



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/19-20

January 8, 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: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Subject: Acquisition of equity stake in Nivetti Systems Private Limited [CIN: U72200KA2014PTC073690] ("Nivetti").

Dear Sir(s)/ Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Company has signed a Share Subscription Agreement ("Agreement") on January 7, 2020, with Nivetti Systems Private Limited [CIN: U72200KA2014PTC073690], having its registered office at 4th and 5th Floor, Mech Block, PESIT South Campus, Hosur Road, Bangalore - 560 100 ("Nivetti") and the existing promoters of Nivetti, to acquire 15% of the diluted paid-up equity share capital of Nivetti, in one or more tranches, by way of subscribing to its fresh equity.

The details as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD4/2015 dated 9th September, 2015, are as under:

S. No.	Particulars	Details
a)	Name of the target entity, details in brief such as size, turnover etc.	Nivetti Systems Private Limited ("Nivetti") Size: Paid-up Capital= ₹11,32,393/- Turnover: ₹1,13,69,756/- (FY 2018-19)
b)	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length"	➤ This is not a Related Party transaction. ➤ The Promoter/ Promoter Group doesn't have any interest in the entity being acquired. ➤ N. A.





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c)	Industry to which the entity being acquired belongs	Networking & Cyber Security.
d)	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	<p>The Company is acquiring stake in Nivetti, keeping in line with thrust on addition of next generation products and solutions in its portfolio for telecom network and cyber security system space.</p> <p>The acquisition would result in increasing Company's offerings of best in class networking and cyber security products & solutions resulting in growth in its Telecom, IT, Cyber Security & Surveillance business.</p>
e)	Brief details of any governmental or regulatory approvals required for the acquisition.	No approval required.
f)	Indicative time period for completion of the acquisition	By October, 2020.
g)	Nature of consideration – whether cash consideration or share swap and details of the same;	Cash Consideration.
h)	Cost of acquisition or the price at which the shares are acquired;	15% of the diluted paid up equity capital of the Nivetti would be acquired by way of subscribing to fresh equity shares of Nivetti at a total cash consideration of ~Rs.15.95 crores.
i)	Percentage of shareholding / control acquired and / or number of shares acquired;	15% of the diluted paid up equity capital of the Nivetti would be acquired by way of subscribing to fresh equity shares of Nivetti at a total cash consideration of ~Rs.15.95 crores.
j)	Brief background about the entity acquired in terms of: <ul style="list-style-type: none"> line of business acquired: 	<p>Nivetti is a new age Indian networking and cyber security company which is rethinking the way network and cyber security systems are to be built for trusted and secure communication in the era of shared network infrastructure and disaggregation of hardware and software.</p> <p>Nivetti's Network Operating System (NiOS), which is India's first indigenous Network Operating System delivers highly secure and scalable platform for hyper scale software defined networks running on custom hardware, White-box and Virtualized environments.</p>





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<ul style="list-style-type: none">▪ products: ▪ date of incorporation: ▪ history of last 3 years' turnover: ▪ country in which the acquired entity has presence: ▪ any other significant information (in brief):	<p>Nivetti's products include IP/MPLS Routers, Ethernet Switching portfolio that includes L2/L3 Switches, Carrier Ethernet & Cloud Management, Cloud Networking and Cyber Security Products & Solutions. Cyber Security products include HawkSecure™, an AI/ML based Threat detection, Visualisation & Forensics platform and Clay Net.</p> <p>February 18, 2014</p> <table border="1"><thead><tr><th>Financial Year</th><th>2018-19</th><th>2017-18</th><th>2016-17</th></tr></thead><tbody><tr><td>Turnover (₹)</td><td>1,13,69,756</td><td>1,12,651</td><td>27,35,265</td></tr></tbody></table> <p>India</p> <p>This acquisition would help the Company to competitively address networking business in Telecom, IT, Safe and Smart Cities and Surveillance verticals.</p>	Financial Year	2018-19	2017-18	2016-17	Turnover (₹)	1,13,69,756	1,12,651	27,35,265
Financial Year	2018-19	2017-18	2016-17						
Turnover (₹)	1,13,69,756	1,12,651	27,35,265						

We request to take the above information on your records and disseminate the same on your respective websites.

Thanking you.

Yours faithfully,

For **HFCL Limited**

(Formerly Himachal Futuristic Communications Limited)

(Manoj Baid)

Vice-President (Corporate) &
Company Secretary

