



## HFCL Limited

(formerly Himachal Futuristic Communications Ltd.)

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New Delhi - 110048, India

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Email :

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January 21, 2020

<b>The BSE Ltd.</b> 1 <sup>st</sup> Floor, New Trading Wing, Rotunda Building Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai – 400001 <a href="mailto:corp.relations@bseindia.com">corp.relations@bseindia.com</a> <b>Security Code No.: 500183</b>	<b>The National Stock Exchange of India Ltd.</b> Exchange Plaza, 5 <sup>th</sup> Floor, C – 1, Block G Bandra – Kurla Complex, Bandra (E) Mumbai – 400051 <a href="mailto:cmllist@nse.co.in">cmllist@nse.co.in</a> <b>Security Code No.: HFCL</b>
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**RE: Disclosures under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").**

**Subject: Earnings' Presentation.**

Dear Sir(s)/ Madam,

This is further to our earlier intimation dated January 20, 2020.

In terms of Regulation 30 read with Para A of Part A of Schedule III to the SEBI Listing Regulations, we hereby submit a copy of the **Earnings' Presentation** on, *inter-alia*, the **Un-audited Financial Results of the Company for the 3<sup>rd</sup> quarter and nine months ended December 31, 2019 of the Financial Year 2019-20**, both on **Standalone and Consolidated** basis, to be discussed during the **Earnings' Call** scheduled to be held today, i.e. on **January 21, 2020 at 04:00 p.m.**

It may be noted that the Board of Directors of the Company has, considered and approved the aforesaid Financial Results of the Company, in its meeting held on January 20, 2020.

You are requested to take the above information on records and disseminate the same on your respective websites.

Thanking you.

Yours faithfully,

For **HFCL Limited**

(Formerly Himachal Futuristic Communications Limited)

**(Manoj Baid)**

Vice-President (Corporate) &  
Company Secretary



**Encl: Earnings' Presentation.**



# HFCL LIMITED

## INVESTOR PRESENTATION

### 9M/Q3-FY2020



# Company Overview

- HFCL Limited (formerly known as Himachal Futuristic Communications Limited) is an established leader offering fully integrated communication network solutions.
- Manufactures optical fiber cables (OFC) and high end transmission and access equipment.
- Specialized in providing turnkey solution to telecom service providers, railways, defence, smart city & surveillance projects.

## State-of-the-art Manufacturing Facilities

- OFC manufacturing at Verna, Goa & through subsidiary at Chennai, Tamil Nadu
- Telecom Equipment manufacturing at Solan, Himachal Pradesh
- FRP Rod manufacturing at Hosur, Tamil Nadu through subsidiary at Chennai, Tamil Nadu
- A greenfield Optical Fiber manufacturing facility with a capacity of 6.4m fkm at Hyderabad is expected to be operational by last week of January, 2020

## Turnkey Solutions / System Integration

Project planning, network design, equipment supply, installation & commissioning, system integration, operation and maintenance services of various networks including Wireless Transmission & Access, Optical Transport & Access, Satellite / CDMA / GSM, WiFi, Surveillance etc.

# Manufacturing Facilities



## OFC Manufacturing

Verna, Goa

**Capacity:** 8m fkm



## Telecom Equipment Manufacturing

Solan, Himachal Pradesh

## OFC Manufacturing

Chennai, Tamil Nadu

**Capacity:** 10.5m fkm



## FRP Rods, IFGR, ARP Manufacturing

Hosur, Tamil Nadu

**Capacity:** FRP Thermal - UV 7,66,800 kms /IGFR - 22.50 MT/ARP 1,80,000 kms

## Optical Fiber Manufacturing\*

Hyderabad, Telangana

**Planned Capacity:** Optical fiber - 6.4m fkm



\* Greenfield facility – soon to be operational

# Research & Development Capabilities



## Strategy

- R&D initiatives in house and in partnership with others
- Develop products which can be sold globally and can be bench marked with other leading global manufacturers

## Team

- Over 100 people associated with proven track record, International experience and Indian business know-how
- Qualifications include PhD, M Tech, B tech
- International technology partnerships and Domain specialists



## Expertise

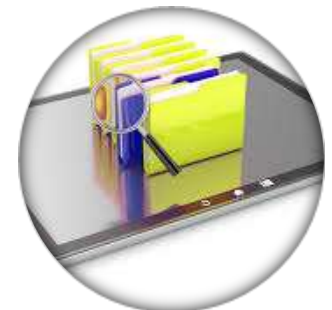
- Design & Development including System Engineering and Product design , Hardware & Software development, Mechanical design etc. for WiFi Network products, Radios, RF and Microwave domain for both active and passive devices, Embedded systems, Communication systems, RADAR and surveillance systems

- High Capacity Radio Relay
- Backhaul radios
- Wi-Fi Network Products
- Cloud-based Management Platform
- Antenna Design

- VA, VMS Products
- Highway Traffic Management System

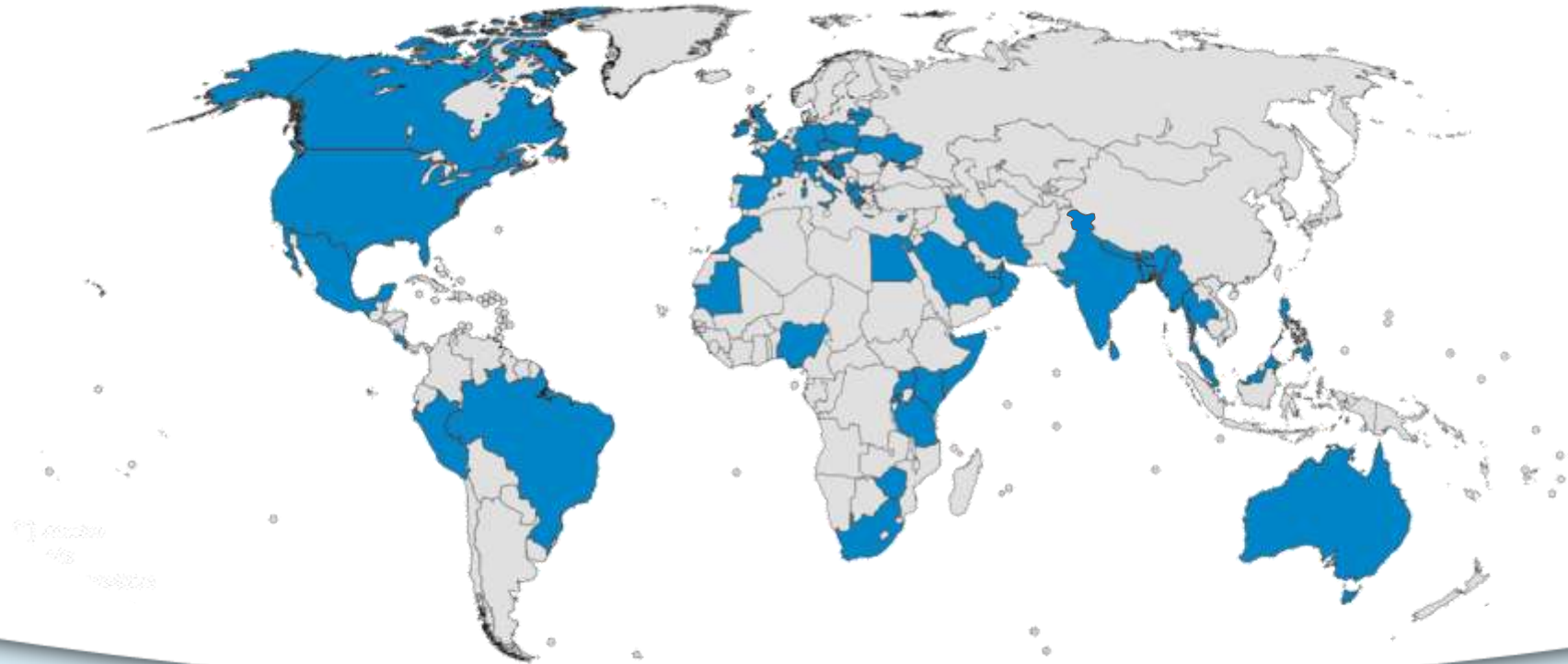
### Under Development :

- Electronic Artillery Fuses for ammunition
- Opto-Electronic devices





# Customer Presence



## EUROPE

- Ireland
- Bosnia and Herzegovina
- Latvia
- Lithuania
- Croatia
- Czech Republic
- Macedonia
- France

- Germany
- Hungary
- Poland
- UK
- Italy
- Slovenia
- Spain
- Switzerland
- Albania
- Greece

## AMERICAS

- Brazil
- Canada
- Mexico
- Peru
- Georgia
- Costa Rica
- United States

## AUSTRALIA

## ASIA

- Bangladesh
- Bhutan
- Burma (Myanmar)
- Malaysia
- Nepal
- Thailand
- Philippines
- Ukraine

- Singapore
- Sri Lanka
- Iran
- Kuwait
- Cyprus
- Mauritania
- Morocco
- Egypt
- Oman
- Qatar

- UAE
- Saudi Arabia
- Somalia

## AFRICA

- Kenya
- Nigeria
- South Africa
- Rwanda
- Tanzania

- Uganda
- Zimbabwe

# Portfolio of Products



## OPTICAL FIBER CABLES

- Aerial Cables
- Armoured / Unarmoured Cables
- FTTx Cables
- Duct / Micro Ducts
- ADSS Cables
- Ribbon Cables
- Premises Distribution Cables
- CPRI Cables

## CABLE ACCESSORIES

- Patch Cords, Pigtails, Patch Panels, Splitter Modules, FDMS, HFTB

## OPTICAL FIBER\*



## TELECOM PRODUCTS

- Microwave Radios
- Telecom Power Systems
- High Capacity Radio Relay
- Backhaul radios
- Wi-Fi Network Products
- Cloud-based Management Platform
- GSM BSS Equipment



## SURVEILLANCE PRODUCTS

- Video Management System
- Video Analytics
- Automatic Number Plate Recognition System
- Red Light Violation Detection System
- Challan Management System
- Parking Management System

## UNDER TRIAL

- Highway Traffic Management System



## DEFENCE PRODUCTS

### UNDER FIELD TRIAL

- Unmanned Aerial Vehicles(UAV)

### UNDER DEVELOPMENT

- Electronic Artillery Fuses for ammunition
- Night Vision devices

\* Manufacturing Facility shall be operational soon

# Portfolio of Network Solutions



## TELECOM NETWORK

- OFC Network
- FTTx Network
- Mobile Network
- *Broadband Access & Wi-Fi Network*
- Radio backhaul Network



## DEFENCE NETWORK

- OFC Network
- Optical Transport Network
- Fiber Monitoring & Management System
- Microwave Network
- Routing & Switching Network
- Border Surveillance System



## RAILWAY COMMUNICATION & SIGNALING NETWORK (Metro Rail & Main Line )

- Network & Equipment Design
- Installation & Commissioning
- Telecom & Signaling Network Integration
- Operations & Maintenance



## SMART CITY & SURVEILLANCE NETWORK

- Safe City Solutions
- Intelligent Traffic Management Solutions
- Video Surveillance Solutions
- Perimeter Security System





# FINANCIAL OVERVIEW

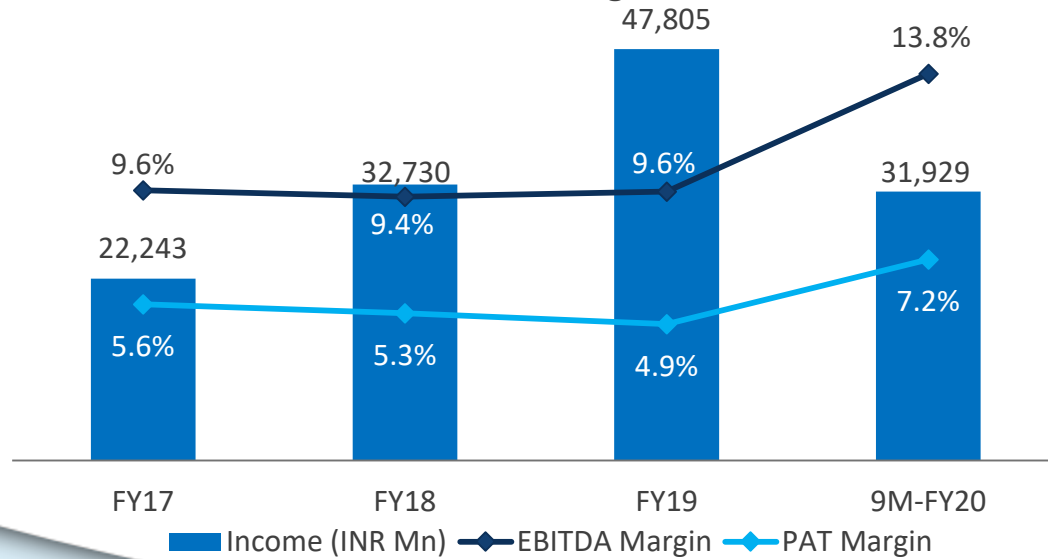
## 9M/Q3-FY2020



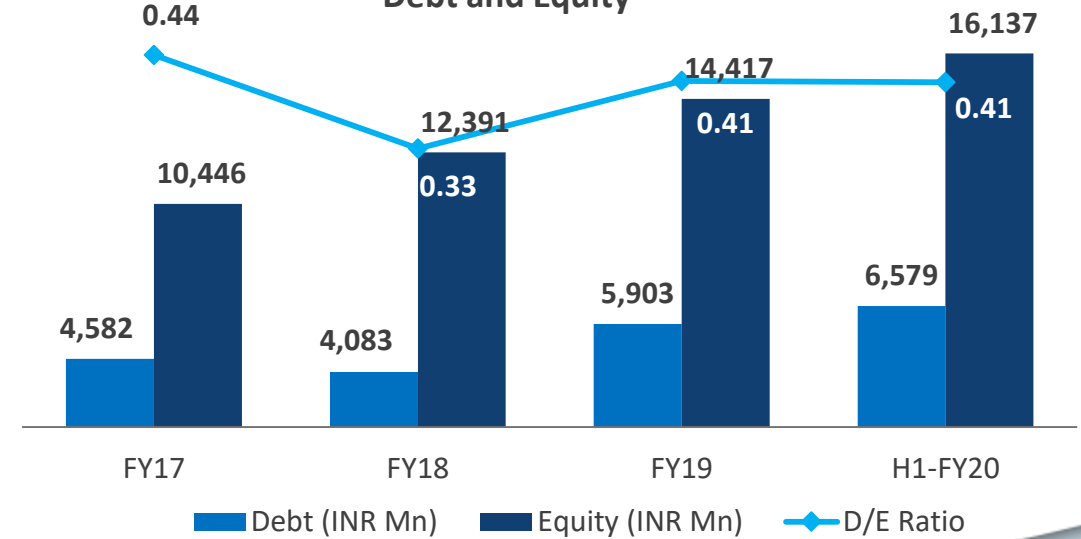
# 9 Months -FY20 Performance Metrics – Consolidated



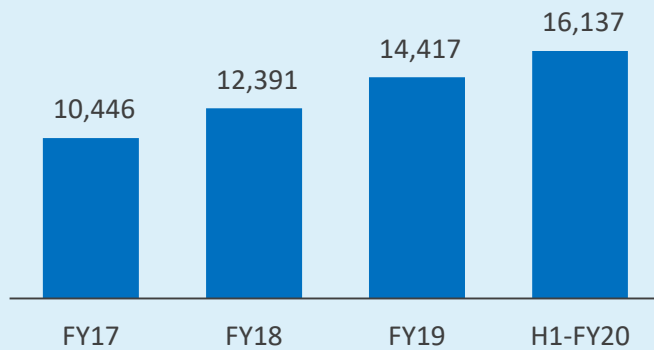
### Income & Margins



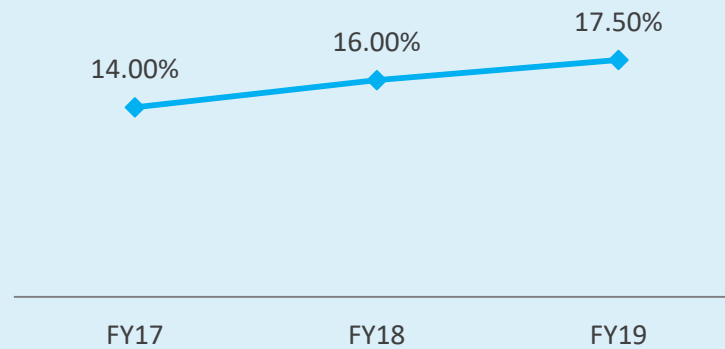
### Debt and Equity



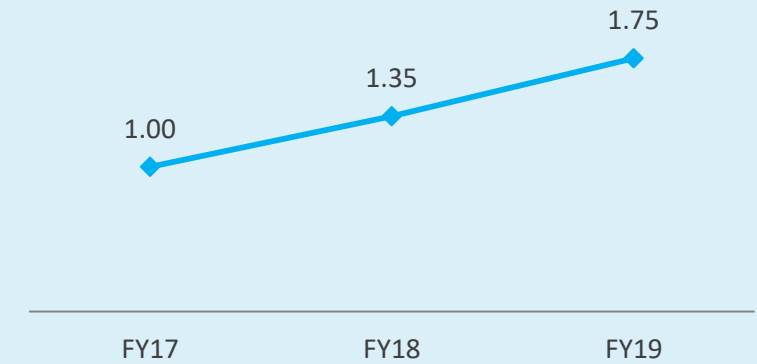
### Networth (INR Mn)



### RoE (%)



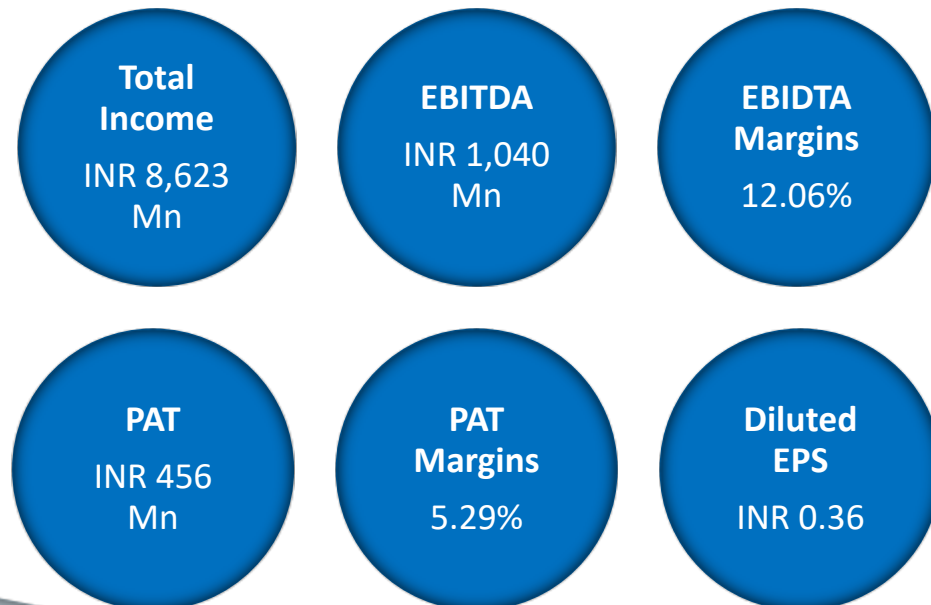
### EPS (INR)



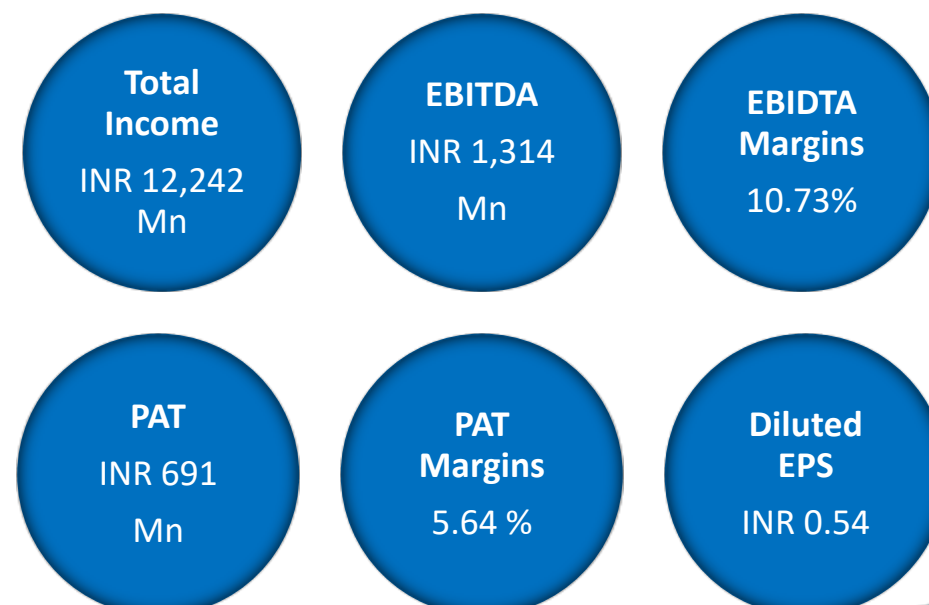
# Q3-FY20 Financial Highlights - Consolidated



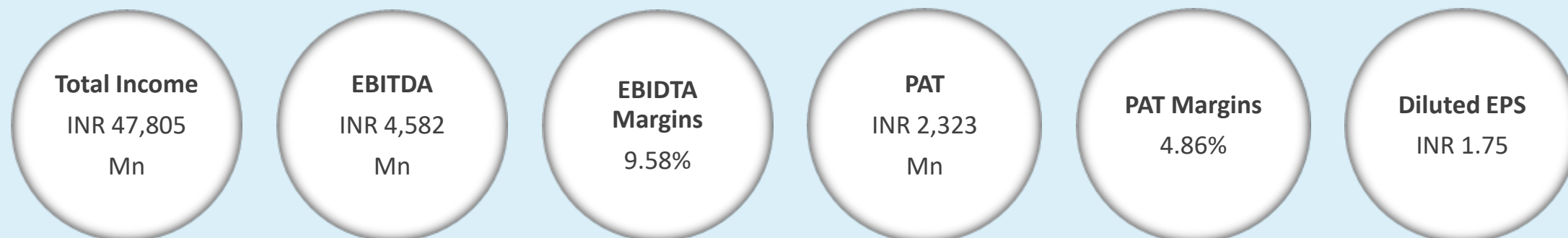
## Q3-FY20 Financial Highlights (Consolidated):



## Q3-FY19 Financial Highlights (Consolidated):



## FY19 Financial Highlights (Consolidated)

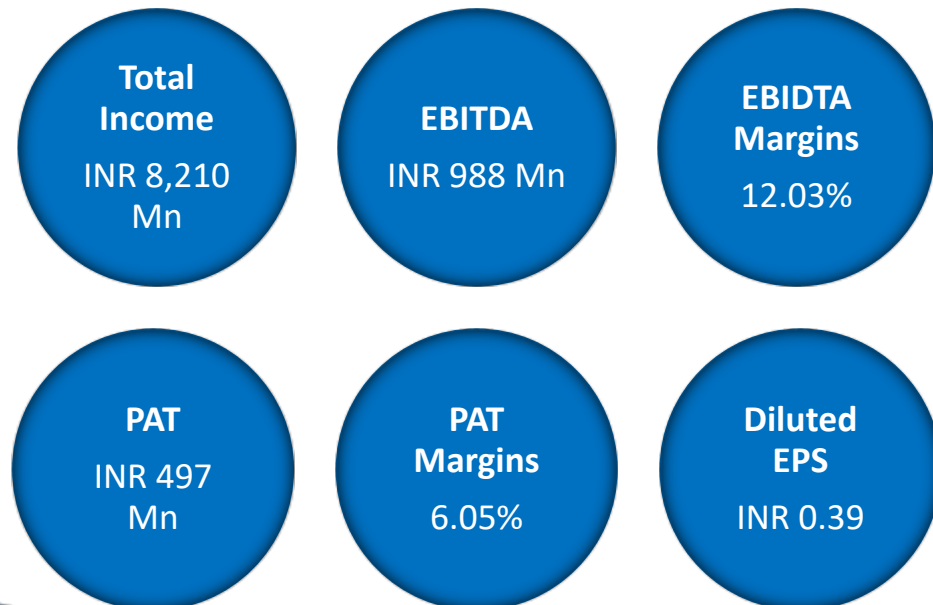




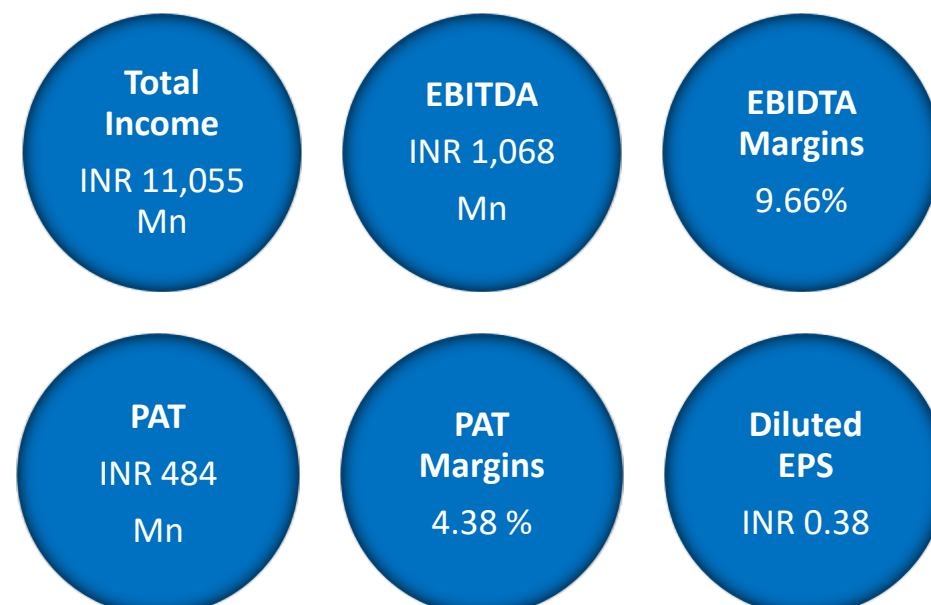
# Q3-FY20 Financial Highlights - Standalone



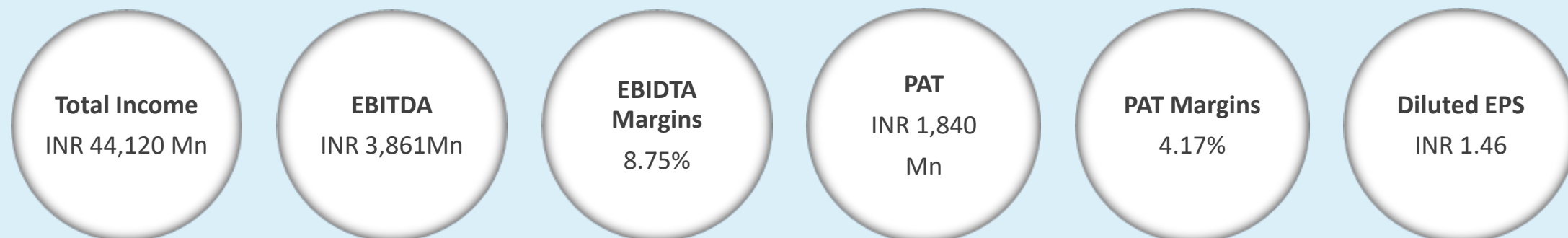
## Q3-FY20 Financial Highlights (Standalone):



## Q3-FY19 Financial Highlights (Standalone):



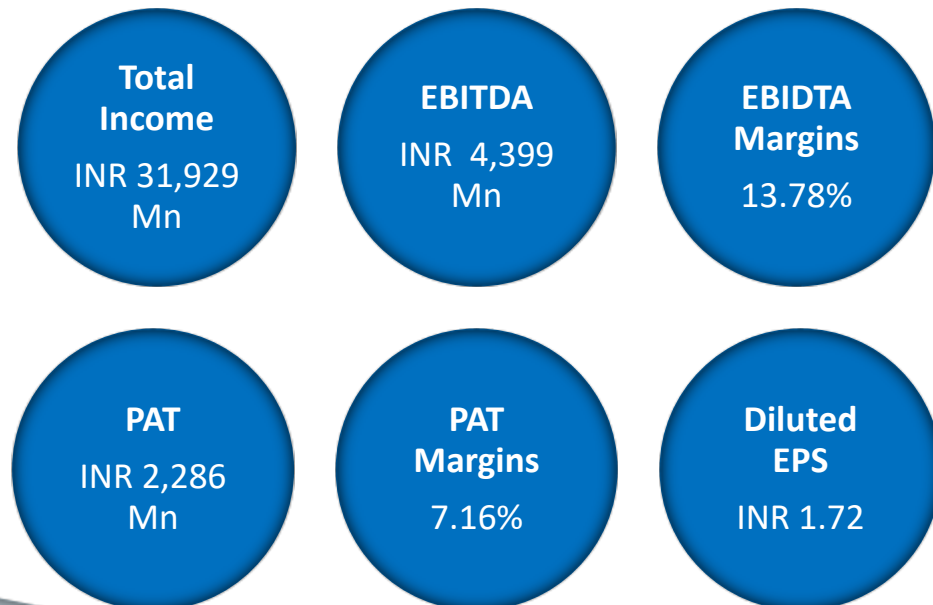
## FY19 Financial Highlights (Standalone)



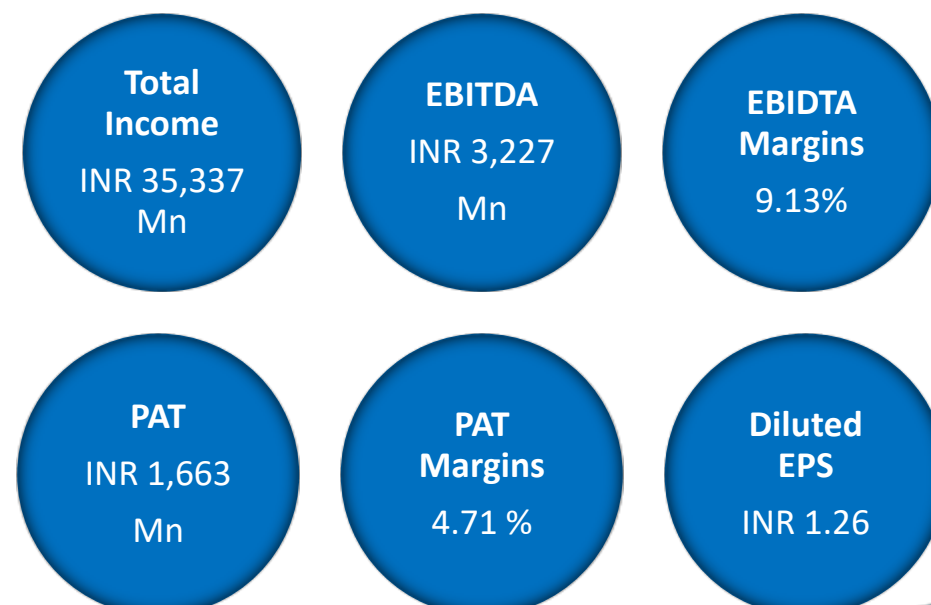
# 9 Months-FY20 Financial Highlights - Consolidated



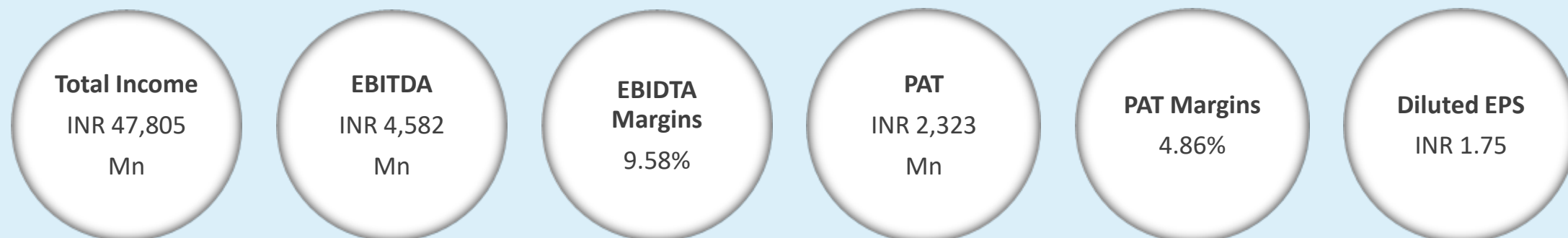
## 9 Month-FY20 Financial Highlights (Consolidated):



## 9 Months-FY19 Financial Highlights (Consolidated):



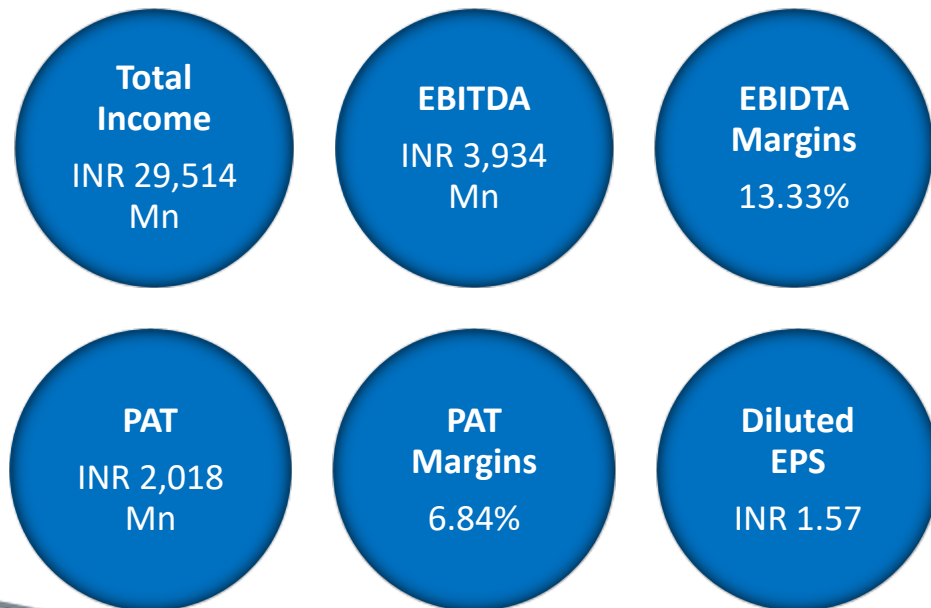
## FY19 Financial Highlights (Consolidated)



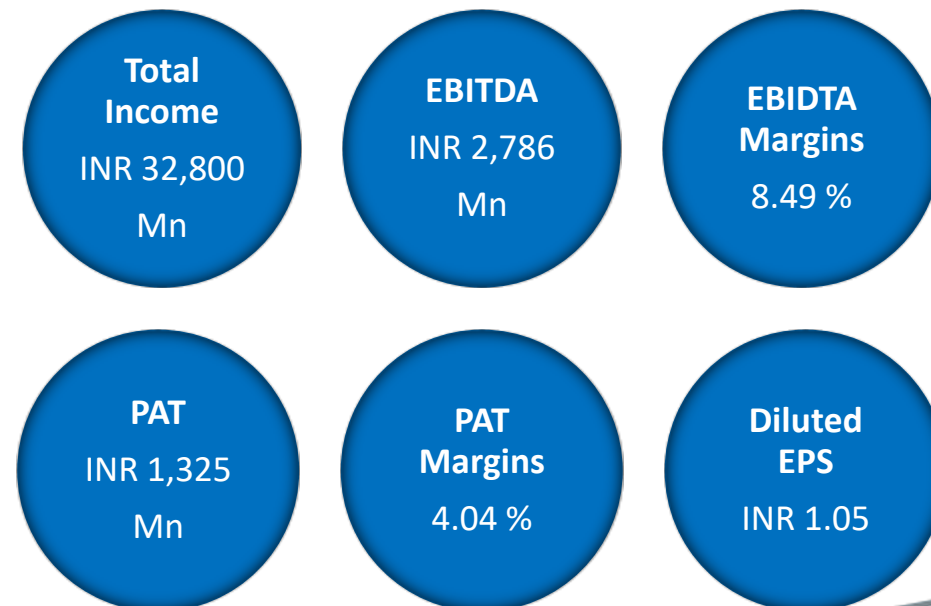
# 9 Months-FY20 Financial Highlights - Standalone



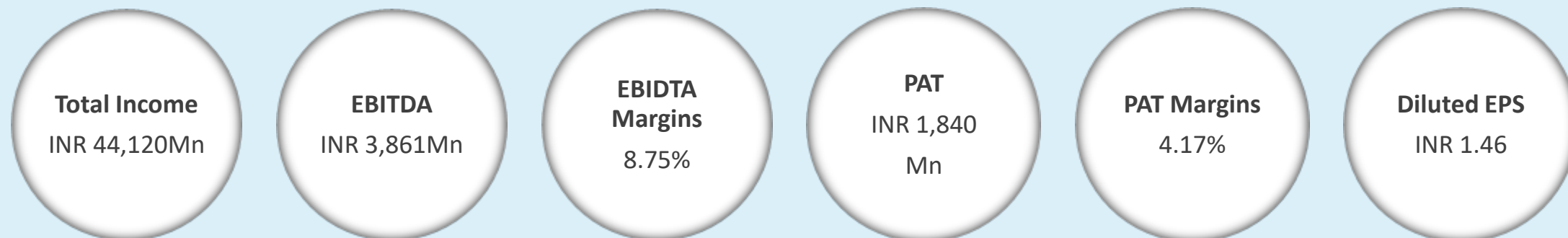
## 9 Months-FY20 Financial Highlights (Standalone):



## 9 Months-FY19 Financial Highlights (Standalone):



## FY19 Financial Highlights (Standalone)





# Q3-FY20 Consolidated Income Statement (IND-AS)



PARTICULARS (INR Mn)	Q3-FY20	Q2-FY20	Q-o-Q	Q3-FY19	Y-o-Y
Revenue from Operations	8,535	9,795	-12.9%	12,209	-30.1%
Other Income	88	38	131.6%	33	166.7%
<b>Total Income</b>	<b>8,623</b>	<b>9,833</b>	<b>-12.3%</b>	<b>12,242</b>	<b>-29.6%</b>
Total Expenses	7,583	8,415	-9.9%	10,928	-30.6%
<b>EBITDA</b>	<b>1,040</b>	<b>1,418</b>	<b>-26.7%</b>	<b>1,314</b>	<b>-20.9%</b>
<b>EBITDA Margin (%)</b>	<b>12.06%</b>	<b>14.42%</b>	<b>-236Bps</b>	<b>10.73%</b>	<b>133Bps</b>
Depreciation	99	85	16.5%	69	43.5%
Finance Cost	240	298	-19.5%	280	-14.3%
Share of net profits of JV's accounted using equity method	(3)	(4)		(5)	
Exceptional Items	-	-		-	
<b>PBT</b>	<b>698</b>	<b>1,031</b>	<b>-32.3%</b>	<b>960</b>	<b>-27.3%</b>
<b>PBT Margin (%)</b>	<b>8.09%</b>	<b>10.49%</b>	<b>-240Bps</b>	<b>7.84%</b>	<b>25Bps</b>
Tax	242	372	-34.9%	269	-10.0%
<b>Profit after Tax</b>	<b>456</b>	<b>659</b>	<b>-30.8%</b>	<b>691</b>	<b>-34.0%</b>
<b>PAT Margin (%)</b>	<b>5.29%</b>	<b>6.70%</b>	<b>-141Bps</b>	<b>5.64%</b>	<b>-35Bps</b>
Other Comprehensive Income	(2)	(4)		-	
<b>Total Comprehensive Income</b>	<b>454</b>	<b>655</b>	<b>-30.7%</b>	<b>691</b>	<b>-34.3%</b>
EPS (Diluted INR)	0.36	0.50	-14.0%	0.54	-18.0%

# Q3-FY20 Standalone Income Statement (IND-AS)



PARTICULARS (INR Mn)	Q3-FY20	Q1-FY20	Q-o-Q	Q3-FY19	Y-o-Y
Revenue from Operations	8,129	9,231	-11.9%	11,037	-26.3%
Other Income	81	35	131.4%	18	350.0%
<b>Total Income</b>	<b>8,210</b>	<b>9,266</b>	<b>-11.4%</b>	<b>11,055</b>	<b>-25.7%</b>
Total Expenses	7,222	7,962	-9.3%	9,987	-27.7%
<b>EBITDA</b>	<b>988</b>	<b>1,304</b>	<b>-24.2%</b>	<b>1,068</b>	<b>-7.5%</b>
<b>EBITDA Margin (%)</b>	<b>12.03%</b>	<b>14.07%</b>	<b>-204Bps</b>	<b>9.66%</b>	<b>237Bps</b>
Depreciation	70	60	16.7%	48	45.8%
Finance Cost	177	236	-25.0%	267	-33.7%
Share of net profits of JV's accounted using equity method	-	-		-	
Exceptional Items	-	-		-	
<b>PBT</b>	<b>741</b>	<b>1008</b>	<b>-26.5%</b>	<b>753</b>	<b>-1.6%</b>
<b>PBT Margin (%)</b>	<b>9.03%</b>	<b>10.88%</b>	<b>-185ps</b>	<b>6.81%</b>	<b>222Bps</b>
Tax	244	379	-35.6%	269	-9.3%
<b>Profit after Tax</b>	<b>497</b>	<b>629</b>	<b>-21.0%</b>	<b>484</b>	<b>2.7%</b>
<b>PAT Margin (%)</b>	<b>6.05%</b>	<b>6.79%</b>	<b>-74Bps</b>	<b>4.38%</b>	<b>167Bps</b>
Other Comprehensive Income	(4)	(4)		1	
<b>Total Comprehensive Income</b>	<b>493</b>	<b>625</b>	<b>-21.1%</b>	<b>485</b>	<b>1.6%</b>
EPS (Diluted INR)	0.39	0.48	-9.0%	0.38	1.0%

# 9 Months-FY20 Consolidated Income Statement (IND-AS)



PARTICULARS (INR Mn)	9 Months-FY20	9 Months -FY19	Y-o-Y
Revenue from Operations	31,757	35,223	-9.8%
Other Income	172	114	50.9%
<b>Total Income</b>	<b>31,929</b>	<b>35,337</b>	<b>-9.6%</b>
Total Expenses	27,530	32,110	-14.3%
<b>EBITDA</b>	<b>4,399</b>	<b>3,227</b>	<b>36.3%</b>
<b>EBITDA Margin (%)</b>	<b>13.78%</b>	<b>9.13%</b>	<b>465Bps</b>
Depreciation	271	185	46.5%
Finance Cost	815	633	28.8%
Share of net profits of JV's accounted using equity method	(10)	(7)	
Exceptional Items	-	-	
<b>PBT</b>	<b>3,303</b>	<b>2,402</b>	<b>37.5%</b>
<b>PBT Margin (%)</b>	<b>10.34%</b>	<b>6.80%</b>	<b>354ps</b>
Tax	1017	739	37.6%
<b>Profit after Tax</b>	<b>2,286</b>	<b>1,663</b>	<b>37.5%</b>
<b>PAT Margin (%)</b>	<b>7.16%</b>	<b>4.71%</b>	<b>245Bps</b>
Other Comprehensive Income	-	(12)	
<b>Total Comprehensive Income</b>	<b>2,286</b>	<b>1,651</b>	<b>38.5%</b>
EPS (Diluted INR)	1.72	1.26	46.0%



# 9 Months-FY20 Standalone Income Statement (IND-AS)



PARTICULARS (INR Mn)	9 Months-FY20	9 Months-FY19	Y-o-Y
Revenue from Operations	29,365	32,715	-10.2%
Other Income	149	85	75.3%
<b>Total Income</b>	<b>29,514</b>	<b>32,800</b>	<b>-10.0%</b>
Total Expenses	25,580	30,014	-14.8%
<b>EBITDA</b>	<b>3,934</b>	<b>2,786</b>	<b>41.2%</b>
<b>EBITDA Margin (%)</b>	<b>13.33%</b>	<b>8.49%</b>	<b>484Bps</b>
Depreciation	185	127	45.7%
Finance Cost	641	594	7.9%
Share of net profits of JV's accounted using equity method	-	-	
Exceptional Items	-	-	
<b>PBT</b>	<b>3108</b>	<b>2065</b>	<b>50.5%</b>
<b>PBT Margin (%)</b>	<b>10.53%</b>	<b>6.30%</b>	<b>423ps</b>
Tax	1090	740	47.3%
<b>Profit after Tax</b>	<b>2,018</b>	<b>1,325</b>	<b>52.3%</b>
<b>PAT Margin (%)</b>	<b>6.84%</b>	<b>4.04%</b>	<b>280Bps</b>
Other Comprehensive Income	1	(8)	
<b>Total Comprehensive Income</b>	<b>2,019</b>	<b>1,317</b>	<b>53.3%</b>
EPS (Diluted INR)	1.57	1.05	52.0%

# Historical Income Statement (IND-AS)



PARTICULARS (INR Mn)	STANDALONE			CONSOLIDATED		
	FY17	FY18	FY19	FY17	FY18	FY19
Revenue from Operations	20,668	30,802	43,662	22,029	32,485	47,378
Other Income	186	183	458	214	245	427
<b>Total Income</b>	<b>20,854</b>	<b>30,985</b>	<b>44,120</b>	<b>22,243</b>	<b>32,730</b>	<b>47,805</b>
Total Expenses	18,860	28,159	40,258	20,100	29,654	43,223
<b>EBITDA</b>	<b>1,994</b>	<b>2,826</b>	<b>3,861</b>	<b>2,143</b>	<b>3,076</b>	<b>4,582</b>
<b>EBITDA Margin (%)</b>	<b>9.56%</b>	<b>9.12%</b>	<b>8.75%</b>	<b>9.63%</b>	<b>9.40%</b>	<b>9.58%</b>
Depreciation	157	163	175	218	232	270
Finance Cost	599	609	779	624	636	919
Share of net profits of JV's accounted using equity method	-	-	-	-59	14	-
Exceptional Items	-	-18	-	-	-18	-
<b>PBT</b>	<b>1,237</b>	<b>2,036</b>	<b>2,907</b>	<b>1,242</b>	<b>2,204</b>	<b>3,393</b>
<b>PBT Margin (%)</b>	<b>5.93%</b>	<b>6.57%</b>	<b>6.59%</b>	<b>5.58%</b>	<b>6.73%</b>	<b>7.10%</b>
Tax	-	486	1,067	5	487	1,070
<b>Profit after Tax</b>	<b>1,237</b>	<b>1,550</b>	<b>1,840</b>	<b>1,237</b>	<b>1,717</b>	<b>2,323</b>
<b>PAT Margin (%)</b>	<b>5.93%</b>	<b>5.00%</b>	<b>4.17%</b>	<b>5.56%</b>	<b>5.25%</b>	<b>4.86%</b>
Other Comprehensive Income	19	-5	52	18	12	45
<b>Total Comprehensive Income</b>	<b>1,256</b>	<b>1,545</b>	<b>1,892</b>	<b>1,255</b>	<b>1,729</b>	<b>2,368</b>
EPS (Diluted INR)	1.01	1.24	1.46	1	1.35	1.75

# Historical Consolidated Balance Sheet



EQUITIES & LIABILITIES (INR Mn)	FY18	FY19	H1-FY20
(A) Share Capital	1,239	1,274	1,284
(B) Other Equity	10,548	13,143	14,853
Non Controlling Interest	(221)	(100)	(24)
<b>Total -Shareholder Funds</b>	<b>11,566</b>	<b>14,317</b>	<b>16,113</b>
<b>Non Current Liabilities</b>			
(A) Financial Liabilities			
(i) Borrowings	1,413	1,344	1,719
(ii) Financial guarantee Obligations	4	22	268
(B) Provisions	231	248	284
<b>Total - Non – Current Liabilities</b>	<b>1,648</b>	<b>1,614</b>	<b>2,271</b>
<b>Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	2,011	4,187	4,443
(ii) Trade Payables	5,626	8,645	11,389
(iii) Other Financial Liabilities	4,372	2,398	3,102
(B) Current Tax Liabilities	-	-	-
(C) Other Current Liabilities	636	1,212	638
(D) Contract Liabilities	-	495	496
(E) Provisions	27	74	92
<b>Total – Current Liabilities</b>	<b>12,672</b>	<b>17,011</b>	<b>20,160</b>
<b>GRAND TOTAL - EQUITIES &amp; LIABILITES</b>	<b>25,886</b>	<b>32,942</b>	<b>38,544</b>

ASSETS (INR Mn)	FY18	FY19	H1-FY20
(A) Property plant & Equipment	1,657	2,022	2,252
(B) Capital Work in Progress	17	640	2031
(C) Goodwill	259	259	262
(D) Other Intangible Assets	44	103	105
(E) Intangible Assets under development	82	215	287
(F) Investment in Associates/ JV	56	55	48
(G) Financial Assets			
(i) Investment	461	517	517
(ii) Trade receivables	518	905	927
(iii) Others	133	360	346
(H) Deferred Tax (Net)	1,187	799	454
(I) Other Non Current Assets	22	405	45
<b>Total - Non – Current Assets</b>	<b>4,436</b>	<b>6,280</b>	<b>7,274</b>
<b>Current Assets</b>			
(A) Inventories	2,136	2,645	2,596
(B) Financial Assets			
(i) Investment	36	24	31
(ii) Trade Receivables	11,823	14,724	18,858
(iii) Cash & Cash Equivalents	666	175	657
(iv) Bank balances other than above	655	1,418	1,225
(v) Loans	98	140	142
(vi) Others-Advances	4,393	5,282	5,339
(C) Current Tax Assets (Net)	964	595	552
(D) Contract Assets		33	14
(E) Other Current Assets	679	1,626	1,856
<b>Total – Current Assets</b>	<b>21,450</b>	<b>26,662</b>	<b>31,270</b>
<b>GRAND TOTAL – ASSETS</b>	<b>25,886</b>	<b>32,942</b>	<b>38,544</b>

# Historical Standalone Balance Sheet



EQUITIES & LIABILITIES (INR Mn)	FY18	FY19	H1-FY20
(A) Share Capital	1,239	1,274	1,284
(B) Other Equity	10,921	13,162	14,642
<b>Total -Shareholder Funds</b>	<b>12,160</b>	<b>14,436</b>	<b>15,926</b>
<b>Non Current Liabilities</b>			
(A) Financial Liabilities			
(i) Borrowings	1,113	1,039	1,173
(ii) Financial guarantee Obligations	4	22	267
(B) Provisions	205	215	247
<b>Total - Non – Current Liabilities</b>	<b>1,322</b>	<b>1,276</b>	<b>1,687</b>
<b>Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	1,868	4,104	4,001
(ii) Trade Payables	5,158	7,410	10,839
(iii) Other Financial Liabilities	4,314	2,354	2,973
(B) Current Tax Liabilities (Net)	-	-	-
(C) Other Current Liabilities	611	1,191	621
(D) Contract Liabilities	-	495	496
(D) Provisions	25	71	89
<b>Total – Current Liabilities</b>	<b>11,976</b>	<b>15,625</b>	<b>19,019</b>
<b>GRAND TOTAL - EQUITIES &amp; LIABILITES</b>	<b>25,458</b>	<b>31,337</b>	<b>36,632</b>

ASSETS (INR Mn)	FY18	FY19	H1-FY20
(A) Property plant & Equipment	1,074	1,076	1,316
(B) Capital Work in Progress	14	622	1793
(C) Other Intangible Assets	30	93	90
(D) Intangible Assets under development	82	215	276
(E) Investment in Associates/ JV	186	188	191
(F) Financial Assets			
(i) Investment	440	497	497
(ii) Trade receivables	511	905	927
(iii) Loans	245	245	265
(iv) Others	796	1,027	1,013
(G) Deferred Tax (Net)	1,187	798	375
(H) Other Non Current Assets	19	396	38
<b>Total - Non – Current Assets</b>	<b>4,584</b>	<b>6,062</b>	<b>6,781</b>
<b>Current Assets</b>			
(A) Inventories	1,787	1,916	1,809
(B) Financial Assets			
(i) Investment	36	24	30
(ii) Trade Receivables	11,830	14,352	18,497
(iii) Cash & Cash Equivalents	492	68	625
(iv) Bank balances other than above	592	1,287	1,130
(v) Loans	68	68	68
(vi) Others	4,484	5,341	5,308
(C) Current Tax Assets (Net)	951	578	550
(D) Contract Assets	-	33	14
(E) Other Current Assets	634	1,608	1,820
<b>Total – Current Assets</b>	<b>20,874</b>	<b>25,275</b>	<b>29,851</b>
<b>GRAND TOTAL – ASSETS</b>	<b>25,458</b>	<b>31,337</b>	<b>36,632</b>



# Current Order Book of ~INR 8,621 Cr provides visibility



**Total Order book  
of ~INR 8,621 Cr as  
on 31 Dec, 2019**

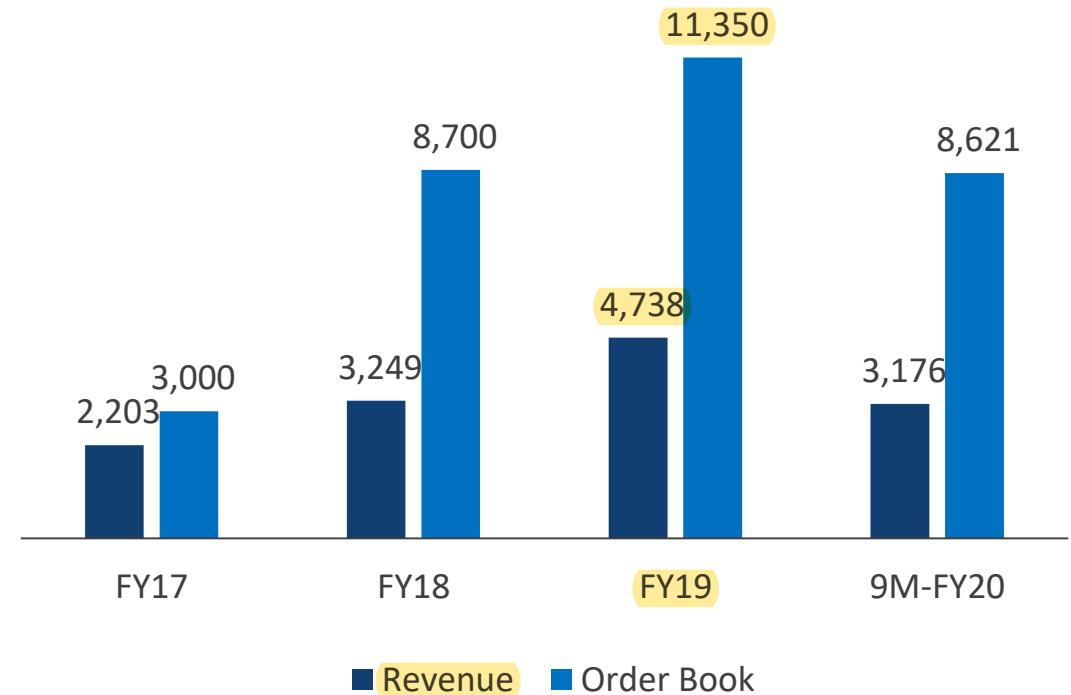
- Prestigious orders spread across all business verticals- telecom, defence, railways, OFC Turnkey & manufacturing, Smart Cities and private operators
- Break through in overseas orders for Railway Systems

**~1.8 times  
FY19 revenue**

**Strong  
Earning  
Visibility**

**O&M Contracts  
worth ~INR 1,614 Cr  
Ensuring high margin  
revenues YoY**

**Order Book To Revenue (INR Cr)**



# Industry Opportunities



## Huge Infrastructure expenditure

is underway in India

Strengthening backhaul and FTTx for a fiber rich diet

Need for High Speed Broadband

Fiberizing  
70% of the towers  
will require an estimated  
600,000 fkm, at an  
**investment of INR 560 Bn**

5G deployments are likely to  
entail massive investments  
of around INR 4,200 bn  
In next 5-6 years

FTTH shall play a  
significant role in  
broadband vision.

Fixed broadband to rise  
to 113.5m household  
connections, at a CAGR  
of 40.7% during 2017-22

Gol's push in  
fast-tracking its Smart City  
mission is yielding results  
with SPVs getting formed  
in most cities

Outlay of INR 2,040 Bn  
has been approved  
for 99 cities

Make In India push for  
Defence Products provide  
an opportunity of  
INR 500 Bn in HFCL's  
addressable market

Nearly **70% of India's  
towers need to be  
fiberized** by 2020

**OFC installations** to  
become critical for network  
expansions

Networks to become denser  
and deeper – making  
**fiberization an  
imperative**

Innovative &  
indigenous  
WiFi network solutions  
are ready  
for deployment

**Government  
and Private Operators  
Shall continue  
investing  
substantial capital  
in upgrading telecom  
infrastructure**

Railways  
would overhaul  
the signaling system  
by spending about  
INR 850 bn over  
next 5-6 years

# Status of Shares Pledged by Promoters



**Promoters' holding is pledged with the Company's Banks for the credit facilities as collateral (No loans have been taken against Shares):**

- 49% of Promoters' Holding stands pledged with group of Lenders out of which :
  - 75% is towards outstanding Working Capital Loans of INR 75.32 Cr (Fund Based : INR 38.68 Cr and Non-Fund Based : INR 36.64 Cr)
  - 25% is towards fresh Working Capital Loans of INR 1,424.68 Crs (Fund Based : INR 261.32 Cr and Non-Fund Based : INR 1,163.36 Cr)
- 13% of Promoters' Holding stands pledged for project specific PBG of INR 58 Cr. This shall be released by March,2020
- 7% of Promoters' Holding stands pledged against Term Loan of INR 140.94 Cr as interim security towards the upcoming fibre manufacturing facility at Hyderabad. It shall be released by March 2020
- **Promoters have extended support to the Company by way of above pledge as a collateral security towards credit facilities availed by the Company.**
- **None of the Promoters' holding has been pledged against their personal / third party obligations**

# Value Proposition



## Agile Portfolio of Products and Solutions

Agile portfolio of products and solutions backed by excellent manufacturing facilities

## Leadership

Established leader in providing fully integrated solutions in building Communication Networks for Telecom, Defence, Railways and other sectors

## Order Pipeline

Strong earning visibility with ~INR 8,621 Cr Order Book. Significant Orders spread across verticals. Comprises of INR 1,614 Cr high margin O&M Contracts

## IPR Ownership

Owns IPRs & Copyrights for various products

## Diverse Customer Base

Diverse Customer Base across all verticals of operations

## Comfortable Debt Equity

Comfortable D/E of 0.41x  
Credit rating has been reaffirmed at A-

## Backward Integration & Expansion

Backward Integration into Optical fiber Manufacturing shall strengthen supply chain and enhance operating margins. Expansion of OFC Capacity in HTL is in progress.

## New Business Initiatives

Developing new products for Telecom and Defence. Promising opportunities in Railways, Smart Cities & Surveillance.

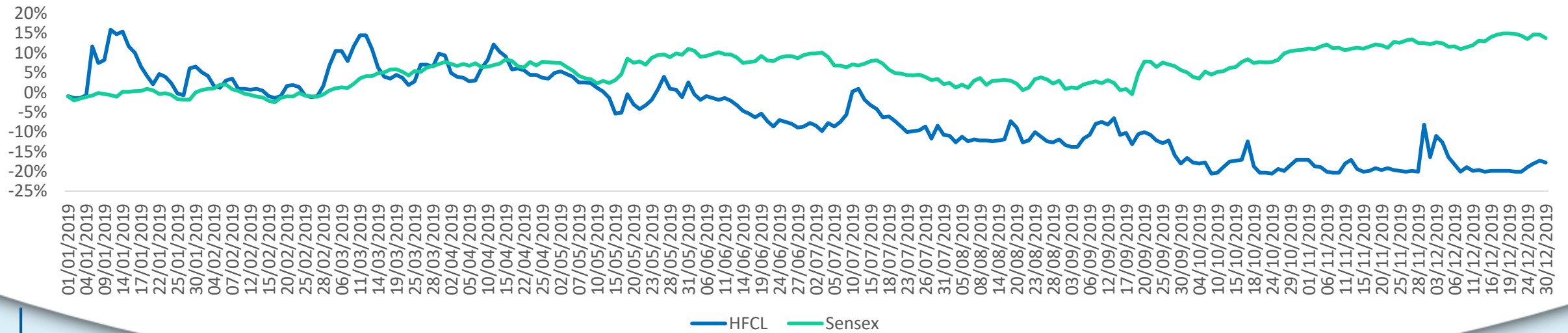
## Strategic Partnerships

Long standing association with marquee customers





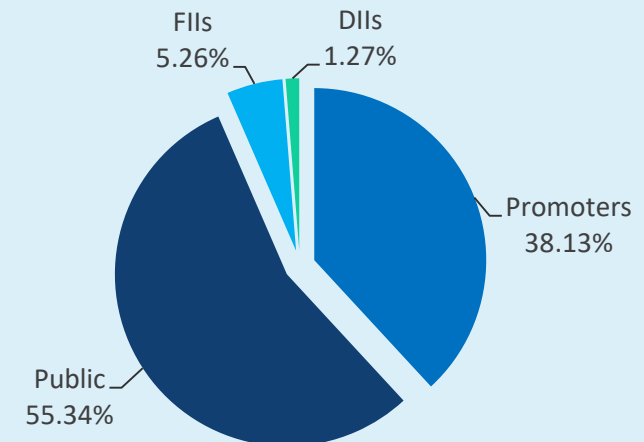
# Capital Market Information



## PRICE DATA (AS ON 30<sup>th</sup> September, 2019)

Face value (INR)	1.0
Market Price (INR)	17.55
52 Week H/L (INR)	25.3/16.8
Market Cap (INR Mn)	22,541.2
Equity Shares Outstanding (Mn)	1,284.4
1 Year Avg. Daily trading volume ('000)	2,735.8

## Shareholding - (As on 31<sup>st</sup> December , 2019)



ADSS	:	All-Dielectric Self-Supporting
ANPR	:	Automatic Number Plate Recognition
ARP	:	Aramid Reinforcement Plastic
CCTV	:	Closed Circuit Television
CMS	:	Challan management System
CPRI	:	Common Public radio Interface
DWDM	:	Dense Wave Digital Multiplexing
EBIDTA	:	Earing before Depreciation, Tax, Amortisation
FDMS	:	Fiber Distribution management System
FRP	:	Fiberglass Reinforced Plastic
FTTx	:	Signifies reach of Fiber to the Home, Curb, Office, Desk - FTTH, FTTC, FTTP, FTTD etc
GOFNMS	:	Optical Fiber Cable Network Management System
HCRR	:	High Capacity Relay Radio
HFTB	:	Fiber Termination box
HTMS	:	Highway Traffic Management System
IGFR	:	Impregnated Glass Fiber Reinforcement
IP MPLS	:	Internet Protocol - Multi-protocol Label Switching
LTE	:	Longterm Evolution
NMS	:	Network management System
OFC	:	Optical Fiber Cable
PABX	:	Private Automatic Branch Exchange
PAT	:	Profit after Tax
PMS	:	Parking Management System
RFP	:	Request for Proposal
RLVD	:	Red Light Violation System
SDR	:	Software Defined Radio
UBR	:	Unlicensed Band Radio
VA	:	Video Analytics
VMS	:	Vehicle Management System
WAP	:	Wireless Access Points
WiFi	:	Wireless Fidelity
WLC	:	Wireless Lan Controller

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