



HFCL Limited

(formerly Himachal Futuristic Communications Ltd.)

8, Commercial Complex, Masjid Moth, Greater Kailash - II,
New Delhi - 110048, India

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HFCL/SEC/21-22

September 28, 2021

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: Disclosures under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Subject: Assignment of Credit Ratings.

Dear Sir(s)/ Madam,

With reference to the above cited subject and in terms of Regulation 30 read with Para A of Part A of Schedule III to the SEBI Listing Regulations, we wish to inform you that **Infomerics Valuation and Rating Pvt. Ltd.** (RBI & SEBI Registered Credit Rating Agency) vide their e-mail communication dated September 27, 2021 (copy enclosed herewith), has assigned the credit ratings for the Bank Loan facilities of the Company, the details of which are as below:-

Instrument / Facility	Amount (₹ in Crores)	Ratings	Rating Action
Long term Bank Facilities - Term Loans	181.80	IVR A/ Stable (IVR A with Stable Outlook)	Assigned
Short term Bank Facilities - Cash Credit	375.00	IVR A/ Stable (IVR A with Stable Outlook)	Assigned
Short Term Bank Facilities - LC/BGs	1,842.02	IVR A1 (IVR A One)	Assigned
Total	2,398.82		

We would also like to inform that the existing credit ratings for the Bank Loan facilities of the Company, which has been assigned by CARE Ratings Limited, are as follows:-

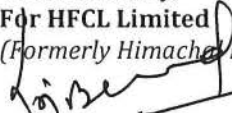
Instrument / Facility	Amount (₹ in Crores)	Ratings	Rating Action
Long term Bank Facilities	579.77	CARE A-; Negative (Single A Minus; Outlook: Negative)	Reaffirmed
Short term Bank Facilities	1,842.02	CARE A2 (A Two)	Reaffirmed
Total	2,421.79		
Non-Convertible Debentures	11.24	CARE A-; Negative (Single A Minus; Outlook: Negative)	Reaffirmed
Total	11.24		

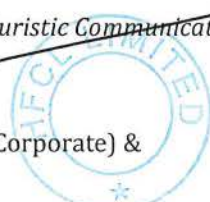
You are requested to take the above information on records and disseminate the same on your respective websites.

Thanking you.

Yours faithfully,

For HFCL Limited
(Formerly Himachal Futuristic Communications Limited)


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



Encl.: Credit Ratings Communication.

Dear Sir,

Greetings from **Infomerics Valuation & Rating Pvt Ltd!**

Please find below rating letter for bank facilities of **HFCL Limited**

September 27, 2021

Mr. Vijay Raj Jain

CFO

HFCL Limited

8, Commercial Complex,

Masjid Moth, Greater Kailash – 2,

New Delhi – 110048.

Credit rating for bank facilities

Dear Sir,

Please refer to the enhancement mandate contract dated **September 20, 2021** along with your E-Mail dated **September 27, 2021** accepting our rating & use thereof.

1. Our Rating Committee has assigned the following ratings to the additional facilities:

Instrument / Facility	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities – Term Loans	181.80	IVR A/ Stable (IVR A with Stable Outlook)	Assigned



Long Term Bank Facilities – Cash Credit	270.00	IVR A/ Stable (IVR A with Stable Outlook)	Assigned
Short Term Bank Facilities – LC/BGs	1607.02	IVR A1 (IVR A One)	Assigned
Total	2058.82		

Accordingly, the total rated facilities are:

Instrument / Facility	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities – Term Loans	181.80	IVR A/ Stable (IVR A with Stable Outlook)	Assigned
Long Term Bank Facilities – Cash Credit	375.00	IVR A/ Stable (IVR A with Stable Outlook)	Assigned
Short Term Bank Facilities – LC/BGs	1842.02	IVR A1 (IVR A One)	Assigned
Total	2398.82		

- Details of the credit facilities are below in **Annexure I**. Our rating symbols for long-term and short-term ratings and explanatory notes thereon are attached in **Annexure II**.
- The press release for the rating(s) will be communicated to you shortly.
- The above rating is normally valid for a **period of one year** from the date of our **initial communication of rating** to you (that is. **September 27, 2022**).
- If the proposed long term / short term facility (if any) is not availed within a period of six months / three months respectively from the date of this letter, then the rating may please be revalidated from us before availing the facility.
- This is to mention that all the clauses mention in the initial rating letter (**attached as Annexure III**) are also stands applicable. If you need any clarification, you are welcome to approach us in this regard.

While arriving at the ratings, Infomerics has considered the Consolidated financials of HFCL Limited & its subsidiaries viz. HTL Limited, Polixel Security Systems Private Limited, Moneta Finance (P) Limited, HFCL Advance Systems (P) Limited, DragonWave HFCL India Private Limited (subsidiary with effect from 17.12.2019) and Raddef Private Limited (subsidiary with effect from 15.05.2019). Infomerics has taken consolidation view on account of common promoters, Operations and financial linkages between parent and subsidiary companies.

Thanking you,

Hardik Gala
Rating Analyst
hardik.gala@infomerics.com

Yours faithfully,

Prakash Kabra
Vice President



Encl.: As above

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

ANNEXURE I

1. Long Term Bank Facility - Fund Based

Sl. No.	Lender Name	Type of Facility	Rated Amount	Maturity
1	Punjab National Bank	Term Loan	47.10	December, 2027
2	Punjab National Bank	Cash Credit	105.00	-
3	Punjab National Bank	Term Loan (COVID Limit)	5.84	May, 2022
4	Union bank of India	Term Loan	122.51	December, 2027
5	Union Bank of India	Cash Credit	38.00	-
6	Union Bank of India	Term Lona under CELC	1.28	June, 2022
7	State Bank of India	Cash Credit	85.00	-
8	State Bank of India	Term Loan under CECL	3.80	May, 2022
9	Bank of Baroda	Cash Credit	82.00	-
10	Bank of Baroda	Term Loan (COVID Limit)	1.27	May, 2022
11	ICICI Bank	Cash Credit	20.00	-
12	Yes Bank	Cash Credit	35.00	-
13	Indian Bank	Cash Credit	10.00	-
	Total		556.80	

2. Short Term Bank Facility – Non-Fund Based

Sl. No.	Lender Name	Type of Facility	Rated Amount	Maturity
3	Punjab National Bank	Letter of Credit	185.00	-
4	Punjab National Bank	Bank Guarantee	170.00	-
10	Union Bank of India	ILC	50.00	-
11	Union Bank of India	ILC/FLC (project specific limit)	50.00	-
12	Union Bank of India	Bank Guarantee	88.50	-
13	Union Bank of India	Bank Guarantee (project specific limit)	46.00	-
15	State Bank of India	ILC/FLC	70.00	-
16	State Bank of India	ILC/FLC (project specific limit)	73.00	-



17	State Bank of India	Bank Guarantee	125.00	-
21	Bank of Baroda	ILC/FLC	60.00	-
22	Bank of Baroda	ILC/FLC (project specific limit)	293.00	-
23	Bank of Baroda	Bank Guarantee	122.00	-
24	Bank of Baroda	Bank Guarantee (project specific limit)	124.00	-
26	ICICI Bank	Bank Guarantee	68.48	-
27	ICICI Bank	Letter of Credit (project specific limit)	137.52	-
30	Indian Bank	Bank Guarantee	48.00	-
31	Indian Bank	Letter of Credit	27.00	-
32	IDBI Bank	ILC/FLC	104.52	-
	Total		1842.02	

The above rating is based on consolidation of the following entities.

Extent of Consolidation:

Name of the Subsidiary Company	Percentage of Holding
HTL Limited	74%
Polixel Security Systems Pvt. Ltd.	100%
Moneta Finance (P) Ltd.	100%
HFCL Advance Systems (P) Ltd.	100%
Raddef Pvt. Ltd.	90%
Dragon Wave HFCL India Pvt. Ltd.	100%

ANNEXURE II

INFOMERICS Rating Scale for Long Term Instruments & Borrowing Programmes

Rating Scale	Definition
IVR AAA	Instruments with this rating are considered to offer the highest degree of safety regarding timely servicing of financial obligations. Such issuers carry lowest credit risk.
IVR AA	Instruments with this rating are considered to offer high degree of safety regarding timely servicing of financial obligations. Such issuers carry very low credit risk.
IVR A	Instruments with this rating are considered to offer adequate degree of safety regarding timely servicing of financial obligations. Such issuers carry low credit risk.
IVR BBB	Instruments with this rating are considered to offer moderate degree of safety regarding timely servicing of financial obligations. Such issuers carry moderate credit risk.
IVR BB	Instruments with this rating are considered to offer moderate risk of default regarding timely servicing of financial obligations.
IVR B	Instruments with this rating are considered to offer high risk of default regarding timely servicing of financial obligations.
IVR C	Instruments with this rating are considered to offer very high risk of default regarding timely servicing of financial obligations.
IVR D	Instruments with this rating are in default or are expected to be in default soon in servicing of debt obligations.

INFOMERICS may apply '+' (plus) or '-' (minus) signs for ratings assigned 'IVR AA' to 'IVR C' to indicate their relative standing within the category.

INFOMERICS may assign rating outlooks for ratings from IVR 'AAA' to IVR 'B'.



INFOMERICS Rating Scale for Short Term Instruments & Borrowing Programmes

Rating Scale	Definition
IVR A1	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
IVR A2	Instruments with this rating are considered to have strong degree of safety regarding timely payment of financial obligations. Such instruments carry low credit risk.
IVR A3	Instruments with this rating are considered to have moderate degree of safety regarding timely payment of financial obligations. Such instruments carry higher credit risk as compared to instruments rated in the two higher categories.
IVR A4	Instruments with this rating are considered to have minimal degree of safety regarding timely payment of financial obligations. Such instruments carry very high credit risk and are susceptible to default.
IVR D	Instruments with this rating are in default or expected to be in default on maturity in servicing of debt obligations.

INFOMERICS may apply '+' (plus) signs for ratings assigned from 'IVR A1' to 'IVR A4' to indicate their relative standing within the category.

[Please treat this mail as final rating letter in view of extraordinary circumstances in the country. However, we will issue a duly signed rating letter once the situation normalizes.]

Thanks & Regards
Hardik Gala
Rating Analyst



Infomerics Ratings

Infomerics Valuation and Rating Pvt. Ltd.

(RBI & SEBI Registered Credit Rating Agency)

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Andheri –Kurla Road, Andheri East, Mumbai- 400093.

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