32	1,160.24	1,111.35	789.97	1,160.24	789.97	955.69
	b. Turnkey Contracts and Services	770.80	799.48	1,406.99	770.80	1,406.99	974.65	773.59	802.98	1,411.32	773.59	1,411.32	978.42
	c. Others	-	-	-	-	-	-	3.11	0.98	1.22	3.11	1.22	1.13
	d. Un-allocated	464.68	446.19	537.70	464.68	537.70	417.85	464.68	446.19	537.70	464.68	537.70	417.85
	Total	2,129.48	2,110.05	2,448.06	2,129.48	2,448.06	2,078.82	2,401.62	2,361.50	2,740.21	2,401.62	2,740.21	2,353.09

Notes:

- The above Un-Audited Standalone & Consolidated Financial Results of the Company for the third quarter and nine months ended 31st December, 2022 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 23rd January, 2023.
- The above Results are in compliance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.
- The Board of Directors and Shareholders of the Company at their meetings held on September 02, 2022 and September 30, 2022 respectively, has approved the issuance up to 1,41,00,000 (One crore forty one lakhs) warrants convertible into 1,41,00,000 equity shares at a price of Rs.80/- per equity share to one of the Promoters of the Company and certain persons belonging to non-Promoter category being senior leadership team. Subsequently, on receipt of warrant subscription price being Rs.20/- per warrant equivalent to 25% of the Warrant Exercise Price i.e., Rs.80/- per warrant, aggregating to Rs.28.20 crores, the Allotment Committee of the Board of Directors at its meeting held on October 15, 2022, has allotted 1,41,00,000 (One Crore Forty-One Lacs) Warrants, being the entire issue, on preferential basis to aforesaid entity/persons. Balance consideration of Rs. 60/- per warrant, being 75% of the Warrant Exercise Price shall be payable within 18 months from the allotment date, at the time of exercising the warrants to apply for fully paid-up equity share of Rs. 1/- each of the Company, against each warrant held by the warrant holders.
- The Consolidated financial results for the quarter and nine months ended 31st December, 2022 includes the results of the following entities:
 - HFCL Limited. (HFCL) (Holding Company)
 - HTL Limited. (Subsidiary)
 - Moneta Finance Pvt. Limited (Wholly owned Subsidiary)
 - Polixel Security Systems Pvt. Limited (Wholly owned Subsidiary)
 - HFCL Advance Systems Pvt. Limited (Wholly owned Subsidiary)
 - DragonWave HFCL India Pvt. Limited (Wholly owned Subsidiary)
 - Raddel Pvt. Limited (Subsidiary)
 - Nimpa Telecommunications Private Limited (Jointly Controlled Entity)
 - HFCL Technologies Pvt. Limited (Wholly owned Subsidiary)
 - BigCat Wireless Pvt. Limited (Jointly Controlled Entity with 50% voting rights)
 - HFCL Inc. (Wholly owned Subsidiary) - United States of America
 - HFCL B.V. (Wholly owned Subsidiary) - Netherlands
- Other income includes i) subsidy under state incentive scheme of Rs. 1,31 crore (Previous quarter Rs. 1.33 crore), ii) recovery of damages & penalty of Nil (Previous quarter Rs. 2.26 crore) and iii) financial guarantee income of 1.22 crore (Previous quarter Rs. 0.99 crore).
- Basic and Diluted Earnings per Share (EPS) for the three and nine months ended period is not annualised.
- The figures of the previous periods have been re-grouped/ re-arranged wherever considered necessary.



(Handwritten signature)

(Mahendra Nahata)
Managing Director
DIN 00052898

Independent Auditors' Review Report on Standalone Unaudited Quarterly and Year to date Financial Results of HFCL Limited ('the Company') pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

**To the Board of Directors of
HFCL Limited**

1. We have reviewed the accompanying Statement of the Unaudited Standalone Financial Results ('the Statement') of HFCL Limited ('the Company') for the quarter ended December 31, 2022 and for the period from April 01, 2022 to December 31, 2022, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time. The Statement is the responsibility of the Company's Management and has been approved by the Company's Board of Directors. Our responsibility is to issue a report on the Statement based on our review of the Statement, which has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement prepared in accordance with the recognition and measurement principles laid down in the applicable Indian accounting standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S BHANDARI & CO LLP
Chartered Accountants
Firm Registration No. 000560C / C400334


(Virendra Rai)
Partner
Membership No. 015780
UDIN: 23015780B61XEK58351



Place: New Delhi
Date: January 23, 2023

For OSWAL SUNIL & COMPANY
Chartered Accountants
Firm Registration No. 016520N


(Sunil Bhansali)
Partner
Membership No. 054645
UDIN: 23054645B61XG7473



Place: New Delhi
Date: January 23, 2023

UDIN : 23015780B61XEK58351

Independent Auditors' Review Report on Consolidated Unaudited Quarterly and Year to date Financial Results of HFCL Limited (the "Parent") pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

**To the Board of Directors of
HFCL Limited**

1. We have reviewed the accompanying Statement of the Unaudited Consolidated Financial Results ("the Statement") of HFCL Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit after tax and total comprehensive profit of its jointly controlled entities, for the quarter ended December 31, 2022 and for the period from April 01, 2022 to December 31, 2022, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review of the Statement.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

4. The Statement includes the results of following Subsidiaries and Jointly Controlled Entities:

i. Subsidiaries:

- a. HTL Ltd.;
- b. Polixel Security Systems Pvt. Ltd.;
- c. Moneta Finance Pvt. Ltd.;
- d. HFCL Advance Systems Pvt. Ltd.;
- e. Raddef Pvt. Ltd.;
- f. Dragon Wave HFCL India Pvt. Ltd.;
- g. HFCL Technologies Pvt. Ltd.;
- h. HFCL Inc. (United State of America); and
- i. HFCL B.V. (Netherlands)

ii. Jointly Controlled Entities:

- a. Nimpaa Telecommunications Pvt. Ltd; and
- b. BigCat Wireless Pvt. Ltd.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6, 7 and 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, in the manner in which it is to be disclosed, or that it contains any material misstatement.



S Bhandari & Co LLP
Chartered Accountants
P-7, Tilak Marg, C Scheme,
Jaipur – 302 005

Oswal Sunil & Company
Chartered Accountants
71, Daryaganj
New Delhi – 110 002

6. We did not review the interim financial information / financial results of two subsidiaries included in the consolidated unaudited financial results, whose interim financial information / financial results reflect total revenues of Rs. Nil and Rs. Nil, total net profit after tax of Rs. 0.13 Crore and Rs. 0.40 Crore and total comprehensive income of Rs. 0.13 Crore and Rs. 0.40 Crore for the quarter ended December 31, 2022 and for the period from April 01, 2022 to December 31, 2022 respectively, as considered in the Statement. The Statement also includes the Group's share of net profit/(loss) after tax of Rs. 0.75 Crore and Rs. (0.21) Crore and total comprehensive Income/(Loss) of Rs. 0.75 Crore and Rs. (0.21) Crore, for the quarter ended December 31, 2022 and for the period from April 01, 2022 to December 31, 2022 respectively, as considered in the Statement, in respect of two jointly controlled entities, whose interim financial results have not been reviewed by us. These interim financial information/ financial results have been reviewed by other respective auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

7. The interim financial information / financial results of five subsidiaries included in the consolidated unaudited financial results, whose interim financial information / financial results reflect revenues of Rs. 328.58 Crore and Rs. 943.59 Crore, total net profit after tax of Rs. 20.36 Crore and Rs. 35.19 Crore and total comprehensive income of Rs. 20.34 Crore and Rs. 35.15 Crore for the quarter ended December 31, 2022 and for the period from April 01, 2022 to December 31, 2022 respectively, as considered in the Statement, have been reviewed by one of the joint auditors of the Parent and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of such joint auditor.

8. The interim financial information / financial results of two foreign subsidiaries included in the consolidated unaudited financial results, whose interim financial information / financial results reflect total revenues of Rs. 5.12 Crore and Rs. 9.30 Crore, total net profit after tax of Rs. 0.72 Crore and Rs. 1.16 Crore, total comprehensive income of Rs. 0.76 crore and Rs. 1.18 crore for the quarter ended December 31, 2022 and for the period from April 01, 2022 to December 31, 2022 respectively, as considered in the Statement have been reviewed by the independent auditors in accordance with the regulations of such foreign countries, whose reports have been furnished to us by the management, these financial results have been converted by the management as per accounting principles generally accepted in India which has been considered in the consolidated financial results solely based on such converted financial results.

Our conclusion on the Statement in respect of matters stated in paragraph 6, 7 and 8 above is not modified.

For S BHANDARI & CO LLP
Chartered Accountants
Firm Registration No. 000560C / C400334


(Virendra Rai)
Partner
Membership No. 015780
UDIN: 23015780B61XET4972

Place: New Delhi
Date: January 23, 2023

For OSWAL SUNIL & COMPANY
Chartered Accountants
Firm Registration No. 016520N


(Sunil Bhansali)
Partner
Membership No. 054645
UDIN: 23054645B61YN6D4804

Place: New Delhi
Date: January 23, 2023

UDIN : 23015780B61XET4972