

# ACCELERATING INNOVATION



# What's Where...



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### Forward-Looking Statements:

*Certain statements in this Annual Report relating to the Company's future growth prospects are forward-looking statements, which involve several risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.*



# Our Value Proposition

## Robust foundations

- Rich legacy of over three decades in enabling telecom revolution in India
- Five state-of-the-art manufacturing facilities
- Diverse offerings of products and solutions across communication, defence, railway and surveillance
- Enviably global clientele from across governments and private sectors

## Integrated business model

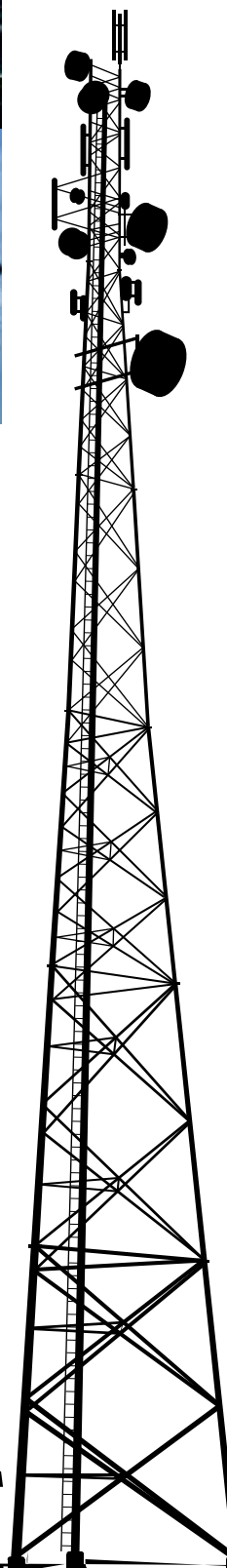
- Wide coverage of telecom value chain – equipment, optical fiber, optical fiber cable, passive interconnect solutions, network project execution on a turnkey basis, operation & maintenance
- A prudent mix of telecom and new business segments including defence, railway communication and signalling and security & surveillance

## Focus on hi-tech products and innovation

- A rich haul and pipeline of technological breakthroughs and innovation
- Accelerated investments in revving the innovation engine – proprietary and collaborative
- Focus on hi-tech products such as Wi-Fi Network Products, High Capacity Radio Relay, Microwave Radios and Cloud-Based Management Platform, Switches, Routers, Intelligent Antenna Systems, Software Defined Radios, Ground Surveillance Radars, Electro-Optic Devices and Electronic Fuses

## Consistent performance

- Steady growth in income and net profit -7- year CAGR of 27% and 23% respectively
- YoY improvement in FY20 EBITDA and net profit margin of 378 bps and 129 bps respectively
- Order book of ₹ 8,409 crores as on 31st March, 2020
- FY20 debt equity ratio of 0.43, RoCE of 21.50%







## Accelerating Innovation

To innovate is human. At HFCL, innovation has always been intrinsic to our being. Be it the design and development of customized microwave radios for Indian defence forces about two decades ago

or innovating a range of connectivity equipment and solution for the 5G era, HFCL has always been at the forefront of technological innovations. The fact that a vast majority of those microwave





radios are still in use signifies the robustness of our technology and durability of our solutions. HFCL has been the first domestic player to introduce various indigenously developed products and technologies which brought considerable savings to the Government coffer.

The hyper-connected world has about 4.8 billion mobile phone users today, nearly 3.5 billion of which are smartphone users. While the phase of global, universal human connectivity is being accomplished, what lies next?

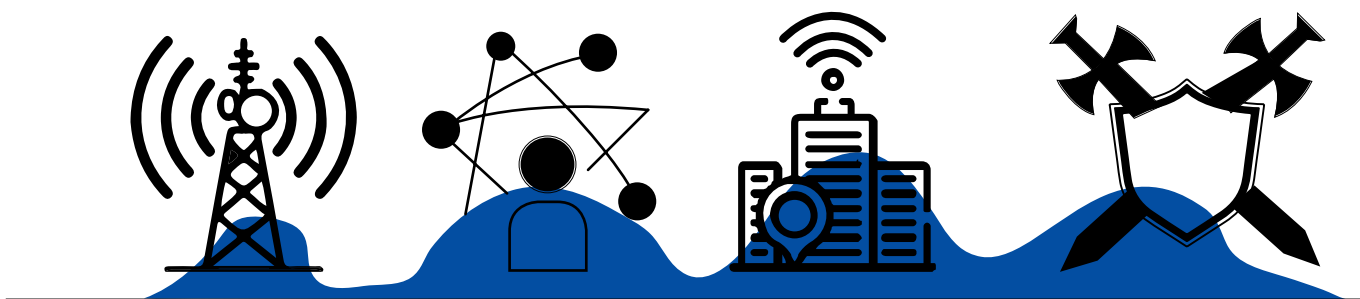
Well, the next set of connectivity consumers are already queuing up. Billions of industrial machines, household gazettes, residential and commercial buildings, and automobile and other transport units – all of them are headed for connected co-existence with already connected personal devices such as mobile phones, PCs, and smart televisions.

Expectations from communication networks are poised to raise manifolds. Not only in terms of the volume of data and speed of access, but also in terms of security of data transmission. The fact that strategic sovereign assets such as energy grids, financial systems, defence framework, public transport, etc. would all get hyper-connected, cyber security would become a paramount consideration, all along.

Cognizant of technology's expectations from HFCL, the pioneering domestic innovator of the Indian telecom revolution, we are intensifying our innovation overdrive with a 360-degree approach across our focused domains. Besides in-house research and development, our multi-dimensional approach to innovation is also blending acquisition or strategic early-stage investments in innovation focused assets towards collaborative exploration of technological advances. The financial year 2019-20 (FY20) witnessed three such investing activities. The innovation hallmarks of the year were the launch of our indigenously developed next-generation WiFi products and solutions under the 'IO' brand and the successful development of our High Capacity Radio Relay.

**With a firm belief that technology would be our key differentiator and profitable growth our business driver, we, at HFCL are intensifying our focus on hi-tech products and accelerating innovation.**

# We are HFCL



We, HFCL Limited (formerly known as Himachal Futuristic Communications Limited) are a leading Technology Enterprise connecting the world with the fully integrated communication network solutions and specialised services. Consistently empowering innovation, we endeavour to develop new technologies and next-generation products which are globally benchmarked and cost effective. Research & Development activities are spearheaded by our two Centres of Excellence (CoEs) at Gurgaon and Bengaluru, further supported by invested R&D Houses and Collaborators from different locations in India and Overseas.

We manufacture Optical Fiber, Optical Fiber Cables (OFC), Passive Interconnect Solutions and high-end Transmission and Access Equipment. Our technologically advanced offerings span the entire value chain, from manufacturing hi-tech communication network products to providing specialized services, which get deployed across Telecom, Defence, Railways, Utilities and Security & Surveillance Networks, both in the Private and Government Sector.

Our integrated manufacturing network of five World Class facilities produces the widest range of new generation communication products in India. We serve an enviable list of customers globally with exports to over 40 countries.

Offering design, equipment, installation, system integration and operation & maintenance services, we are a preferred go-to partner for a wide range of customers. Leveraging our extensive experience in advanced communication networks, we are fast establishing our communication network credentials in emerging sectors such as Railway Communication & Signalling, Defence, and Security & Surveillance.

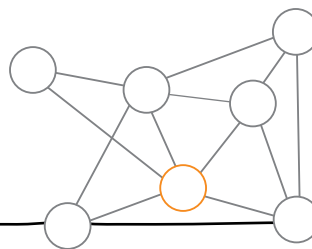
Listed on BSE and NSE (Scrip code BSE: 500183 & NSE: HFCL), we employ over 1,700 people on our rolls (besides generating several thousand indirect employment) and closed the financial year 2019-20 with a consolidated annual turnover of ₹ 3,839 crores and order book of about 8,409 crores.



Upcoming Optical Fiber Cable Plant, Hyderabad



## Our Manufacturing Assets



**Optical Fiber Plant, Hyderabad**



**Optical Fiber Cable Plant, Goa**



**Optical Fiber Cable Plant, Chennai#**



**FRP Plant, Hosur#**



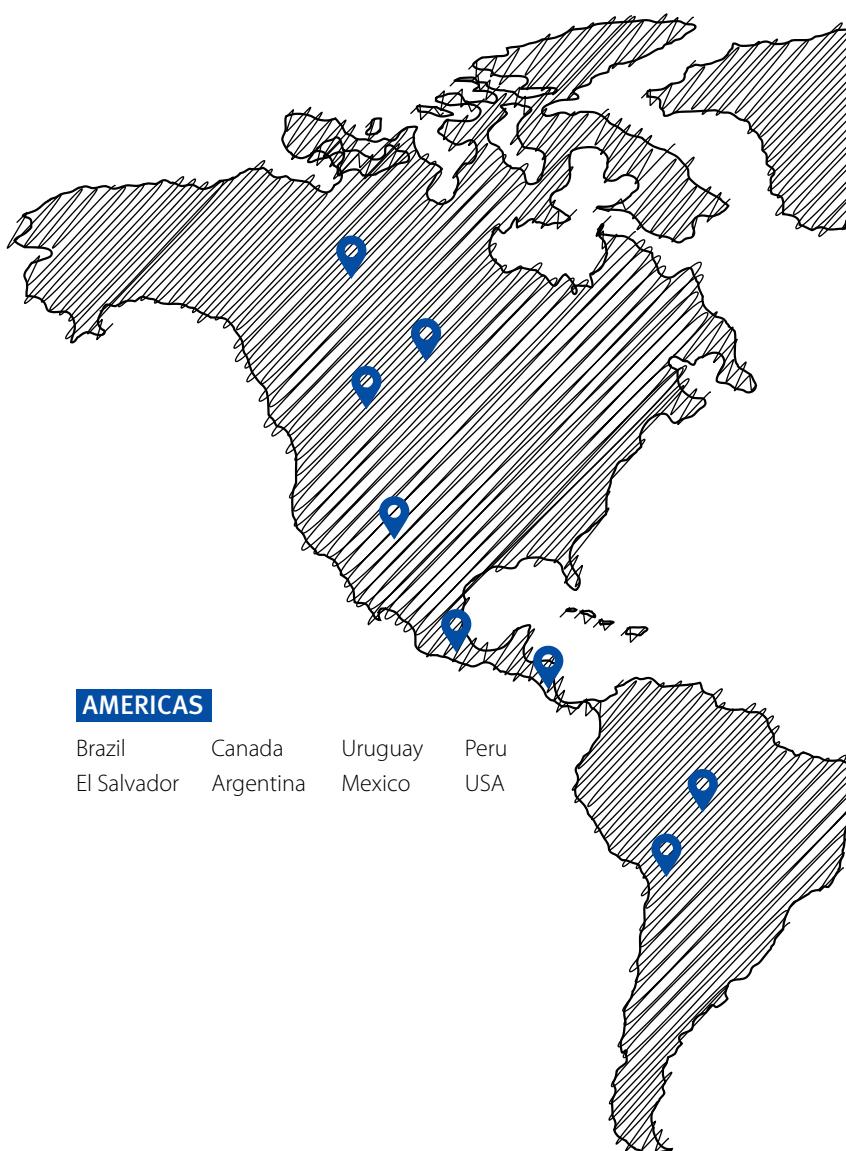
**Telecom Equipment Plant, Solan**



# belongs to Subsidiary Company, HTL Limited

## Our Marquee Customers

## Our Export Destinations

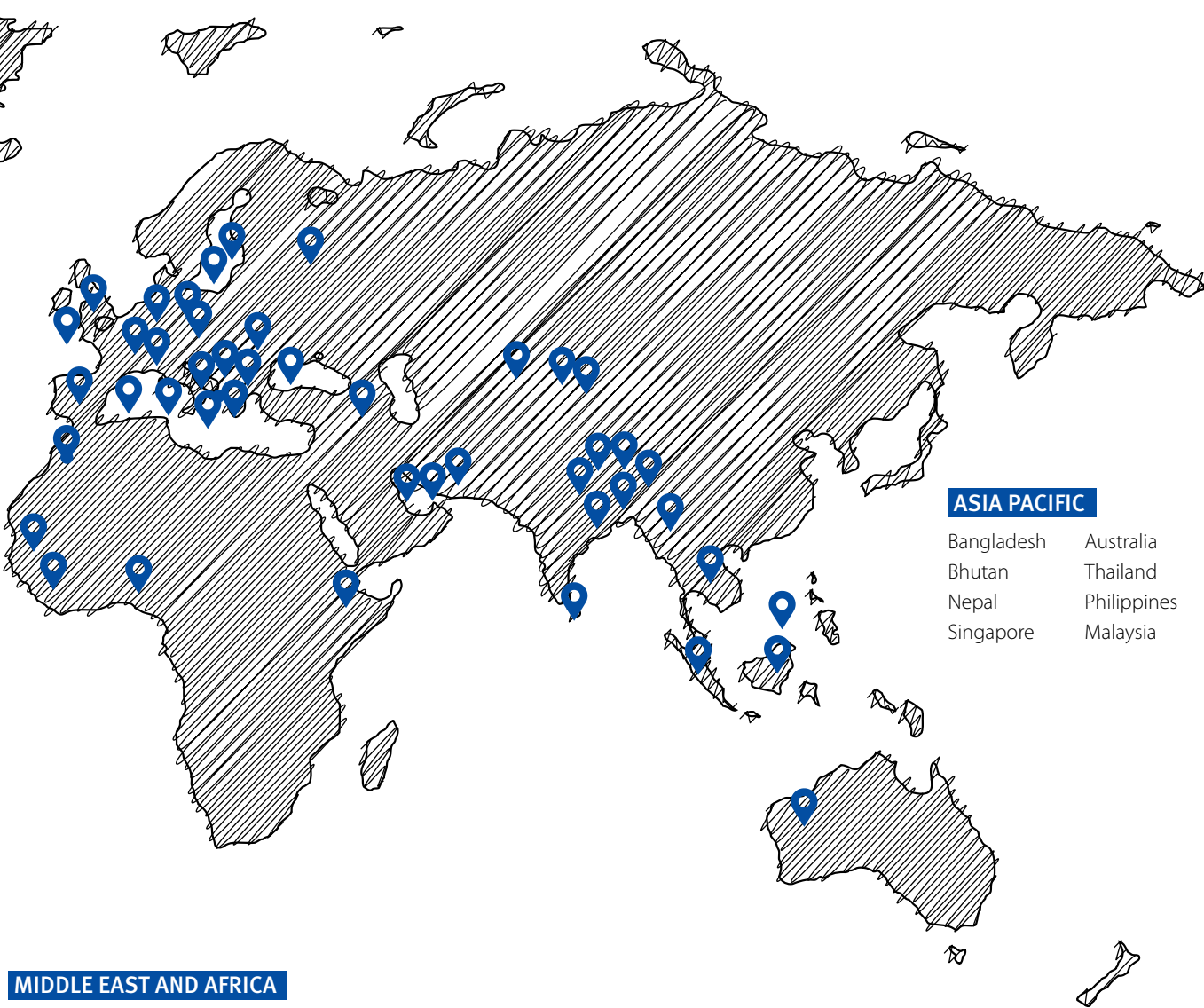






EUROPE

Albania	Czech Republic	Hungary	Lithuania	UK
Bosnia and Herzegovina	France	Ireland	Macedonia	Switzerland
Cyprus	Turkey	Italy	Poland	Ukraine
	Greece	Spain	Slovakia	Georgia



ASIA PACIFIC

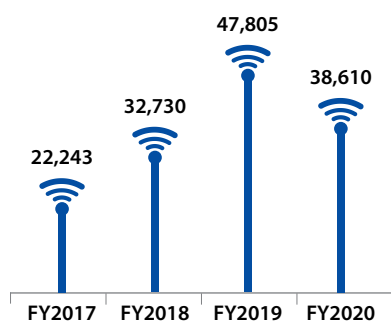
Bangladesh	Australia
Bhutan	Thailand
Nepal	Philippines
Singapore	Malaysia

MIDDLE EAST AND AFRICA

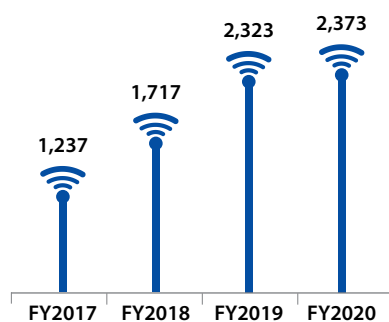
Iran	Egypt	Saudi Arabia	Morocco	Rwanda	Tanzania	Mauritius
Kuwait	UAE	Qatar	Mauritania	Somalia	Uganda	Seychelles
Jordan	Oman	Kenya	Nigeria	South Africa	Zimbabwe	Sierra Leone

# Financial Highlights

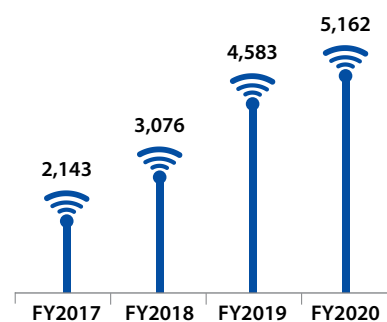
Total Income (₹ Mn)



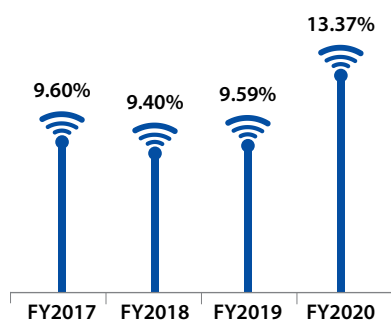
PAT (₹ Mn)



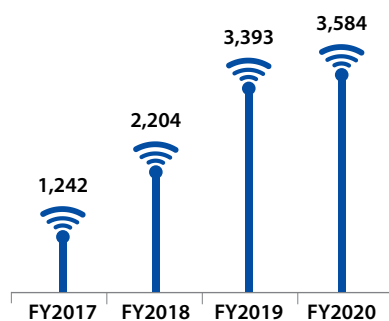
EBITDA (₹ Mn)



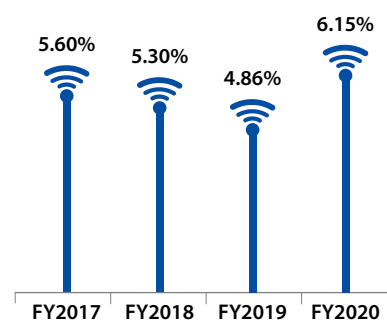
EBITDA Margin (%)



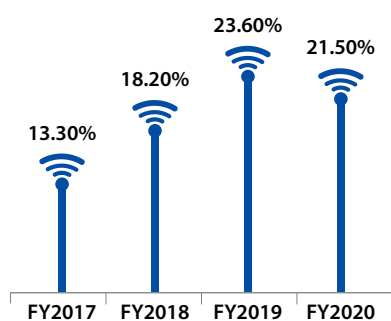
PBT (₹ Mn)



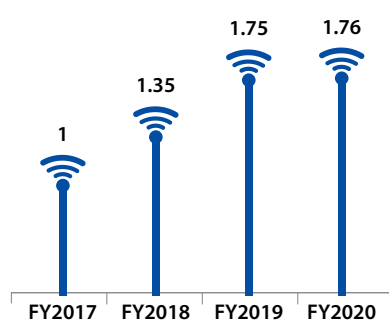
PAT Margin (%)



RoCE (%)



EPS (₹) (Diluted)



Debt and Equity

