



An Environment conscious company certified to
ISO 14001 Standard

HIMACHAL FUTURISTIC COMMUNICATIONS LTD.
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HFCL/SEC/19-20

August 05, 2019

The BSE Ltd. 1 st Floor, New Trading Wing, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai - 400001 corp.relations@bseindia.com Security Code No.: 500183	The National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor, C - 1, Block G, Bandra - Kurla Complex, Bandra (E) Mumbai - 400051 cmlist@nse.co.in Security Code No.: HFCL
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RE: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Subject: Latest Investors' Presentation.

Dear Sir(s)/ Madam,

In terms of Regulation 30 read with Para A of Part A of Schedule III to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the latest **Investors' Presentation** on the business and operations of the Company.

This aforesaid Presentation is also available on the Company's website.

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

Thanking you.

Yours faithfully,

For **Himachal Futuristic Communications Ltd.**

(Manoj Baid)
Vice-President (Corporate) &
Company Secretary



Encl: Investors' Presentation.



HIMACHAL FUTURISTIC COMMUNICATIONS LTD.

PRESENTATION
AUGUST, 2019



COMPANY OVERVIEW



Company Overview



- Himachal Futuristic Communications Ltd. (HFCL) 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 is being set up with a capacity of 6.4m fkm at Hyderabad

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.

Board Of Directors



Mahendra Pratap Shukla - (Non-Executive Chairman)

- An Electrical Engineer with vast experience in Telecom Industry
- Ex-Chairman & MD of TCIL & MTNL
- Awarded *Telecom Man of the Year* award in 1992 for his commendable contribution to the Telecom Industry



Ranjeet Anand Kumar Soni (Non-Executive Director -(Nominee – IDBI)

- Masters In Mathematics & JAIIB Certification From Indian Institute of Banking & Finance
- Over 18 Years of Experience in Corporate & MSME Segments With Banking Industry



Mahendra Nahata (Promoter & Managing Director)

- The pioneer of new age telecom sector in India
- Has been on the Board of Governors of IIT Mumbai and Madras and IIIT, Allahabad
- Ex- Member of CSIR, Govt. of India
- Served as President of TEMA
- Served as Co-chairman of Telecom Committee of FICCI
- Awarded with Telecom Man of the Millennium award by Voice & Data



Ved Kumar Jain (Independent Director)

- A Fellow Member of ICAI
- Former President of ICAI
- More than four decades of experience on advising Corporates on finance and taxation matters
- Founder Board Member of Indian Institute of Corporate Affairs, Government of India



Arvind Kharabanda (Non-Executive Director)

- A member of ICAI with vast experience across industries like Telecom, Broadcasting, IT, Electronics, Consumer Durable and White Goods
- Expert in Marketing, Manufacturing, Project Appraisal, Finance, Planning and Corporate Strategy



Surendra Singh Sirohi (Independent Director)

- Alumnus – IIT Kanpur and Ex-Officio Secretary to GOI in Ministry of Communication & IT
- Has been Member - Technology in Telecom Commission
- Vast experience in telecom industry particularly in the areas of National Policy, sectorial regulations, planning & development, R&D, telecom service operations etc.
- Instrumental in formulating several regulatory and strategic initiatives for inclusive growth in the telecom sector



Dr. R. M. Kastia (Non-Executive Director)

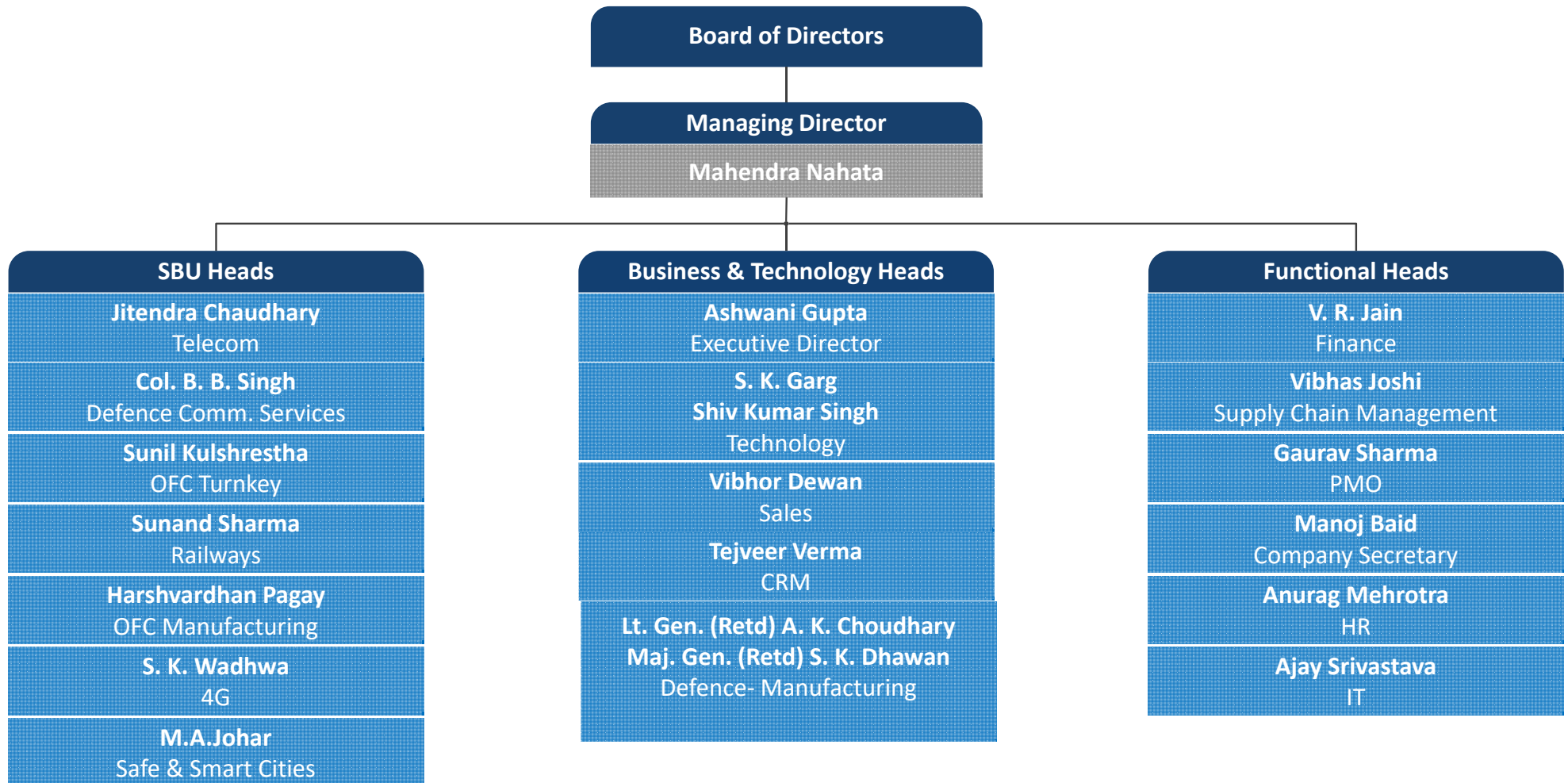
- Holds Doctorate degree in Chemistry. Fellow of British Institute of Management (London)
- Held Senior Executive positions with various national and multi-national companies across Industries



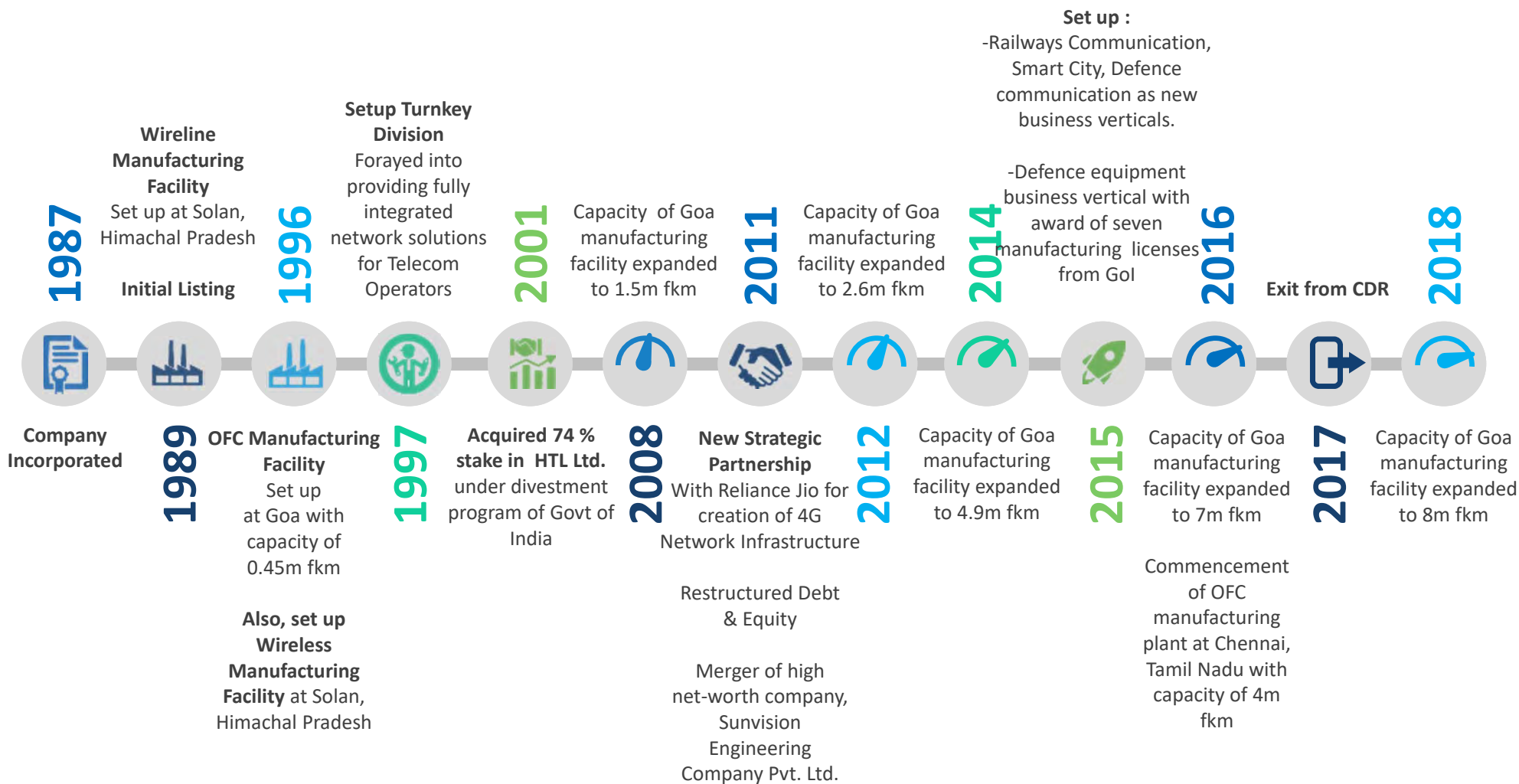
Dr. Tamali Sen Gupta (Independent Woman Director)

- Doctorate in Legal
- Masters in Law from Stanford Law School
- Legal professional with vast experience in international JVs, collaboration and licensing agreements, M&As
- Advised Ministry of Railways on installing Fiber optic link

Leadership Team



Key Milestones



Manufacturing Facilities



OFC Manufacturing

Verna, Goa

Capacity: 8m fkm



Telecom Equipment Manufacturing

Solan, Himachal Pradesh

OFC Manufacturing

Chennai, Tamil Nadu

Capacity: 7m fkm

Planned expansion : 3.5m 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 - work in progress

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 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

Products

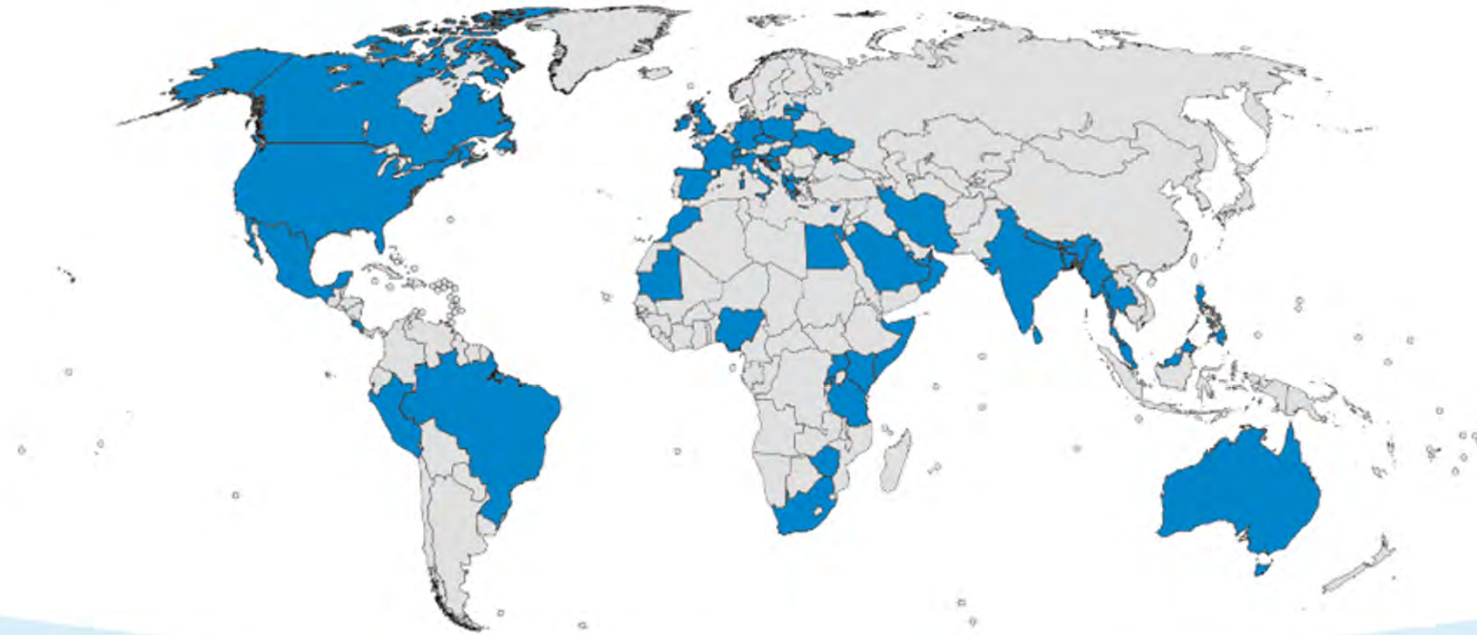
- High Capacity Radio Relay
- Backhaul radios
- Wi-Fi Network Products
- Cloud-based Management Platform
- Antenna Design
- VA, VMS Products
- Electronic Artillery Fuses for ammunition
- Opto-Electronic devices
- Highway Traffic Management System



Key Customers



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



PRODUCTS AND SOLUTIONS PORTFOLIO



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*

** Manufacturing setup in progress*



TELECOM PRODUCTS

- GSM BSS Equipment
- Microwave Radios
- Telecom Power Solution Equipment

UNDER DEVELOPMENT

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



SURVEILLANCE PRODUCTS

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

UNDER DEVELOPMENT

- Highway Traffic Management System



DEFENCE PRODUCTS

UNDER FIELD TRIAL

- Unmanned Aerial Vehicles(UAV)

UNDER DEVELOPMENT

- Electronic Artillery Fuses for ammunition
- Opto-Electronic devices

Optical Fiber Cables

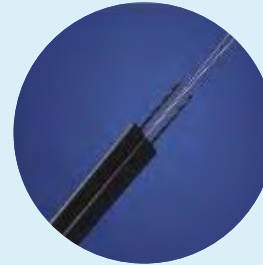


Conventional cables

- Armoured Cable
- Aerial Cables- ADSS and Figure-8
- Ribbon Cables

FTTH Cable

- Indoor/Outdoor cables
- Micro-duct / Mini-cables / Air Blown Cables
 - FTTH Cables
- In-Premises Cables



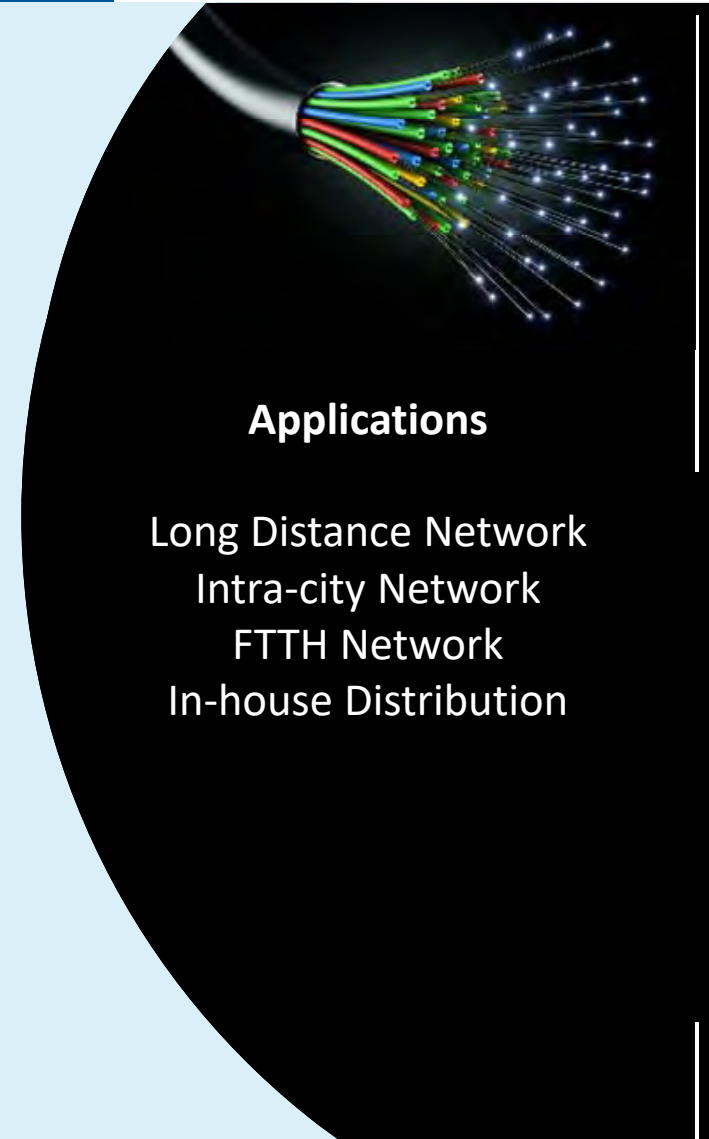
Specialty Cables

- Tactical Cables
- Intrusion-Free Cables
- Wire Armoured Cables
- Fire Survival Cables
- Easy peel cables



Applications

Long Distance Network
Intra-city Network
FTTH Network
In-house Distribution



Telecom Products



Microwave Radio Equipment

Integrated high bandwidth radio unit with centralized network management



GSM BSS Equipment

Small Size GSM Radio Sub System for GSM Coverage in rural area. Cost effective solution for villages still uncovered.



High Capacity radio Relay

HCRR is a Line-of-Sight (LOS) radio link intended for use in a Tactical Network for long haul transmission of data traffic.



Unlicensed Band Radio

Provide high speed point-to-point and point-to multi-point connectivity solution in unlicensed ISM bands.

Telecom Power Solution Equipment

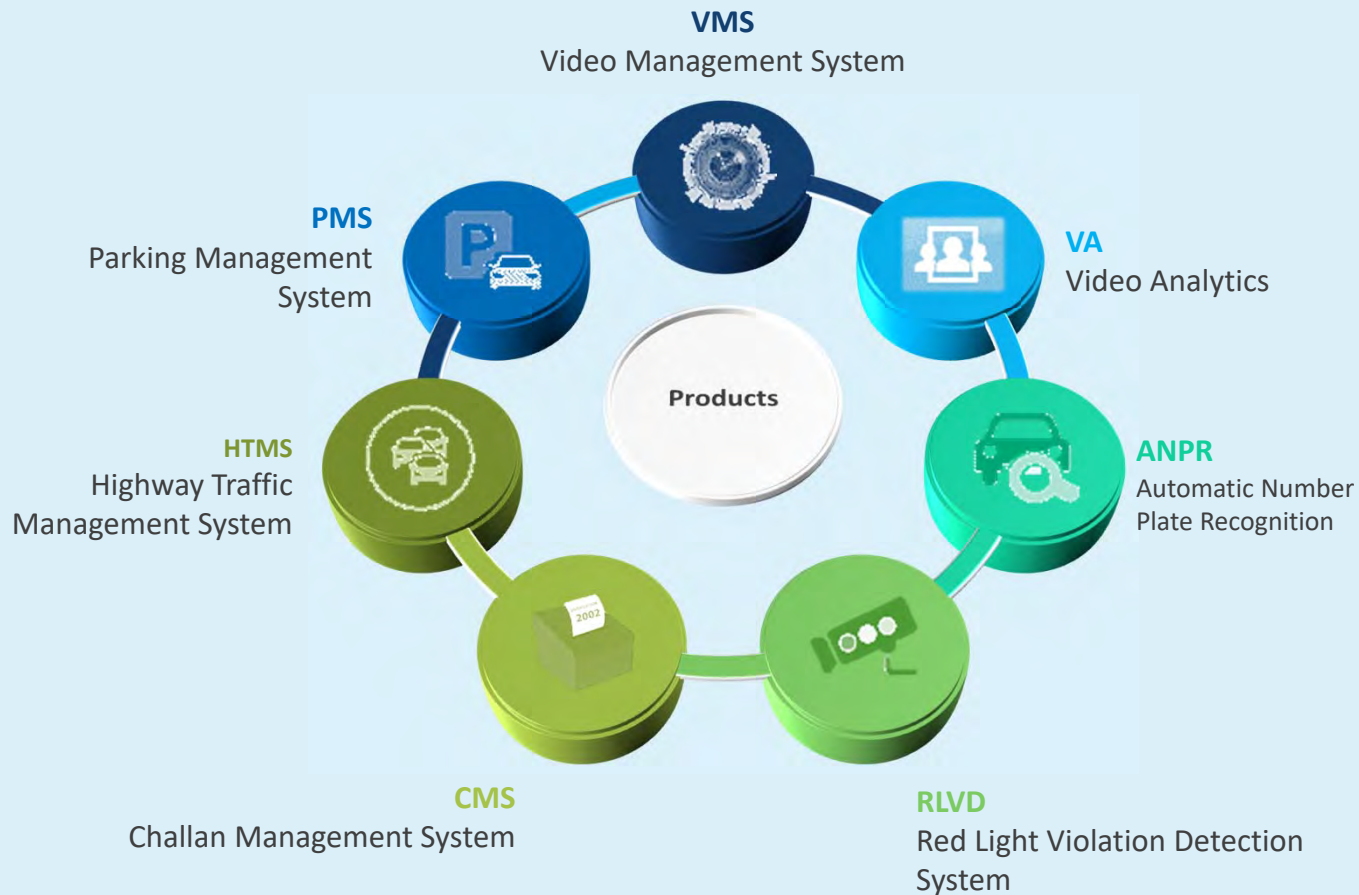
Bridgeless, dynamic and digitally controlled ultra-high efficiency rectifier power equipment



Wi-Fi Access Point

The products are IEEE standard 802.11ac Wave 2 certified access points (APs) for indoor / outdoor Wi-Fi deployments.

Surveillance Products



- Focused on Smart City Solutions, City Surveillance, Traffic Enforcement, Critical Infrastructure Protection, Industrial & Government Projects
- Company believes in developing Innovative Solution which are best in class yet customized and modified to suit geographical needs/demands
- In-house Software Development & R&D

Defence Products



Electro Optical Devices (Night Vision Devices)

HFCL has participated in a few tenders for these devices



Unmanned Aerial Vehicles (UAVs)

Successful in Technical evaluation and field trials are in process



Electronic Fuses for all types of ammunition

HFCL has participated in a bid for supply of 5 Mn fuses over 10 years which is under Technical evaluation.

The nascent steps that HFCL started taking in Defence manufacturing a couple of years ago, under the 'Make in India' initiative, have been growing steadily in stature.

Portfolio of 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
- Microwave Network
- Routing & Switching Network
- Border Security Management
- Perimeter Security



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

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



SMART CITY & SURVEILLANCE NETWORK

- Safe City Solutions
- Intelligent Traffic Management Solutions
- Video Surveillance

Telecom Network Solutions



OFC Network

- OFC Survey & Network Design
- fiber Deployment
- Site and Infrastructure Built-up
- Installation & commissioning
- Operations & Maintenance

FTTx Network

- Planning & Design
- Equipment Supply
- Installation & Commissioning
- Operations & Maintenance



Mobile Network

- Cell Site Infrastructure
- Supply , Installation & Commissioning
- BSS Equipment manufacturing & Supply
- Centralised NMS
- Operations & Management



WiFi : Providing complete eco system for WiFi services

- Design and Implementation of WiFi solutions
- Offering entire range of WiFi AP's, WLC's, Portal (Cloud/Appliance) and Management SW
- Front haul and Backhaul integration and services roll out



Specialized Services

- Network optimization
- Managed Services
- RF network Optimization

Defence Network Solutions



Fiber Network

Rollout of dedicated optical fiber network for armed forces

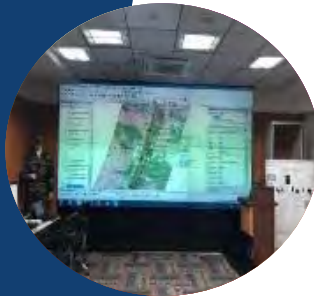
Optical Transport Network

Rollout of exclusive and dedicated Nationwide DWDM based Optical Transmission backbone network for Armed Forces



Fiber Monitoring & Management (GOFNMS)

Implementing a Pan India Optical Fiber Network for providing optical gigabit access network connectivity to defence forces



Microwave Network

Rollout of Hybrid Microwave Broadband Radio Links for pan India defence network



IPMPLS Network (Routing & Switching)

Converged Nationwide IP/MPLS Backbone Network with 219 Access Network Locations and Integrated IMS based Communication Solution on Turnkey Basis for Defence Network



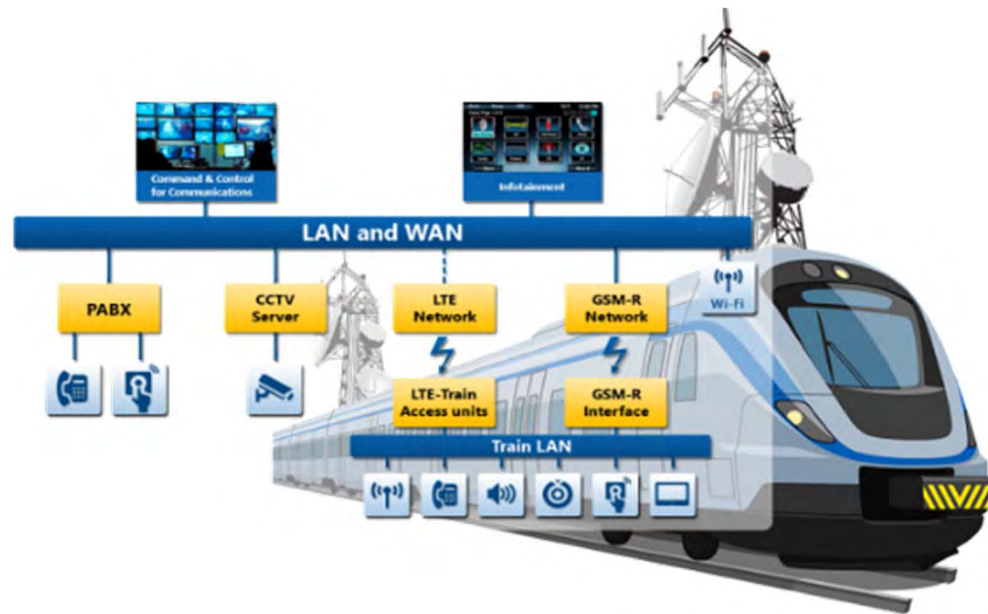
Border Management

An integration of a number of new gadgets and technologies to ensure electronic surveillance of India's international borders

Railway Communication Network Solutions



- In order to leverage its telecom product and EPC capabilities in adjacent space, Company has ventured into railways business
- HFCL offers integrated solutions crafting a combination of its own products and those others from leading manufacturing OEM partners from India and abroad.
- The Company is currently implementing telecom networks for three greenfield domestic railway freight corridor projects received from marquee customers like L&T, Alstom & China Rail
- HFCL has also been awarded two overseas contracts to execute the Telecommunication Systems projects for Mauritius Metro Express Project and Dhaka Metro Mass Rapid Transit System



Network Design



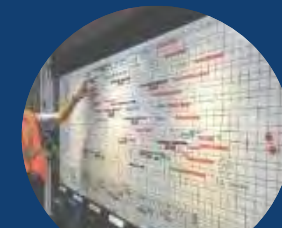
Equipment Design



Installation & Commissioning



Network Integration



Post Deployment Services

Smart City & Surveillance Solutions



HFCL's offerings in the Safe & Smart city domain include key core solutions like Communication / IT / Telecom infrastructure, data centre, disaster recovery and management, security, surveillance, traffic management and citizen / mobile applications.

*

Safe City Solutions



- Video Management System
- Red Light Violation Detection
- Number Plate Recognition
- Parking Management
- Vehicle movement detection
- Incident Management
- Unidentified Object detection
- Vehicle Color detection

Intelligent Traffic Management Solutions



- Highway Traffic Management System
- Vehicle Category Detection
- Motion/Intrusion/wrong direction detection
- Variable Message Sign
- Tress-passing detection
- Over-crowding detection
- Vandalism & tamper detection
- Challan Management System

Video Surveillance



- Administrative Workstation
- Detection & Tracking services
- IP Video wall
- Video Management System
- Video Analytics System
- Live Image Analytics
- Fire Detection
- Person/Animal detection
- Loitering, Left baggage detection

Peremetric Security



- Radars
- EO Sensors
- Vibration Sensor
- Proximity Sensor
- Acoustic/Laser Sensor
- Smart Electric Fence
- Counter UAV

Projects executed

Ludhiana Safe City

- 1,450 cameras at 159 Locations with 30 days storage at Police lines Data Centre.
- Applications Portfolio: VMS, VA, ANPR, RLVD, NMS, Antivirus and Backup Software.

Jaipur Dev. Authority Smart City

- 100 Wi-Fi Access Points and 170 Surveillance Cameras in the City Area.
- 2,000 Smart Street Lights with 1600 Smart Poles.

Other Projects

- Noida Expressway
- Gurgaon Safe City
- UIDAI - Aadhar
- Tihar Jail, New Delhi
- IOCL: Panipat & Barauni
- NTPC: Mauda, Rihand,
- Vindhyachal

* Includes offering by its wholly owned subsidiary Polixel Security Systems Pvt. Limited



FINANCIAL OVERVIEW



Key Highlights – Consolidated Financials –FY19



Completely Transformed

on Growth Trajectory

EBITDA CAGR of **46%** from FY17 to FY19

EBITDA at **INR 4,582 Mn**

PAT up

from INR 1,237 Mn in FY17 to **INR 2,323 Mn** in FY19

37% CAGR

Debt /Equity is now comfortable at **0.41x**

Debt is largely Working Capital

Revenue up from INR 22,243 Mn in FY17 to **INR 47,848 Mn** in FY19

47% CAGR

Credit rating has been reaffirmed

to A- with stable outlook

PBT up from INR 1,242 Mn in FY17 to INR 3,393 Mn in FY19

Strong Order Book of INR

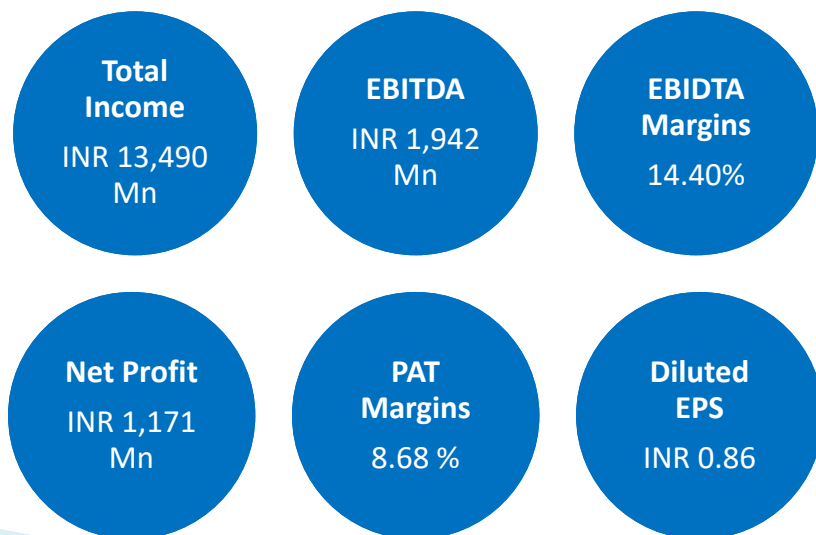
~10,275 Cr (~2.4x FY19 revenue) provides visibility

Recommended Dividend of 10% **Dividend Payout of INR 15.03 Cr**

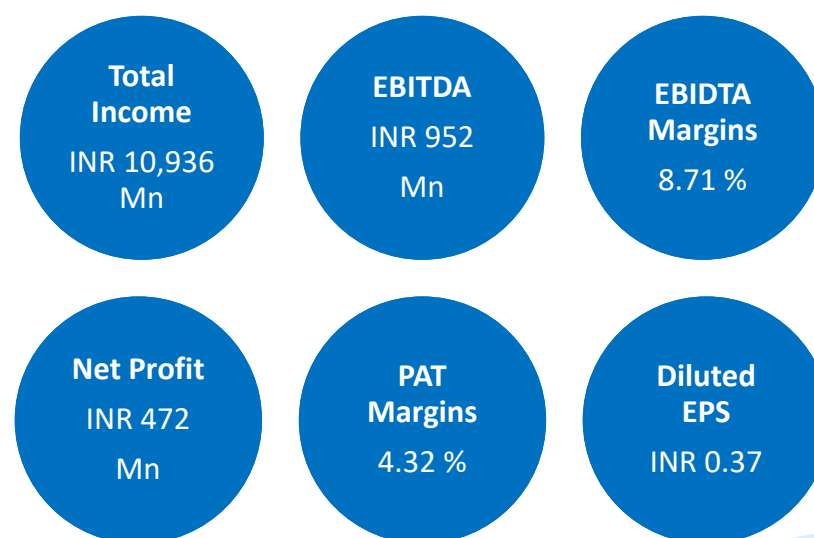
Q1-FY20 Financial Highlights - Consolidated



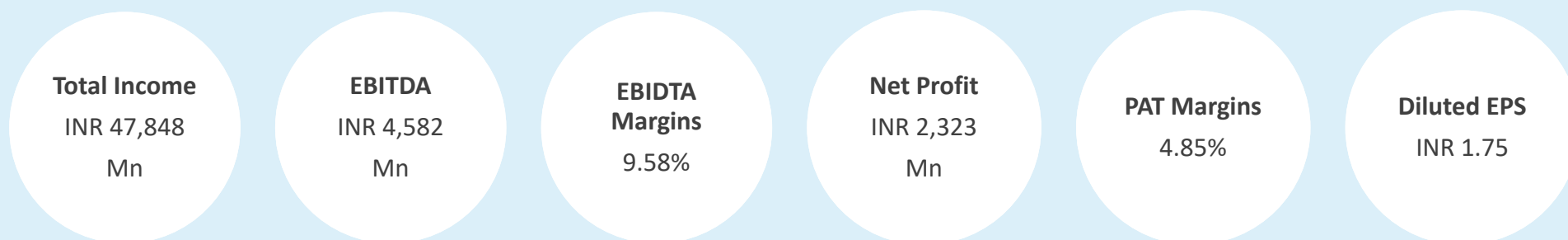
Q1-FY20 Financial Highlights (Consolidated):



Q1-FY19 Financial Highlights (Consolidated):



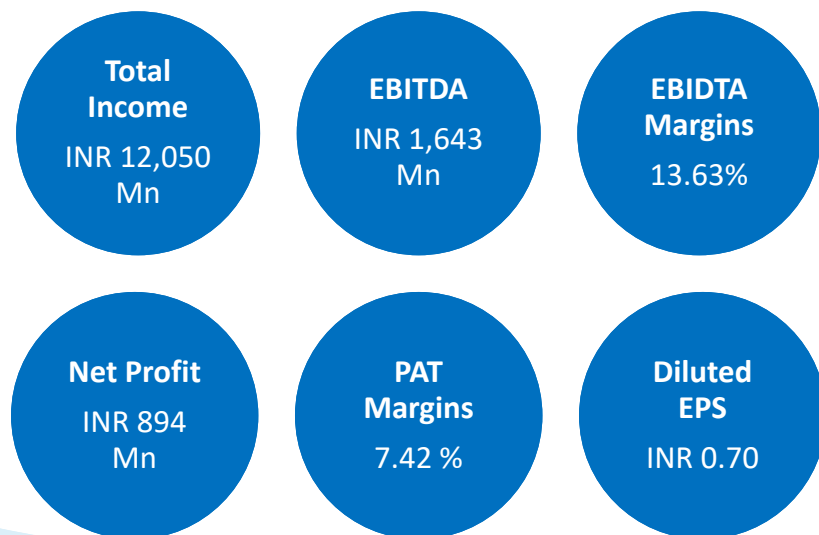
FY19 Financial Highlights (Consolidated)



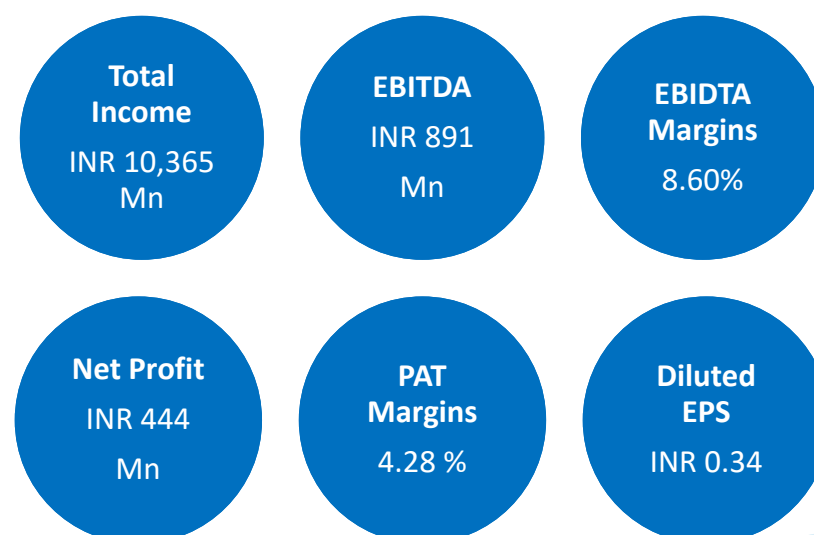
Q1-FY20 Financial Highlights - Standalone



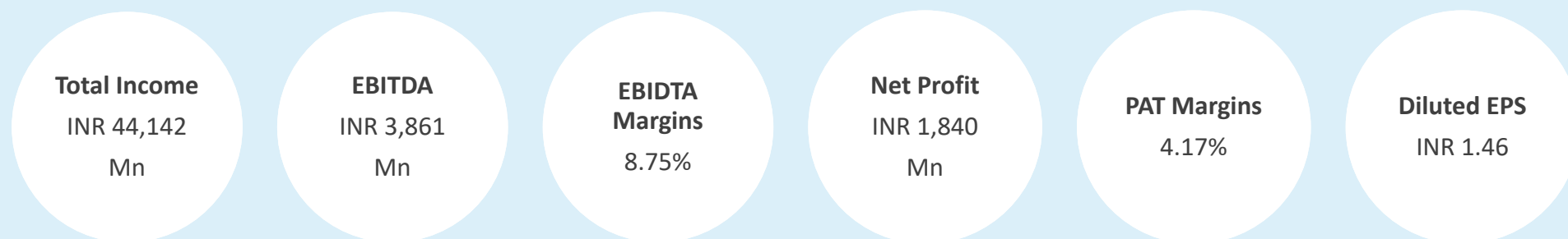
Q1-FY20 Financial Highlights (Standalone):



Q1-FY19 Financial Highlights (Standalone):



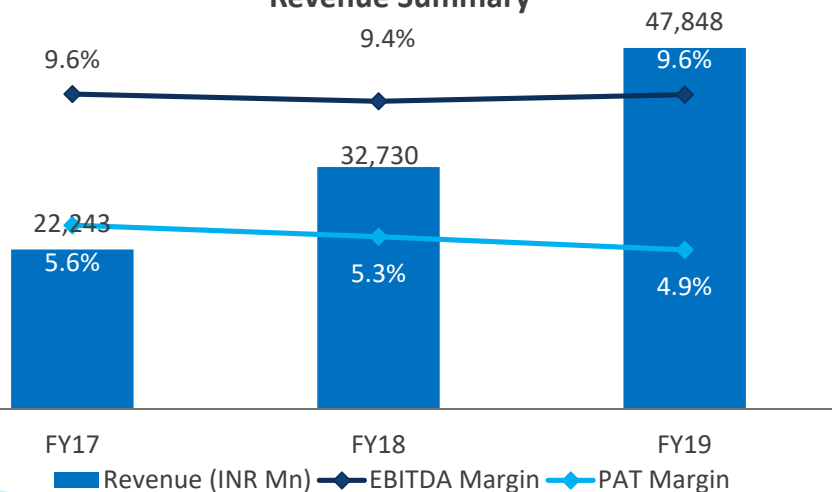
FY19 Financial Highlights (Standalone)



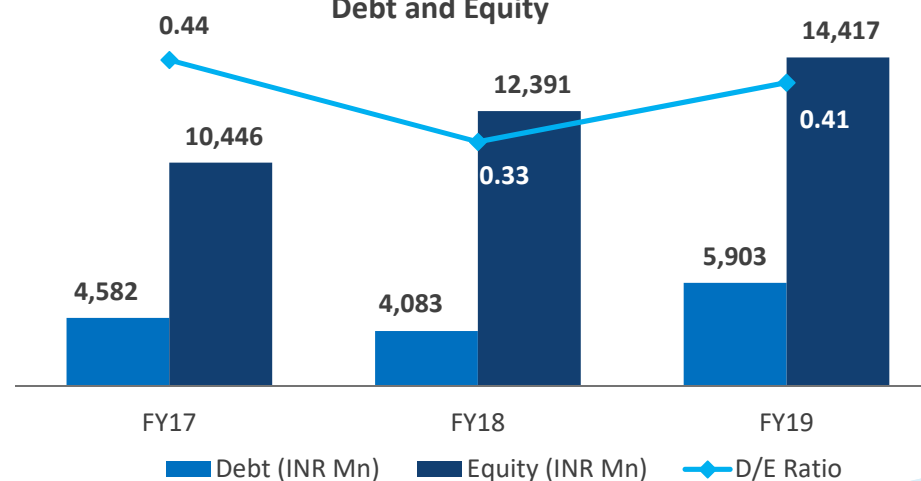
FY19 Performance Metrics – Consolidated



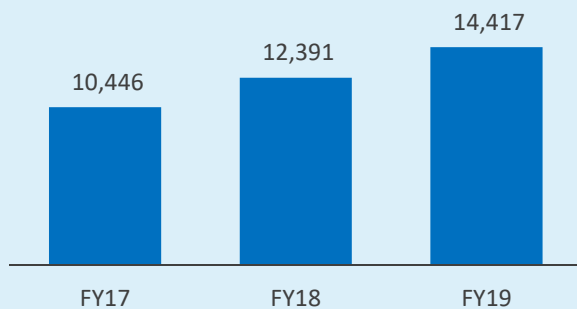
Revenue Summary



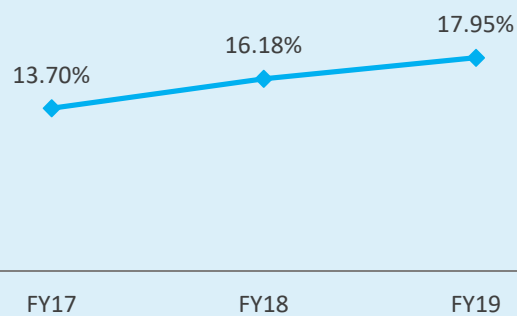
Debt and Equity



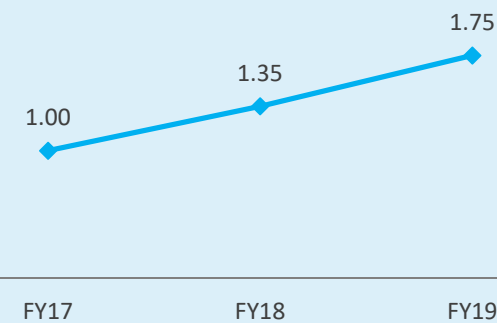
Networth (INR Mn)



RoE (%)



EPS (INR)



Strong Order Book of ~INR 10,275 Cr provides visibility



**Total Order book
of ~INR 10,275 Cr**

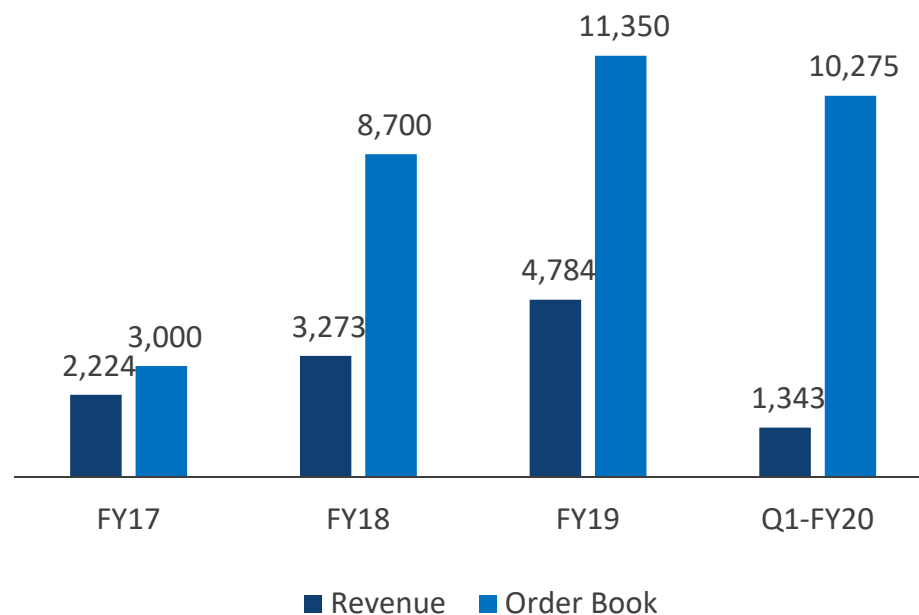
**~2.4 times
FY19 revenue**

**Strong
Earning
Visibility**

- 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

*O&M Contracts
worth ~INR 1,650 Cr
Ensuring high margin
revenues YoY*

Order Book To Revenue (INR Cr)



Q1-FY20 Consolidated Income Statement (IND-AS)



PARTICULARS (INR Mn)	Q1-FY20	Q4-FY19	Q-o-Q	Q1-FY19	Y-o-Y
Revenue from Operations	13,427	12,155	10.5%	10,883	23.4%
Other Income	63	356	(82.3)%	53	18.9%
Total Income	13,490	12,511	7.8%	10,936	23.4%
Total Expenses	11,548	11,156	3.5%	9,984	15.7%
EBITDA	1,942	1,355	43.3%	952	104.0%
EBITDA Margin (%)	14.40%	10.83%	357 Bps	8.71%	569 Bps
Depreciation	88	85	3.5%	57	54.4%
Finance Cost	277	286	(3.1)%	164	68.9%
Share of net profits of JV's accounted using equity method	(3)	6	NA	(1)	NA
Exceptional Items	-	-	NA	-	NA
PBT	1,574	990	59.0%	730	115.6%
PBT Margin (%)	11.67%	7.91%	376 Bps	6.68%	499 Bps
Tax	403	331	21.7%	258	56.2%
Profit after Tax	1,171	659	77.7%	472	148.1%
PAT Margin (%)	8.68%	5.27%	341 Bps	4.32%	436 Bps
Other Comprehensive Income	6	58	NA	(22)	NA
Total Comprehensive Income	1,177	717	64.2%	450	NA
EPS (Diluted INR)	0.86	0.50	72.0%	0.37	NA

Q1-FY20 Standalone Income Statement (IND-AS)



PARTICULARS (INR Mn)	Q1-FY20	Q4-FY19	Q-o-Q	Q1-FY19	Y-o-Y
Revenue from Operations	12,006	10,947	9.7%	10,315	16.4%
Other Income	44	425	(89.6)%	50	(12.0)%
Total Income	12,050	11,372	6.0%	10,365	16.3%
Total Expenses	10,407	10,295	1.1%	9,474	9.8%
EBITDA	1,643	1,077	52.6%	891	84.4%
EBITDA Margin (%)	13.63%	9.47%	416 Bps	8.60%	503 Bps
Depreciation	56	48	16.7%	39	43.6%
Finance Cost	228	186	22.6%	151	51.0%
Share of net profits of JV's accounted using equity method	-	-	NA	-	NA
Exceptional Items	-	-	NA	-	NA
PBT	1,359	843	61.2%	701	93.9%
PBT Margin (%)	11.28%	7.41%	387 Bps	6.76%	452 Bps
Tax	465	328	41.8%	257	80.9%
Profit after Tax	894	515	73.6%	444	101.4%
PAT Margin (%)	7.42%	4.53%	289 Bps	4.28%	314 Bps
Other Comprehensive Income	8	60	NA	(21)	NA
Total Comprehensive Income	902	575	56.9%	423	113.2%
EPS (Diluted INR)	0.70	0.40	75.0%	0.34	105.9%

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	480	214	245	470
Total Income	20,854	30,985	44,142	22,243	32,730	47,848
Total Expenses	18,860	28,159	40,281	20,100	29,654	43,266
EBITDA	1,994	2,826	3,861	2,143	3,076	4,582
EBITDA Margin (%)	9.56%	9.12%	8.75%	9.63%	9.40%	9.58%
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)	-
PBT	1,237	2,036	2,907	1,242	2,204	3,393
PBT Margin (%)	5.93%	6.57%	6.59%	5.58%	6.73%	7.09%
Tax	-	486	1,067	5	487	1,070
Profit after Tax	1,237	1,550	1,840	1,237	1,717	2,323
PAT Margin (%)	5.93%	5.00%	4.17%	5.56%	5.25%	4.85%
Other Comprehensive Income	19	(5)	52	18	12	45
Total Comprehensive Income	1,256	1,545	1,892	1,255	1,729	2,368
EPS (Diluted INR)	1.01	1.24	1.46	1.00	1.35	1.75

Historical Consolidated Balance Sheet



EQUITIES & LIABILITIES (INR Mn)	FY17	FY18	FY19
(A) Share Capital	1,239	1,239	1,274
(B) Other Equity	8,402	10,548	13,142
Non Controlling Interest	15	(221)	(100)
Total -Shareholder Funds	9,656	11,566	14,316
Non Current Liabilities			
(A) Financial Liabilities			
(i) Borrowings	2,676	1,413	1,344
(ii) Financial guarantee Obligations	2	4	22
(B) Provisions	186	231	248
Total - Non – Current Liabilities	2,864	1,648	1,614
Current Liabilities			
Financial Liabilities			
(i) Borrowings	1,801	2,011	4,187
(ii) Trade Payables	4,572	5,626	8,645
(iii) Other Financial Liabilities	3,505	4,372	2,398
(B) Current Tax Liabilities	-	-	101
(C) Other Current Liabilities	331	636	1,212
(D) Contract Liabilities	-	-	495
(E) Provisions	25	27	74
Total – Current Liabilities	10,234	12,672	17,112
GRAND TOTAL - EQUITIES & LIABILITES	22,754	25,886	33,042

ASSETS (INR Mn)	FY17	FY18	FY19
(A) Property plant & Equipment	1,582	1,657	2,022
(B) Capital Work in Progress	17	17	640
(C) Goodwill	258	259	259
(D) Other Intangible Assets	43	44	103
(E) Intangible Assets under development	-	82	215
(F) Investment in Associates/ JV	42	56	55
(G) Financial Assets			
(i) Investment	445	461	517
(ii) Trade receivables	-	518	905
(iii) Others	74	133	360
(H) Deferred Tax (Net)	1,226	1,187	799
(I) Other Non Current Assets	9	22	405
Total - Non – Current Assets	3,696	4,436	6,280
Current Assets			
(A) Inventories	2,454	2,136	2,645
(B) Financial Assets			
(i) Investment	17	36	24
(ii) Trade Receivables	11,794	11,823	14,724
(iii) Cash & Cash Equivalents	59	666	175
(iv) Bank balances other than above	916	655	1,418
(v)Loans	67	98	140
(vi)Others-Advances	2,634	4,393	5,281
(C) Current Tax Assets (Net)	592	964	696
(D) Contract Assets			33
(E) Other Current Assets	525	679	1,626
Total – Current Assets	19,058	21,450	26,762
GRAND TOTAL – ASSETS	22,754	25,886	33,042

Historical Standalone Balance Sheet



EQUITIES & LIABILITIES (INR Mn)	FY17	FY18	FY19
(A) Share Capital	1,239	1,239	1,274
(B) Other Equity	9,196	10,921	13,162
Total -Shareholder Funds	10,435	12,160	14,436
Non Current Liabilities			
(A) Financial Liabilities			
(i) Borrowings	2,376	1,113	1,039
(ii) Financial guarantee Obligations	6	4	22
(B) Provisions	164	205	215
Total - Non – Current Liabilities	2,546	1,322	1,276
Current Liabilities			
Financial Liabilities			
(i) Borrowings	1,653	1,868	4,104
(ii) Trade Payables	3,924	5,158	7,410
(iii) Other Financial Liabilities	3,474	4,314	2,354
(B) Current Tax Liabilities (Net)	-	-	101
(C) Other Current Liabilities	215	611	1,191
(D) Contract Liabilities	-	-	495
(D) Provisions	22	25	71
Total – Current Liabilities	9,288	11,976	15,726
GRAND TOTAL - EQUITIES & LIABILITES	22,269	25,458	31,438

ASSETS (INR Mn)	FY17	FY18	FY19
(A) Property plant & Equipment	1,068	1,074	1,076
(B) Capital Work in Progress	14	14	622
(C) Other Intangible Assets	41	30	93
(D) Intangible Assets under development		82	215
(E) Investment in Associates/ JV	186	186	188
(F) Financial Assets			
(i) Investment	444	440	497
(ii) Trade receivables		511	905
(iii) Loans		245	245
(iv) Others	915	796	1,027
(G) Deferred Tax (Net)	1,224	1,187	798
(H) Other Non Current Assets	1	19	396
Total - Non – Current Assets	3,893	4,584	6,062
Current Assets			
(A) Inventories	2,176	1,787	1,916
(B) Financial Assets			
(i) Investment	17	36	24
(ii) Trade Receivables	11,472	11,830	14,352
(iii) Cash & Cash Equivalents	24	492	68
(iv) Bank balances other than above	775	592	1,287
(v) Loans	144	68	68
(vi) Others	2,668	4,484	5,341
(C) Current Tax Assets (Net)	574	951	679
(D) Contract Assets	-	-	33
(E) Other Current Assets	526	634	1,608
Total – Current Assets	18,376	20,874	25,376
GRAND TOTAL – ASSETS	22,269	25,458	31,438



INDUSTRY OVERVIEW



Telecom - Mature Eco-system Is Driving Growth

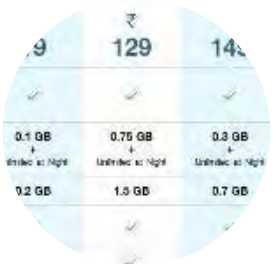


Growing Internet Community

- Internet Subscribers grew at CAGR of 25% (2013-18) 604 Mn in Dec 2018
- Broadband Subscribers stand at 525 Mn in Dec 2018 at CAGR of 85% (2013-18)

Data Consumption Pattern

- Total Data usage per month grew ~40 times in last three years from 128 PB to 4,867 PB
- usage / user pm grew 12 times in three years from 0.8GB to 9.41 GB
- Usage grew 109% YoY in 2018 where video contributed to 70%-80% share of mobile data
- Demand has shifted from call and VAS to a data-linked play



Affordable Tariffs

- Entry of Jio altered the face completely
- Tariff declined to INR 11 / Gb in 2018 from INR 226 in 2015

Device Eco System

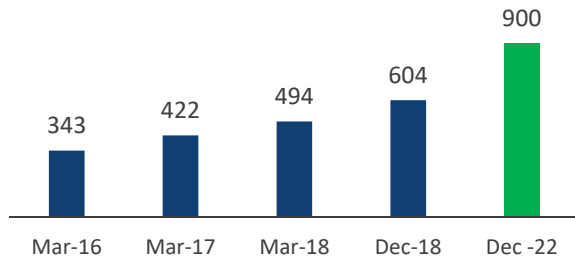
- Aggressive evolution of device ecosystem
- Sharp decline in handset prices
- Substantial increase in 3G/4G devices from 350m in 2015 to 865m in 2018
- Substantial additions to LTE device base reaching 277m
- LTE device ecosystem continues to develop across LTE bands in India



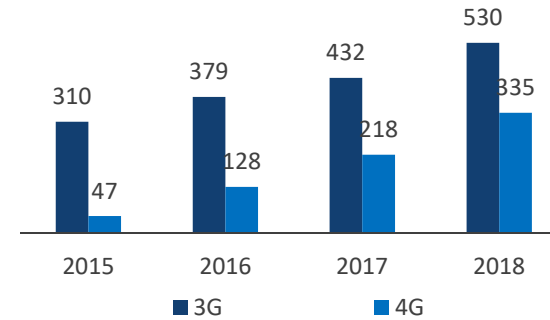
Telecom - Industry Growth



Internet Subscribers (Mn)

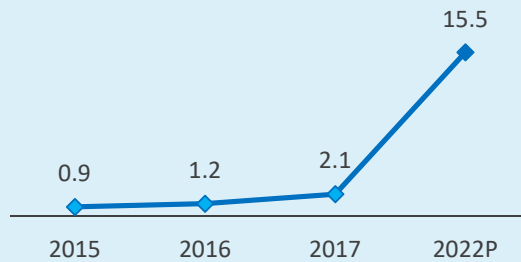


3G/4G device base (Mn)

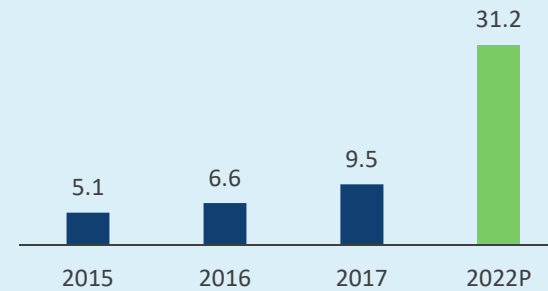


**Multifold Growth
Shall continue
unabated**

Internet Traffic Per month (Exabyte)



Internet Speed (Mbps)

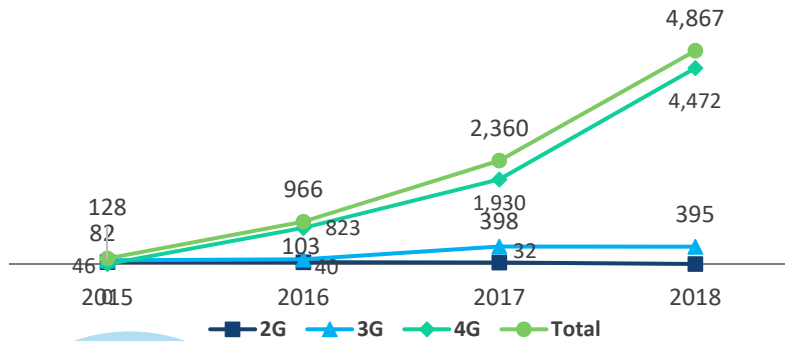


**Internet Growth
2017-22:
Subscribers: 2x
Traffic: 7x
Speed: 3.3x**

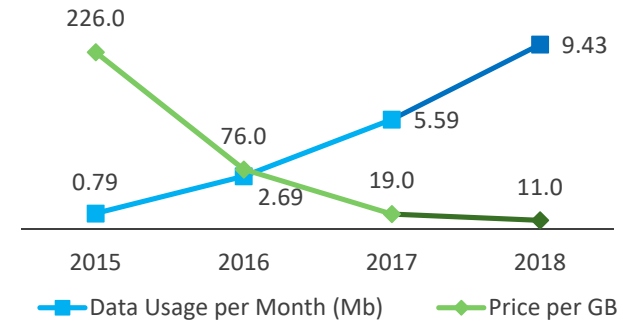
Telecom - Data Consumption To Leap Frog



Data Usage Per Month, Pentabyte (Pb)



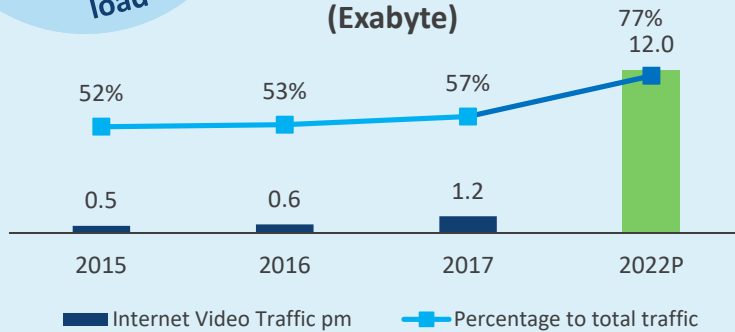
Per Subs Data Usage / Price per GB (INR)



2015-18
38x rise in total data usage pm. 4G brings in a complete new dimension in usage with 92% play load

Increased devices and Video Traffic

Internet Video Traffic pm (Exabyte)



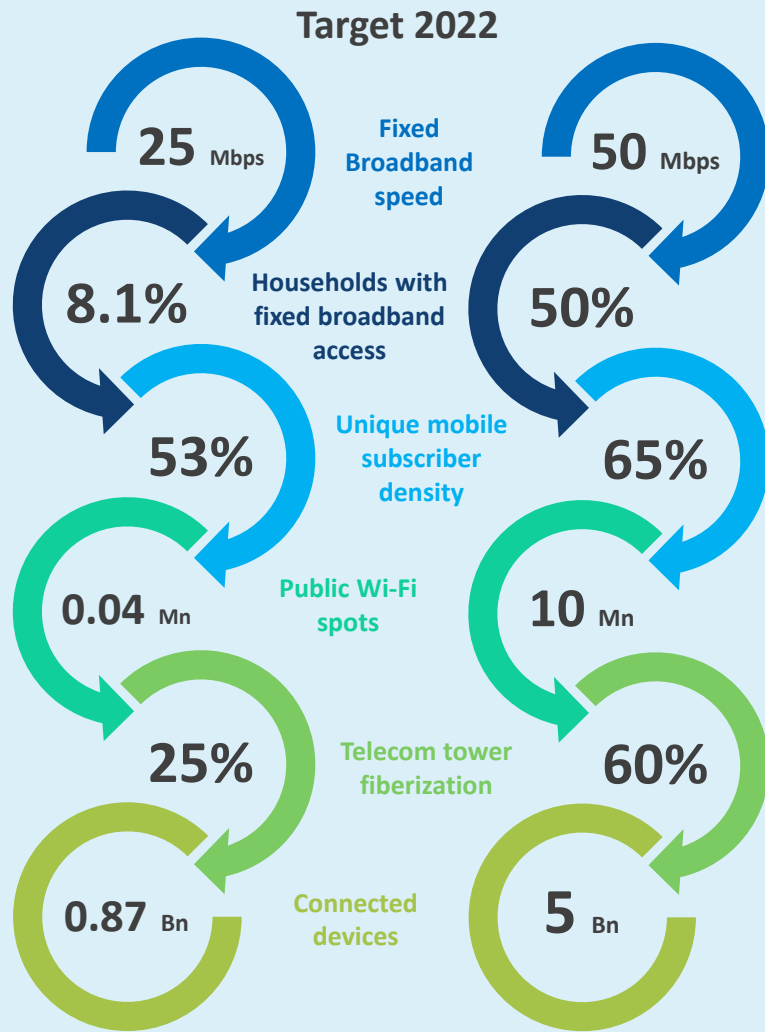
Network device per capita



2015-18
12x rise in data Usage per Subscriber while tariff Falls 95%

Source : TRAI, Nokia MBIT, Cisco VNI

Telecom - National Digital Communications Policy, 2018



Connect India:

By Creating a Robust Digital Communication Infrastructure

- Provide Universal broadband connectivity at 50 Mbps to every citizen
- Provide 1 Gbps connectivity to all Gram Panchayats of India by 2020 and 10 Gbps by 2022
- Enable 100 Mbps broadband on demand to all key development institutions including all educational
- Enable fixed line broadband access to 50% of households
- Achieve 'unique mobile subscriber density' of 55 by 2020 and 65 by 2022
- Deployment of public Wi-Fi Hotspots -5 Mn by 2020 and 10 Mn by 2022
- Ensure connectivity to all uncovered areas

Propel India:

By enabling next-gen technologies & services through investments, innovation, local manufacturing & IPR generation

- Attract investments of USD 100 Bn in the digital communications sector
- Expand IoT ecosystem to 5 Bn connected devices
- Accelerate transition to Industry 4.0
- Increase India's contribution to global value chains
- Creation of globally recognized IPRs and innovation led Start-ups in Digital Communications
- Train / re-skill 1 Mn manpower for building new age skills

Secure India:

By ensure digital sovereignty, safety and security of digital ecosystem

- Establish a comprehensive data protection regime for digital communications
- Develop and deploy robust digital communication network security frameworks
- Address security issues relating to encryption and security clearances

Telecom Opportunity



4G,5G



- 4G is the key driver behind increasing users' appetite towards data consumption. Aggressive 4G expansion is capturing 92% share of total data traffic
- Only 20-25 per cent of sites in India are fiberized, a number that needs to go up to 80-85 per cent by 2022 to support 5G and its enabling technologies IoT, M2M



Govt. Initiatives

- Encouraging investment in high-capacity networks and accelerate public access to Internet
- Digital India, BharatNet, Defence Communication, Wi-Fi, Railways, Smart Cities etc.
- National Digital Communication Policy, 2018 sets aggressive targets



FTTH

- Play of FTTH is limited to just 0.5% penetration which shall become dominant for broadband demand. Fixed broadband to rise to 113.5 Mn household connections, at a CAGR of 40.7% during 2017-22

Defence Opportunity



- India is the largest importer of defence equipment in the world where the imports account for nearly 65% of the country's military requirement.
- India has spent USD 100 Bn in last one decade to buy 65 per cent of its defence equipment therefore, the government has set a goal to reverse this trend and reduce the import percentage to under 30% in next couple of years through Make in India initiative.
- The Defence Procurement Procedure has been amended to encourage participation by domestic players which will reduce the procurement cycle of critical equipment and achieve cost reduction
- Policy measures will lead indigenous manufacturing of Electronic Fuses, Electro Optical Devices, UAVs, Radars, Electronic Warfare and Communication equipment etc.
- The draft policy on Defence projects the export of INR 35,000 crores in military equipment and services by 2025
- India has inked defence pact worth INR 2.40 lakh Cr with foreign and domestic firms for military equipment in last four years.

Railways Opportunity



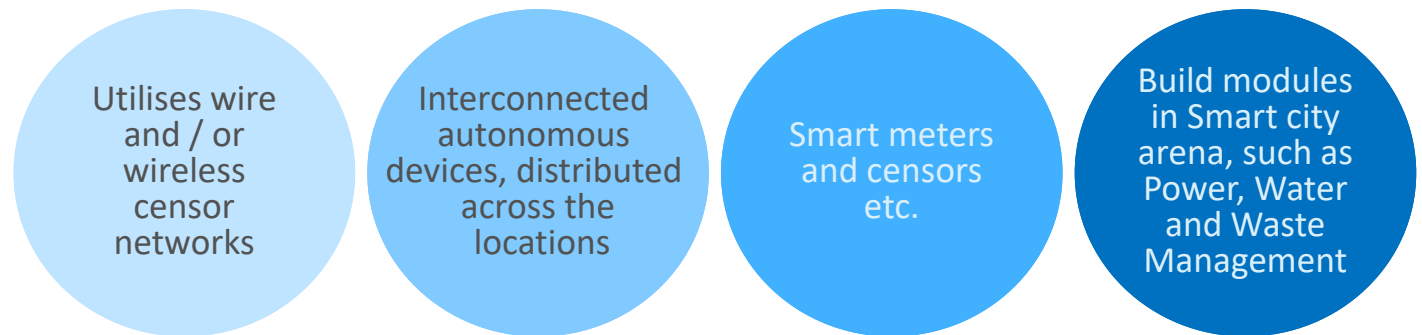
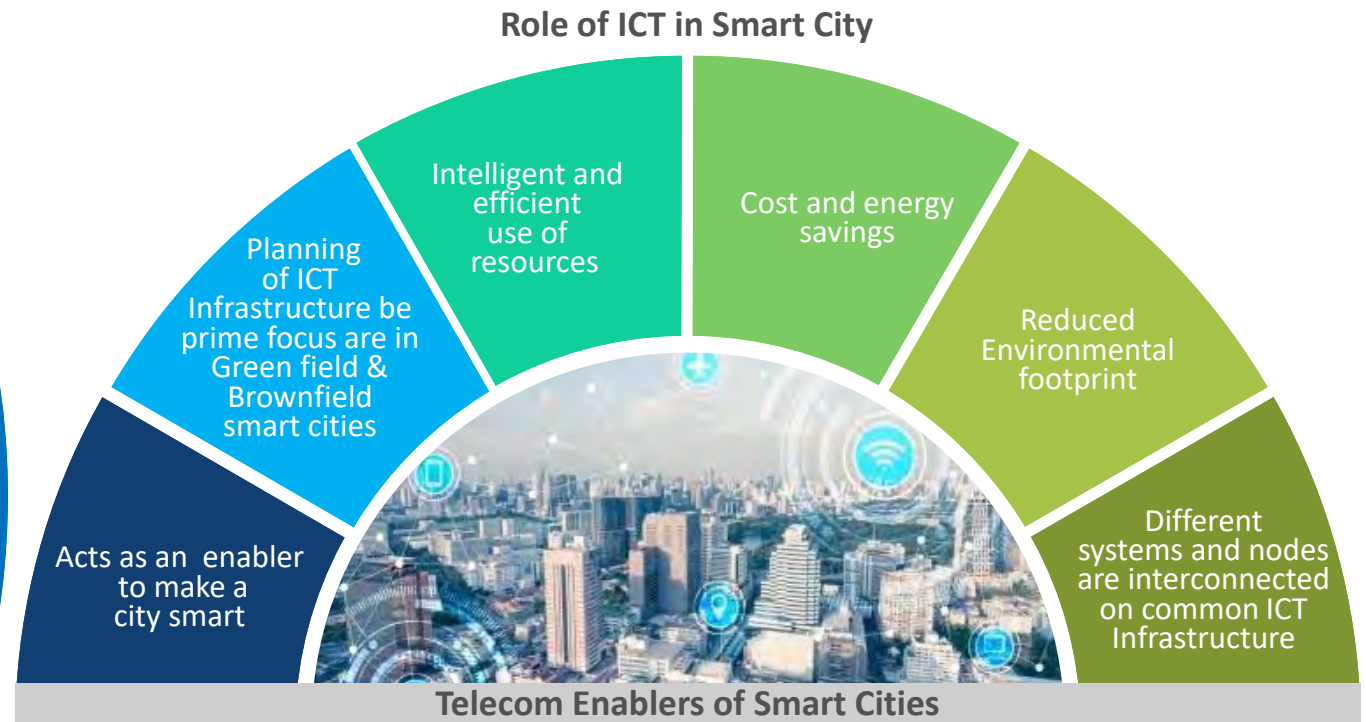
- India is one of the largest rail networks in the world and is expanding like never before with FY18 revenues at USD 27.71 Bn (CAGR of ~10% during FY07-FY18)
- Legacy Signaling and Telecom Systems are integral parts of Railways and need an overhaul and upgradation to strengthen speed and safety
- Government has recognized the need to renew legacy infrastructure as well as construction of new rail lines that will deploy next generation telecom and signaling systems
- Indian Railways would spend about 850 Bn over the next six years to overhaul the signaling system on its entire rail network and promote make in India
- The Government of India has focused on FDI in railways to improve infrastructure for freight and high-speed trains. At present, several domestic and foreign companies are also looking to invest in Indian rail projects

- **Growing Demand** : Increasing urbanisation in both rural and urban segment are driving the growth for the sector
- **Railway Infrastructure** : Expected to Increase from USD 58.96 Bn in 2017 to 124.13 Bn by 2022
- **Policy Support** : Government has increased scope of PPP in providing maintenance

Smart Cities & Surveillance Opportunity



- Hundred cities have been selected under Smart Cities Project at an outlay of over INR 2 lakh Cr
- High speed Communication technology shall play a key role to build better communities and digitally empower citizens where Citizen centric services shall be optimized like smart roads, solar roof, intelligent transport system, etc.
- Cities will leverage on connectivity, open data and end-to-end security where Telecom backbone forms an essential part of Smart Cities for communication and automatic response among citizens
- OFC Connectivity being the most efficient way of networking provides Immense potential for telecom infra developers to develop and/or redevelop communication infra



Massive US\$ 100 Bn+ 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

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

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

R&D efforts towards innovative, indigenous WiFi network solutions shall be ready for deployment in 2019

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

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

Status of Shares Pledged by Promoters



- Promoters have extended support to the Company by way of pledge as a security towards credit facilities availed by the Company.
- None of the Promoters' holding has been pledged against their personal / third party obligations

69% of the Promoters' holding is pledged with the Company's Banks for the credit facilities:

- 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 Cr (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 Crs
- 7% of Promoters' Holding stands pledged against Term Loan of INR 140.94 Cr as interim security towards the upcoming fiber manufacturing facility at Hyderabad. It shall be released by March 2020

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

Strong Order Pipeline

Strong earning visibility with ~INR 10,275 Cr Order Book. Significant Orders spread across verticals. Comprises of INR 1,650 Cr high margin O&M Contracts

IPR Ownership

Owens IPRs & Copyrights for various products

Diverse Customer Base

Diverse Customer Base across all verticals of operations

Comfortable Debt Equity

Comfortable D/E of 0.39x
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.

Capitalising on Infra Wave

Proven expertise in optical fiber network roll out helps in capitalizing on Telecom Infrastructure wave. Government and Private players shall continue to make significant investment

New Business Initiatives

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

Strategic Partnerships

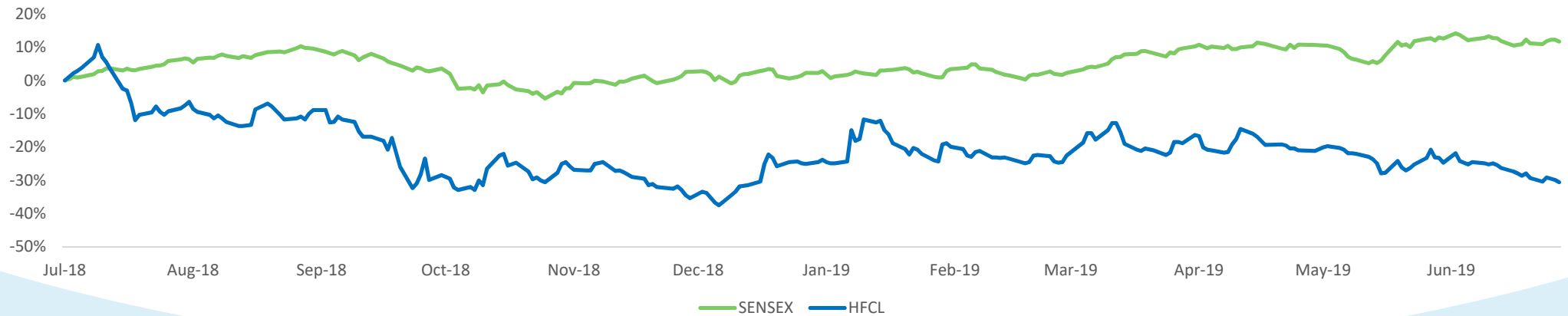
Long standing association with marquee customers



Capital Market Information



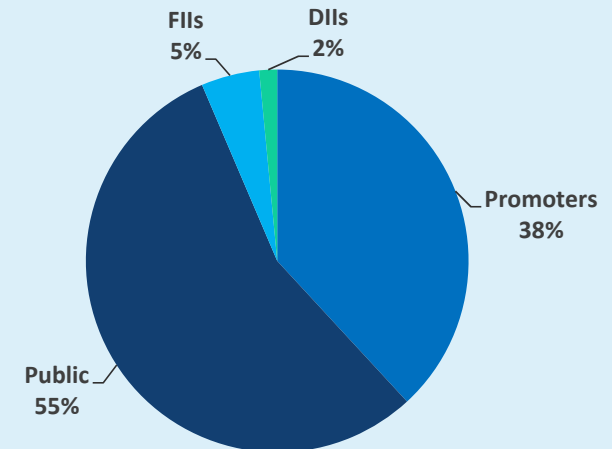
Share Price Data – 30th June, 2019



PRICE DATA (AS ON 30th June, 2019)

Face value (INR)	1.00
Market Price (INR)	19.50 (NSE)
52 Week H/L (INR)	31.35/17.00
Market Cap (INR Mn)	25,045
Equity Shares Outstanding (Mn)	1,284.38
1 Year Avg. Daily trading volume ('000)	4,349.24

Shareholding - (As on 30th June, 2019)



Glossary



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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