



HFCL Limited

(formerly 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/20-21

June 05, 2020

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: Outcome of the meeting of the Board of Directors held on June 05, 2020.

Time of Commencement: 12:30 P.M.

Time of Conclusion: 04:15 P.M.

Dear Sir(s)/ Madam,

This is in continuation to our earlier intimation dated May 29, 2020, with respect to the meeting of the Board of Directors of the Company, scheduled on June 05, 2020.

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, *inter-alia*:-

- i. **Considered and approved the audited Financial Results** of the Company for the Fourth Quarter and Financial Year ended March 31, 2020, along with Cash Flow Statement for the financial year ended March 31, 2020, both on Standalone and Consolidated basis, and the Statement of Assets and Liabilities of the Company, in accordance with the provisions of Regulation 33 of the SEBI Listing Regulations, along with the Auditors’ Report thereon.

These results have been duly reviewed by the Audit Committee and audited by 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 Auditors’ Report thereon and Declaration on unmodified opinion on the Audit Reports, both on Standalone and Consolidated basis, are enclosed herewith.

Please note that aforesaid Financial Results will also be available on the Company’s website at www.hfcl.com.

- ii. **A reduction 30% in the salary of Mr. Mahendra Nahata, Promoter and Managing Director**, on account of voluntary forgo of the fixed remuneration by him due to pandemic of Covid-19, for the financial year 2020-21, in order to make his possible contribution in the financial health of the Company.



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Schedule of Investors' / Analysts Conference Call:

We wish to inform you that the Company will host an audio **Earnings Conference Call for 60 Minutes**, as per following schedule:-

Day, Date & Time of the Conference Call	Purpose
Monday, June 08, 2020/ 11:00 a.m. (IST)	To discuss audited Financial Results of the Company, on Standalone & Consolidated basis.

The dial-in and other details in respect of the same are also enclosed herewith.

A transcript of this Call shall be made available on the Company's website, subsequently.

The above Schedule may undergo change due to exigencies on the part of the Investors/ the Company.

For further information, please contact at:

E: ir@hfcl.com

T: +91 11 3520 9530 / +91 11 3520 9515

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 Digitally signed
by MANOJ BAID
BAID Date: 2020.06.05
16:42:05 +05'30'

(Manoj Baid)

Vice-President (Corporate) &
Company Secretary

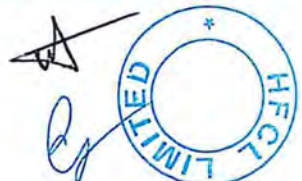
Encl: Audited Annual Financial Results
Statement of Assets and Liabilities
Cash Flow Statement
Auditors' Report
Declaration on unmodified opinion
Earnings' Con-Call Invite

STATEMENT OF AUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE FOURTH QUARTER AND YEAR ENDED 31st MARCH, 2020.

(Rs. in Crores unless otherwise stated)

Sl. No.	Particulars	Standalone					Consolidated				
		Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Current Financial year ended	Previous Financial Year ended	Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Current Financial year ended	Previous Financial Year ended
		March 31st 2020	December 31st 2019	March 31st 2019	March 31st 2020	March 31st 2019	March 31st 2020	December 31st 2019	March 31st 2019	March 31st 2020	March 31st 2019
		Audited	Un-Audited	Audited	Audited	Audited	Audited	Un-Audited	Audited	Audited	Audited
I	INCOME										
	Revenue from Operations	610.77	812.87	1,094.68	3,547.30	4,366.20	663.19	853.47	1,215.47	3,838.91	4,737.79
	Other Income	6.04	8.16	37.39	20.94	45.75	4.88	8.84	21.40	22.08	42.74
	Total Income	616.82	821.03	1,132.07	3,568.25	4,411.95	668.07	862.31	1,246.87	3,860.99	4,780.53
II	EXPENSES										
	Cost of materials/services consumed	458.29	469.19	609.26	2,013.70	2,268.29	462.93	489.01	689.65	2,146.85	2529.22
	Purchases of stock-in-trade	126.26	144.05	337.55	849.35	1,403.49	132.65	145.27	346.30	881.62	1,416.56
	Change in inventories of finished goods, work-in progress and stock-in trade	(115.49)	26.41	(46.40)	(95.05)	10.92	(114.29)	29.62	(57.53)	(94.21)	(7.91)
	Employee benefits expenses	49.47	45.91	51.05	193.77	176.91	57.02	52.49	58.11	224.34	199.76
	Finance costs	25.98	17.71	18.55	90.10	77.94	33.29	24.04	28.60	114.82	91.86
	Depreciation and Amortisation expenses	11.61	6.97	4.79	30.14	17.52	14.87	9.85	8.48	41.95	26.97
	Other expenses	43.53	26.69	73.03	158.31	166.14	53.53	41.91	74.84	186.22	184.69
	Total Expenses	599.65	746.93	1,047.81	3,240.32	4,121.21	640.00	792.19	1,148.45	3,501.59	4,441.15
III	Profit / (loss) before, exceptional items and tax (I-II)	17.17	74.10	84.26	327.93	290.74	28.07	70.12	98.42	359.40	339.38
IV	Share of net profits of joint ventures accounted for using equity method	-	-	-	-	-	-	(0.34)	0.60	(1.05)	(0.09)
V	Profit / (loss) before exceptional items and tax (III+IV)	17.17	74.10	84.26	327.93	290.74	28.07	69.78	99.02	358.35	339.29
VI	Exceptional item	-	-	-	-	-	-	-	-	-	-
VII	Profit / (Loss) before tax (V-VI)	17.17	74.10	84.26	327.93	290.74	28.07	69.78	99.02	358.35	339.29
VIII	Tax expense										
	Current Tax	(1.94)	12.44	19.61	53.43	65.08	(2.18)	11.98	19.94	53.58	65.41
	Deferred Tax (including MAT credit adjustments)	17.11	12.01	13.16	70.67	41.65	21.55	12.22	13.16	67.44	41.62
IX	Profit / (Loss) after tax for the period from continuing operations (VII- VIII)	2.00	49.65	51.49	203.83	184.03	8.70	45.58	65.92	237.33	232.26
X	Other Comprehensive Income										
	Items that will not be reclassified to profit or loss	(0.66)	(0.48)	6.18	0.13	5.58	1.17	(0.37)	5.93	1.84	4.92
	Income tax on above item	(0.11)	0.13	(0.13)	(0.79)	(0.36)	(0.11)	0.13	(0.79)	(0.36)	(0.36)
	Items that will be reclassified to profit or loss	(0.08)	-	(0.03)	(0.08)	(0.03)	(0.08)	-	(0.03)	(0.08)	(0.03)
	Other comprehensive income for the period after tax	(0.85)	(0.35)	6.02	(0.74)	5.19	0.98	(0.24)	5.77	0.97	4.53
XI	Total comprehensive income for the period (IX+X)	1.15	49.30	57.51	203.09	189.22	9.68	45.34	71.69	238.30	236.79
XII	Profit attributable to:										
	Owners of the Parent	-	-	-	-	-	5.78	46.08	62.63	227.25	219.91
	Non-controlling interests	-	-	-	-	-	2.94	(0.52)	3.20	10.09	12.35
XIII	Total comprehensive income attributable to:										
	Owners of the Parent	-	-	-	-	-	6.87	45.84	68.44	228.38	224.60
	Non-controlling interests	-	-	-	-	-	2.84	(0.52)	3.25	9.94	12.19
XIV	Paid-up Equity Share Capital (Face value of Re.1/- each)	128.44	128.44	127.44	128.44	127.44	128.44	128.44	127.44	128.44	127.44
XV	Other Equity	-	-	-	1,516.62	1,316.13	-	-	-	1,539.96	1,304.27
XVI	Earnings per Share (face value of Re 1/- each) -										
	Basic (Rs.)	0.02	0.39	0.42	1.59	1.48	0.05	0.36	0.50	1.77	1.77
	Diluted (Rs.)	0.02	0.39	0.40	1.61	1.46	0.04	0.36	0.50	1.76	1.75

Cont...



Audited Standalone & Consolidated segment wise revenue, results, assets and liabilities for the fourth quarter and year ended 31st March, 2020.

(Rs. in ₹ crore unless otherwise stated)

Sl. No.	Particulars	Standalone					Consolidated				
		Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Current Financial year ended	Previous Financial Year ended	Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Current Financial year ended	Previous Financial Year ended
		March 31st 2020	December 31st 2019	March 31st 2019	March 31st 2020	March 31st 2019	March 31st 2020	December 31st 2019	March 31st 2019	March 31st 2020	March 31st 2019
	Audited	Un-Audited	Audited	Audited	Audited	Audited	Un-Audited	Audited	Audited	Audited	
1	Segment Revenue										
	a. Telecom Products	125.73	80.22	270.81	553.39	986.69	177.50	120.55	390.50	843.10	
	b. Turnkey Contracts and Services	485.04	732.65	823.87	2,993.91	3,379.51	485.69	732.92	2,995.81	3,386.13	
	c. Others	-	-	-	-	-	-	-	-	-	
	Revenue from Operations	610.76	812.87	1,094.68	3,547.29	4,366.20	663.19	853.47	1,215.47	3,838.91	
2	Segment Results Profit/(Loss) before tax and interest from each segment										
	a. Telecom Products	13.95	6.97	23.34	75.56	105.94	34.54	11.36	47.56	133.00	
	b. Turnkey Contracts and Services	26.18	76.68	72.78	326.13	252.40	25.47	74.92	72.76	327.37	
	c. Others	-	-	-	-	-	(1.65)	(0.31)	0.02	(2.51)	
	Total	40.13	83.65	96.12	401.69	358.34	58.36	85.97	120.34	457.86	
	Less: i. Interest	25.98	17.71	18.55	90.10	77.94	33.29	24.04	28.60	114.82	
	ii. Other un-allocable expenditure net off	0.09	0.01	6.12	1.54	8.15	0.09	0.35	5.51	2.59	
	iii. Un-allocable income	(3.10)	(8.17)	(12.81)	(17.87)	(18.49)	(3.09)	(8.20)	(12.79)	(18.47)	
	Total Profit before Tax	17.16	74.10	84.26	327.92	290.74	28.07	69.78	99.02	358.35	
3	Segment Assets										
	a. Telecom Products	1,022.58	856.87	868.92	1,022.58	868.92	1,205.95	1,031.39	1,012.91	1,205.95	
	b. Turnkey Contracts and Services	2,115.76	2,311.99	1,789.18	2,115.76	1,789.18	2,126.33	2,324.23	1,805.39	2,126.33	
	c. Others	-	-	-	-	-	1.11	3.58	0.51	1.11	
	d. Un-allocated	495.59	503.34	485.72	495.59	485.72	495.59	503.34	475.58	495.59	
	Total	3,633.93	3,672.20	3,143.82	3,633.93	3,143.82	3,828.98	3,862.54	3,294.19	3,828.98	
4	Segment Liabilities										
	a. Telecom Products	367.09	247.09	297.67	367.09	297.67	533.10	412.93	459.65	533.10	
	b. Turnkey Contracts and Services	1,082.49	1,212.35	855.49	1,082.49	855.49	1,086.83	1,217.73	865.86	1,086.83	
	c. Others	-	-	-	-	-	1.36	2.12	0.01	1.36	
	d. Un-allocated	539.29	569.26	547.09	539.29	547.09	539.29	569.26	536.94	539.29	
	Total	1,988.87	2,028.70	1,700.25	1,988.87	1,700.25	2,160.58	2,202.04	1,862.46	2,160.58	

- Notes:
- The above Audited Standalone & Consolidated Financial Results of the Company for the fourth quarter and year ended 31st March, 2020 have been reviewed and recommended by the Audit Committee and were approved by the Board of Directors of the Company at their respective meetings held on June 05, 2020.
 - The above Results are in compliance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.
 - In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lock-down on March 24, 2020, which has impacted the business activities of the Company. The Company has been taking various precautionary measures to protect employees and their families from COVID-19. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of property, plant and equipment, goodwill, other intangible assets and in relation to other financial statement captions. Further the impact assessment does not indicate any adverse impact on the ability of the company to continue as a going concern. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare the Company's financial statements, which may differ from that considered as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions. The Company has resumed its business activities by reopening its factories and offices on a gradual basis in line with the guidelines issued by the Government authorities.
 - The Consolidated results for the quarter and year ended March 31, 2020 includes the results of the following entities:
 - HFCL Limited (Formerly Humschal Futuristic Communications Ltd) (HFCL) (Holding Company)
 - ITFL L.J. (Subsidiary)
 - Moneta Finance Pvt. Ltd. (Wholly owned Subsidiary)
 - Polivel Security Systems Pvt. Ltd. (Wholly owned Subsidiary)
 - HFCL Advance Systems Pvt. Ltd. (Wholly owned Subsidiary)
 - DragonWave HFCL India Pvt. Ltd. (Wholly owned Subsidiary w.e.f. 17.12.2019)
 - Roddef Pvt. Ltd. (Subsidiary w.e.f. 15.05.2019)
 - The Group has adopted Ind AS 116 - Leases, effective from 1st April, 2019 using the cumulative effect method. The adoption of the Standard does not have any material impact on the financial results of the Group.
 - The Company's greenfield Optical Fibre manufacturing facility at Telangana, Hyderabad has been commissioned and commenced the commercial production w.e.f. January 23, 2020.
 - Taxation Laws (Amendment) Ordinance, 2019 ("Ordinance") on September 20, 2019 has amended the Income Tax Act, 1961 and Finance (No. 2) Act, 2019, by which the option has been provided for the lower tax regime without any incentives for the domestic companies. Under the revised tax regime, credit of accumulated Minimum Alternate Tax (MAT) is not allowed. The management has assessed that it is beneficial to opt for the option of availing revised income tax rate in future years and accordingly unutilised MAT credit of Rs 619,82,347 as on March 31, 2020 has been impaired and charged to Statement of Profit and Loss.
 - The Figures of the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the respective financial years.
 - The figures of the previous periods have been re-grouped/ re-arranged wherever considered necessary.

By order of the Board

Place : New Delhi
New Delhi, 05th June, 2020



(Mahendra Nahata)
Managing Director
DIN 00052898

HFCL LIMITED (formerly Himachal Futuristic Communications Limited)
Statement of Assets and Liabilities

(Rs. in Crore)

Particulars	Standalone		Consolidated	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	Un-Audited	Audited	Un-Audited	Audited
ASSETS				
(1) Non-current Assets				
(a) Property, Plant and Equipment	323.12	107.62	436.93	202.18
(b) Capital work-in-progress	12.87	62.23	15.06	64.01
(c) Right-of-use-assets	19.78	-	20.11	-
(d) Goodwill	-	-	26.17	25.85
(e) Other Intangible assets	19.42	9.33	20.82	10.35
(f) Intangible assets under development	18.01	21.51	18.71	21.51
(g) Investment in associates' joint venture accounted for using the equity method	24.03	18.79	-	5.50
(h) Financial Assets				
(i) Investments	53.75	49.74	55.69	51.68
(ii) Trade receivables	119.87	90.47	119.87	90.47
(iii) Loans	26.50	24.50	-	-
(iv) Others	97.69	102.85	38.04	36.22
(i) Deferred tax assets (net)	8.74	79.83	12.15	79.91
(j) Other non-current assets	4.13	39.56	4.30	40.46
Sub-total	727.90	606.43	767.85	628.14
(2) Current Assets				
(a) Inventories	272.38	191.64	343.68	264.53
(b) Financial Assets				
(i) Investments	2.40	2.38	2.50	2.39
(ii) Trade receivables	1,545.72	1,435.16	1,609.82	1,472.42
(iii) Cash and cash equivalents	12.72	6.81	16.44	17.53
(iv) Bank balances other than (iii) above	167.83	128.72	175.41	141.82
(v) Loans	6.75	6.75	14.98	13.97
(vi) Others - advances	562.57	533.91	557.50	527.98
(c) Current Tax Assets (Net)	95.64	57.76	97.49	59.47
(d) Contract Assets	18.16	3.34	18.16	3.34
(e) Other current assets	221.86	160.79	225.13	162.60
Sub-total	2,906.03	2,527.25	3,061.11	2,666.05
Total Assets	3,633.93	3,133.68	3,828.96	3,294.19
EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share capital	128.44	127.44	128.44	127.44
(b) Other Equity	1,516.62	1,316.13	1,540.00	1,314.22
Non-Controlling interest	-	-	(0.05)	(9.95)
Sub-total	1,645.06	1,443.57	1,668.39	1,431.71
(2) Liabilities				
Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	149.89	103.89	200.94	134.35
(ii) Lease liabilities	16.72	-	16.93	-
(iii) Other financial Liabilities	-	2.24	-	2.24
(b) Provisions	27.65	21.47	31.96	24.79
Sub-total	194.26	127.61	249.83	161.38
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	423.04	410.41	467.60	418.74
(ii) Lease liabilities	4.87	-	5.01	-
(iii) Trade Payable	782.01	740.96	815.24	864.50
(iv) Other financial liabilities	493.80	235.40	527.12	239.78
(b) Other current liabilities	47.45	119.10	51.93	121.17
(c) Contract liabilities	33.16	49.52	33.16	49.52
(d) Provisions	10.29	7.11	10.68	7.39
Sub-total	1,794.61	1,562.50	1,910.74	1,701.10
Total equity and liabilities	3,633.93	3,133.68	3,828.96	3,294.19



HFCL LIMITED (formerly Himachal Futuristic Communications Limited)

Statement of Cash Flow for the period ended March 31, 2020

(All amounts are in Rs.crores)

Particulars	Standalone		Consolidated	
	For the year ended	For the year ended	For the year ended	For the year ended
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Audited	Audited	Audited	Audited
I. Cash flow from Operating Activities :				
Net Profit before taxes and Exceptional items	327.93	290.74	358.36	339.29
Adjustments for :				
Depreciation and Amortization expenses	30.14	17.52	42.78	26.97
(Gain)/Loss on disposal of property, plant and equipment	0.15	0.05	0.19	0.05
Financial Guarantee impairment	(2.93)	(1.97)	(0.40)	(1.97)
Bad Debts, advances and miscellaneous balances written off	-4.63	23.85	6.59	24.61
Employee Share based payments expenses	7.15	3.98	7.51	4.19
Share of profit of joint ventures	-	-	1.05	0.09
Dividend and interest income classified as investing cash flows	(4.98)	(10.12)	(5.12)	(10.14)
Finnee costs (net)	90.10	77.94	114.82	91.86
Investment written off	-	2.60	-	2.60
	124.26	113.85	167.42	138.26
Change in operating assets and liabilities :				
(Increase) in Trade and other receivables	(144.60)	(315.34)	(172.33)	(353.44)
(Increase) in Inventories	(80.74)	(12.95)	(79.15)	(50.96)
Increase in Trade payables	41.05	225.21	(49.76)	301.87
(Increase) in other financial assets	(74.57)	(165.10)	(66.02)	(189.01)
(Increase) in other non-current assets	(18.36)	(21.10)	(28.20)	(20.79)
(Increase) in other current assets	(75.89)	(100.69)	(77.35)	(98.03)
Increase in provisions	3.18	4.60	2.91	4.72
Increase in other non-current liabilities	6.20	1.98	6.60	2.20
Increase/(Decrease) in other current liabilities	164.12	(9.87)	168.45	(11.70)
	(179.61)	(393.26)	(294.85)	(415.14)
Cash generated from operations	272.58	11.33	230.93	62.41
Income taxes paid/refund (net)	(91.31)	(27.70)	(90.83)	(28.47)
Net cash inflow from / (used in) operating activities	181.28	(16.37)	140.10	33.94
II Cash flow from Investing activities				
Payment for acquisition of subsidiary, net of cash acquired	(9.85)	-	0.60	-
Payments for property, plant and equipment including C/WIP	(146.89)	(108.02)	(155.66)	(155.11)
Payments for Intangible Assets	(10.32)	(21.59)	(12.22)	(21.95)
Payment for loan to related party	(2.00)	0.00	-	-
Proceeds from sale of property, plant and equipment	0.04	0.03	0.07	0.03
Dividends received	0.02	0.01	0.02	0.01
Interest received	5.79	10.17	5.35	26.69
Net Cash flow from / (used in) investing activities	(163.21)	(119.40)	(161.84)	(150.33)
III Cash flow from Financing Activities				
Proceeds from issues of Warrants	7.50	46.50	7.50	46.50
Proceeds from borrowings	149.77	241.04	181.45	235.12
(Redemption) of Preference Share	0.00	(60.38)	-	(60.38)
(Repayment) of borrowings	(91.02)	(53.68)	(61.61)	(53.68)
(Repayment) of lease liabilities	21.59	-	21.95	-
	87.85	173.49	149.29	167.56
Finance Costs paid	(84.51)	(71.25)	(113.32)	(91.34)
Dividend & tax thereon paid	(15.48)	(8.86)	(15.32)	(8.86)
Net Cash flow from/ (used in) financing activities	(12.15)	93.38	20.65	67.36
IV Net increase/(decrease) in cash & cash equivalents (I + II + III)	5.92	(42.39)	(1.09)	(49.03)
V Cash and cash equivalents at the beginning of the financial year	6.81	49.21	17.53	66.56
VI Cash and cash equivalents at end of the year	12.72	6.82	16.44	17.53

Notes:

- The Statement of Cash flow has been prepared under the indirect method as set-out in the Ind AS - 7 "Statement of Cash Flow" as specified in the Companies (Indian Accounting Standards) Rules, 2015.
- Figures in bracket indicate cash outflow.



S. Bhandari & Co.
Chartered Accountants
7, Tilak Marg, C-Scheme
Jaipur- 302 005

Oswal Sunil & Company
Chartered Accountants
71, Daryaganj,
New Delhi-110 002

Independent Auditors' Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
HFCL Limited (formerly Himachal Futuristic Communications Limited)

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of **HFCL Limited** (formerly Himachal Futuristic Communications Limited) (the "Company") for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i) is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii) gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive loss and other financial information of the Company for the quarter ended March 31, 2020 and of the net profit and other comprehensive loss and other financial information of the Company for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 3 of the Statement which describes management's assessment of the impact of the COVID 19 pandemic on the financial results of the Company. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other



accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S Bhandari & Co.
Chartered Accountants
Firm Registration No. 000560C

For Oswal Sunil & Company
Chartered Accountants
Firm Registration No. 016520N

Prabhu
Dayal Baid

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Prabhu Dayal Baid
Date: 2020.06.05
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(P. D. Baid)
Partner
Membership No: 072625
UDIN: 20072625AAAAAP9952

Place: Jaipur
Date: June 05, 2020



(Sunil Bhansali)
Partner
Membership No: 054645
UDIN: 20054645AAAAAG7973

Place: New Delhi
Date: June 05, 2020

S. Bhandari & Co.
Chartered Accountants
P- 7, Tilak Marg, C-Scheme
Jaipur- 302 005

Oswal Sunil & Company
Chartered Accountants
71, Daryaganj,
New Delhi-110 002

Independent Auditors' Report on the Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
HFCL Limited (formerly Himachal Futuristic Communications Limited)

Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date consolidated financial results of HFCL Limited (formerly Himachal Futuristic Communications Limited) ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements/financial information of the subsidiaries, the Statement:

- i. includes the results of the following entities:

Holding Company

- HFCL Limited (formerly Himachal Futuristic Communications Limited)

Subsidiaries

- HTL Ltd.,
- Polixel Security Systems Pvt. Ltd.;
- Moneta Finance Pvt. Ltd.;
- HFCL Advance Systems Pvt. Ltd.;
- Raddef Pvt. Ltd. (w.e.f. May 15, 2019); and
- Dragon Wave HFCL India Pvt. Ltd. (Jointly Controlled entity till December 16, 2019 and become wholly owned subsidiary, subsequent to acquisition of balance 50.10% Equity Shareholding w.e.f. December 17, 2019)

- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive income and other financial information of the Group for the quarter ended March 31, 2020 and of the consolidated net profit and other comprehensive income and other financial information of the Group for the year ended March 31, 2020

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results"



section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 3 of the Statement which describes management's assessment of the impact of the COVID 19 pandemic on the financial results of the Group. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD 1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.



Other Matter

i) We did not audit the financial information / financial results of three subsidiaries included in the consolidated financial results, whose financial results/statements include total assets of Rs. 354.28 Crores as at March 31, 2020, total revenues of Rs. 118.00 Crores and Rs. 431.35 Crores, total net profit after tax of Rs. 10.73 Crores and Rs. 36.37 Crores, total comprehensive loss of Rs. 10.36 Crores and Rs. 35.78 Crores, for the quarter and for the year ended March 31, 2020, respectively, and net cash outflows of Rs. 13.79 Crores for the year ended March 31, 2020, as considered in the Statement which have been audited by their respective independent auditors.

The independent auditor's report on the financial statements/financial information of these entities have been furnished to us by the Management 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 auditors and the procedures performed by us as stated in paragraph above.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

ii) The financial information / financial results of three subsidiaries included in the consolidated financial results, whose financial results/statements include total assets of Rs. 21.07 Crores as at March 31, 2020, total revenues of Rs. 2.42 Crores and Rs. 22.05 Crores, total net loss after tax of Rs. 1.39 Crores and Rs. 1.31 Crores, total comprehensive loss of Rs. 1.41 Crores and Rs. 1.24 Crores, for the quarter and for the year ended March 31, 2020, respectively, and net cash inflows of Rs. 0.45 Crores for the year ended March 31, 2020, as considered in the Statement which have been audited by one of the joint auditors of the Holding company and our opinion on the consolidated financial results, 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.

Our conclusion on the Statement is not modified in respect of the above matters

iii) The Statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S Bhandari & Co.
Chartered Accountants
Firm Registration No. 000560C

Prabhu
Dayal Baid
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by Prabhu Dayal
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Date: 2020.06.05
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(P. D. Baid)
Partner
Membership No: 072625
UDIN: 20072625AAAAAQ6629

Place: Jaipur
Date: June 05, 2020



For Oswal Sunil & Company
Chartered Accountants
Firm Registration No. 016520N

(Sunil Bhansali)
Partner
Membership No: 054645
UDIN: 20054645AAAAAH4415



Place: New Delhi
Date: June 05, 2020



HFCL Limited

(formerly Himachal Futuristic Communications Ltd.)

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HFCL/SEC/20-21

June 05, 2020

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 cmllist@nse.co.in Security Code No.: HFCL
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RE: Declaration under Regulation 33(3)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Subject: Audit Report with Unmodified Opinion, on annual Financial Results for the Financial Year ended March 31, 2020, on Standalone and Consolidated basis.

Pursuant to Regulation 33(3) of the SEBI Listing Regulations, the Board of Directors of the Company at its meeting held today has taken on records, the enclosed Audited Financial Results of the Company for the Financial Year ended March 31, 2020, on Standalone and Consolidated basis.

In compliance of Regulation 33(3)(d) of the SEBI Listing Regulations, as amended and SEBI Circular no. CIR/CFD/CMD/56/2016 dated May 27, 2016, we hereby declare that the Statutory Auditors of the Company, M/s S. Bhandari & Co., Chartered Accountants and M/s Oswal Sunil & Company, Chartered Accountants, have issued Audit Reports with Unmodified Opinion on the aforesaid Annual Audited Financial Results of the Company, for the Financial Year ended March 31, 2020, both on Standalone and Consolidated basis.

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)

(Vijay Raj Jain)

Chief Financial Officer

