



# HFCL LIMITED

8, Commercial Complex, Masjid Moth, Greater Kailash – II,  
New Delhi – 110048, India  
Tel : (+91 11) 3520 9400, 3520 9500 Fax: (+91 11) 3520 9525  
Web : [www.hfcl.com](http://www.hfcl.com)  
Email : [secretarial@hfcl.com](mailto:secretarial@hfcl.com)

HFCL/SEC/21-22

January 17, 2022

<b>The BSE Ltd.</b> 1 <sup>st</sup> Floor, New Trading Wing, Rotunda Building Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai – 400001 <a href="mailto:corp.relations@bseindia.com">corp.relations@bseindia.com</a> <b>Security Code No.: 500183</b>	<b>The National Stock Exchange of India Ltd.</b> Exchange Plaza, 5 <sup>th</sup> Floor, C – 1, Block G Bandra – Kurla Complex, Bandra (E) Mumbai – 400051 <a href="mailto:cmlist@nse.co.in">cmlist@nse.co.in</a> <b>Security Code No.: HFCL</b>
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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: Outcome of the meeting of the Board of Directors held on January 17, 2022.**

Time of Commencement: 03:00 P.M.

Time of Conclusion: 05:35 P.M.

Dear Sir(s)/ Madam,

This is in continuation to our earlier intimation dated January 07, 2022, with respect to the meeting of the Board of Directors of the Company, scheduled on January 17, 2022.

1. In terms of Regulation 30 read with Para B of Part A of Schedule III to the SEBI Listing Regulations and and SEBI Circular No. CIR/CFD/CMD4/2015 dated 9<sup>th</sup> September, 2015, we would like to inform all our stakeholders that the Board of Directors, at its meeting held today, has, *inter-alia*, accorded approval to the following consolidated capacity expansion and capital budget therefor:-

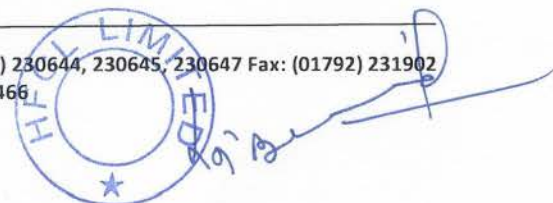
Product	Existing Capacity	Current Ongoing Expansion – up to	Proposed further Capacity Addition – by	Investment/ Capex
Optical Fibre	8 mfkM/p.a.	10 mfkM/p.a.	12 mfkM/p.a. (Resulting in total capacity to 22 mfkM/p.a.)	₹425 Crores approx.
Optical Fibre Cable	22.1 mfkM/p.a.	24.75 mfkM/p.a.	10 mfkM/p.a. (Resulting in total capacity to 34.75 mfkM/p.a.)	

**a. Period within which the Capacity is to be added:** June, 2023.

**b. Mode of financing:** Internal accruals/Loans/QIP proceeds.

**c. Rationale:** Increase in demand of Optical Fibre/Optical Fibre Cable in India as well as global market.

2. Further, 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 the Board of Directors of the Company has, at its meeting held today, considered and approved the **Un-audited Financial Results of the Company for the 3<sup>rd</sup> quarter and nine months ended December 31, 2021 of the Financial Year 2021-22**, both





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on **Standalone and Consolidated** basis, in accordance with the provisions of Regulation 33 of the SEBI Listing Regulations.

The aforesaid results have been duly reviewed by the Audit Committee and M/s S. Bhandari & Co., Chartered Accountants and M/s Oswal Sunil & Company, Chartered Accountants, Statutory Auditors of the Company.

The **copies of the aforesaid Financial Results** along with the **Limited Review Reports** thereon, both on Standalone and Consolidated basis, are enclosed herewith.

Arrangements have also been made for publication of the aforesaid Financial Results in Newspapers, as per the requirements of Regulation 47 of the SEBI Listing Regulations.

We hereby submit a copy of the **Press Release** on the **Un-audited Financial Results of the Company for the 3<sup>rd</sup> quarter and nine months ended December 31, 2021 of the Financial Year 2021-22**, both on **Standalone and Consolidated** basis.

3. The Board of Directors has also approved the **appointment of Mr. Baldev Singh Kashtwal**, Company Secretary in Whole-time Practice having C.P. No. 3169 and Membership No. F3616 **as the Secretarial Auditor of the Company for the financial year 2022-23**.

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**



**(Manoj Baid)**

Senior Vice-President (Corporate) &  
Company Secretary

- Encl.:**
1. Un-audited Financial Results;
  2. Limited Review Reports;
  3. Press Release.

**Independent Auditors' Review Report on Standalone Unaudited Quarterly and Year to date Financial Results of HFCL Limited ('the Company') pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**To the Board of Directors of  
HFCL Limited**

1. We have reviewed the accompanying Statement of the Unaudited Standalone Financial Results ('the Statement') of **HFCL Limited** ('the Company') for the quarter ended December 31, 2021 and for the period from April 01, 2021 to December 31, 2021, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time. The Statement is the responsibility of the Company's Management and has been approved by the Company's Board of Directors. Our responsibility is to issue a report on the Statement based on our review of the Statement, which has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, and other accounting principles generally accepted in India and in Compliance with Regulation 33 of the Listing Regulations.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in the applicable Indian accounting standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For S. BHANDARI & CO.**  
Chartered Accountants  
Firm Registration No. 000560C

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**(P.D. Baid)**  
Partner  
Membership No. 072625  
**UDIN:** 22072625AAAAABR3354  
Place: Jaipur  
Date: January 17, 2022

**For OSWAL SUNIL & COMPANY**  
Chartered Accountants  
Firm Registration No. 016520N

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BHANSALI

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**(Sunil Bhansali)**  
Partner  
Membership No. 054645  
**UDIN:** 22054645AAAAAB8552  
Place: New Delhi  
Date: January 17, 2022

**Independent Auditors' Review Report on Consolidated Unaudited Quarterly and Year to date Financial Results of HFCL Limited (the "Parent") pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**To the Board of Directors of  
HFCL Limited**

1. We have reviewed the accompanying Statement of the Unaudited Consolidated Financial Results ("the Statement") of **HFCL Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit after tax and total comprehensive profit of its jointly controlled entities/ associates, for the quarter ended December 31, 2021 and for the period from April 01, 2021 to December 31, 2021, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations').

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review of the Statement.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

4. The Statement includes the results of following Subsidiaries and Jointly Controlled Entities:

**i. Subsidiaries:**

- a. HTL Ltd.,
- b. Polixel Security Systems Pvt. Ltd.;
- c. Raddef Private Ltd.;
- d. Moneta Finance Pvt. Ltd.;
- e. HFCL Advance Systems Pvt. Ltd.;
- f. Dragon Wave HFCL India Pvt. Ltd.;
- g. HFCL Technologies Pvt. Ltd. (w.e.f. June 26, 2021);
- h. HFCL B.V. (w.e.f. October 07, 2021); and
- i. HFCL Inc. (w.e.f. October 08, 2021).

**ii. Jointly Controlled Entities:**

- a. Nimpaa Telecommunications Pvt. Ltd. (w.e.f. June 14, 2021); and
- b. BigCat Wireless Pvt. Ltd. (w.e.f. November 12, 2021)

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 and 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the interim financial information / financial results of two subsidiaries included in the Statement, whose interim financial information / financial results reflect total revenues of Rs. 0.41 Crore and Rs. 0.41 Crore, total net profit after tax of Rs. 0.37 Crore and Rs. 0.48 Crore and total comprehensive income of Rs. 0.37 Crore and Rs. 0.48 Crore for the quarter ended December 31, 2021 and for the period from April 01, 2021 to December 31, 2021 respectively, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of Rs. 0.15 Crore and Rs. 0.06 Crore and total comprehensive Income of Rs. 0.15 Crore and Rs. 0.06 Crore, for the quarter ended December 31, 2021 and for the period from April 01, 2021 to December 31, 2021 respectively, as considered in the Statement, in respect of two jointly controlled entities, whose interim financial results have not been reviewed by us. These interim financial information/ financial results have been reviewed by other respective auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these two subsidiaries and two jointly controlled entities, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

7. The interim financial information / financial results of five subsidiaries included in the Statement, whose interim financial information / financial results reflect revenues of Rs. 249.03 Crore and Rs. 733.98 Crore, total net profit after tax of Rs. 10.53 Crore and Rs. 36.44 Crore and total comprehensive income of Rs. 10.46 Crore and Rs. 36.33 Crore for the quarter ended December 31, 2021 and for the period from April 01, 2021 to December 31, 2021 respectively, as considered in the Statement, have been reviewed by one of the joint auditors of the Parent and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of such joint auditor.

8. The accompanying Statement includes unaudited interim financial information / financial results in respect of two foreign subsidiaries, whose interim financial information / financial results reflect total revenues of Rs. Nil and Rs. Nil, total net profit / (loss) after tax of Rs. (0.10) crore and Rs. (0.10) crores, total comprehensive income/ (loss) of Rs. (0.10) crore and Rs. (0.10) crore for the quarter ended December 31, 2021 and for the period from April 01, 2021 to December 31, 2021 respectively, as considered in the Statement whose interim financial information / financial results have been certified by the management.

The interim financial information / financial results of these subsidiaries have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of these subsidiaries is based solely on such management certified interim financial information / financial results and other financial information. According to the information and explanations given to us by the Management, these interim financial information / financial results and other financial information are not material to the Group.

Our conclusion on the Statement in respect of matters stated in paragraph 6, 7 and 8 above is not modified with respect to our reliance on the work done and the reports of the other auditors and the interim financial information / financial results and other financial information certified by the Management.

**For S. BHANDARI & CO.**  
Chartered Accountants  
Firm Registration No. 000560C

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**(P.D. Baid)**  
Partner  
Membership No. 072625  
**UDIN:** 22072625AAAABS3253  
Place: Jaipur  
Date: January 17, 2022

**For OSWAL SUNIL & COMPANY**  
Chartered Accountants  
Firm Registration No. 016520N

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**(Sunil Bhansali)**  
Partner  
Membership No. 054645  
**UDIN:** 22054645AAAAAC3669  
Place: New Delhi  
Date: January 17, 2022





Press Release  
For immediate Release

## HFCL's momentum of healthy performances continues

### Strategic highlights

- Rs.600 crores raised via QIP with overwhelming response from the investors
- Attained 'Trusted Source' qualification from the National Security Council Secretariat (NSCS)
- Received approval under PLI Scheme for manufacturing Telecom and Networking Products

### Financial highlights

- Q3FY22 Consolidated Revenue stands at ₹ 1215.21 crs, as compared to ₹ 1122.05 crs in Q2FY22 and ₹1277.48 crs in Q3FY21
- Q3FY22 Consolidated EBIDTA stands at ₹ 174.56 crs as compared to ₹ 173.20 crs in Q2FY22 and ₹176.53 crs in Q3FY21; EBIDTA margin stands at 14.32% as compared to 15.42% in Q2FY22 and 13.78% in Q3FY21.
- Q3FY 22 Consolidated PAT stands at ₹ 81.10 crs as compared to ₹ 85.94 crs in Q2FY22 and ₹ 85.11 crs in Q3FY21, PAT margin stands at 6.67 % as compared to 7.66% in Q2FY22 and 6.66% in Q3FY21

New Delhi, 17<sup>th</sup> January, 2022: HFCL Limited, India's leading telecom equipment manufacturer and technology provider announced its unaudited financial results for the third quarter and nine months ended December 31, 2021.

### Consolidated Financial Highlights

Particulars	Q3 FY22 ₹ in Crore	Q2 FY22 ₹ in Crore	Change Q-o-Q%	Q3 FY21 ₹ in Crore	Change Y-o-Y%
Revenue	1215.21	1122.05	8.29%	1277.48	-4.86%
EBIDTA	174.56	173.20	0.58%	176.53	-1.14%
EBIDTA Margin (%)	14.32%	15.42%	-110Bps	13.78%	54Bps
PAT	81.10	85.94	-5.81%	85.11	-4.71%
PAT Margin (%)	6.67%	7.66%	-99Bps	6.66%	1Bps

On standalone basis, for the third quarter ended 31<sup>st</sup> December, 2021, the Company reported a revenue of ₹ 1107.36 crs, EBIDTA of ₹ 139.34 crs, PBT of ₹ 94.79 crs and PAT of ₹70.12 crs as against revenue of ₹ 1188.89 crs, EBIDTA of ₹ 149.28 crs, PBT of ₹ 97.29 crs and PAT of ₹ 75.04 crs for third quarter ended 31<sup>st</sup> December, 2020.

For the nine months ended 31<sup>st</sup> December, 2021, the Company reported consolidated revenue of ₹3544.13 crs, EBIDTA of ₹539.30 crs, PBT of ₹ 348.76 crs and PAT of ₹ 257.73 crs as against revenue of ₹ 3031.56 crs, EBIDTA of ₹ 396.92 crs, PBT of ₹ 218.62 crs and PAT of ₹ 159.77 crs for nine months ended 31<sup>st</sup> December, 2020.



For the nine months ended 31<sup>st</sup> December, 2021, the Company reported standalone revenue of ₹3220.48 crs, EBIDTA of ₹ 443.36 crs , PBT of ₹ 298.67 crs and PAT of ₹ 220.84 crs as against revenue of ₹ 2828.93 crs, EBIDTA of ₹ 336.68 crs , PBT of ₹ 186.62 crs and PAT of ₹ 140.36 crs for nine months ended 31<sup>st</sup> December, 2020.

*Commenting on the Company's performance, Mr. Mahendra Nahata, Managing Director, HFCL said, "Although the demand in the economy is coming back gradually, we had a strong quarter with growth in revenues. The margins during the quarter got slightly impacted followed by increased logistic costs and increase in fiber and semi-conductor prices. In order to expand capacities and build network solution capabilities to tap the upcoming opportunities in Telecom and Defence sectors, the Company has raised ₹600 crores via QIP and I am thankful to all the investors for their overwhelming support and faith posed in HFCL's long term growth strategy. We are also well on track to shift our revenue mix from more of EPC to more of products and looking for significant growth in coming years. The Company is also constantly working on expanding its global market access and appointed global leaders in US and Europe to boost its OFC and Telecommunication product sales."*

He further added that *"The Board has considered and approved the Company's plan for expansion of Fiber manufacturing capacities from 10mn fkm p.a. to 22 mn fkm p.a. and consolidated OFC manufacturing capacities from 24.75 mn fkm p.a. to 34.75 mn fkm p.a. with an overall capital outlay of ~Rs.425 crores. We remain optimistic about the outlook of the sector. The Government's approval for our PLI scheme candidature will help us in improving our competitiveness, collaborate with new players and venture into new geographies."*

Mr. Nahata further added that, *"HFCL has secured approval from NSCS as a 'Trusted Source' and we are fully committed to continue serving our TSP partners. The development will lead to cement HFCL's position further in the Telecom sector thereby amplifying the growth opportunities for HFCL. Our inclusion in the select list as one of the trusted sources, is a distinguished achievement and reinforces our commitment to delivering Make in India world-class products/solutions and contribute to our Hon'ble PM's vision of an Atmanirbhar Bharat."*

## **About HFCL**

HFCL Limited is a leading technology enterprise engaged in manufacturing of high-end Transmission and Access Equipment, Optical Fiber, Optical Fiber Cables (OFC) and is specialized in setting up modern communication network for Telecom Service Providers, Railways and Defence.

The Company has state-of-the-art Optical Fiber and Optical Fiber Cable manufacturing plants at Hyderabad, Optical Fiber Cable manufacturing plant in Goa and in its subsidiary i.e. HTL Limited at Chennai along with FRP and ARP Rod manufacturing plant in its subsidiary at Hosur.

The Company's in-house Centre for Excellence in Research located at Gurgaon & Bengaluru along with invested R&D Houses and other collaborators at different locations in India and abroad, innovate futuristic range of technology products and solutions. Some of the newly developed products through R&D are Wi-Fi Systems, Unlicensed Band Radios, Switches, Electronic Fuses, Electro optic devices, and Video Management Systems. There is a suite of products under development, which include Software Defined Radios, Routers, PON, 5G Transport and Radio products, Wi-Fi 6 access points, Point-to-multipoint Radios and Ground Surveillance Radars among others.

Visit [www.hfcl.com](http://www.hfcl.com) for more information.





**For further details please contact:**

<b>HFCL Limited</b> Manoj Baid   Amit Agarwal  Email: <a href="mailto:manoj.baid@hfcl.com">manoj.baid@hfcl.com</a> <a href="mailto:amit.agarwal@hfcl.com">amit.agarwal@hfcl.com</a>  Contact: 011 3520 9400	<b>Adfactors PR</b> Poonam Saney Makhija   Shivangi Sinha   Vasundhra Sethi Email: <a href="mailto:poonam.saney@adfactorspr.com">poonam.saney@adfactorspr.com</a> <a href="mailto:shivangi.sinha@adfactorspr.com">shivangi.sinha@adfactorspr.com</a> <a href="mailto:vasundhra.sethi@adfactorspr.com">vasundhra.sethi@adfactorspr.com</a>  Contact: 98190 04968   98366 43500   74285 08927
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Date: 17<sup>th</sup> January, 2022

Place: New Delhi