

Independent Auditors' Review Report on Standalone Unaudited Quarterly 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 June 30, 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 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 there under 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.

Other Matter

4. The Statement includes the results for the quarter ended March 31, 2022 being the balancing figure between the audited figures in respect of the full previous financial year ended March 31, 2022 and the published unaudited year-to-date figures up to the third quarter of the previous financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

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

PRABHU
DAYAL BAID

(P.D. Baid)
Partner

Membership No. 072625
UDIN: 22072625ANLILS2094
Place: New Delhi
Date: July 22, 2022

Digitally signed by PRABHU DAYAL BAID
DN: cn=Prabhu Dayal Baid, o=S. BHANDARI & CO.,
ou=Chartered Accountants, email=prabhu@sbca.com,
c=IN



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

SUNIL
KUMAR
BHANSALI

(Sunil Bhansali)
Partner

Membership No. 054645
UDIN: 22054645ANLILQ5763
Place: New Delhi
Date: July 22, 2022

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BHANSALI
Date: 2022.07.22
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Independent Auditors' Review Report on Consolidated Unaudited Quarterly 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 June 30, 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 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, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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, total net profit after tax of Rs. 0.13 Crore and total comprehensive income of Rs. 0.13 Crore for the quarter ended June 30, 2022, as considered in the Statement. The Statement also includes the Group's share of net profit/ (loss) after tax of (Rs. 0.93 Crore) and total comprehensive Income/(loss) of (Rs. 0.93 Crore), for the quarter ended on 30 June 2022, 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 unaudited consolidated financial results, whose interim financial information / financial results reflect total revenues of Rs. 294.28 Crore, total net profit after tax of Rs. 6.45 Crore and total comprehensive income of Rs. 6.51 Crore for the quarter ended June 30, 2022, 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 which reflects total revenues of Rs. 2.03 Crore, total net profit after tax of Rs. 0.22 Crore and total comprehensive income of Rs. 0.20 Crore for the quarter ended June 30, 2022, as considered in the Statement, have been reviewed by the independent auditors in accordance with the regulations of such foreign countries, whose reports has 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 paragraphs 6, 7 and 8 above is not modified.

Other Matter

9. The Statement includes the results for the quarter ended March 31, 2022 being the balancing figure between the audited figures in respect of the full previous financial year ended March 31, 2022 and the published unaudited year-to-date figures up to the third quarter of the previous financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

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

PRABHU
DAYAL BAID

(P.D. Baid)

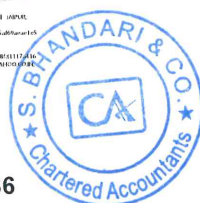
Partner

Membership No. 072625

UDIN: 22072625ANLIRQ1736

Place: New Delhi
Date: July 22, 2022

Digitally signed by PRABHU DAYAL BAID
DN: cn=PRABHU DAYAL BAID, o=S. BHANDARI & CO., ou=Chartered Accountants, email=prabhu@sbca.com, c=IN



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

SUNIL KUMAR
BHANSALI

(Sunil Bhansali)

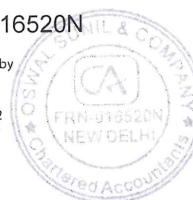
Partner

Membership No. 054645

UDIN: 22054645ANLINS8542

Place: New Delhi
Date: July 22, 2022

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SUNIL KUMAR
BHANSALI
Date: 2022.07.22
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HFCL LIMITED

Regd. Office : 8, Electronics Complex, Chambaghat, Solan-173213 (Himachal Pradesh)

Tel. : (+911792) 230644 , Fax No(+911792) 231902, E-mail: secretarial@hfcl.com

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

STATEMENT OF UNAUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED 30TH JUNE, 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	Previous Financial Year ended	Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Previous Financial Year ended
		June 30th 2022	March 31st 2022	June 30th 2021	March 31st 2022	June 30th 2022	March 31st 2022	June 30th 2021	March 31st 2022
		Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited
I	INCOME								
	Revenue from Operations	951.21	1,065.96	1,108.20	4,286.44	1,051.02	1,182.98	1,206.87	4,727.11
	Other Income (refer note 7)	19.87	32.55	4.70	43.83	19.92	29.58	5.29	42.91
	Total Income	971.08	1,098.51	1,112.90	4,330.27	1,070.94	1,212.56	1,212.16	4,770.02
II	EXPENSES								
	Cost of materials/services consumed	491.39	655.50	367.18	2,127.92	514.83	710.36	417.90	2,335.55
	Purchases of stock-in-trade	260.82	222.12	470.04	1,203.00	279.92	234.20	475.28	1,243.71
	Change in inventories of finished goods, work-in progress and stock-in trade	(17.82)	(43.98)	(7.80)	(65.70)	(9.23)	(46.87)	(11.78)	(80.52)
	Employee benefits expenses	67.22	58.59	71.49	261.60	82.02	71.54	83.28	310.56
	Finance costs	28.50	28.45	42.01	132.64	37.80	37.75	49.49	166.40
	Depreciation, Impairment and Amortisation expenses	14.42	16.80	12.99	57.30	20.08	22.68	17.76	78.25
	Other expenses	63.14	78.03	46.94	231.84	73.64	89.65	55.94	267.74
	Total Expenses	907.67	1,015.51	1,002.85	3,948.60	999.06	1,119.31	1,087.87	4,321.69
III	Profit / (loss) before, exceptional items and tax (I-II)	63.41	83.00	110.05	381.67	71.88	93.25	124.29	448.33
IV	Share of net profits / (loss) of jointly control entities accounted for using equity method	-	-	-	-	(0.93)	0.10	(0.24)	0.16
V	Profit / (loss) before exceptional items and tax (III+IV)	63.41	83.00	110.05	381.67	70.95	93.35	124.05	448.49
VI	Exceptional item	-	-	-	-	-	-	-	6.38
VII	Profit / (Loss) before tax (V-VI)	63.41	83.00	110.05	381.67	70.95	93.35	124.05	442.11
VIII	Tax expense								
	Current Tax	15.74	20.76	29.41	96.96	18.68	24.99	33.46	114.50
	Deferred Tax	(0.38)	0.30	0.10	1.93	(0.83)	0.23	(0.10)	1.75
IX	Profit / (Loss) after tax for the period from continuing operations (VII- VIII)	48.05	61.94	80.54	282.78	53.10	68.13	90.69	325.86
X	Other Comprehensive Income								
	Items that will not be reclassified to profit or loss	0.56	0.92	(0.71)	2.18	0.64	0.93	(0.62)	2.02
	Income tax on above item	(0.30)	(0.17)	0.30	(0.04)	(0.32)	(0.17)	0.28	0.02
	Items that will be reclassified to profit or loss	(0.05)	(0.26)	(0.22)	(0.35)	(0.08)	(0.24)	(0.22)	(0.33)
	Other comprehensive income for the period after tax	0.21	0.49	(0.63)	1.79	0.24	0.52	(0.56)	1.71
XI	Total comprehensive income for the period (IX+X)	48.26	62.43	79.91	284.57	53.34	68.65	90.13	327.57
XII	Profit attributable to:								
	Owners of the Parent	-	-	-	-	51.17	65.32	87.82	313.12
	Non-controlling interests	-	-	-	-	1.93	2.81	2.87	12.75
XIII	Total comprehensive income attributable to:								
	Owners of the Parent	-	-	-	-	51.40	65.85	87.25	314.87
	Non-controlling interests	-	-	-	-	1.94	2.81	2.88	12.71
XIV	Paid-up Equity Share Capital (Face value of Re. 1/- each)	137.53	137.49	128.44	137.49	137.53	137.49	128.44	137.49
XV	Other Equity	-	-	-	2,590.87	-	-	-	2,680.88
XVI	Earnings per Share (face value of Re. 1/- each) -								
	Basic (Rs.)	0.35	0.45	0.63	2.15	0.37	0.47	0.68	2.38
	Diluted (Rs.)	0.35	0.45	0.63	2.15	0.37	0.46	0.68	2.38

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Un-audited Standalone & Consolidated segment wise revenue, results, assets and liabilities for the first quarter ended 30th June, 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	Previous Financial Year ended	Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Previous Financial Year ended
		June 30th 2022	March 31st 2022	June 30th 2021	March 31st 2022	June 30th 2022	March 31st 2022	June 30th 2021	March 31st 2022
		Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited
1	Segment Revenue								
	a. Telecom Products	477.93	436.57	340.27	1,509.51	620.10	584.79	454.10	2,055.17
	b. Turnkey Contracts and Services	473.28	629.39	767.93	2,776.93	430.92	597.98	752.77	2,671.73
	c. Others	-	-	-	-	-	0.21	-	0.21
	Revenue from Operations	951.21	1,065.96	1,108.20	4,286.44	1,051.02	1,182.98	1,206.87	4,727.11
2	Segment Results - Profit/(Loss) before tax and interest from each segment								
	a. Telecom Products	45.22	51.29	36.56	177.86	64.89	71.80	58.94	274.30
	b. Turnkey Contracts and Services	41.99	43.16	117.06	316.31	41.39	42.37	116.52	313.71
	c. Others	-	-	-	-	(0.48)	(0.32)	(0.13)	0.04
	Total	87.21	94.45	153.62	494.17	105.80	113.85	175.33	588.05
	Less: i. Interest	28.50	28.45	42.01	132.64	37.80	37.75	49.49	166.40
	ii. Other un-allocable expenditure net off	0.33	0.26	5.84	7.61	0.33	0.32	6.08	7.61
	iii Un-allocable income	(5.03)	(17.26)	(4.28)	(27.75)	(3.28)	(17.57)	(4.29)	(28.07)
	Total Profit before Tax	63.41	83.00	110.05	381.67	70.95	93.35	124.05	442.11
3	Segment Assets								
	a. Telecom Products	1,313.22	1,220.88	1,128.72	1,220.88	1,687.35	1,574.25	1,400.93	1,574.25
	b. Turnkey Contracts and Services	2,917.25	2,816.26	3,301.24	2,816.26	2,923.94	2,823.55	3,310.66	2,823.55
	c. Others	-	-	-	-	6.05	3.63	0.11	3.63
	d. Un-allocated	628.20	770.04	532.33	770.04	615.40	770.04	532.33	770.04
	Total	4,858.67	4,807.18	4,962.29	4,807.18	5,232.74	5,171.47	5,244.03	5,171.47
4	Segment Liabilities								
	a. Telecom Products	796.45	686.32	580.99	686.32	1,070.87	955.69	800.00	955.69
	b. Turnkey Contracts and Services	819.54	974.65	1,738.18	974.65	823.21	978.42	1,742.46	978.42
	c. Others	-	-	-	-	0.88	1.13	1.24	1.13
	d. Un-allocated	465.18	417.85	685.63	417.85	465.18	417.85	685.63	417.85
	Total	2,081.17	2,078.82	3,004.80	2,078.82	2,360.14	2,353.09	3,229.33	2,353.09

Notes :

- The above Un-audited Standalone & Consolidated Financial Results of the Company for the first quarter ended 30th June, 2022 have been reviewed and recommended by the Audit Committee and were approved by the Board of Directors of the Company at their respective meetings held on 22nd July, 2022.
- 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 Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of the financial results including their recoverability of carrying amounts of financial and non financial assets. Further the impact assessment does not indicate any adverse impact on the ability of the Company to continue as a going concern. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of the financial results, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of the assets will be recovered. The impact of COVID-19 on the Company's financial results may differ from that estimated as at the date of approval of these financial results.
- On 8th June, 2022, the Board of Directors of the Company has approved allotment of 11,74,100 equity shares of face value of Re. 1/- each at applicable grant price to HFCL Employees' Trust under HFCL Employees' Long Term Incentive Plan 2017.
- During the Financial year 2021-22, the Company had issued 8,72,72,727 equity shares of face value of Re. 1 each at an issue price of Rs.68.75 per equity share (including premium of Rs.67.75 per equity share), aggregating to Rs 600.00 crore (including securities premium of Rs.591.27 crore). The issue was made through eligible Qualified Institutional Placement ("QIP") in terms of chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended, Section 42 & 62 and other relevant provisions of the Companies Act, 2013. Out of the net proceeds from QIP issue, the Company had utilized Rs. 484.44 Crore up to 30th June, 2022, towards purposes specified in the placement document. The balance amount of QIP's net proceeds as on June 30, 2022 remains invested in fixed deposits with scheduled commercial banks as Interim use of funds.
- The Consolidated financial results for the quarter ended 30th June, 2022 includes the results of the following entities:
 - HFCL Limited (HFCL) (Holding Company)
 - HTL Limited (Subsidiary)
 - Moneta Finance Private Limited (Wholly owned Subsidiary)
 - Polixel Security Systems Private Limited (Wholly owned Subsidiary)
 - HFCL Advance Systems Private Limited (Wholly owned Subsidiary)
 - DragonWave HFCL India Private Limited (Wholly owned Subsidiary)
 - Raddef Private Limited (Subsidiary)
 - Nimpaa Telecommunications Private Limited (Jointly Controlled Entity)
 - HFCL Technologies Private Limited (Wholly owned Subsidiary)
 - BigCat Wireless Private Limited (Jointly Controlled Entity with 50% voting right)
 - 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. 1.39 crore (Previous quarter Rs.15.20 crore); ii) Recovery of damages & penalties of Rs.13.34 crore (Previous quarter Rs. Nil); and iii) Financial Guarantee Income of Rs. 0.90 crore (Previous quarter Rs. 4.56 crore).
- The figures of the preceding quarter ended 31st March, 2022 were the balancing figures between the audited figures for the full financial year ended 31st March, 2022 and the published year to date figures up to third quarter of the previous financial year.
- Earning per share is not annualised for the Quarter ended 31st March, 2022 and Quarter ended 30th June, 2022.
- The figures of the previous periods have been re-grouped/ re-arranged wherever considered necessary.

Place : New Delhi
Date : 22nd July, 2022



(Mahendra Nahata)
Managing Director
DIN 00052898