



An Environment conscious company certified to  
ISO 14001 Standard

**HIMACHAL FUTURISTIC COMMUNICATIONS LTD.**  
8, Commercial Complex, Masjid Moth,  
Greater Kailash - II, New Delhi - 110048, India  
Tel : (+91 11) 3088 2624, 3088 2626  
Fax : (+91 11) 3068 9013  
Web : [www.hfcl.com](http://www.hfcl.com)  
Email :

secretarial@hfcl.com

HFCL/SEC/18-19/  
11<sup>th</sup> March, 2019

To,

The Secretary  
The National Stock Exchange of India Ltd.  
Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1, "G"  
Block, Bandra-Kurla Complex, Bandra  
(East)  
Mumbai – 400 051  
**Symbol: HFCL**

The Secretary  
The BSE Limited  
27<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400 001  
**Scrip Code: 500183**

Dear Sir/Madam,

**Sub: Analyst/Institutional Investors Meeting at Valorem Analyst Conference 2019 to be held on 11<sup>th</sup> March, 2019**

This is further to our letter dated 8<sup>th</sup> March, 2019 regarding the meeting of the management with various Analysts/Institutional Investors in Mumbai at 'Valorem Analyst Conference 2019', organized by Valorem Advisors on 11<sup>th</sup> March, 2019.

We enclose herewith a copy of presentation to be made before the Analysts/Institutional Investors during the aforesaid Conference.

Kindly take the same on your records and oblige.

Thanking You,

Yours faithfully,  
For **Himachal Futuristic Communications Limited**

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



# HIMACHAL FUTURISTIC COMMUNICATIONS LTD.

INVESTOR PRESENTATION

MARCH 2019

# 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.
- Deployed more than 25,000 cell site and have laid over 1,00,000 km of OFC network.

## State-of-the-art Manufacturing Facilities

- OFC manufacturing at Verna, Goa & Chennai, Tamil Nadu
- Telecom Equipment manufacturing at Solan, Himachal Pradesh
- FRP Rod manufacturing at Hosur, Tamil Nadu

## Backward Integration / Expansion at Hyderabad, Chennai

- A greenfield Optical Fiber manufacturing facility is being set up with a capacity of 6.4m Fkm which will strengthen the Supply Chain and enhance Operating Margins .
- Green field OFC manufacturing facility is also being set up with a capacity of 10.5m Fkm
- Expansion of OFC manufacturing capacity at subsidiary HTL Ltd. from 7m fkm to 10.5m fkm
- Post expansion, consolidated OFC capacity shall reach at 29m fkm

## Consolidated Financial Highlights

Consistent  
Growth  
YoY

### Revenue

INR 32,781  
Mn  
(47.38% YoY)

### EBITDA

INR 3,076  
Mn  
(43.56% YoY)

### PAT

INR 1,717  
Mn  
(38.79% YoY)

## New Initiatives

- Developing new telecom and defence products like HCRR, SDR, WIFI Net work Products, UBR, Security and surveillance products, Electronic Fuses, Night vision Devices, Unmanned Ariel Vehicles
- Field trials and RFPs are in progress for defence equipment

# 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



## **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



## **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



## **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



## **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



## **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



## **Surendra Singh Sirohi (Independent Director)**

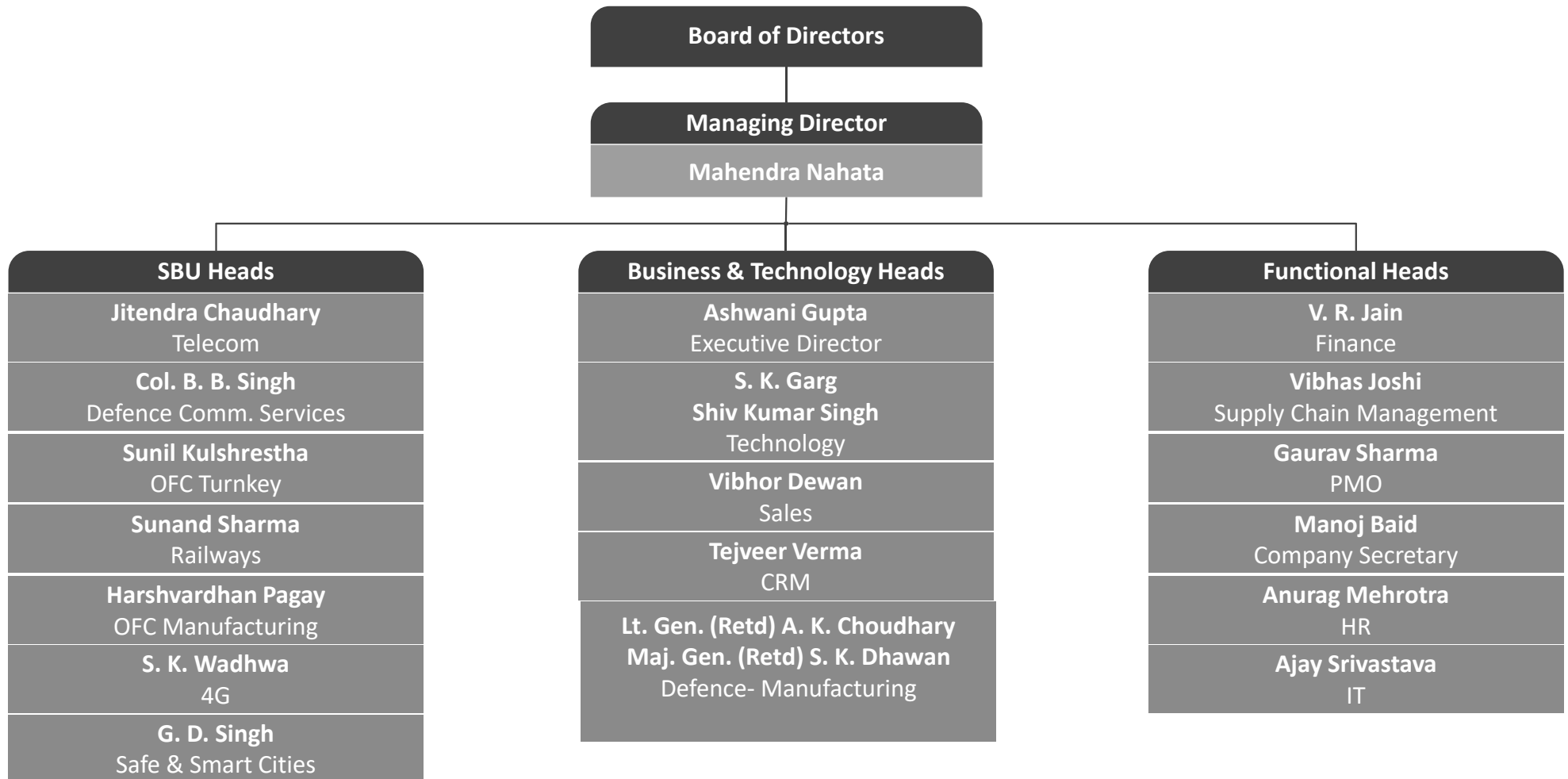
- Alumnus – IIT Kanpur and Ex-Officio Secretary to GOI in Ministry of Communication & IT
- Has been Member - Technology in Telecom Commission
- Vast experience in telecom industry particularly in the areas of National Policy, sectorial regulations, planning & development, R&D, telecom service operations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



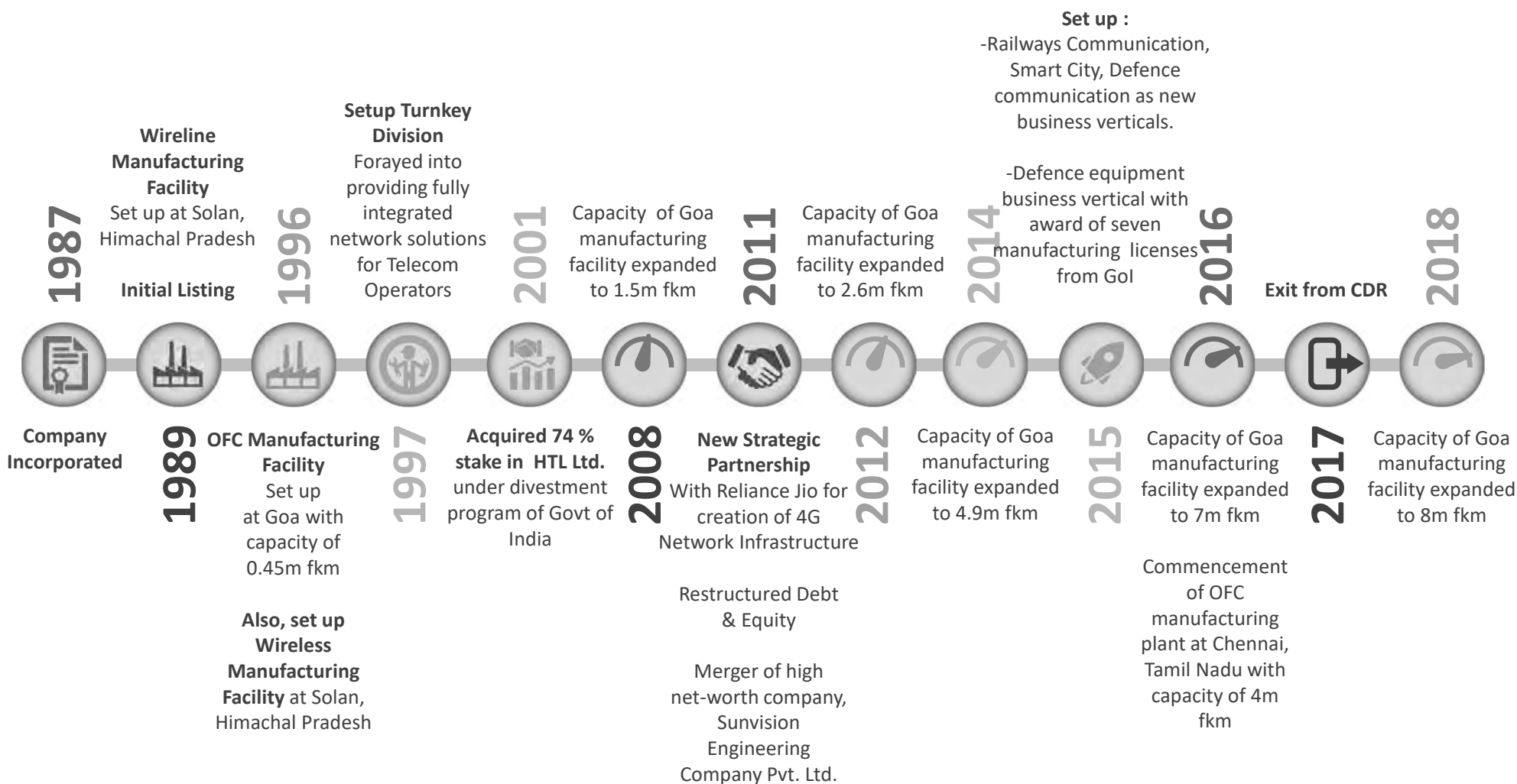
## **Dr. Tamali Sen Gupta (Independent Woman Director)**

- 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

## OFC & Optical Fiber Manufacturing\*

Hyderabad, Telangana

Planned Capacity: OFC - 10.5m fkm / Optical fiber - 6.4m fkm



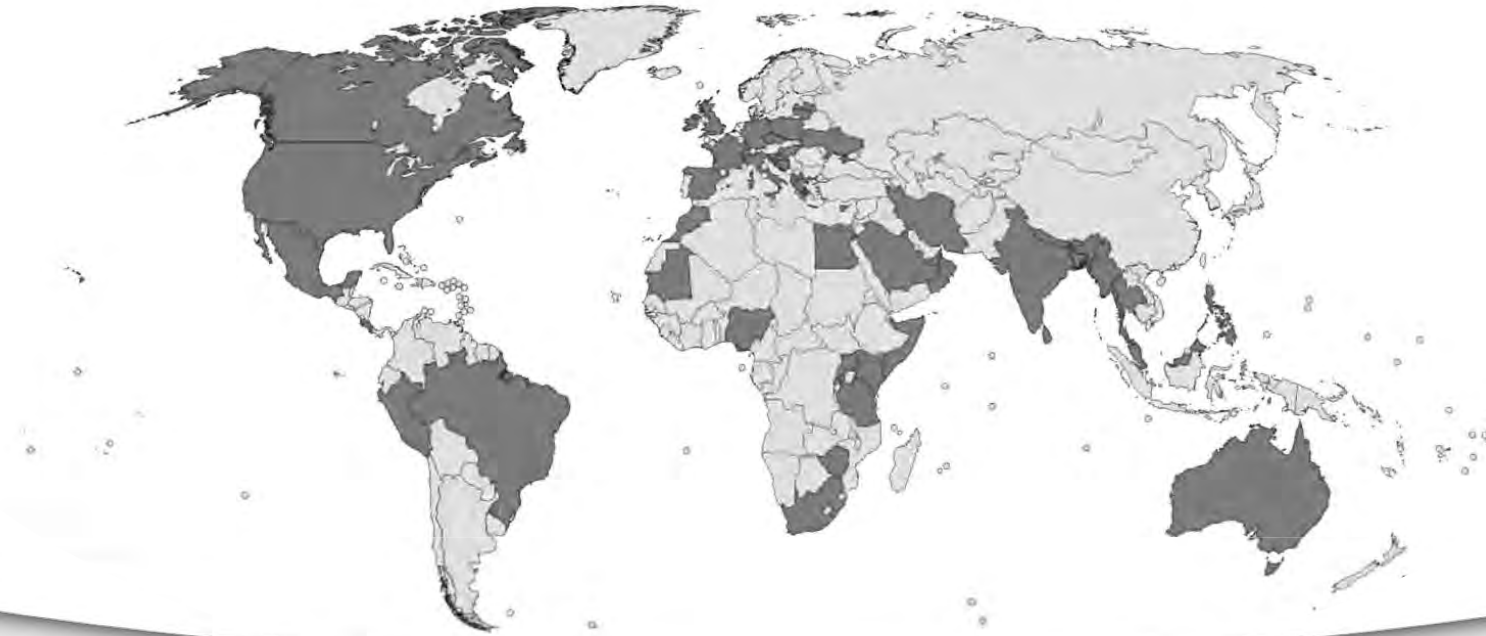
\* Greenfield facility - work in progress

# Key Customers Globally





# 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

# Certifications




**BSNL**  
 Technical Specification Evaluation Certificate



**RDSO**  
 RDSO - Type Approval Certificate



**EIL**  
 Product Certificate



**CPR CERTIFIED**  
 CPR (EU regulation) Certificate - Consistency of Performance of Construction Product



**RoHS COMPLIANT**  
 CE Certification in Compliance with ROHS regulation by TUV Nord



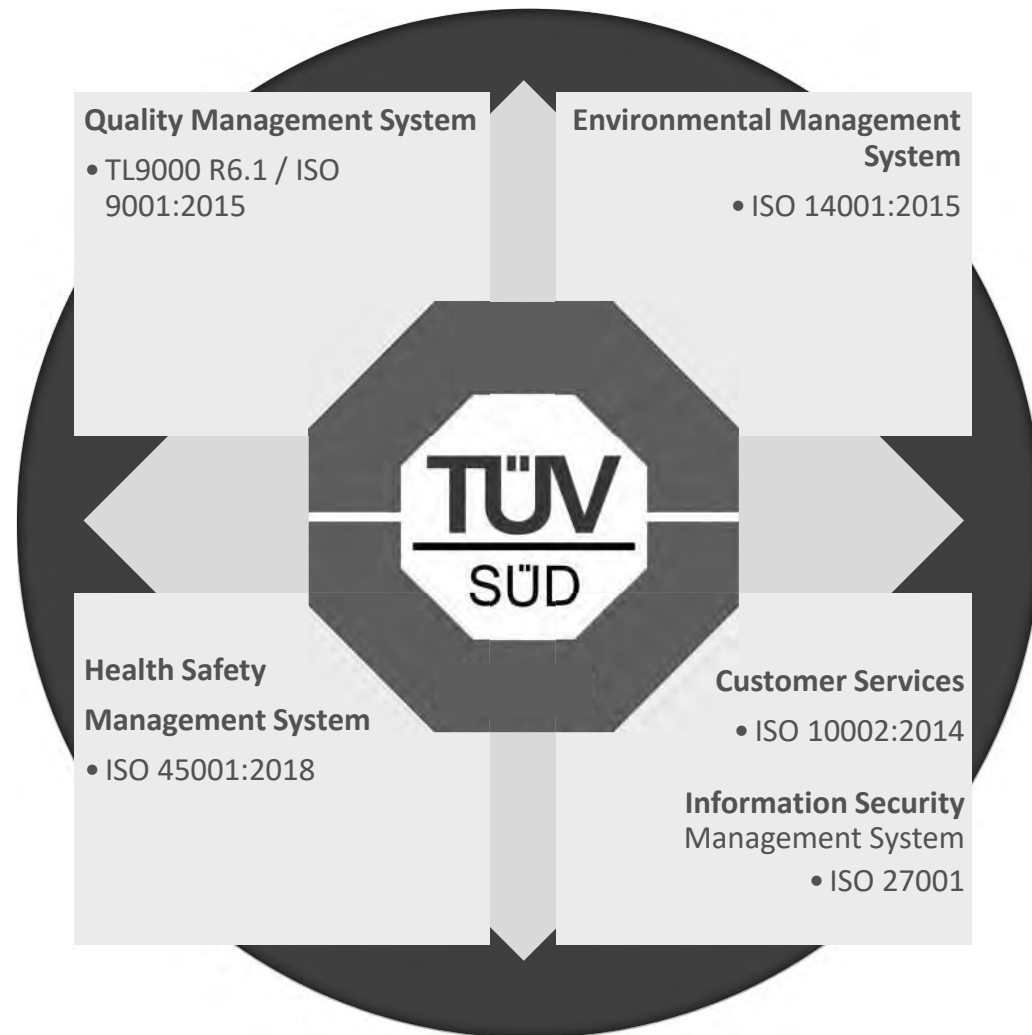
**UL LISTED**  
 HFCL is the first OFC manufacturer in India to get Optical fiber Cable listed with UL for OFCG rating



**ONVIF**  
 Surveillance Products



**WiFi ALLIANCE**  
 Wi-Fi Products





## PRODUCTS AND SOLUTIONS PORTFOLIO



# An Agile Portfolio of Products & Solutions



## OPTICAL FIBER CABLE, OPTIC- FIBER & OFC ACCESSORIES

- Aerial Cables
- Armoured / Unarmoured Cables
- FTTx Cables
- Duct / Micro Ducts
- ADSS Cables
- Ribbon Cables
- Premises Distribution Cables
- CPRI Cables
- Patch Cords, Pigtaills, Patch Panels, Splitter Modules, FDMS, HFTB
- Optical fiber\*



## TELECOM PRODUCTS

- GSM BSS Equipment
- Microwave Radios
- Telecom Power Systems
- High Capacity Radio Relay \*
- E Band & V Band Radio\*
- 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
- Highway Traffic Management System\*
- Parking Management System



## DEFENCE PRODUCTS

- Unmanned Aerial Vehicles(UAV)\*
- Electronic Artillery Fuses for ammunition\*
- Night Vision devices\*
- IR PTZ Cameras\*



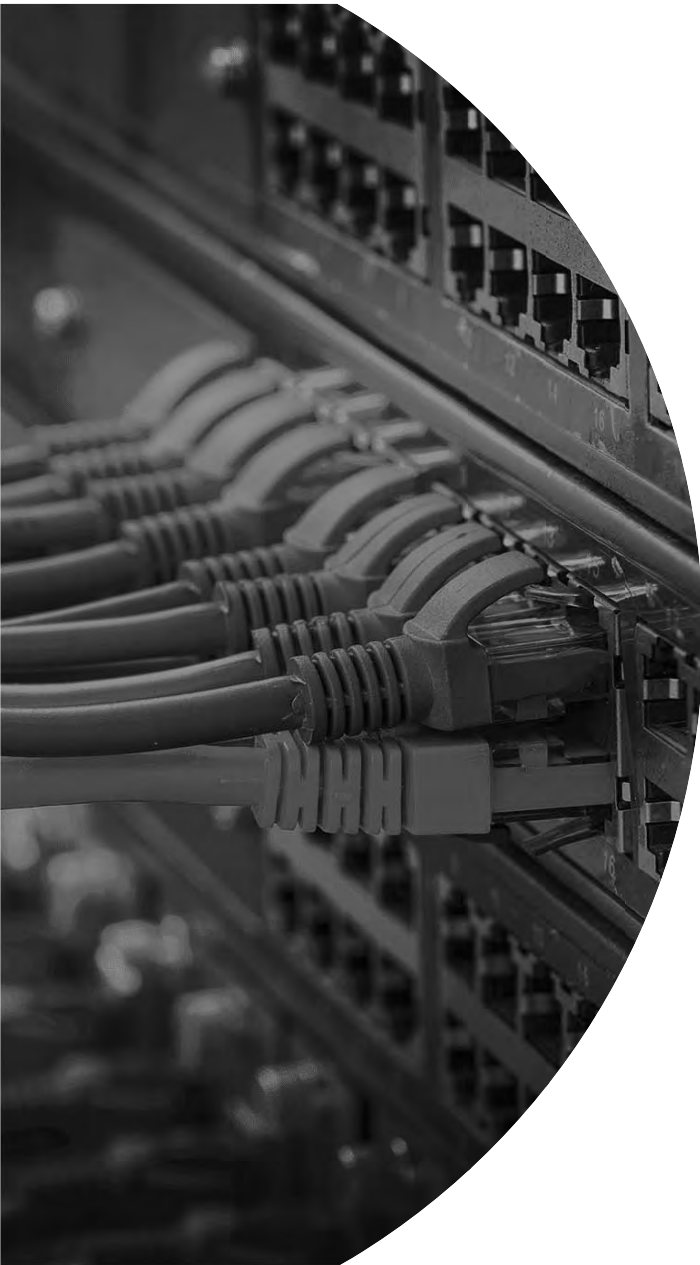
## COMMUNICATION NETWORK SOLUTIONS

- Telecom Network Solutions
  - OFC Network
  - FTTx Network
  - Rural Mobile Network
  - *Broadband Access & Wi-Fi Network*
  - Radio backhaul Network
- Defence Network Solutions
  - Optical Transport Network (DWDM)
  - Fiber Monitoring & Management
  - Microwave Network
  - IPMPLS Network (Routing & Switching)
  - Border Management
  - Perimeter Security
- Railway Communication Network
  - Metro Rail & Main Line
- Smart City & Surveillance Network

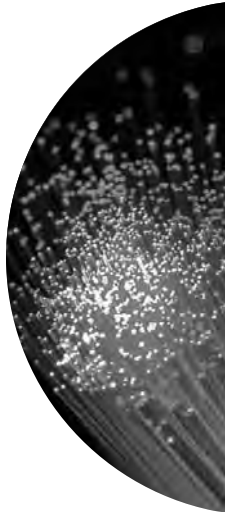
PRODUCTS

SOLUTIONS

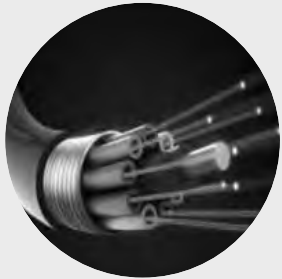
\* Products under development



## PRODUCTS



# Optical Fiber Cables

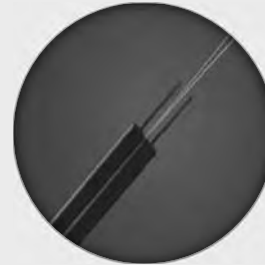


## Conventional cables

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

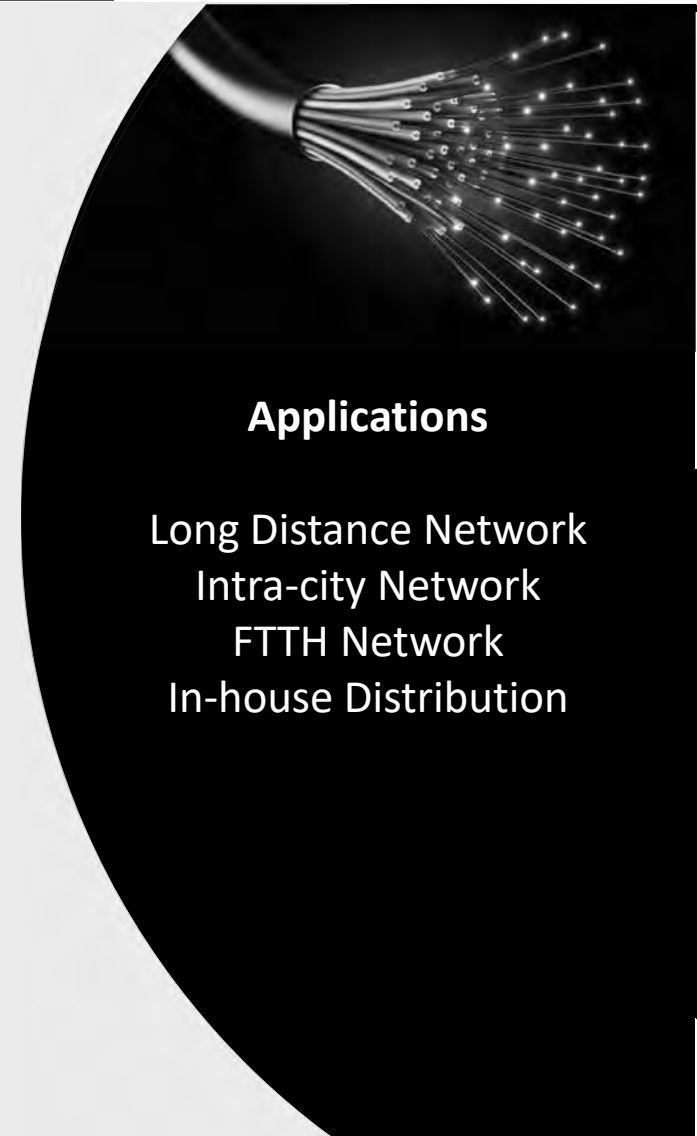
## FTTH Cable

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



## Specialty Cables

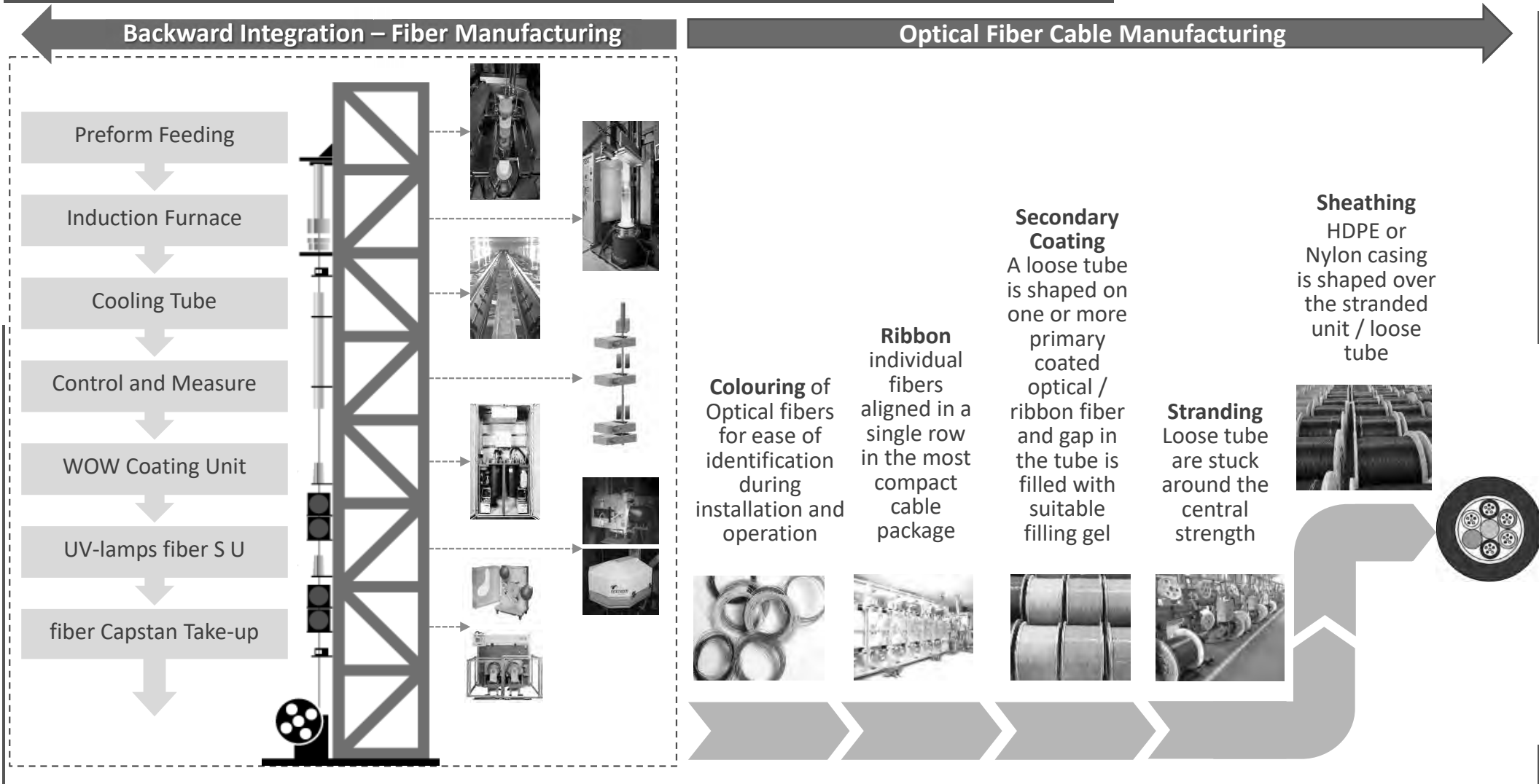
- Tactical Cables
- Intrusion-Free Cables
- Wire Armoured Cables
- Fire Survival Cables
- Easy peel cables



## Applications

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

# Manufacturing Process



# 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.



## Unlicensed Band Radio

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

## Power Solution Equipment

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

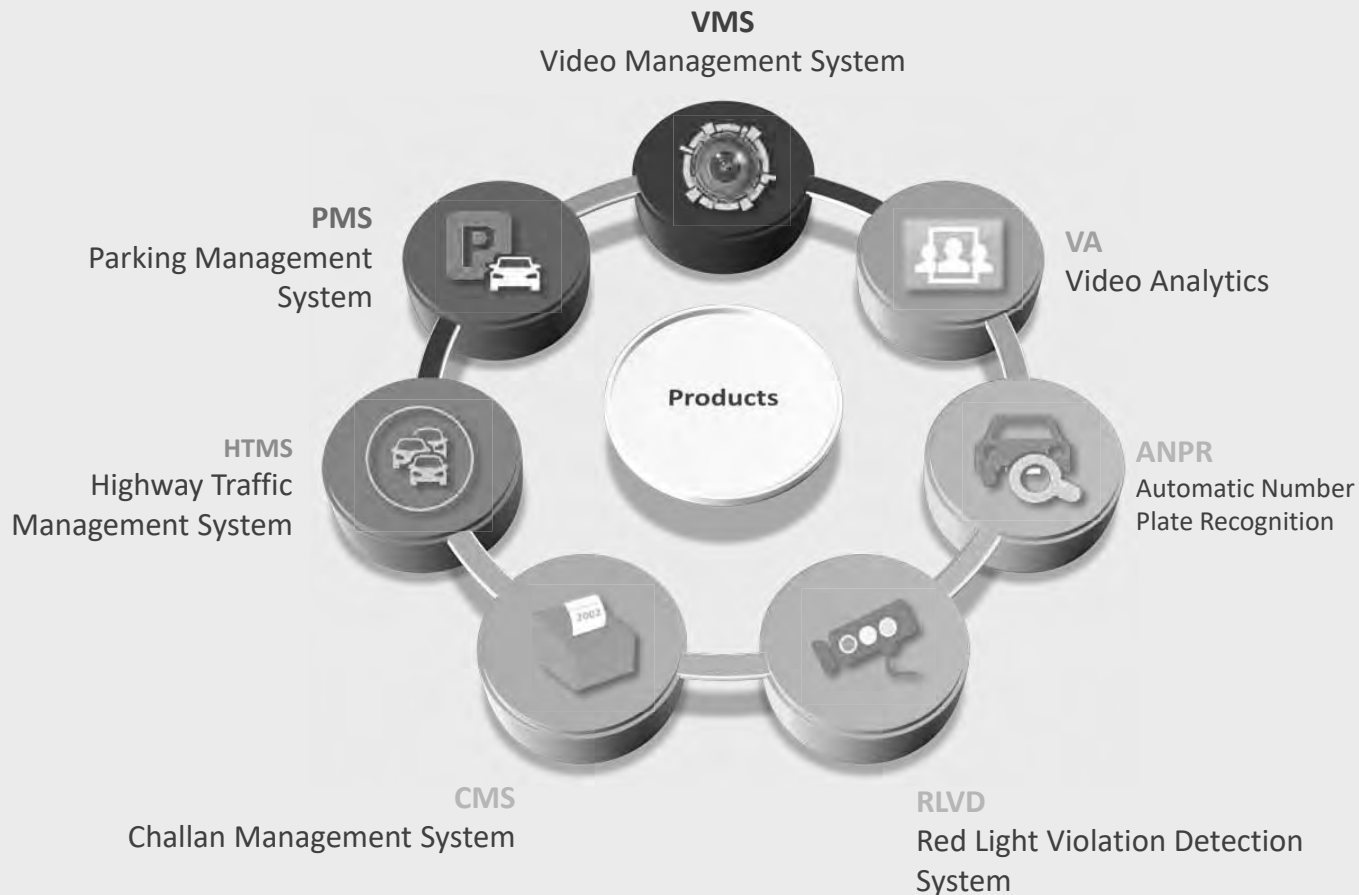


## Wi-Fi Access Point

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.



SOLUTIONS



# 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



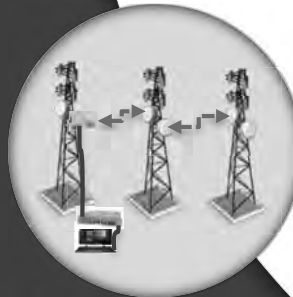
## Fiber Monitoring & Management (GOFNMS)

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 Solutions

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

## Perimeter Security of Strategic installations

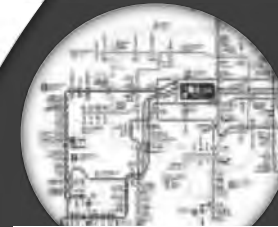
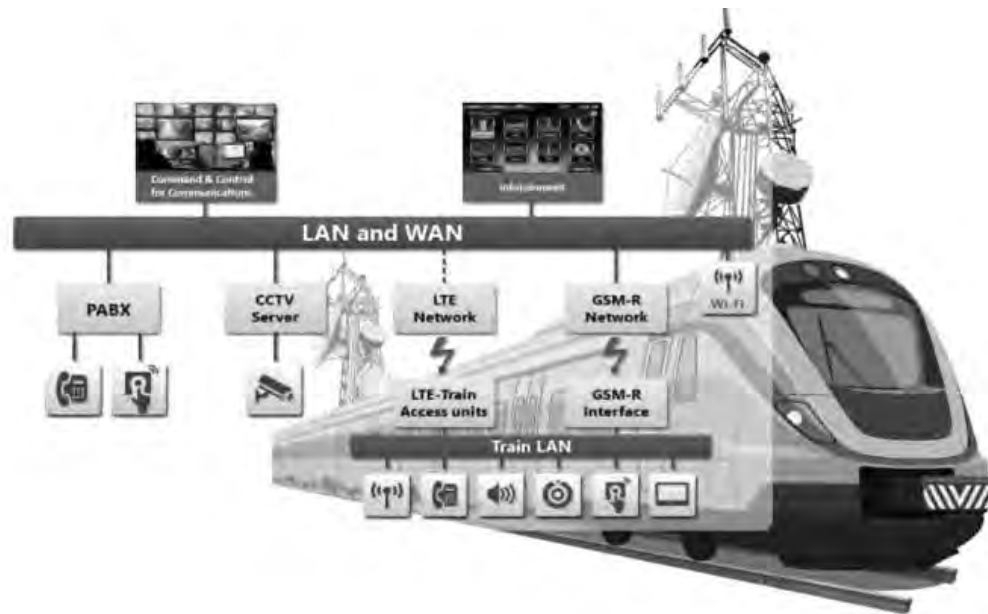
Ensure reliable, long-term solutions for the perimeter protection challenges of security sensitive infrastructure and locations.



# 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



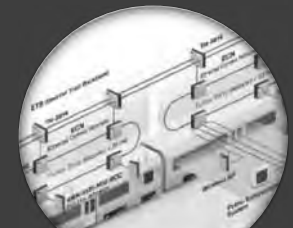
Network Design



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

## Smart City Projects executed by HFCL



### 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.

### JDA 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 Surveillance & Traffic
- Gurgaon Safe City & Traffic Management
- UIDAI - Aadhar (Data Centers)
- Tihar Jail, New Delhi through partner
- 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



**Completely Transformed**  
on Growth Trajectory

**Revenue up**  
from INR 305 Cr in FY12 to INR 3,278 Cr in FY18

**49% CAGR**

**EBITDA CAGR of 37%** from FY12 to FY18

EBITDA at **INR 279 Cr**

**PAT up**  
from a loss of **INR 67 Cr** in FY12 to **INR 172 Cr** in FY18

Debt down **87%** from **INR 2,211 Cr** in FY09 to **INR 408 Cr** by FY18

Debt /Equity is now comfortable at **0.34x**

**Debt is largely Working Capital**

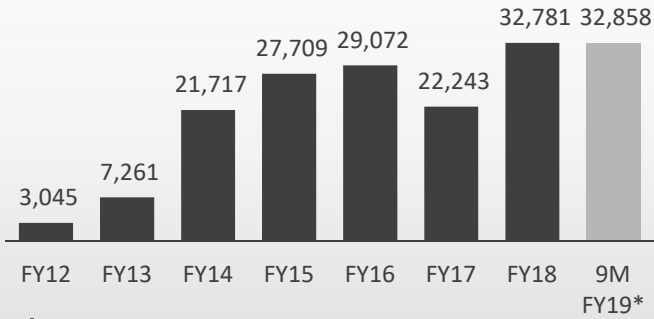
**Strong Order Book of INR ~11,000 Cr** provides visibility

**Credit rating has significantly improved** from D in FY12 to A- with stable outlook in FY18

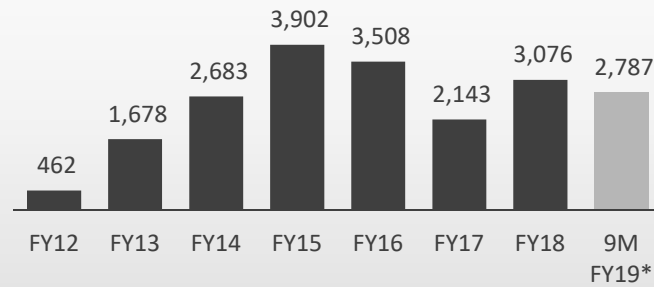
# Performance Metrics



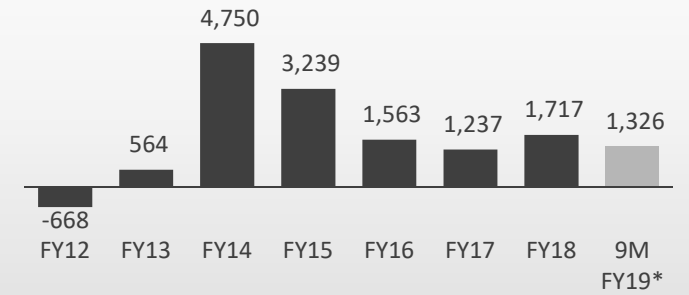
Revenue (INR Mn)



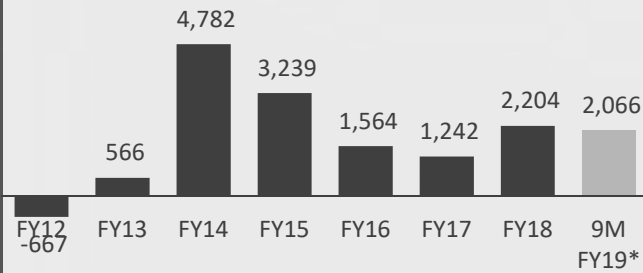
EBITDA (INR Mn)



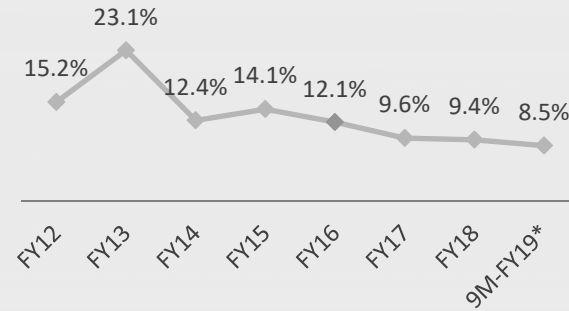
PAT (INR Mn)



PBT (INR Mn)



EBIDTA Margin



PAT Margin

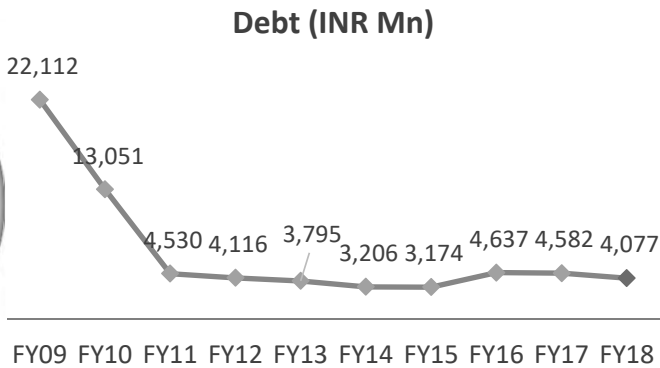


\* Standalone

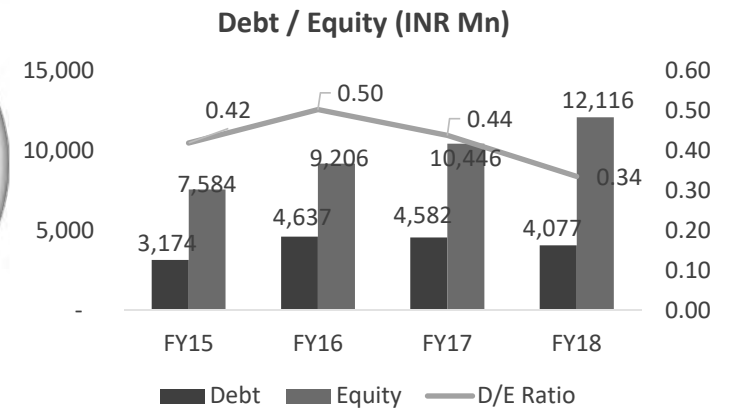
# Debt Equity & Shareholders Return



**Debt down 87%**  
From INR 2,211 Cr in FY09 to INR 408 Cr by FY18



**Debt to Equity is 0.34x, lowest in 5 years**  
Largely Working Capital Debt



**Credit rating has significantly improved from D in FY12 to A- with stable outlook in FY18**

**Networth (INR Mn)**



**RoE (%)**



**EPS Rs.**



\* Standalone

# Consolidated Income Statement



<b>PARTICULARS (INR Mn)</b>	<b>FY17</b>	<b>FY18</b>
Revenue from Operations	22,029	32,517
Other Income	214	264
<b>Total Income</b>	<b>22,243</b>	<b>32,781</b>
Total Expenses	20,100	29,705
<b>EBITDA</b>	<b>2,143</b>	<b>3,076</b>
<i><b>EBITDA Margin</b></i>	<i><b>9.63%</b></i>	<i><b>9.38%</b></i>
Depreciation	218	232
Finance Cost	624	636
Share of net profits of JV's accounted using equity method	(59)	14
Exceptional Items	0	(18)
<b>PBT</b>	<b>1,242</b>	<b>2,204</b>
Tax	5	487
<b>Profit after Tax</b>	<b>1,237</b>	<b>1,717</b>
<i><b>PAT Margin</b></i>	<i><b>5.56%</b></i>	<i><b>5.24%</b></i>
Other Comprehensive Income	18	12
<b>Total Comprehensive Income</b>	<b>1,255</b>	<b>1,729</b>
EPS (Diluted)	1.00	1.38

# Consolidated Balance Sheet



<b>EQUITIES &amp; LIABILITIES (INR Mn)</b>	<b>FY17</b>	<b>FY18</b>
(A) Share Capital	1,239	1,239
(B) Other Equity	8,402	10,273
Non Controlling Interest	15	54
<b>Total -Shareholder Funds</b>	<b>9,656</b>	<b>11,566</b>
<b>Non Current Liabilities</b>		
(A) Financial Liabilities		
(i) Borrowings	2,676	1,413
(ii) Financial guarantee Obligations	2	3
(B) Provisions	186	231
<b>Total - Non – Current Liabilities</b>	<b>2,864</b>	<b>1,647</b>
<b>Current Liabilities</b>		
Financial Liabilities		
(i) Borrowings	1,801	2,004
(ii) Trade Payables	4,572	5,626
(iii)Other Financial Liabilities	3,505	4,378
(B)Other Current Liabilities	331	636
(C)Provisions	25	27
<b>Total – Current Liabilities</b>	<b>10,234</b>	<b>12,671</b>
<b>GRAND TOTAL - EQUITIES &amp; LIABILITES</b>	<b>22,754</b>	<b>25,884</b>

<b>ASSETS (INR Mn)</b>	<b>FY17</b>	<b>FY18</b>
(A) Property plant & Equipment	1,582	1,657
(B) Capital Work in Progress	17	17
(C) Goodwill	258	258
(D) Other Intangible Assets	43	43
(E) Intangible Assets under development	-	82
(F) Investment in Associates/ JV	42	56
(G) Financial Assets		
(i) Investment	445	461
(ii) Trade receivables	-	7
(iii) Others	74	133
(H) Deferred Tax (Net)	1,226	1,187
(I) Other Non Current Assets	9	22
<b>Total - Non – Current Assets</b>	<b>3,696</b>	<b>3,923</b>
<b>Current Assets</b>		
(A) Inventories	2,454	2,136
(B) Financial Assets		
(i) Investment	17	36
(ii) Trade Receivables	11,794	12,334
(iii) Cash & Cash Equivalents	59	666
(iv) Bank balances other than above	916	655
(v)Loans	67	67
(vi)Others-Advances	2,634	4,411
(C) Current Tax Assets (Net)	592	964
(D) Other Current Assets	525	692
<b>Total – Current Assets</b>	<b>19,058</b>	<b>21,961</b>
<b>GRAND TOTAL – ASSETS</b>	<b>22,754</b>	<b>25,884</b>

# Standalone Income Statement



PARTICULARS (INR Mn)	FY17	FY18	9M-FY18	9M-FY19
Revenue from Operations	20,668	30,842	21,400	32,754
Other Income	186	195	76	104
<b>Total Income</b>	<b>20,854</b>	<b>31,036</b>	<b>21,476</b>	<b>32,858</b>
Total Expenses	18,860	28,210	19,521	30,071
<b>EBITDA</b>	<b>1,994</b>	<b>2,826</b>	<b>1,955</b>	<b>2,787</b>
<b>EBITDA Margin</b>	<b>9.56%</b>	<b>9.11%</b>	<b>9.10%</b>	<b>8.48%</b>
Depreciation	157	163	121	127
Finance Cost	599	609	487	594
Share of net profits of JV's accounted using equity method	0	0	0	0
Exceptional Items	0	(18)	0	0
<b>PBT</b>	<b>1,237</b>	<b>2,036</b>	<b>1,347</b>	<b>2,066</b>
Tax	0	486	385	739
<b>Profit after Tax</b>	<b>1,237</b>	<b>1,550</b>	<b>962</b>	<b>1,326</b>
<b>PAT Margin</b>	<b>5.93%</b>	<b>5.00%</b>	<b>4.48%</b>	<b>4.04%</b>
Other Comprehensive Income	19	(5)	(1)	-8
<b>Total Comprehensive Income</b>	<b>1,256</b>	<b>1,545</b>	<b>961</b>	<b>1,318</b>
EPS (Diluted)	1.01	1.24	0.78	1.05

# Standalone Balance Sheet



<b>EQUITIES &amp; LIABILITIES (INR Mn)</b>	<b>FY17</b>	<b>FY18</b>
(A) Share Capital	1,239	1,239
(B) Other Equity	9,196	10,921
<b>Total -Shareholder Funds</b>	<b>10,435</b>	<b>12,160</b>
<b>Non Current Liabilities</b>		
(A) Financial Liabilities		
(i) Borrowings	2,376	1,113
(ii) Financial guarantee Obligations	6	4
(B) Provisions	164	205
<b>Total - Non – Current Liabilities</b>	<b>2,546</b>	<b>1,322</b>
<b>Current Liabilities</b>		
Financial Liabilities		
(i) Borrowings	1,653	1,862
(ii) Trade Payables	3,924	5,158
(iii) Other Financial Liabilities	3,474	4,320
(B) Other Current Liabilities	215	611
(C) Provisions	22	25
<b>Total – Current Liabilities</b>	<b>9,288</b>	<b>11,976</b>
<b>GRAND TOTAL - EQUITIES &amp; LIABILITES</b>	<b>22,269</b>	<b>25,458</b>

<b>ASSETS (INR Mn)</b>	<b>FY17</b>	<b>FY18</b>
(A) Property plant & Equipment	1,068	1,074
(B) Capital Work in Progress	14	14
(C) Other Intangible Assets	41	30
(D) Intangible Assets under development		82
(E) Investment in Associates/ JV	186	186
(F) Financial Assets		
(i) Investment	444	440
(ii) Trade receivables		
(iii) Others	915	1,041
(G) Deferred Tax (Net)	1,224	1,187
(H) Other Non Current Assets	1	19
<b>Total - Non – Current Assets</b>	<b>3,893</b>	<b>4,073</b>
<b>Current Assets</b>		
(A) Inventories	2,176	1,787
(B) Financial Assets		
(i) Investment	17	36
(ii) Trade Receivables	11,472	12,341
(iii) Cash & Cash Equivalents	24	492
(iv) Bank balances other than above	775	592
(v) Loans	144	68
(vi) Others-Advances	2,668	4,484
(C) Current Tax Assets (Net)	574	951
(D )Other Current Assets	526	634
<b>Total – Current Assets</b>	<b>18,376</b>	<b>21,385</b>
<b>GRAND TOTAL – ASSETS</b>	<b>22,269</b>	<b>25,458</b>

# Strong Order Book of ~INR 11,000 Cr provides visibility



**Total Order book of ~INR 11,000 Cr**

- 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

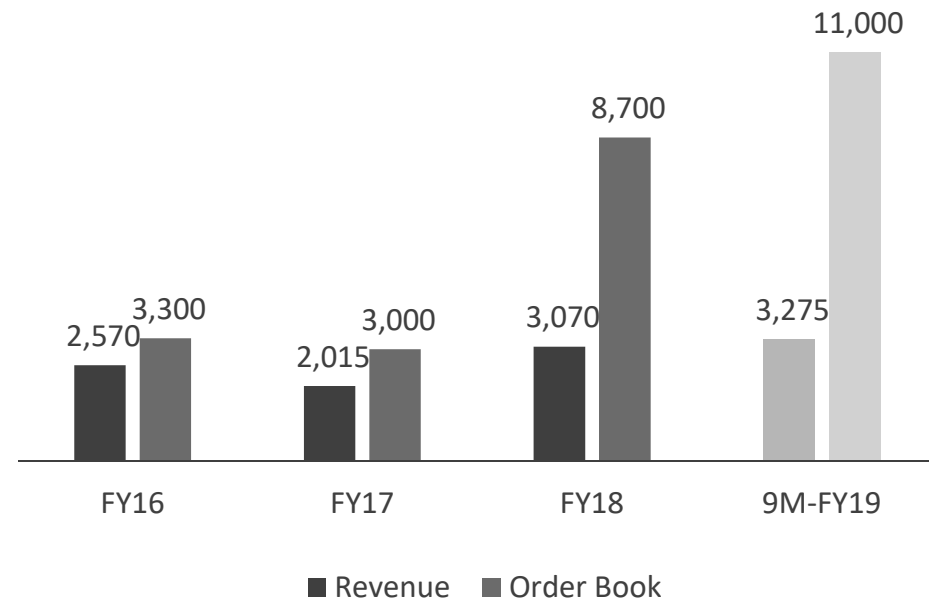
**~3.5 times  
FY18 revenue**

**Strong  
Earning  
Visibility**

**O&M Contracts  
worth ~INR 2,300 Cr**

**Ensuring high margin  
revenues YoY**

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



\* Standalone





## INDUSTRY OVERVIEW



# Telecom - Mature Eco-system Is Driving Pan India Growth



## Government 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

## Growing Internet Community

Internet Subscribers grew at CAGR of 25% (2013-18) 560 Mn in Sept 2018  
Broadband Internet Subscribers stand at 482 Mn in Sept 2018 at CAGR of 94% (2013-18)



## Consumption Pattern

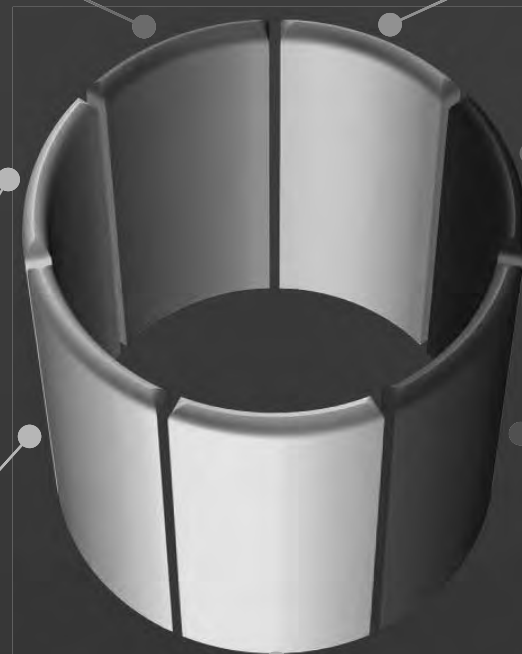
Total Data usage per month grew ~40 times in last three years from 128 PB to 4,867 PB  
usage / user pm grew 12 times in three years from 0.8GB to 9.41 GB



Usage grew 109% YoY in 2018

Video contributed to 70%-80% share of mobile data traffic 2018

Demand has shifted from call and VAS to a data-linked play



## 4G, 5G, Fiberisation

4G is the key driver behind increasing users' appetite towards data consumption. Aggressive 4G expansion 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

## FTTH

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



## Device Ecosystem

Aggressive evolution of device ecosystem

Sharp decline in handset prices

Substantial additions to LTE device base reaching 277m

LTE device ecosystem continues to develop across LTE bands in India



## Affordable Tariffs

Entry of Jio altered the face completely

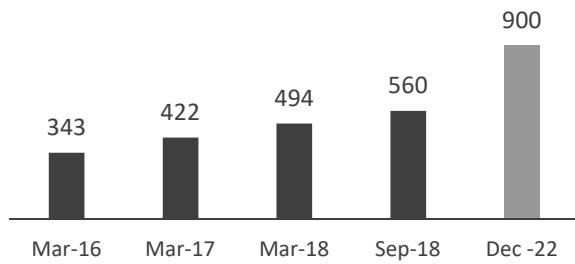
Tariff declined to INR 11 / Gb from INR 287 in 2014

Source : TRAI, Nokia MBIT, Cisco VNI

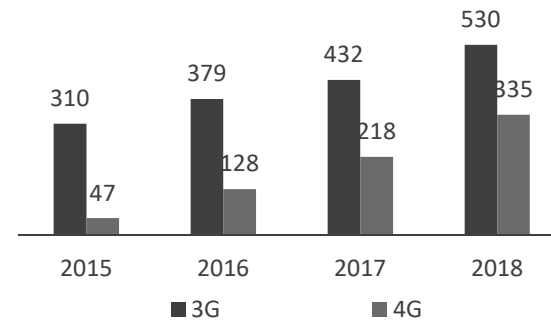
# Industry Growth



Internet Subscribers (Mn)

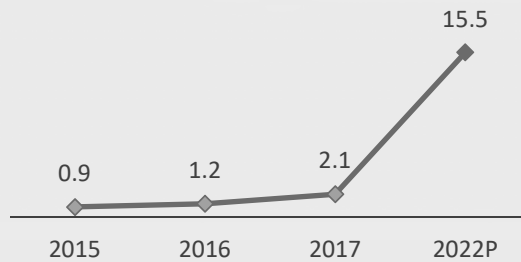


3G/4G device base (Mn)

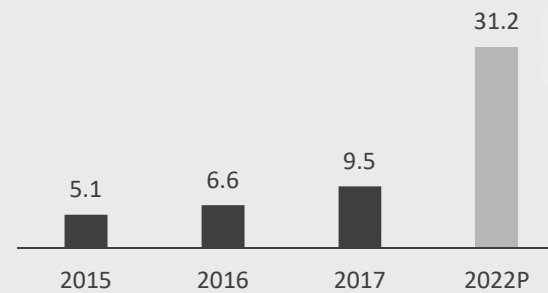


**Multifold Growth  
Shall continue  
unabated**

Internet Traffic Per month (Exabyte)



Internet Speed (Mbps)



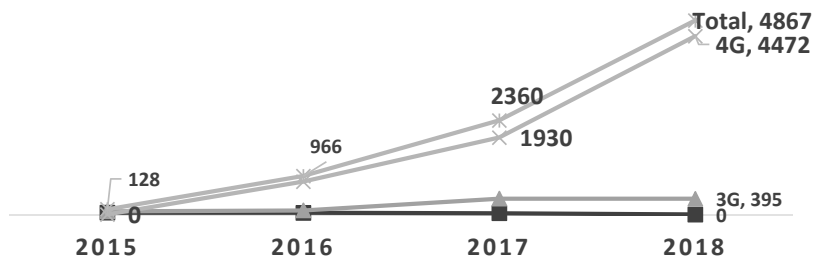
**Internet Growth  
2017-22:  
Subscribers: 2x  
Traffic: 7x  
Speed: 3.3x**

Source : TRAI, Nokia MBIT, Cisco VNI, Co Estimate

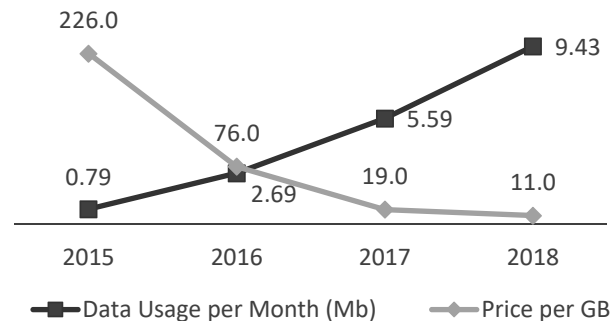
# Data Consumption To Leap Frog – Doubling YoY



DATA USAGE PER MONTH, PENTABYTE (PB)



Per Subs Data Usage / Price per GB (INR)

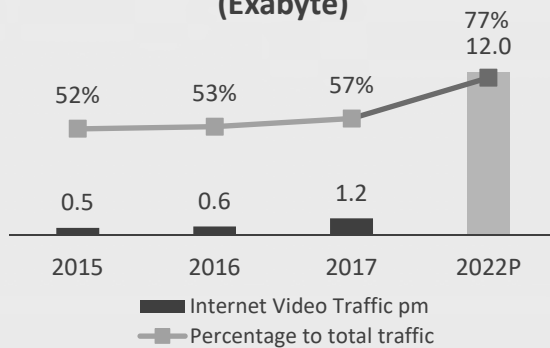


**2015-18**  
38x rise in total data usage pm.  
4G brings in a complete new dimension in usage with 92% play load

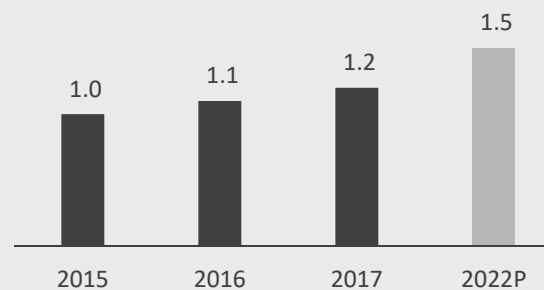
**2015-18**  
12x rise in data Usage per Subscriber while tariff Falls 95%

## Increased devices and Video Traffic

Internet Video Traffic pm (Exabyte)

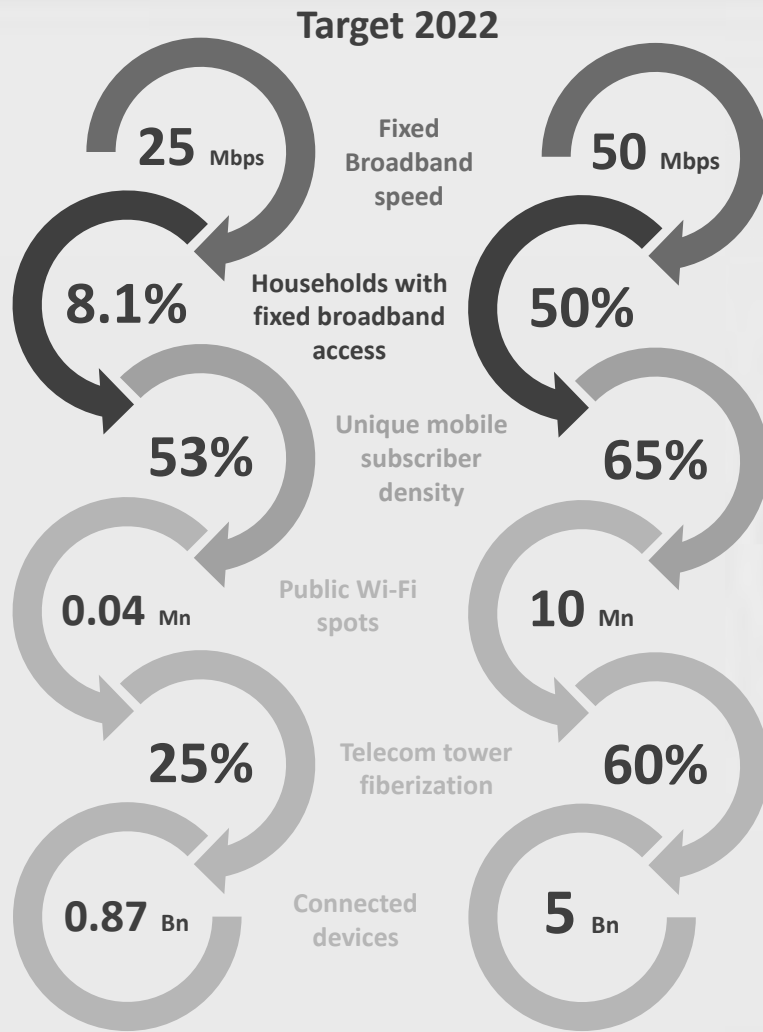


Network device per capita



Source : TRAI, Nokia MBIT, Cisco VNI

# 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:

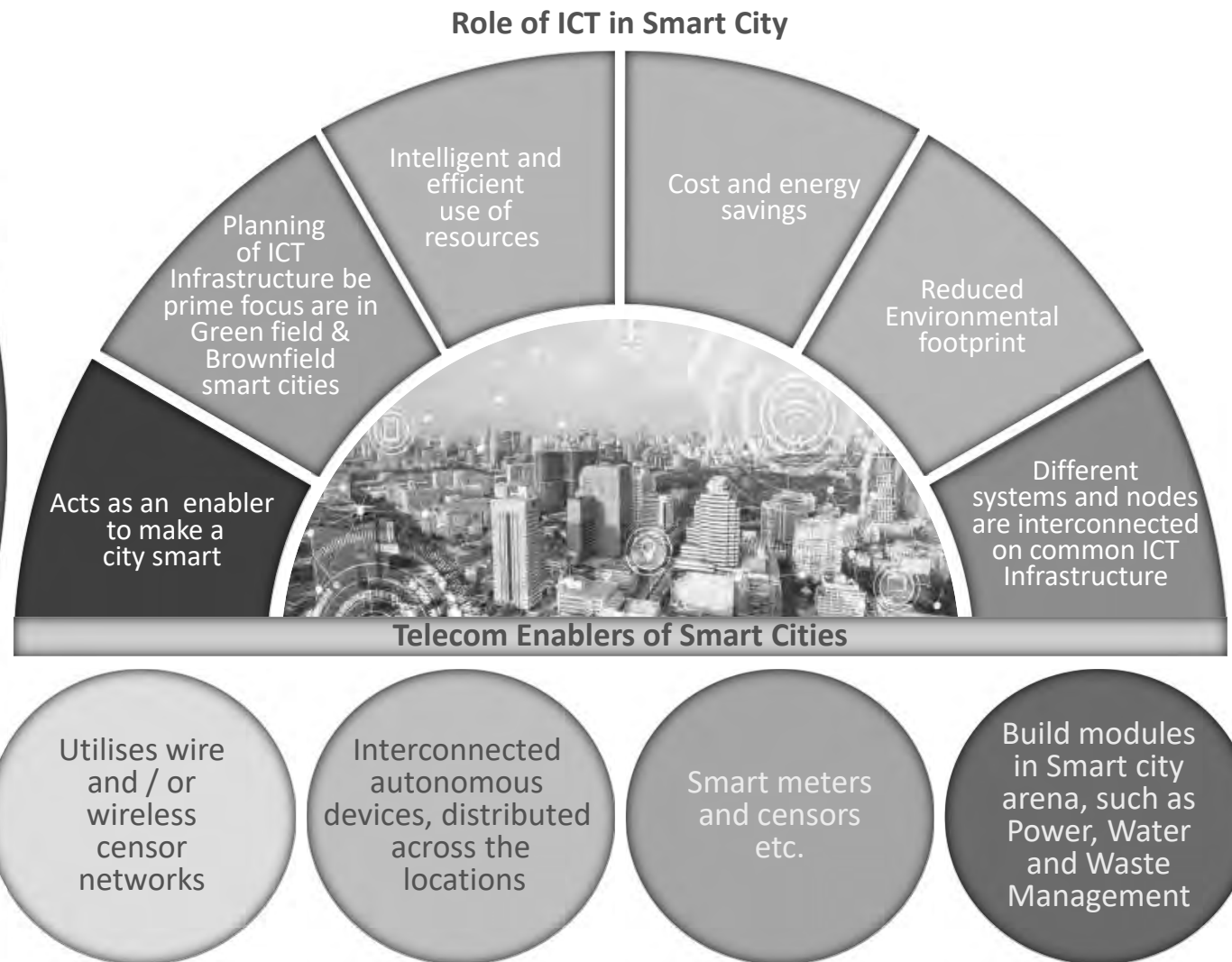
### **By ensure digital sovereignty, safety and security of digital ecosystem**

- 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

# Smart Cities & Surveillance



- Ninety-nine cities have been selected under Smart Cities Project at an outlay of Rs 2.04 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



# Defence

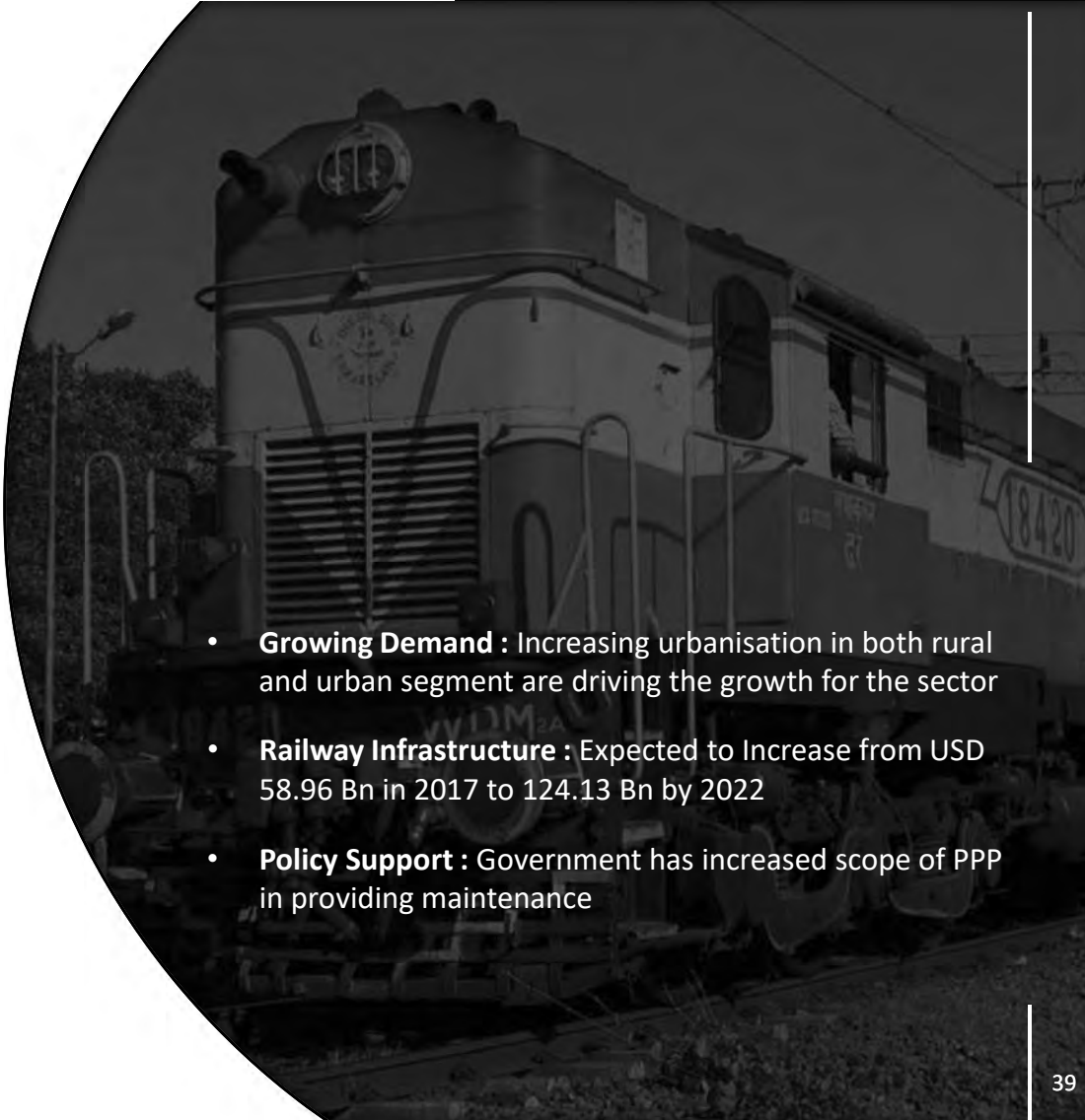


- India is the largest importer of defense equipment in the world where the imports account for nearly 65% of the country's military requirement.
- India has spent USD 100 Bn in last one decade to buy 65 per cent of its defense equipment therefore, the government has set a goal to reverse this trend and reduce the import percentage to under 30% in next couple of years through Make in India initiative.
- The Defense 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 Defense projects the export of INR 35,000 crores in military equipment and services by 2025
- India has inked defense pact worth INR 2.40 lakh Cr with foreign and domestic firms for military equipment in last four years.

# Railways



- 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



# 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

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

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

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

# Value Proposition



## Agile Portfolio of Products and Solutions

Agile portfolio of products and solutions backed by excellent manufacturing facilities

## Strong Order Pipeline

Strong earning visibility with ~INR 11,000 Cr Order Book. Significant Orders spread across verticals. Comprises of INR 2,300 Cr high margin O&M Contracts

## Comfortable Debt Equity

Free Cash Positive with comfortable D/E of 0.35x. Credit rating has significantly improved from D in FY12 to A- with stable outlook in FY18

## Backward Integration & Expansion

Backward Integration into Optical fiber Manufacturing shall strengthen supply chain and enhance operating margins. Expansion of OFC Capacity shall lead to enhanced revenue and profits.

## New Business Initiatives

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

## Leadership

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

## IPR Ownership

Owns IPRs & Copyrights for various products

## Diverse Customer Base

Diverse Customer Base across all verticals of operations

## 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

## Strategic Partnerships

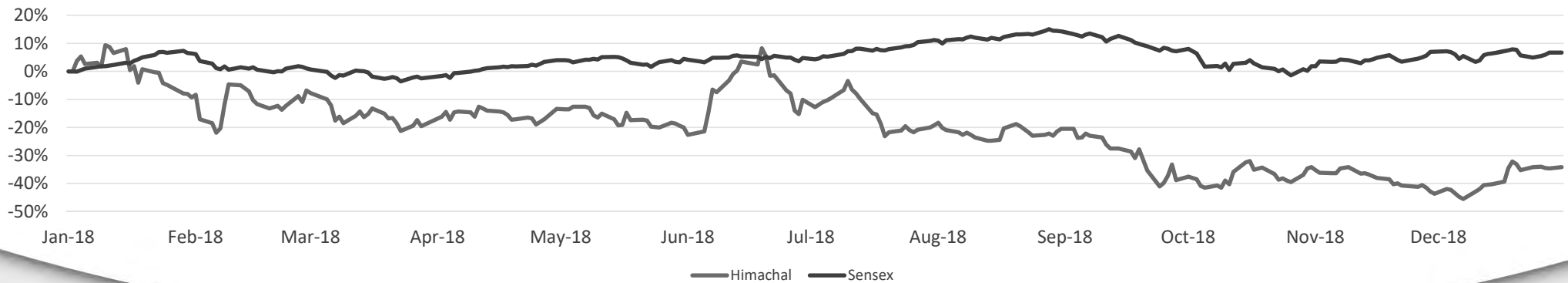
Long standing association with marquee customers



# Capital Market Information



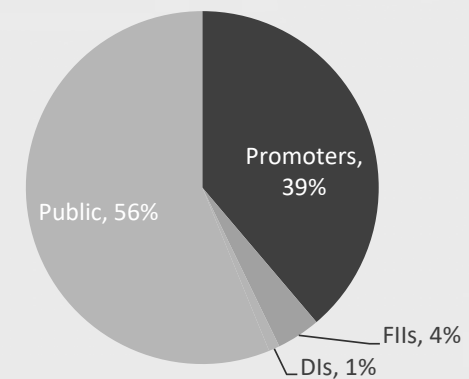
## Share Market Performance



### PRICE DATA (AS ON 31<sup>st</sup> December, 2018)

Face value (INR)	1.00
Market Price (INR)	21.2
52 Week H/L (INR)	36.65/17.20
Market Cap (INR Mn)	2,6433.8
Equity Shares Outstanding (Mn)	1,246.88
1 Year Avg. trading volume ('000)	7840.00

### Shareholding - 31 Dec, 2018



# Glossary



//	:	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

# Disclaimer



## **Himachal Futuristic Communications Limited**

No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. Certain statements made in this presentation may not be based on historical information or facts and may be "forward looking statements" based on the currently held beliefs and assumptions of the management of Camlin Fine Science Limited, which are expressed in good faith and in their opinion reasonable, including those relating to the Company's general business plans and strategy, its future financial condition and growth prospects and future developments in its industry and its competitive and regulatory environment.

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance or achievements of the Company or industry results to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements, including future changes or developments in the Company's business, its competitive environment and political, economic, legal and social conditions. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements to reflect future events or developments.

This presentation is for general information purposes only, without regard to any specific objectives, financial situations or informational needs of any particular person. This presentation does not constitute an offer or invitation to purchase or subscribe for any securities in any jurisdiction, including the United States. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. None of our securities may be offered or sold in the United States, without registration under the U.S. Securities Act of 1933, as amended, or pursuant to an exemption from registration there from.

This presentation is confidential and may not be copied or disseminated, in whole or in part, and in any manner.

## **Valorem Advisors Disclaimer:**

Valorem Advisors is an Independent Investor Relations Management Service company. This Presentation has been prepared by Valorem Advisors based on information and data which the Company considers reliable, but Valorem Advisors and the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Valorem Advisors also hereby certifies that the directors or employees of Valorem Advisors do not own any stock in personal or company capacity of the Company under review.

## **For further details, please feel free to contact our Investor Relations Representatives:**



**Mr. Anuj Sonpal**

**Valorem Advisors**

Tel: +91-22-4903 9500

Email: [hfcl@valoremadvisors.com](mailto:hfcl@valoremadvisors.com)



**Mr. R.Ragunathan**

**HFCL**

Tel: +91-11-30886542

Email: [ir@hfcl.com](mailto:ir@hfcl.com)