



HFCL LIMITED



**ACCELERATED INNOVATION.
PROFITABLE GROWTH.**

ANNUAL REPORT 2020-21

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FY21 Financial Highlights

(Consolidated)

₹ **4,459** crores

Total Income

15.5% ▲

₹ **586** crores

EBITDA

13.5% ▲

₹ **246** crores

PAT

3.8% ▲

₹ **1.87**

Earnings Per Share (EPS)

Increased from ₹ 1.76 in FY20

₹ **6,875** crores

Order Book

Accelerated innovation. Profitable growth.

The story of HFCL is one of grit and determination. Of faith and perseverance. Of dreams and opportunities.

As a leading technology enterprise and one of the largest integrated telecom network providers in India, we have always believed in innovation as the engine of growth. Our high-tech, cost-competitive products are used by both private and public enterprises, including the Indian armed forces and we implement integrated network solutions on the ground across the telecom, defence, railways and security & surveillance sectors.

In one of the most disruptive years in human history, we once again fell back on our innovation DNA to overcome the challenges faced by us in FY21 and leapfrog into a new era of growth.

Our IO products saw wide acceptability, and we prepared for the next big upgrade in the world of telecommunication by setting up a dedicated 5G business unit and developed products & solutions that witnessed strong traction, despite the market slowdown.

The focus reflected in the numbers. During the year, we grew our revenues and EBITDA and our margins saw a healthy increase notwithstanding the operational challenges.

In a world more connected than before and characterised by high speed, new experiences and endless possibilities, we depend on our innovation strength to deliver sustained profitability.

That is why we came up with a new, dedicated R&D centre this year that will help us enrich our product portfolio, develop next-gen 5G compatible products and system integration services. We are looking at developing anti-drone technologies, contributing in the making of smart coaches to smart cities, creating our own space in Industry 4.0, adopting the latest technologies and customising them to make work processes and functions intelligent and seamless. Our newly developed products like electronic fuses and electro-optics devices will translate to sizeable business going forward.

Faced with a world of opportunities, we are pushing down our feet on the innovation pedal to make full use of those and ensure profitable growth, thus delivering greater value for our stakeholders.



Key Highlights at a Glance

Leapfrogging to the future

FY21 proved to be an extraordinary year in terms of digital transition.

As we strive to adapt to a dynamically changing world, we accelerated our innovation and growth journey, which enabled us to advance towards our goals and set new benchmarks along the way.

Making a mark

1 lakh Wi-Fi network products shipped within few months of production commencement; 1.5 lakh units mark reached by the end of FY21

Set up PM-WANI model villages at Baslambi, Haryana and Baidebettu, Karnataka

Commercial operation of Fibre-to-the-Home (FTTH) Cable Plant commenced at Hyderabad, making us the largest in the Country

Maintaining a strong order book

Received order of ₹260.97 crores for design, manufacture, supply, installation, testing and commissioning of communication systems of Kanpur and Agra Metro

Received order of ₹800 crores from L&T for supplying IT equipment, software solutions and associated equipment for setting up data centres, Security Operation Centres and Network Operation Centres

Received order from a leading Indian outsourced service provider for the onsite harness manufacturing for the Aerospace & Defence and the Automotive industries through our subsidiary HTL

Received order of ₹174.43 crores from a leading private integrator of data networks for the supply of Optical Fiber Cables for the construction of Telangana Fiber Grid under BharatNet Phase-II programme of the Govt

Geared up for the future

Participated in GOI's PLI Scheme for Telecom and Networking Products through our newly incorporated wholly-owned subsidiary, HFCL Technologies Private Limited

Set up a state-of-the-art R&D Centre in Bengaluru, primarily focusing on the development of 5G and Wi-Fi product portfolio

Set up a new dedicated Business Unit for catering to the 5G products and solutions including System Integration opportunities

Established a state-of-the-art aerospace & defence, automotive wire harness facility in our subsidiary HTL Limited

Corporate Profile

On the cusp of a new era

We started our journey in the late 1980s as India's homegrown telecom equipment manufacturer. Over the last three decades, we have emerged as a leading integrated technology enterprise, enabling a securely connected world.

Building on indigenously developed products and solutions, we have expanded our portfolio and become a partner of choice for marquee clients in India and abroad. Our operations span the entire communication network value

chain – from manufacturing high-tech, quality and cost-competitive products to implementing integrated network solutions on the ground for both private and government organisations across the telecom, defence, railways and security &

surveillance sectors. As the world become more and more digital and data driven and India moves towards self-reliance, we are on the cusp of a new era in a smart, connected world.

Catering to key sectors



Telecom

Offerings

- Optical fiber
- Optical fiber cables
- Wi-Fi products
- High Capacity Radio Relay (HCRR)
- Switches
- Passive connectivity solutions
- Routers*
- Passive optical network (PON)*
- 5G small cell & 5G macro radio unit (RU)*
- DU (Distributed Unit) aggregation router*
- CU (Centralised Unit) aggregation router*



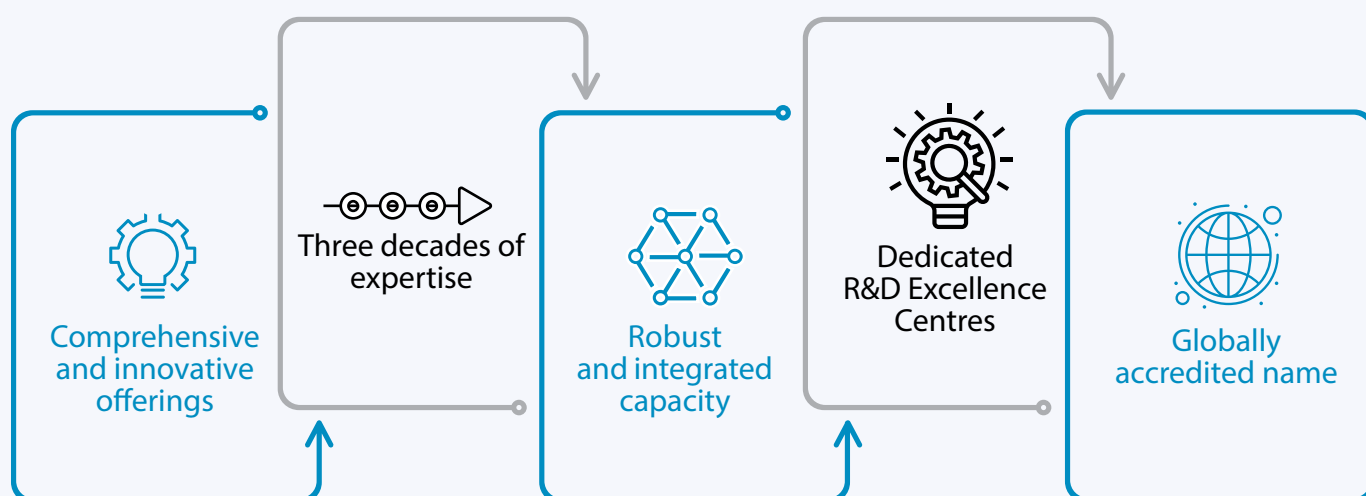
Defence

Offerings

- Night vision devices, electronic fuses
- OFC and optical transport network
- Fiber monitoring and management system
- Routing network
- Microwave radio backhaul solutions
- Ground surveillance radar*
- Uncooled engine core*
- Software defined radio*

* Under Development

Core strengths



Offerings

- Passenger information display system
- Fiber optic transmission system
- CCTV video surveillance system
- Operation/Plant management and control system



Offerings

- Video management system
- Video analytics
- Automatic number plate recognition
- Red light violation detection system

Service enablers

5

State-of-the-art manufacturing facilities

18.5 mn fkm

Optic Fiber Cable (OFC) capacity

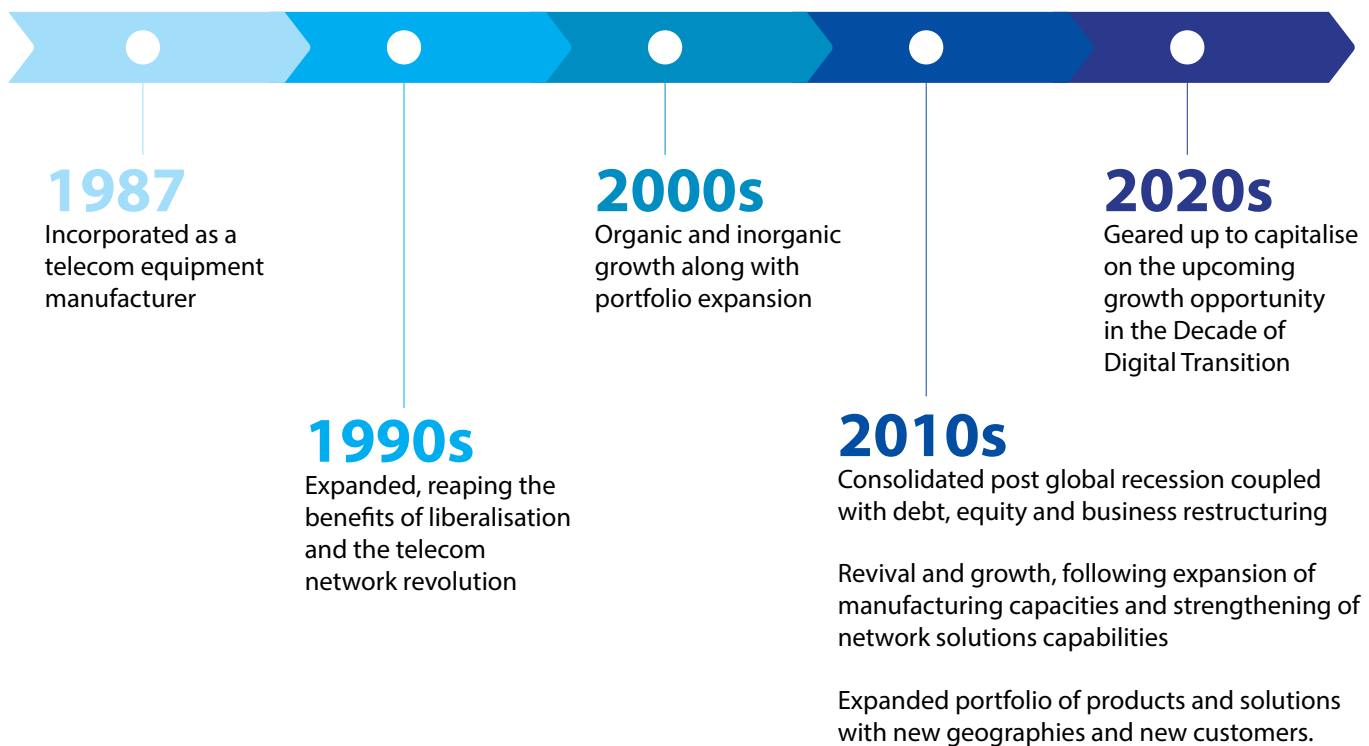
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Advanced R&D Excellence Centres

2,500+

Employees

Persistently evolving to stay ahead of the curve



Strategically located manufacturing facilities with robust R&D capabilities

Locations	Capacity and other details
Verna, Goa	OFC: 8 mn fkm
Hyderabad, Telangana	Optical fiber: 8 mn fkm FTTH cable: 3.6 lakhs cable km/annum
Solan, Himachal Pradesh	Telecom equipment
Chennai, Tamil Nadu	OFC: 10.5 mn fkm FTTH cable: 2.4 lakhs cable km/annum OFC accessories and wire harness
Hosur, Tamil Nadu	FRP: 3.60 lakhs km/annum IGFR: 2,700 MT ARP: 3.00 lakhs km/annum
Gurugram and Bengaluru	R&D centre for Wi-Fi product portfolio and 5G offerings

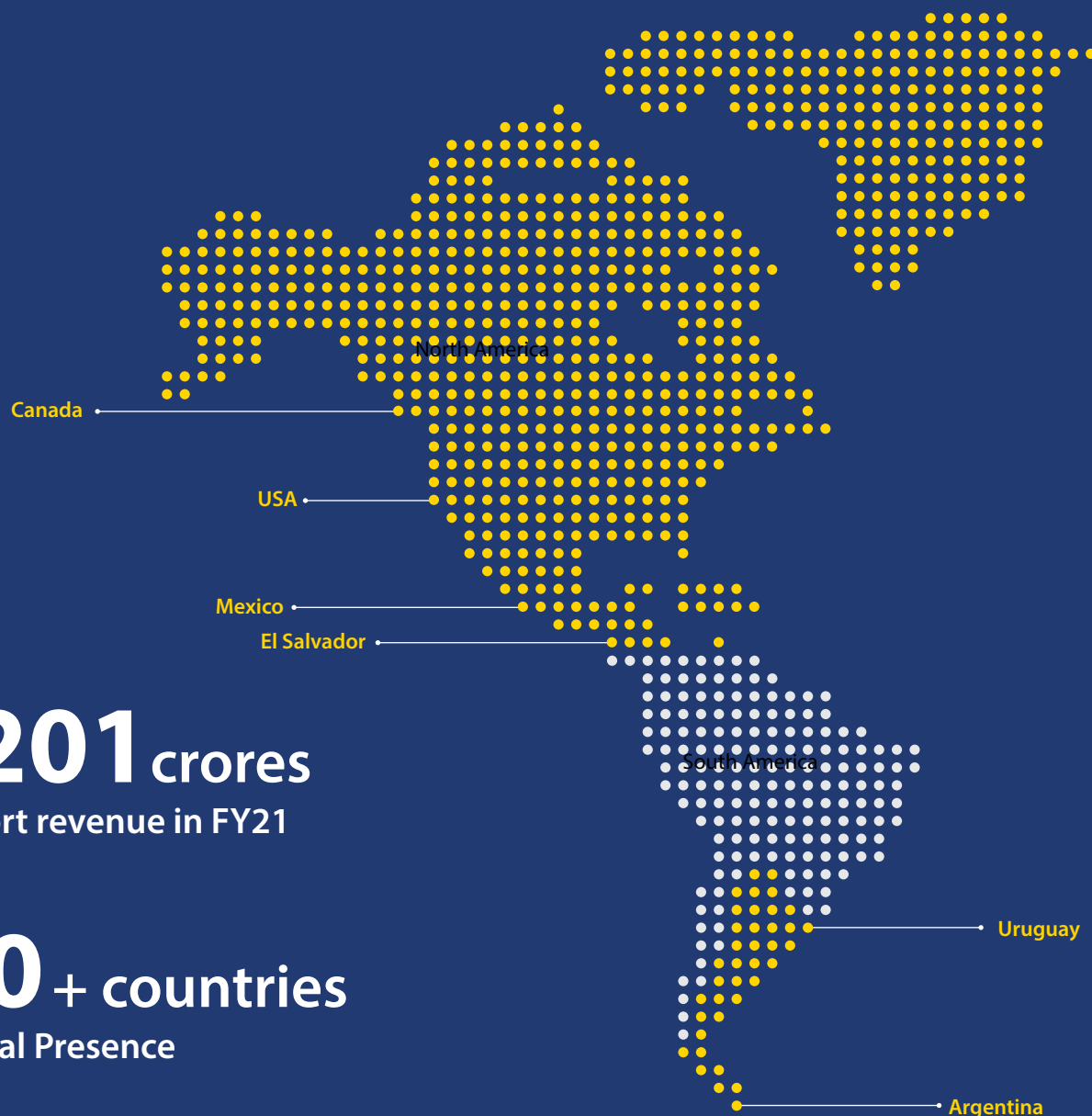
■ HFCL ■ HTL ■ R&D Centre

Partnering clients across the globe



Global Presence

Forging connections across the world



₹ **201** crores
Export revenue in FY21

30+ countries
Global Presence