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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
Email : secretarial@hfcl.com

HFCL/SEC/19-20

June 10, 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.

INVESTOR PRESENTATION

JUNE 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 & 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

Backward Integration at Telangana and Expansion at 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 .
- Expansion of OFC manufacturing capacity at subsidiary HTL Ltd. from 7m fkm to 10.5m fkm
- Post expansion, consolidated OFC capacity shall reach at 18.5m fkm

New Initiatives

- Developing new telecom and defence products like HCRR, WIFI Net work Products, UBR, Backhaul radios, Security and surveillance products, Electronic Fuses, Night vision Devices, Mini Unmanned Ariel Vehicles
- Acquired controlling stake with 90% Equity in RADDEF PRIVATE LTD, an innovation focused company specialized in Radio Frequency and Microwave Systems with a wide bouquet of components and sub-systems for the applications in defence, aerospace and communication

Consolidated Financial Highlights (FY19)

Total Income

INR 47,848
Mn
(46% YoY)

EBITDA

INR 4,582
Mn
(49% YoY)

PAT

INR 2,323
Mn
(35% YoY)

Consistent
Growth
YoY

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 & JAIB 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)

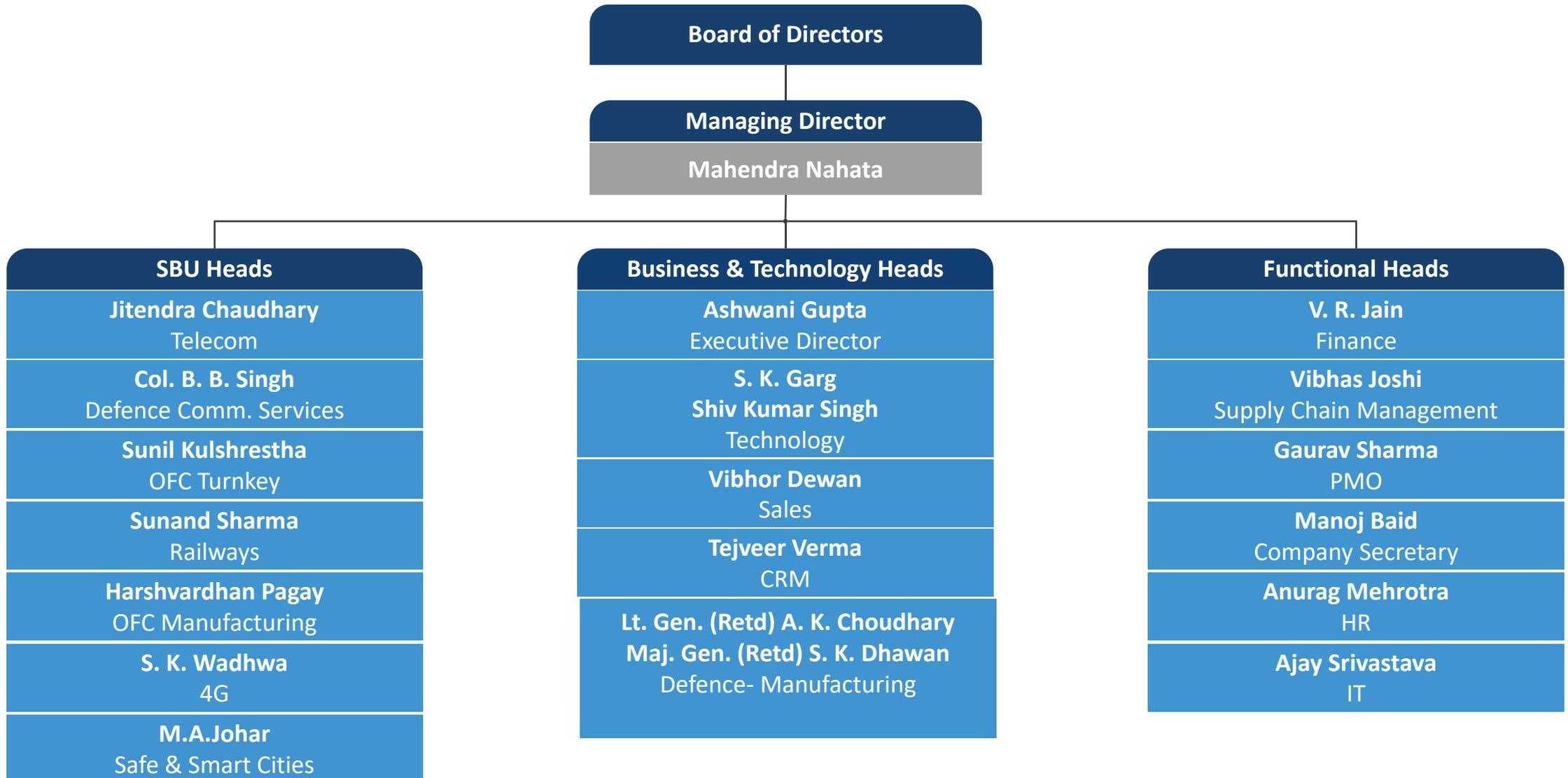
- Alumnus – IIT Kanpur and Ex-Officio Secretary to GOI in Ministry of Communication & IT
- Has been Member - Technology in Telecom Commission
- Vast experience in telecom industry particularly in the areas of National Policy, sectorial regulations, planning & development, R&D, telecom service operations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



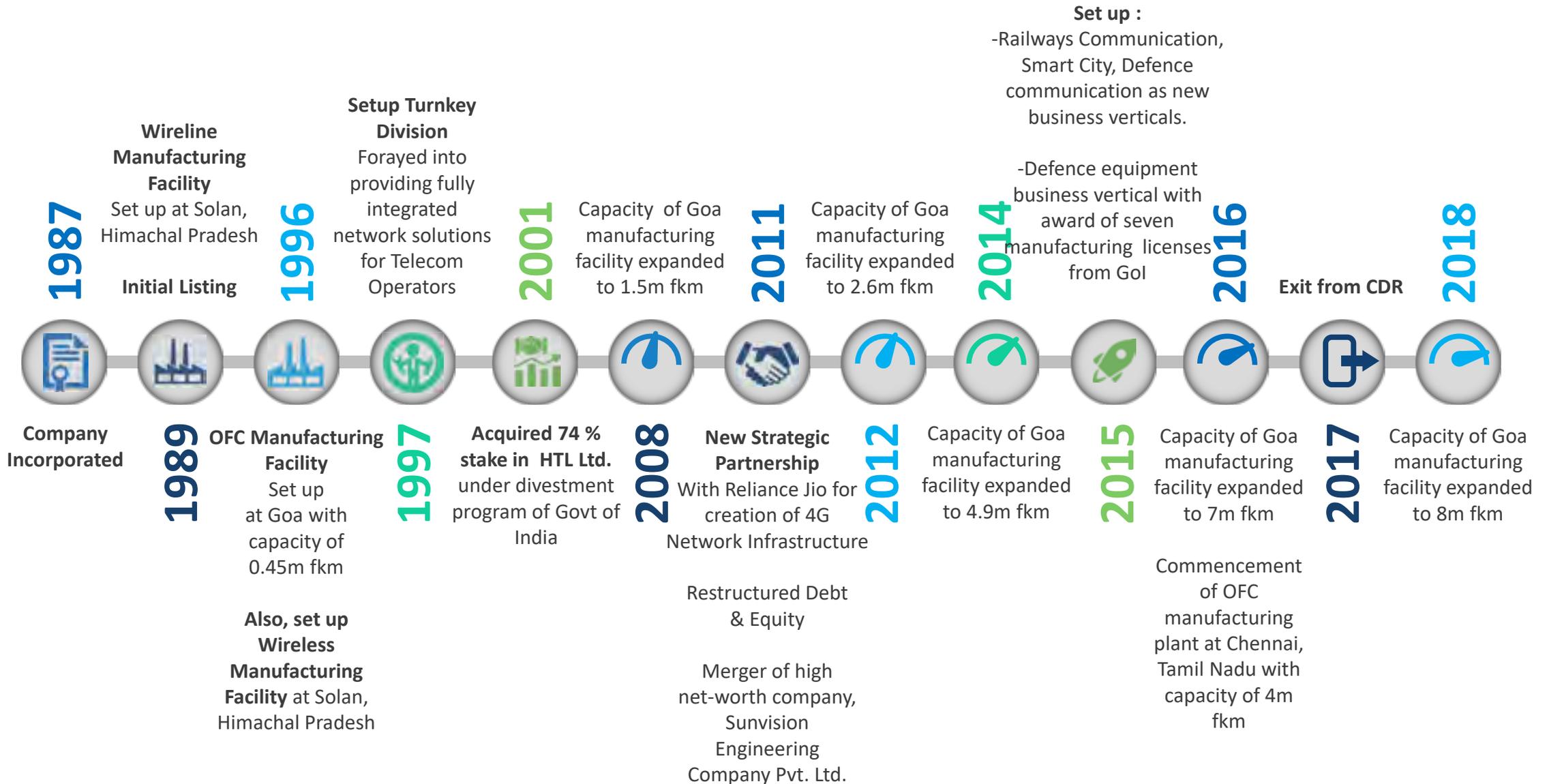
Dr. Tamali Sen Gupta (Independent Woman Director)

- 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

Optical Fiber Manufacturing*

Hyderabad, Telangana

Planned Capacity: Optical fiber - 6.4m fkm

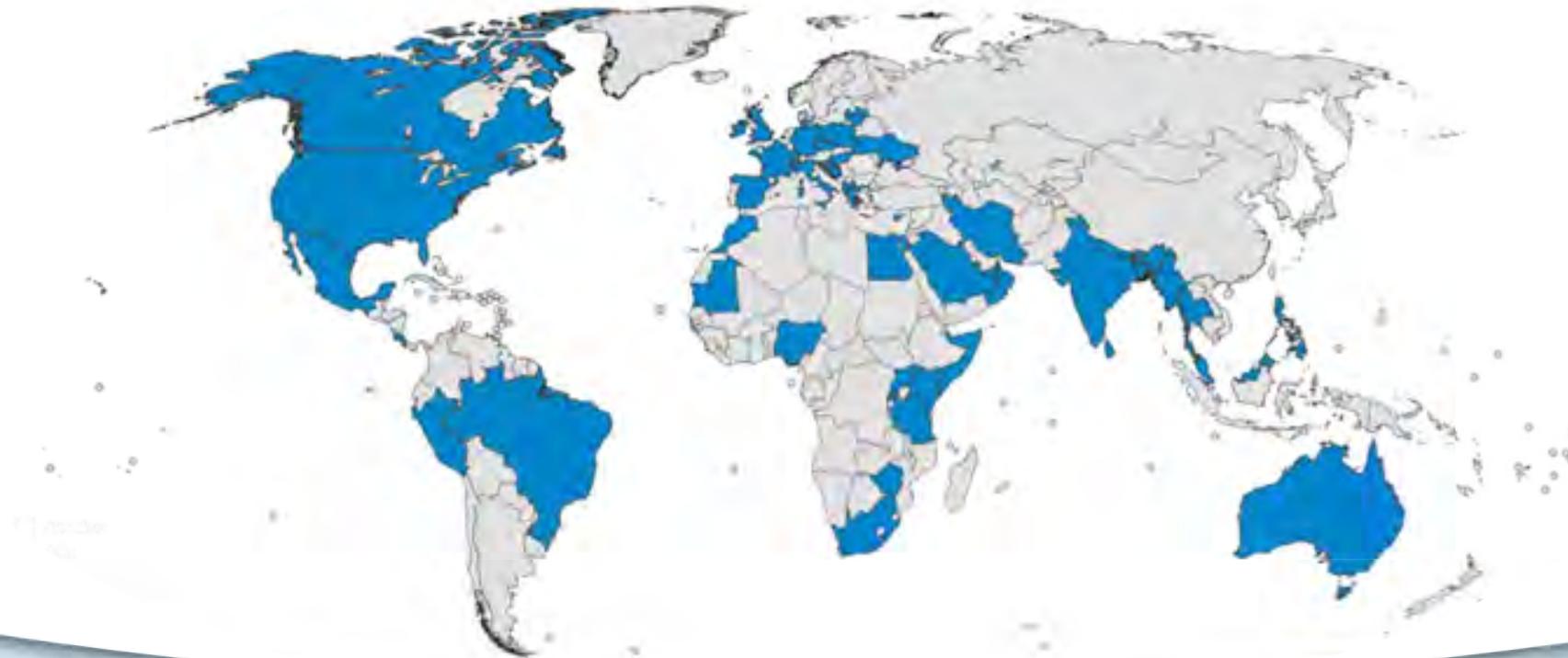


* Greenfield facility - work in progress

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



Technical Specification Evaluation Certificate



RDSO - Type Approval Certificate



Product Certificate



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



CE Certification in Compliance with ROHS regulation by TÜV Nord



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



Surveillance Products



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
- Micro Ducts
- ADSS Cables
- Ribbon Cables
- Premises Distribution Cables
- CPRI Cables
- Patch Cords, Pigtails, Patch Panels, Splitter Modules, FDMS, HFTB
- Optical fiber*



TELECOM PRODUCTS

- GSM BSS Equipment
- Microwave Radios
- Telecom Power Systems
- 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
- Highway Traffic Management System*
- Parking Management System



DEFENCE PRODUCTS

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



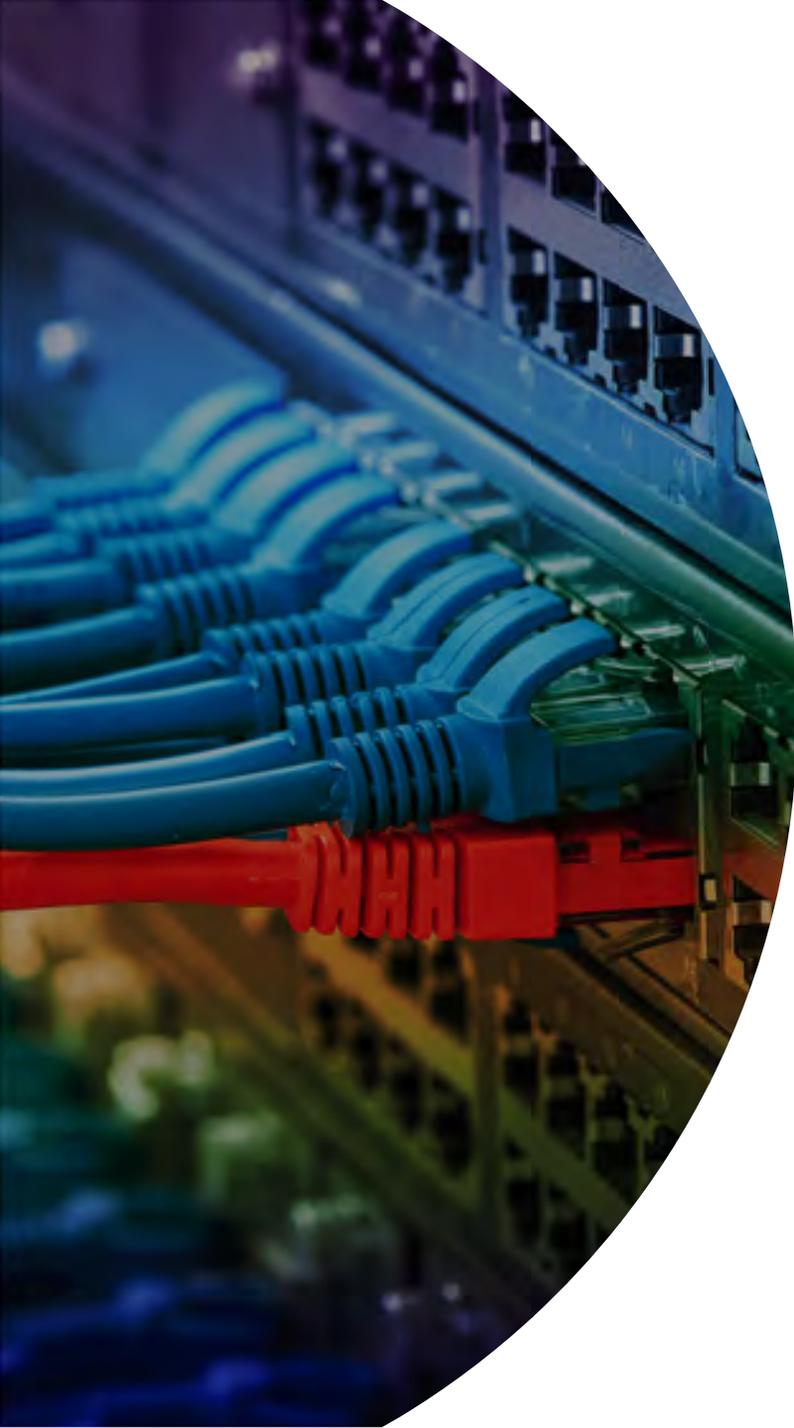
COMMUNICATION NETWORK SOLUTIONS

- Telecom Network Solutions
 - OFC Network
 - FTTx Network
 - 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

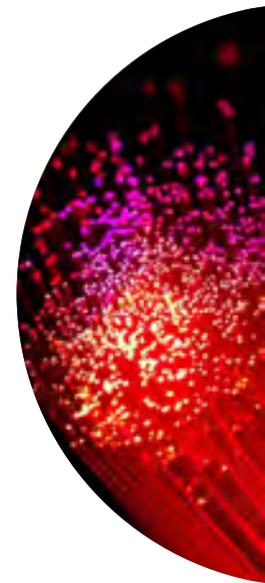
PRODUCTS

SOLUTIONS

* Products under development



PRODUCTS





Conventional cables

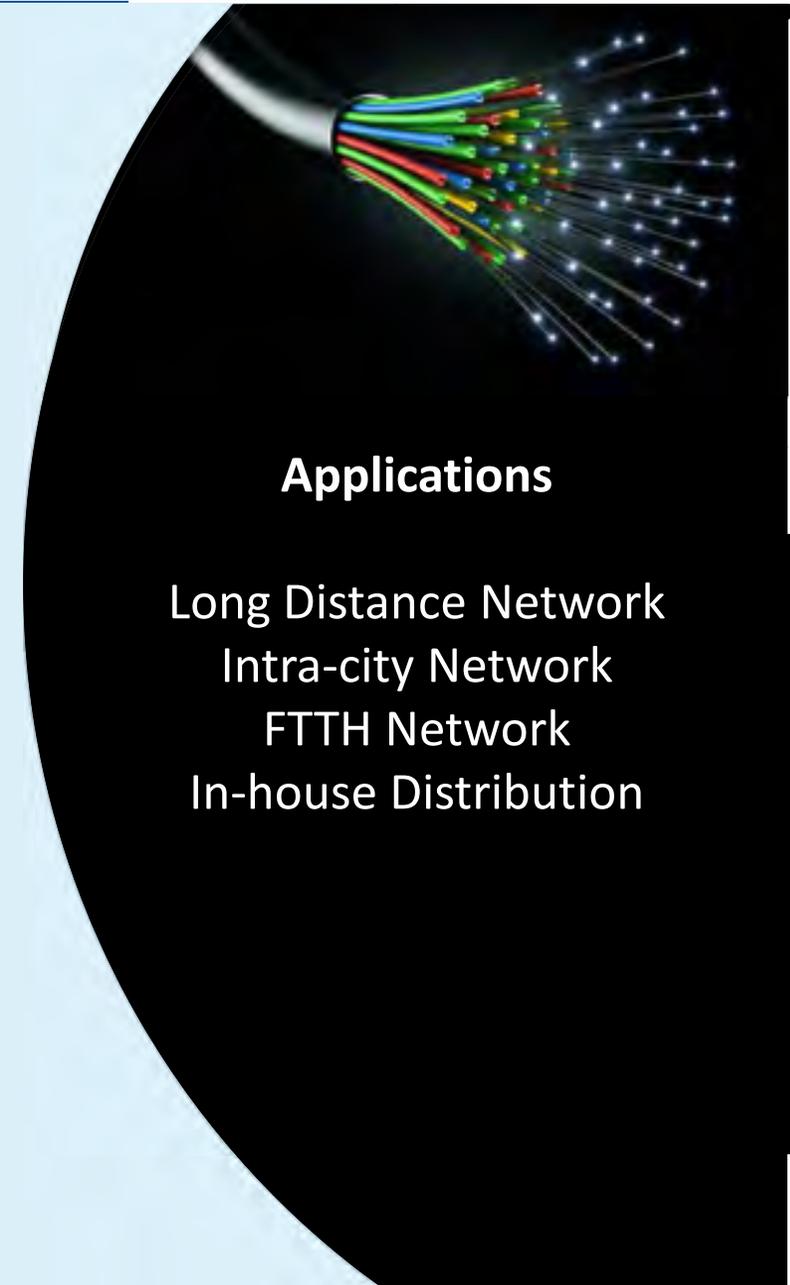
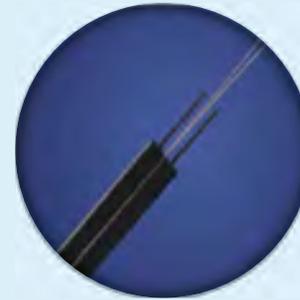
- Armoured Cable
- Aerial Cables- ADSS and Figure-8
- Ribbon Cables

FTTH Cable

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

Specialty Cables

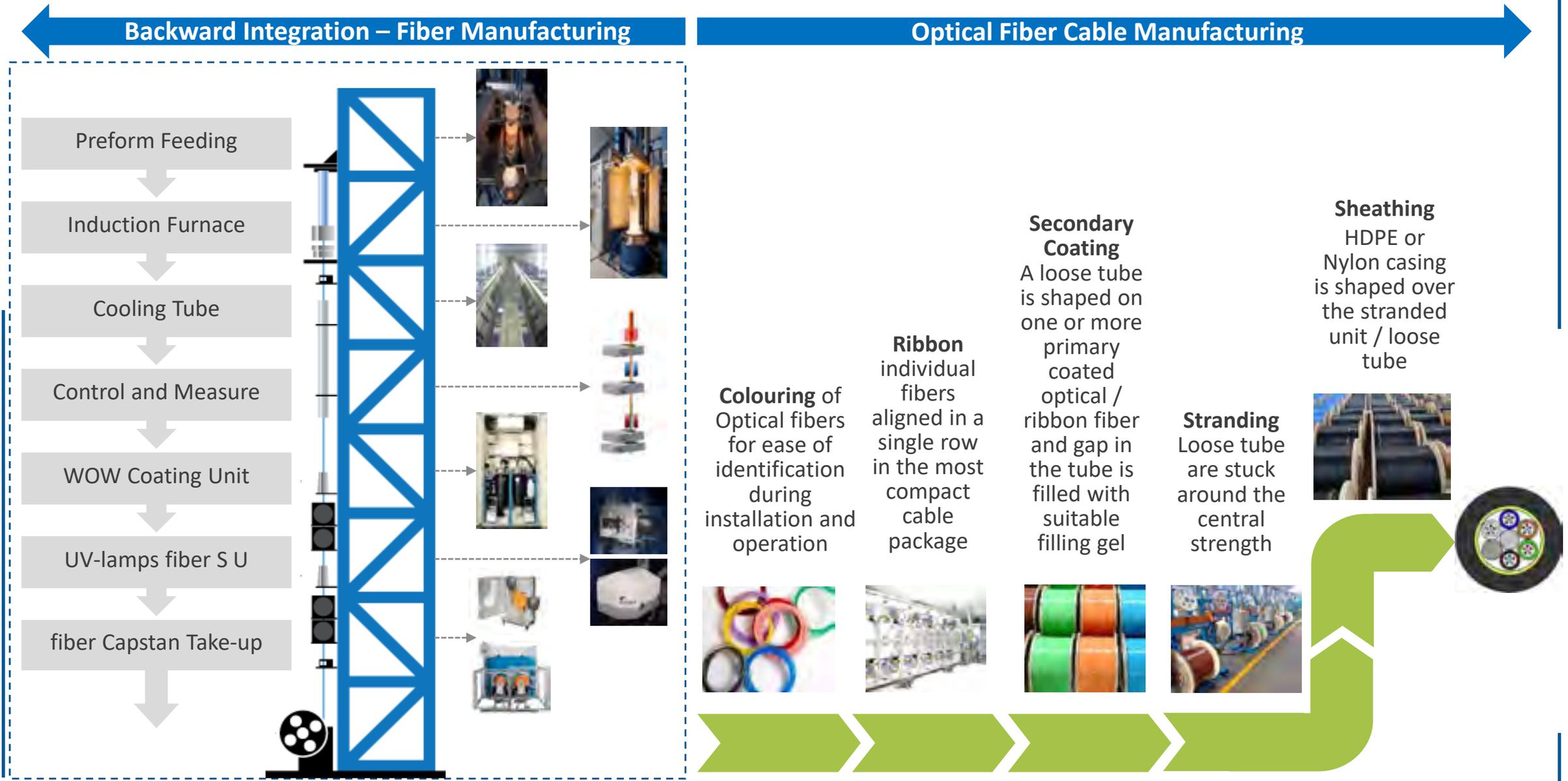
- Tactical Cables
- Intrusion-Free Cables
- Wire Armoured Cables
- Fire Survival Cables
- Easy peel cables



Applications

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

Manufacturing Process





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

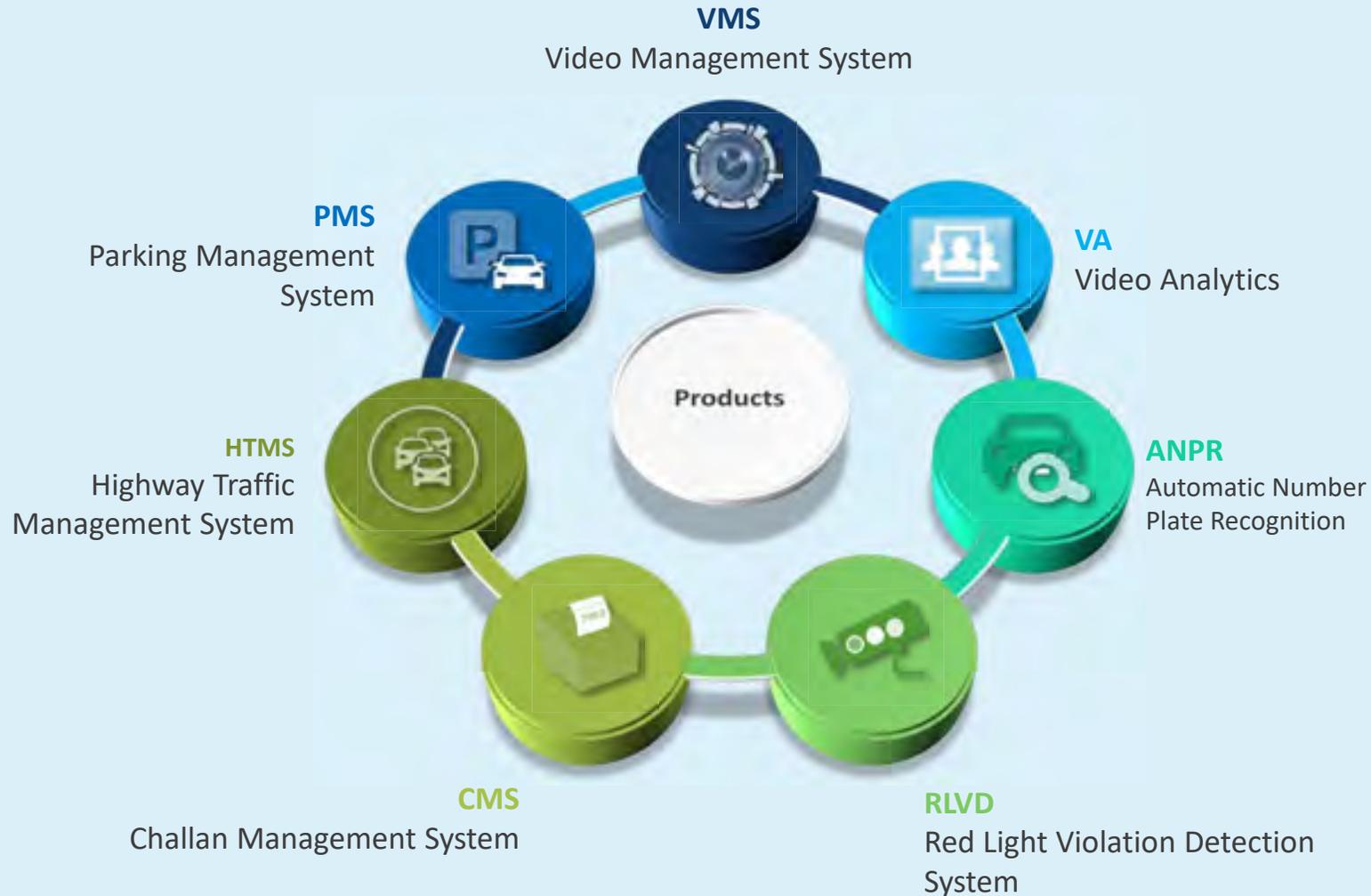
Bridgeless, dynamic and digitally controlled ultra-high efficiency rectifier power equipment



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



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





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

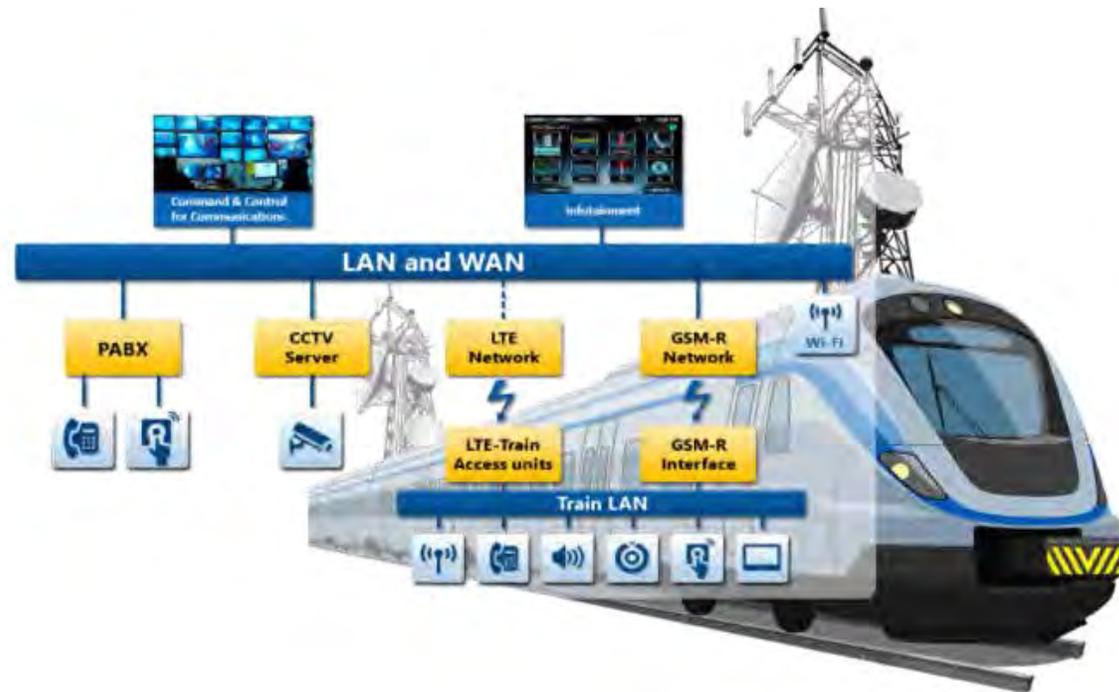
Ensure reliable, long-term solutions for the perimeter protection challenges of security sensitive infrastructure and locations.



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



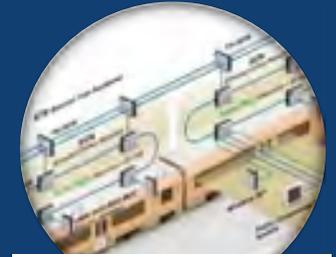
Network Design



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

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

Credit rating has significantly improved from D in 2012 to A- with stable outlook

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

47% CAGR

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

Debt is largely Working Capital

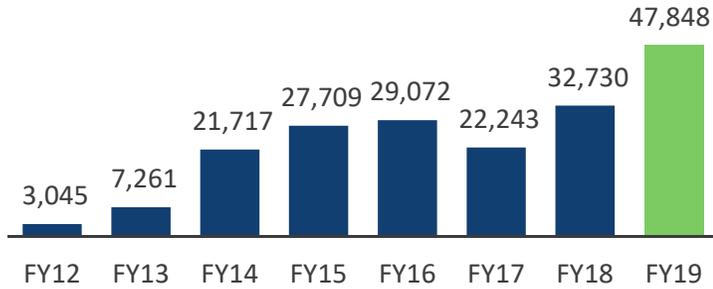
Strong Order Book of INR ~11,350 Cr (~2.5x FY19 revenue) provides earning visibility

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

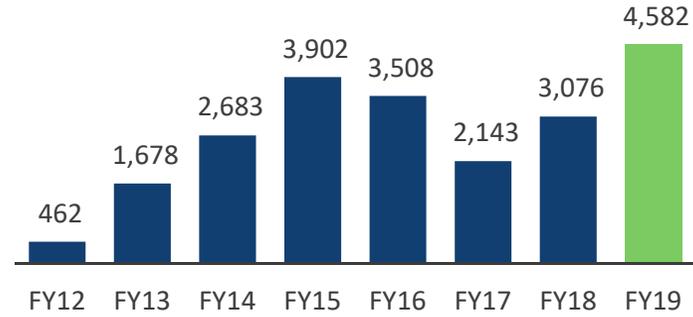
Performance Metrics



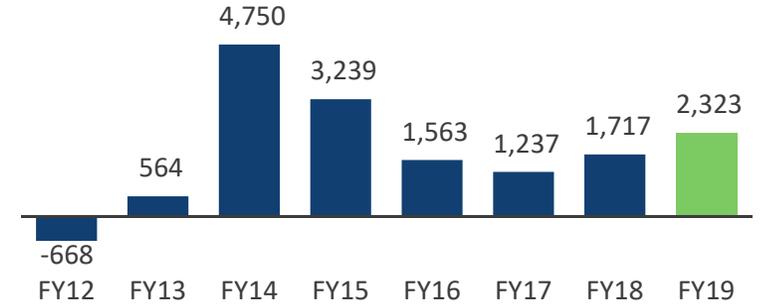
Revenue (INR Mn)



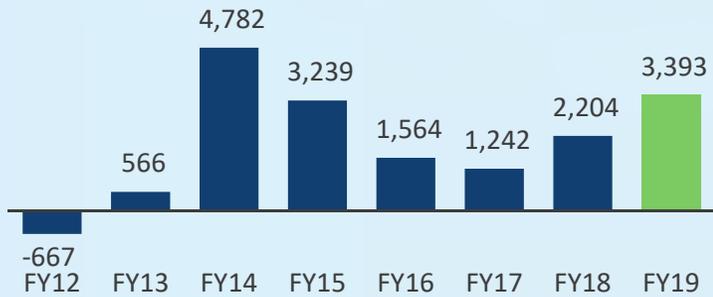
EBITDA (INR Mn)



PAT (INR Mn)



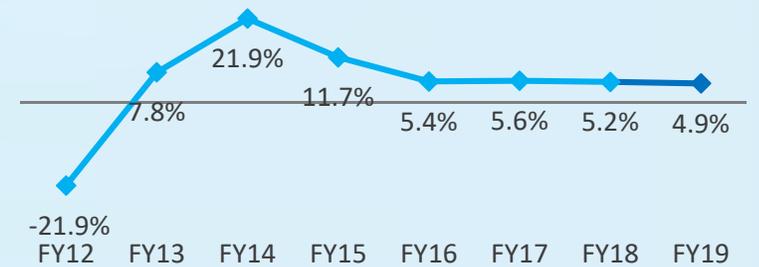
PBT (INR Mn)



EBIDTA Margin



PAT Margin

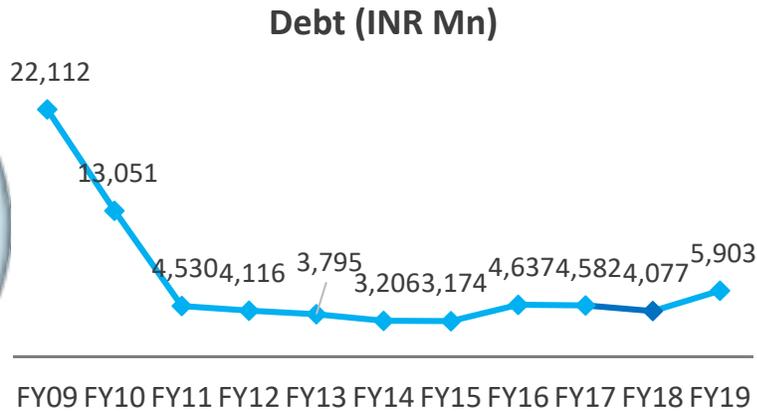


Debt Equity & Shareholders Return

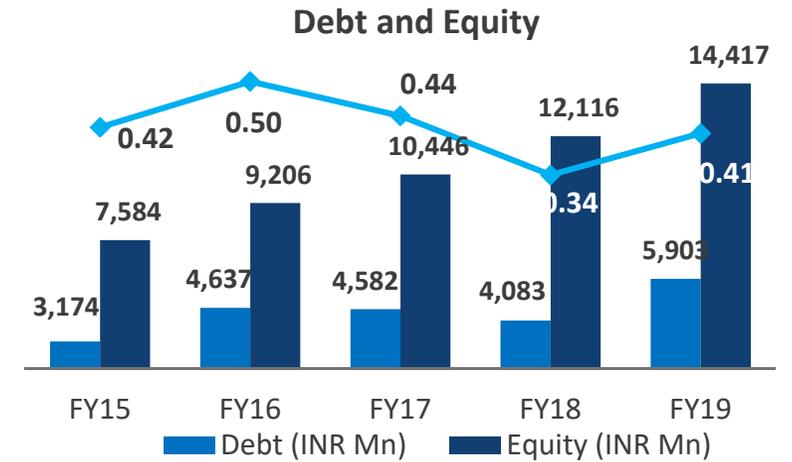


**Debt down
73%**

From INR 2,211 Cr in FY09 to INR 590 Cr by FY19



**Debt to
Equity is
comfortable
0.41x**
Largely Working
Capital Debt



Credit rating has significantly improved from D in FY12 to A- with stable outlook in FY19

Networth (INR Mn)



RoE (%)



EPS (INR)



* Standalone

Consolidated Income Statement



PARTICULARS (INR Mn)	FY17	FY18	FY19
Revenue from Operations	22,029	32,485	47,378
Other Income	214	264	470
Total Income	22,243	32,730	47,848
Total Expenses	20,100	29,654	43,266
EBITDA	2,143	3,076	4,582
EBITDA Margin	9.63%	9.40%	9.58%
Depreciation	218	232	270
Finance Cost	624	636	919
Share of net profits of JV's accounted using equity method	(59)	14	-
Exceptional Items	-	(18)	-
PBT	1,242	2,204	3,393
PBT Margin	5.58%	6.73%	7.09%
Tax	5	487	1,070
Profit after Tax	1,237	1,717	2,323
PAT Margin	5.56%	5.25%	4.85%
Other Comprehensive Income	18	12	45
Total Comprehensive Income	1,255	1,729	2,368
EPS (Diluted)	1.00	1.35	1.75

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

Standalone Income Statement



PARTICULARS (INR Mn)	FY17	FY18	FY19
Revenue from Operations	20,668	30,802	43,662
Other Income	186	183	480
Total Income	20,854	30,985	44,142
Total Expenses	18,860	28,159	40,281
EBITDA	1,994	2,826	3,861
<i>EBITDA Margin</i>	<i>9.56%</i>	<i>9.12%</i>	<i>8.75%</i>
Depreciation	157	163	175
Finance Cost	599	609	779
Share of net profits of JV's accounted using equity method	-	-	-
Exceptional Items	-	(18)	-
PBT	1,237	2,036	2,907
PBT Margin	5.93%	6.57%	6.59%
Tax	-	486	1,067
Profit after Tax	1,237	1,550	1,840
<i>PAT Margin</i>	<i>5.93%</i>	<i>5.00%</i>	<i>4.17%</i>
Other Comprehensive Income	19	(5)	52
Total Comprehensive Income	1,256	1,545	1,892
EPS (Diluted)	1.01	1.24	1.46

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

Strong Order Book of ~INR 11,350 Cr provides visibility



**Total Order book
of ~INR 11,350 Cr**

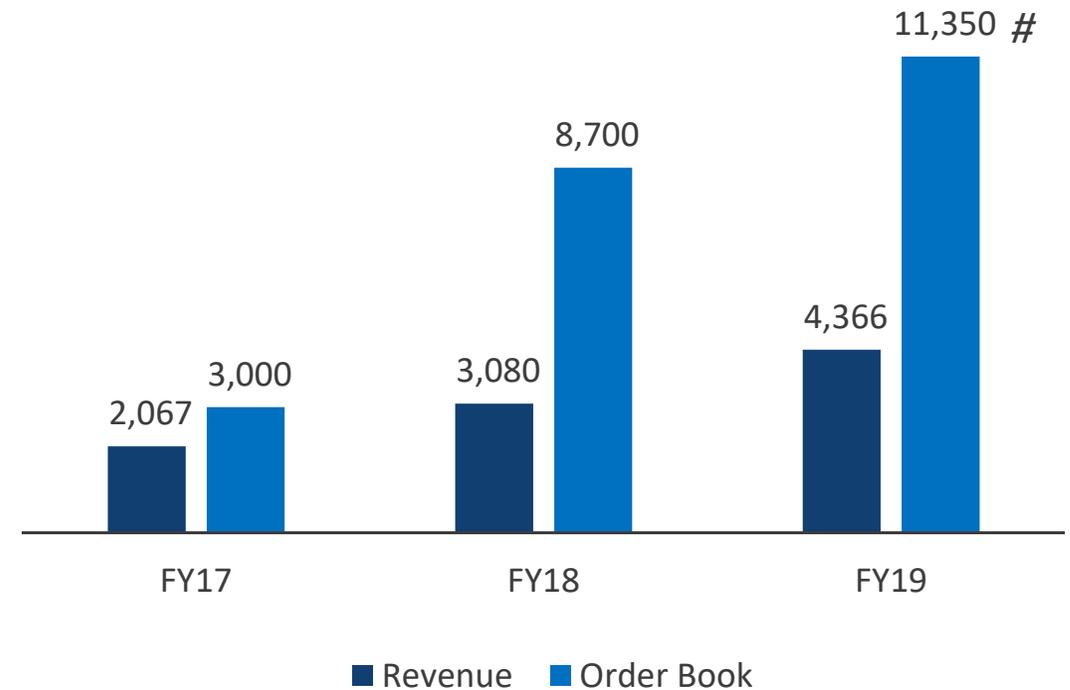
- Prestigious orders spread across all business verticals- telecom, defence, railways, OFC Turnkey & manufacturing, Smart Cities and private operators
- Break through in overseas orders for Railway Systems

**~2.5 times
FY19 revenue**

**Strong
Earning
Visibility**

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

Order Book To Revenue (INR Cr)*



* Standalone # Current Order Book



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) 604 Mn in Dec 2018



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

Consumption Pattern

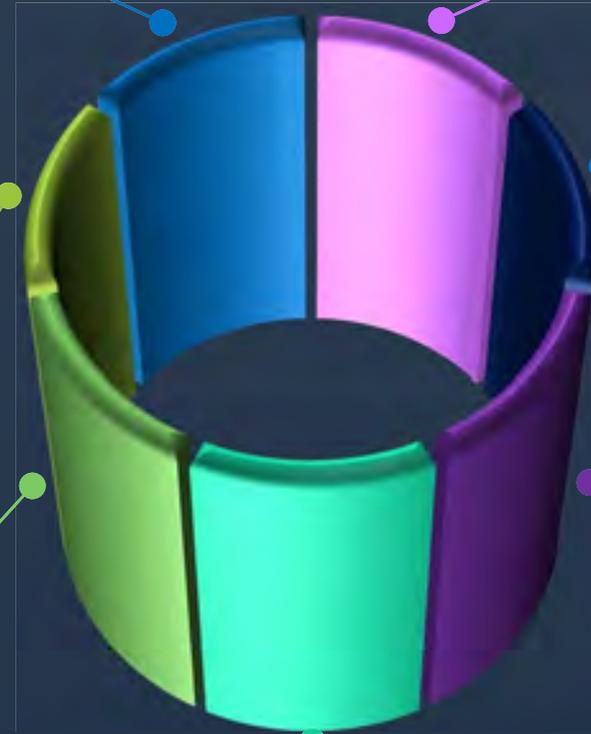
Total Data usage per month grew ~40 times in last three years from 128 PB to 4,867 PB

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

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 113.5 Mn household connections, at a CAGR of 40.7% during 2017-22

FTTH

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

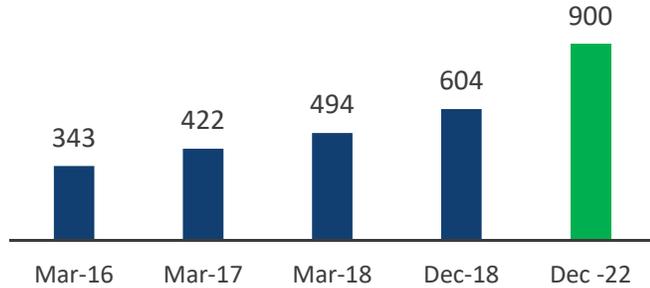
Entry of Jio altered the face completely

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

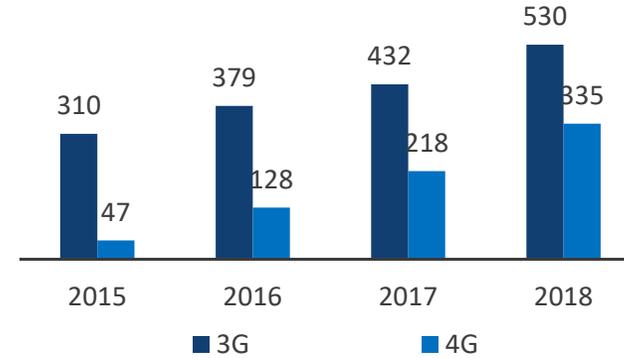
Industry Growth



Internet Subscribers (Mn)



3G/4G device base (Mn)

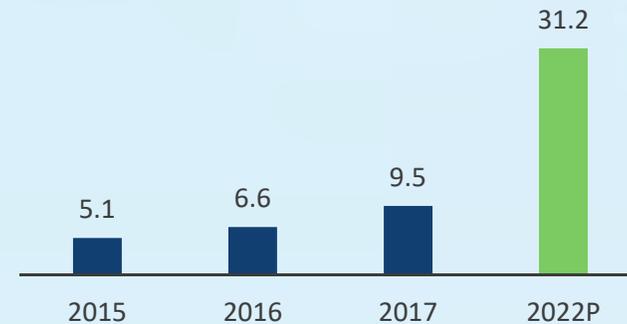


Multifold Growth
Shall continue
unabated

Internet Traffic Per month (Exabyte)



Internet Speed (Mbps)

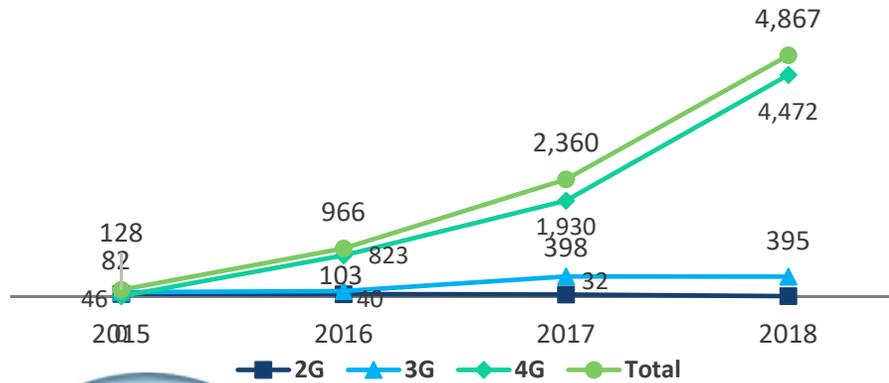


Internet Growth
2017-22:
Subscribers: 2x
Traffic: 7x
Speed: 3.3x

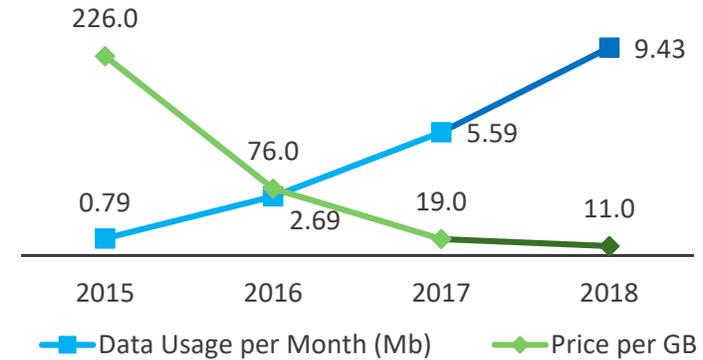
Data Consumption To Leap Frog – Doubling YoY



Data Usage Per Month, Pentabyte (Pb)



Per Subs Data Usage / Price per GB (INR)

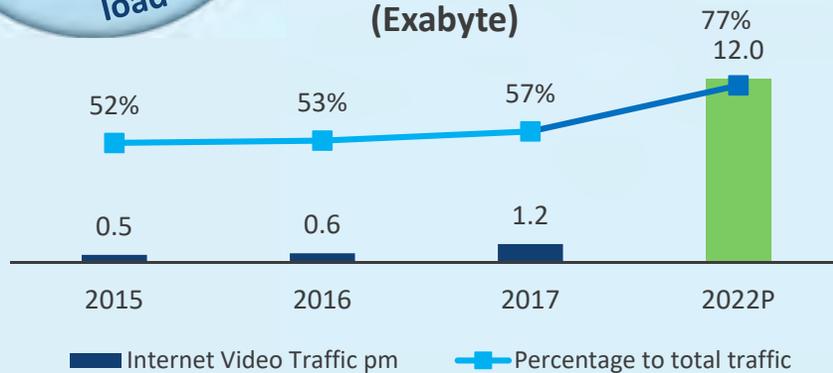


2015-18
38x rise in total data usage pm.
4G brings in a complete new dimension in usage with 92% play load

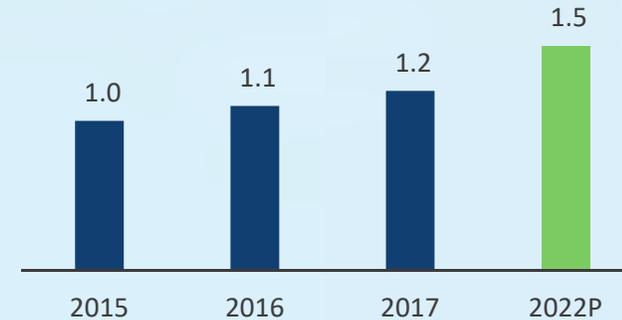
2015-18
12x rise in data Usage per Subscriber while tariff Falls 95%

Increased devices and Video Traffic

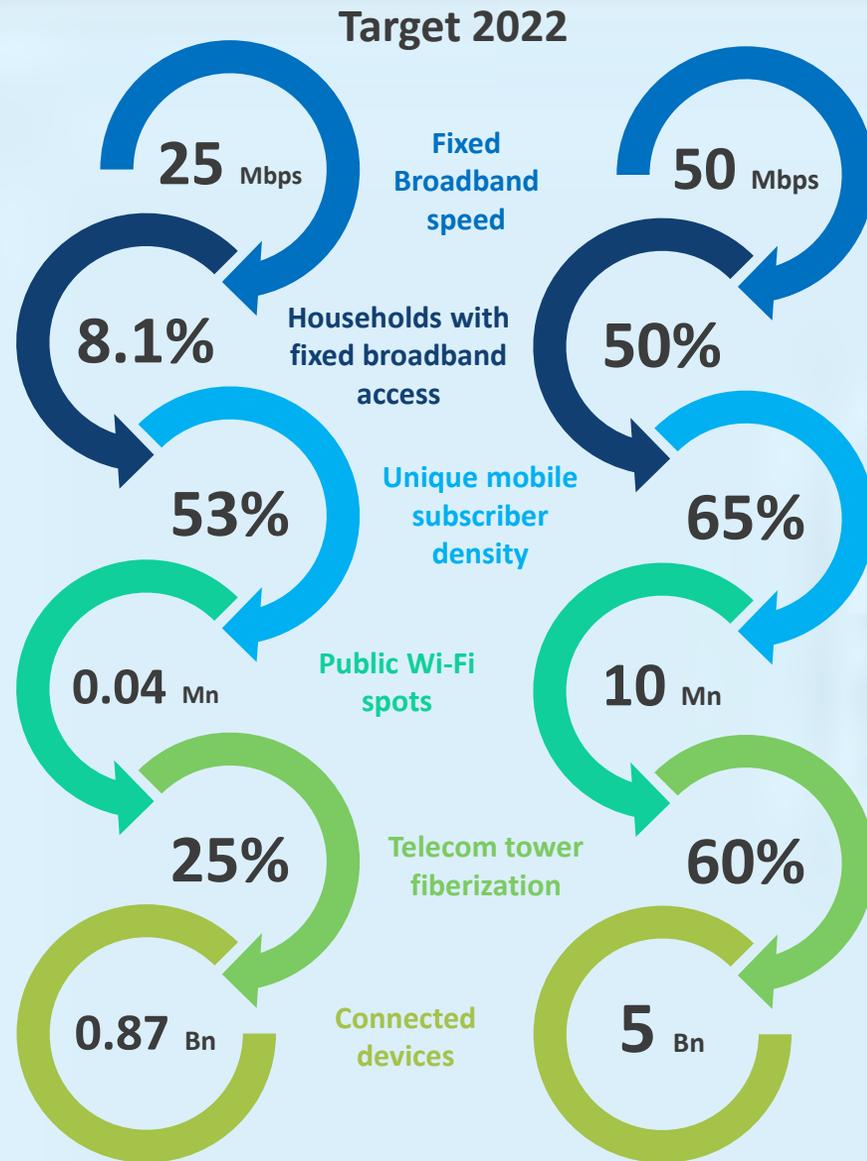
Internet Video Traffic pm (Exabyte)



Network device per capita



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:

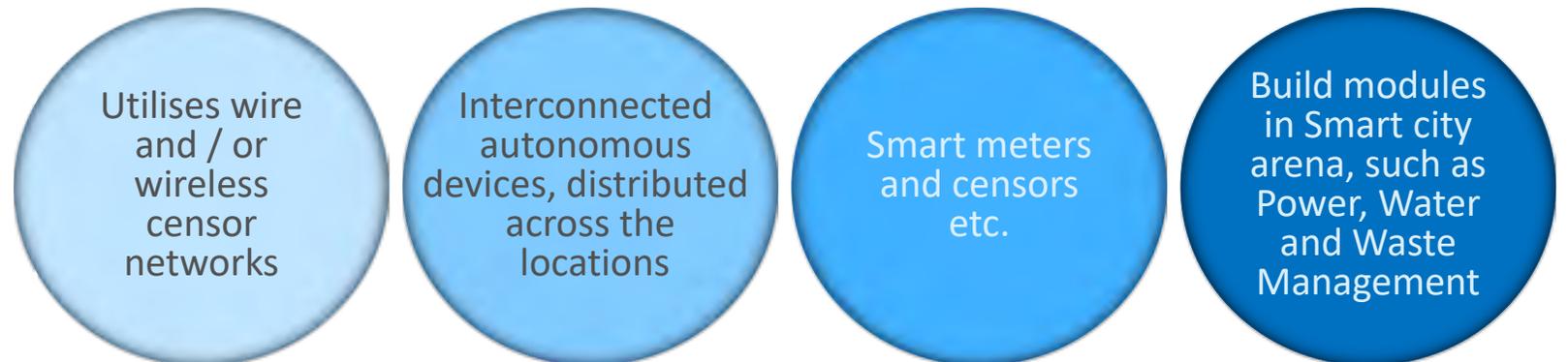
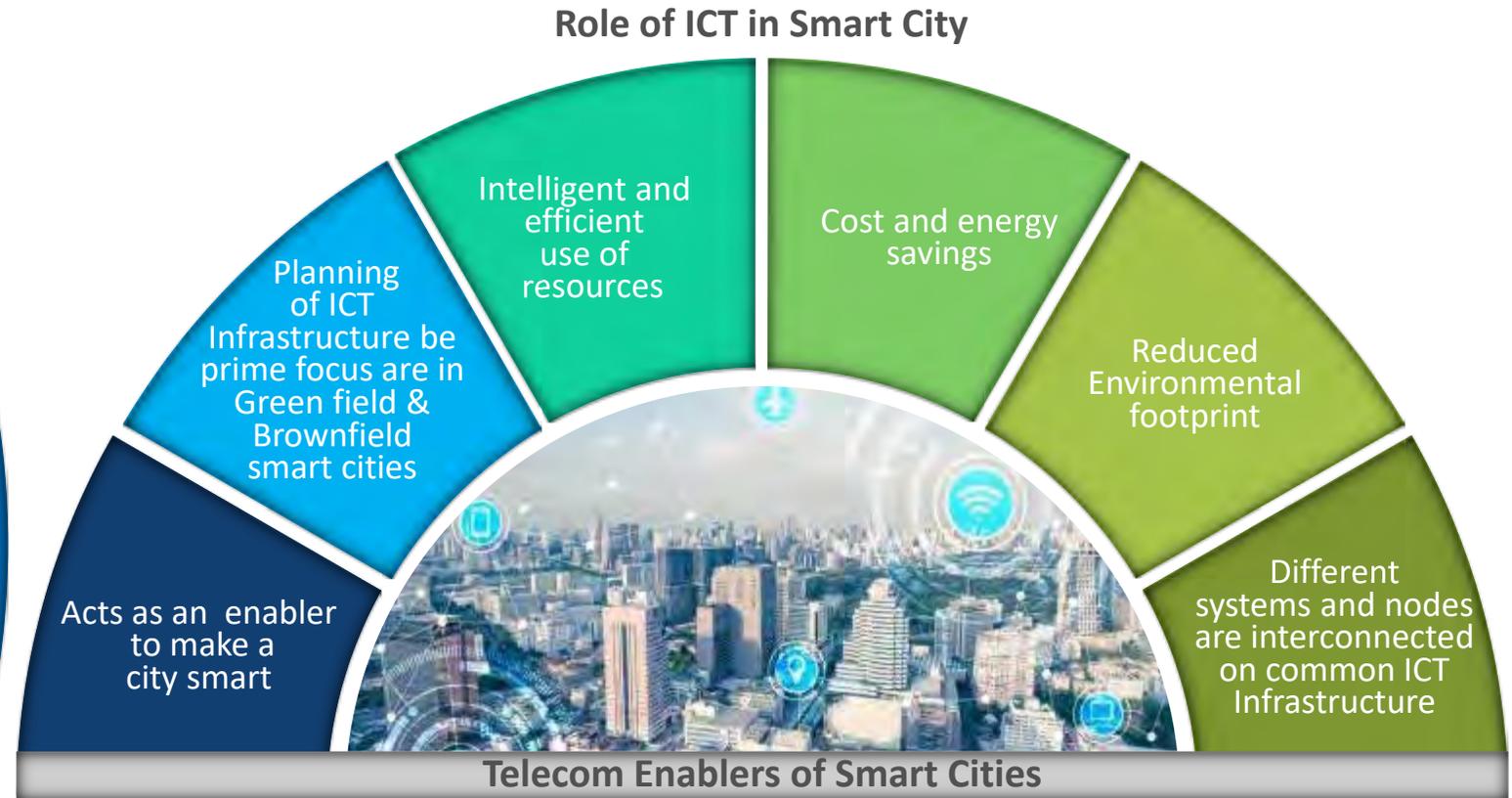
By ensure digital sovereignty, safety and security of digital ecosystem

- 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 INR 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





- 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.



- 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

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 11,350 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

Comfortable Debt Equity

Free Cash Positive with comfortable D/E of 0.41x
Credit rating has significantly improved from D in FY12 to A- with stable outlook since July,2018

Diverse Customer Base

Diverse Customer Base across all verticals of operations

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

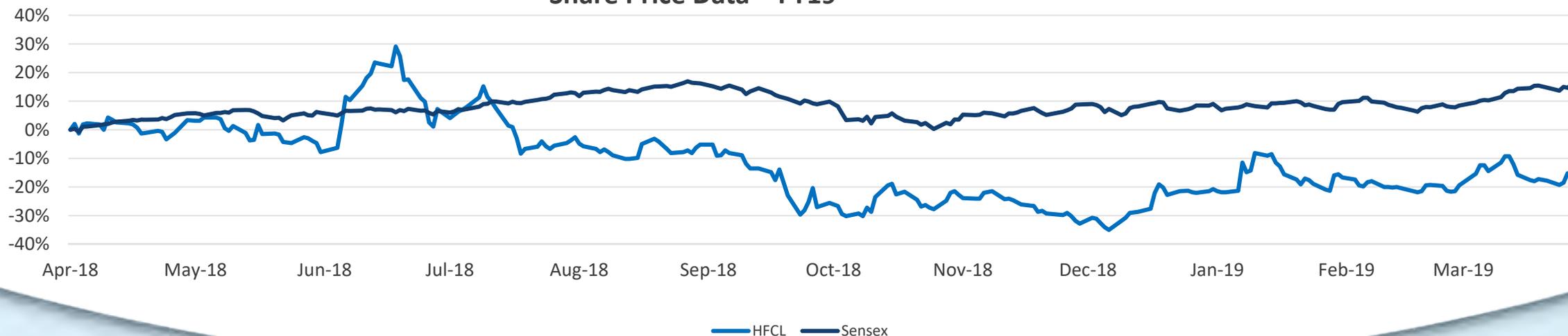
Long standing association with marquee customers



Capital Market Information



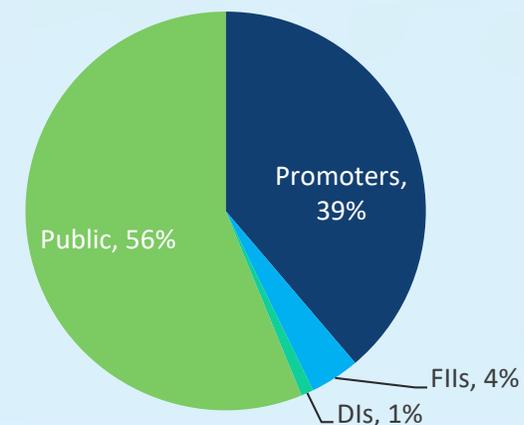
Share Price Data – FY19



PRICE DATA (AS ON 31st March, 2019)

Face value (INR)	1.00
Market Price (INR)	22.55 (NSE)
52 Week H/L (INR)	35.25/17.00
Market Cap (INR Mn)	28,117
Equity Shares Outstanding (Mn)	1,274.38
1 Year Avg. Daily trading volume ('000)	5,830.00

Shareholding - (As on 31st March, 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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Mr. Anuj Sonpal

Valorem Advisors

Tel: +91-22-4903 9500

Email: hfcl@valoremadvisors.com



Mr. R.Raghunathan

HFCL

Tel: +91-11-30886542

Email: ir@hfcl.com