



HFCL Limited

(formerly Himachal Futuristic Communications Ltd.)

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October 07, 2020

The BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 E-mail: 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 E-mail: takeover@nse.co.in Security Code No.: HFCL
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Re: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Subject: - Transcript of 33rd Annual General Meeting of the Members of HFCL Limited held on September 28, 2020.

Dear Sir(s)/ Madam,

We hereby submit Transcript of the 33rd Annual General Meeting ('e-AGM') of the members of HFCL Limited (formerly Himachal Futuristic Communications Limited) held on Monday, September 28, 2020 at 11:00 a.m. (IST) through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM').

The Transcript is also being made available on the Company's website.

Thanking you.

Yours faithfully,

For HFCL Limited

(Formerly Himachal Futuristic Communications Limited)

(Manoj Baid)

Senior Vice-President (Corporate) &
Company Secretary

Membership No.: - FCS-5834



Encl.:- Transcript of 33rd AGM of HFCL Limited.

TRANSCRIPT OF THE 33RD ANNUAL GENERAL MEETING OF THE MEMBERS OF HFCL LIMITED (FORMERLY HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED) HELD ON MONDAY, 28TH SEPTEMBER, 2020 AT 11:00 A.M. (IST) THROUGH VIDEO CONFERENCING (“VC”)/ OTHER AUDIO VISUAL MEANS (“OAVM”) AT ITS OFFICE AT 4TH FLOOR, PLOT NO. 32, SECTOR -32, GURUGRAM – 122 001, HARYANA

Manoj Baid: Dear shareholders, I extend a warm welcome to all of you at the 33rd Annual General Meeting of your Company, which is being held through video conferencing and other audio-video means. We have with us today on the dais Shri Mahendra Nahata ji, Managing Director and Chairman of the CSR Committee and Risk Management Committee.

Mahendra Nahata: Manoj, thank you for introducing me and a very Good Morning to all the shareholders.

Manoj Baid: We have Mr. Arvind Kharbanda, Non-Executive Director and Member of Audit Committee, Nomination, Remuneration and Compensation Committee, Stakeholders’ Relationship Committee and Risk Management Committee.

Arvind Kharbanda: Good Morning all. Manoj, thank you very much.

Manoj Baid: Thank you Sir. We have with us Mr. Surendra Singh Sirohi, Independent Director, Chairman of Nomination, Remuneration and Compensation Committee, member of the Audit Committee and CSR Committee.

Surendra Singh Sirohi: Thank you Manoj for introducing me.

Manoj Baid: Thank you Sir. We have Mr. Bharat Pal Singh, Independent Director and Chairman of the Audit Committee and member of the Nomination, Remuneration and Compensation Committee, who has joined through video conference.

Bharat Pal Singh: Thank you Manoj. I welcome all the shareholders.

Manoj Baid: We have Dr. Tamali Sengupta, Independent Director, member of the Audit Committee and Stakeholders’ Relationship Committee. She has also joined through video conferencing.

Tamali Sengupta: Dear shareholders, welcome to the 33rd Annual General Meeting of HFCL Limited. I am Dr. Tamali Sengupta, taking part from my home in Kasauli.

Manoj Baid: Thank you Mam. We have with us Dr. Ranjeet Mal Kastia, Non-Executive Director and member of Stakeholders’ Relationship Committee who has joined through video conferencing.

Ranjeet Mal Kastia: *Dhanyawad Manoj. Namaskar. 33vi varshik sabha me aap sabka swagat hai.*

Manoj Baid: Thank you Sir. We have Mr. Ranjeet Anandkumar Soni, Nominee Director of IDBI Bank Ltd. and member of CSR Committee, who has joined us through video conferencing.

Ranjeet Anandkumar Soni: Good morning to all of you and welcome to this meeting. Thank you.

Manoj Baid: Thank you Sir. Mr. V R Jain, CFO of the Company is also present in the AGM.

V. R. Jain: Thank you Manoj. Welcome to all of you.

Manoj Baid: Thank you Sir. Then we have with us Mr. P. D. Baid, Senior Partner, S. Bhandari and Co., Statutory Auditors.

P. D. Baid: Thank you Manoj for my introduction. I am a Senior Partner at S. Bhandari & Co., Statutory Auditors.

Manoj Baid: Then, we have with us Mr. Sunil Bhansali, Senior Partner, Oswal Sunil & Company, Statutory Auditors of the Company.

Sunil Bhansali: Good morning Chairman Sir, Board of Directors and all the shareholders. I am Sunil Bhansali, representing Oswal Sunil & Company, Statutory Auditors of the Company. Thank you.

Manoj Baid: Thank you Sunil Ji. We have with us Mr. Baldev Singh Kashtwal, Secretarial Auditor and the Scrutinizer for remote e-voting and e-voting during the AGM. He has also joined us through video conferencing.

Baldev Singh Kashtwal: A very Good Morning to all. Thank you, Manoj, for brief introduction. I am thankful to the Board of Directors of HFCL Ltd for having me appointed as Scrutinizer for remote e-voting and e-voting at the Annual General Meeting of the Company.

Thank you so much Sir.

Manoj Baid: Thank you Kashtwal Ji. Mr. M.P. Shukla, Chairman of the Company could not attend this AGM due to his ill health. Therefore, as per Article 14.5 of the Articles of Association of the Company, I request the Directors present to appoint one of them as Chairperson of this AGM.

Arvind Kharabanda: I propose the name of Mr. Mahendra Nahata as the Chairman for this meeting.

Surendra Singh Sirohi: I, Surendra Singh Sirohi, Independent Director at HFCL. I am seconding the proposal of Mr. Kharabanda of appointing Mr. Nahata as the Chairman of this AGM.

Mahendra Nahata: Thank you for electing me the Chairman for this AGM. Dear shareholders, I extend a warm welcome to all of you to the 33rd Annual General Meeting of the Company.

Manoj Baid: Thank you Sir. The members may kindly note that in view of the Covid-19 pandemic, this AGM is being convened without the physical presence of the members at a common venue, in due compliance with the applicable provisions of the Companies Act 2013, the rules made thereunder read with the MCA General Circular dated April 08, 2020, April 13, 2020, and May 05, 2020 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, read with SEBI circular dated May 12, 2020.

30 members present will constitute the quorum. Can I ask the moderator to confirm the number of shareholders who are participating in the meeting?

Moderator: 65 Sir.

Manoj Baid: Thank you Mangla Ji. Chairman Sir, the quorum for holding the meeting is present. I request the Chairman to accord his consent to start the proceedings of the meeting.

Mahendra Nahata: Please proceed.

Manoj Baid: Thank you Sir. Before I hand over the proceedings to the Chairman, I would like to highlight certain points here. The joining to this meeting opened 30 minutes before the scheduled time of the commencement of the meeting, which is 11:00 am and it will remain open till another 15 minutes of the commencement of the meeting. Members are encouraged to join the meeting through their laptops and headphones for a better experience and use internet with a good speed to avoid any disturbance during the meeting. Participants connecting from mobile devices or tablets, or through laptops connecting via mobile hotspot may experience an audio/video loss due to fluctuation in the respective network. It is, therefore, recommended to use a stable Wi-Fi network to mitigate any kind of technical glitches.

As mentioned in the notice convening this AGM, the facility of participation at the AGM through video conferencing has been made available for 1000 members on first come first serve basis, except for large shareholders, promoters, institutional investors, Directors, key managerial personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee, and Stakeholders Relationship Committee, as well as the Auditors who are allowed to attend the AGM, without any restrictions on account of first come first serve basis.

Pursuant to the MCA Circular of 8th April 2020, issued by the Ministry of Corporate Affairs, the facility to appoint a proxy to attend and cast vote for the members is not available at this AGM. However, the body corporates are entitled to appoint authorized representatives to attend AGM through video conferencing and audio-visual means and participate and cast their votes through e-voting. The deemed venue for this AGM will be the place from where the Chairman of the meeting conducts the AGM, which is Gurgaon office of the Company.

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided the facility for providing electronic means for all its members to cast their votes electronically and the business may be

transacted through such e-voting. For this purpose, the Company has tied up with e-voting system of NSDL for facilitating voting through electronic means as the authorized agency. NSDL had created user IDs and passwords which were sent to all the shareholders along with the notice convening the AGM through email IDs registered with the Company, RTA, depositories, and depository participants.

The Company provided remote e-voting facility to all the persons who were members on September 21, 2020 being the cut-off date, for vote on all the 4 resolutions set out in the notice of the AGM, from 09:00 am on September 25, 2020 till 5:00 pm, on September 27, 2020. Members attending the AGM today who have not cast their votes by remote e-voting, during the said period, are entitled to exercise their right to vote by e-voting during the AGM, which shall remain active for 15 minutes after the closure of this AGM by the Chairman.

Mr. Baldev Singh Kashtwal, practicing Company Secretary, having Membership No. FCS 3616 and C.P. No. 3169 has been appointed by the Board as the Scrutinizer to conduct remote e-voting and e-voting today, in a fair and transparent manner. Mr. Kashtwal is present in the meeting through video conference. The results will be declared on or before September 30th, 2020 after considering the e-voting done today by members participating in this AGM and also by the members who have done the remote e-voting during remote e-voting period. The results, along with the Scrutinizer's report shall also be submitted to the stock exchanges, i.e., NSE and BSE and will also be uploaded on the website of the Company.

Since this AGM is convened through video conference and OAVM and the resolutions have already been put to vote through remote e-voting, therefore, in terms of Secretarial Standard 2, issued by the Institute of Company Secretaries of India, the same are not required to be proposed and seconded. There are 4 resolutions, namely:

First one is, To receive, consider, and adopt the audited financial statements of the Company for the financial year ended 31st March 2020. The reports of the Auditors and the Board of Directors thereon, which is an ordinary business and ordinary resolution.

Second is, To receive, consider, and adopt the audited consolidated financial statements of the Company for the financial year ended 31st March, 2020 and the reports of the Auditors thereon, which is also an ordinary business and ordinary resolution.

Third is, To appoint a director in place of Mr. Mahendra Pratap Shukla, (DIN Number 00052977) Director (Non-Executive) and Chairman of the Company, who retires by rotation at this Annual General Meeting and being eligible, has offered himself for reappointment. That is an ordinary business, but it is a special resolution.

Fourth and the last one is, To appoint Mr. Bharat Pal Singh, DIN number is 00739712, as an Independent Director, which is a special business and ordinary resolution.

To transact the business as mentioned in the AGM notice, the members have been provided an opportunity to inspect all documents referred to in the notice and the explanatory statement by writing to the Company at its email ID i.e., secretarial@hfcl.com, till the date of AGM. The Registers of Directors and key managerial personnel and their shareholdings and the Register of the contracts and arrangements in which the Directors are interested and other documents, as required to be maintained under Companies Act, 2013, are open for inspection by the members till the conclusion of this AGM.

With this, now I hand over the proceedings to the Chairman. Thank you very much.

Mahendra Nahata: Thank you Manoj.

Dear shareholders, a very warm welcome to each one of you to the 33rd Annual General Meeting of the Company. I am sure that you and your dear ones are adapting well to the evolving social hygiene and staying well protected. A positive change of the current crisis is this virtual connect, one that is behind our first online AGM.

I believe that we are at the cusp of a truly digital world and many other facets of professional, social, and personal interaction could get translated into digital meetings in months to come.

The pandemic induced economic disruption has posed grave growth challenges. The recovery calls for profound resources, efforts, grit, time, and resilience. With progressive unlocking, we are starting to see the encouraging signs of recovery.

We have been witnessing many positive developments in the Indian telecommunications and defence sector in the past couple of months. The FDI inflow and participation from global technology behemoths shows strengthening Indian telecom sector.

I am sure that you got a chance to read our Annual Report of 2019-20, which details our key strategic and operations initiatives from the year gone by and also the current financial year. It would be worthwhile to invite your feedback on our Annual Report, which can be addressed to our compliance officer Mr. Manoj Baid through email.

Financial year 2019-20 proved to be a year of mixed bag for your Company. The order inflows remained robust, the highlight being our largest single order worth Rs 3329 crores including its long-term operation and maintenance component.

Yet softening of optical fiber cable prices, deferment of supplies of goods and execution of projects resulted into deferment of revenue and realization.

The impact of overall slowdown throughout the year and Covid-19 induced disruption in the fourth quarter got reflected in our overall financial year 2019-20 performance.

Our total revenue dropped by 19% to Rs.3,861 crores from Rs.4,781 crores recorded for the previous year. In spite of this, we improved out EBIDTA to Rs.516 crores from Rs.459 crores and net profit to Rs.237 crores from Rs.232 crores in the previous year. We boosted our EBIDTA margin by 3.78% to 13.37% and net profit margin by 1.29% to 6.15% in financial year 2019-20.

Our sharpened profitability focus has neutralized the revenue drop with a reasonable growth in absolute EBIDTA and net profit. The margins improved handsomely. Our organization-wide effort towards cost optimization, effective capital management, and indigenization, helped us insulate profitability. Our margin enhancement campaign would get further boost from optimal operations of our optical fiber and optical fiber cable plants, increasing realization of annuity O & M revenues and higher margin next generation products. In addition, the stricter cost and efficiency regime would further aid our margin improvement goal.

We closed the year with an order book of Rs.8,409 crores including the O&M component of Rs.1,614 crores. In spite of prolonged lockdown, our order book stands protected. The execution cycle, though, has increased by a few months.

We commissioned our new optical fiber manufacturing plant at Hyderabad and made good progress on upcoming optical fiber cable unit at the same premises. I expect that optical fiber cable plant at Hyderabad will commence its production by November, 2020.

Accelerated innovation and profitable growth were our two overarching themes. We furthered our growth strategy of differentiating through technology products and solutions, coupled with competitive turnkey capabilities for communication network development and maintenance aimed at diverse customer base. Our innovation engine revved up to launch the next generation Wi-Fi products suite under the 'IO' brand. The market response has been promising and its contribution in our revenues and profitability is going to progressively increase over the coming quarters. With a firm conviction that the future beholds tremendous promises for technology, innovation, and localization, we made decisive acceleration in our innovation domain. Besides ramping up our in-house research and development capabilities, we also intensified collaborative efforts with 'synergetic' tech focused start-ups and inked three investment deals during the financial year 20.

We acquired a majority stake in Raddef Pvt. Ltd., making it a subsidiary of HFCL. We also executed two separate share purchase agreements, one with Nivetti Systems Pvt. Ltd. and another with BigCat Wireless Pvt. Ltd. All three companies possess deep technological and innovation capabilities and we intend to combine or scale and financial strength in the respective pursuit of creating value.

Our product development capabilities continue to take us forward as a technology enterprise, one that develops futuristic products with next gen technologies and own IPR. Our products possess worldwide deployment potential and enjoy major global and Indian certifications. You would be glad to note that HFCL has already developed Wi-Fi network products, High Capacity Radio Relay, Microwave Radios and Cloud Based Management Platform.

Its innovation pipeline through own and collaborative research, includes Switches, Routers, Intelligent Antenna Systems, Software Defined Radios, Ground Surveillance Radars, Electro-optic Devices, and Electronic Fuses. These products will gradually be available for sale in next 18 months.

Looking ahead, the current adversity is going to incubate a new world order. The Country under its present leadership geared up to leverage it towards a larger national objective. The clarion calls of Atmanirbhar Bharat, a self-reliant India and Vocal for Local are true embodiments of dreams and aspirations of 1.3 billion Indians. The time has come to accelerate innovations that drive mass benefits, outclass our adversaries and pave way for larger export of Indian goods and services, again aimed at a larger global good. .

The Government of India's stated doctrine of Vocal for Local and proposal of levying anti-dumping duty on optical fiber augurs very well for your Company. Emphasizing the strategic importance of telecom sector, the Government is considering a slew of other measures to promote domestic players and manufacturing.

The broadband connectivity drive covering the farthest villages, including the bordering areas would create multiplier demand of OFC.

The honorable Prime Minister's promise of providing OFC connectivity to the remaining 4.5 lakh villages over the next 1000 days is the indication of the kind of opportunity coming our way. And then, there is a mega 5G opportunity that would make telecom infrastructure play to be a desired segment to be in.

The opportunity landscape across our other verticals, namely defence, railways, surveillance etc. is brimming with prospects. We spotted these sectors well in time and made the right investments to become ready to participate in the ensuing growth phase, with confidence and credentials.

The Government of India's Make in India program, particularly for defence equipment and recent announcements to restrict imports in case of various products, open up large opportunities for HFCL.

The fruits of success become sweeter, when shared with a larger section of the society, the underprivileged ones in particular. We continue to further our community welfare activities through mobile healthcare delivery, smart classrooms and a range of other CSR initiatives as detailed in our Annual Report.

The post Covid-19 world would be ushering us into a new normal which would further accelerate digitalization. While we are upping the ante on hyper-digital customer offerings, an equally sharper focus is on digitally transforming our working. An Extra layer of work safety hygiene and social distancing is getting ingrained in our working. These progressive changes are going to stay with us even after the scourge of Covid-19 gets eradicated. Safety and wellbeing of our people is paramount and central to our Company's success.

Thankfully, the worst impact of the pandemic appears to be behind us, and we have the ability to not only withstand but also excel in this intermittent phase.

I conclude with expressing my sincere thanks to you, our dear shareholders, who have stood behind HFCL with a firm belief in our competence, capabilities, and competitiveness.

I place on record my heartfelt thanks to an ever-growing list of our esteemed customers and sincere appreciation to HFCL employees and partners for their innovative, efficiency accreting efforts that are reflecting in our improved performance. The fight with this pandemic is going to be a little longer than what was estimated a few months ago. On a positive note, the recovery is going to be much sharper than estimated and the growth phase is going to be speedier.

Now I request our Company Secretary to conduct the rest of proceedings as per AGM notice. Thank you.

Manoj Baid: Thank you very much Sir for your detailed insight. Now, going ahead, as required under the Secretarial Standard 2 issued by the Institute of Company Secretaries of India, qualifications, observations or comments or other remarks on the financial statements or matters which have any adverse effect on the functioning of the company, if any, mentioned in the Auditor's Report shall be read at the AGM and attention of the members present has to be drawn to the explanations and comments given by the Board of Directors in its report.

I am glad to inform you that the standalone and consolidated Auditors' Report and the Secretarial Audit Report are free from qualifications and are self-explanatory and do not call for any further clarifications and hence, may be taken as read.

The e-voting is open now and members are requested to kindly vote while the meeting is in progress. E-voting will be disabled 15 minutes after the closure of this AGM by the Chairman.

Now, we would be taking all the queries and views of the shareholders who have registered themselves as speaker shareholders. After listening to all speaker shareholders, we will make endeavours to answer their queries.

The first question is from Mr. Surendra Daga. Do we have Mr. Daga online, Mangla Ji?

Moderator: Yes Sir.

Manoj Baid: Please unmute him. Mr. Surendra, if you want, you can switch on your video. Just let us know from which city are you participating and put your questions.

Surendra Daga: Sir I am from Hyderabad and at the outset, I want to congratulate HFCL for a very good financial performance during financial year 20, in spite of Covid-19 pandemic. I have gone through the Annual Report. The presentation is excellent, and it is exhaustive and very easy to understand at one glance due to graphic presentation. The credit goes to your Secretarial Department. I am confident that under your able leadership, the Company is going to achieve

many more laurels. Since it is in technology business, which is a happening business in the near future, seeing HFCL's order position of Rs.8,409 crores, which is equivalent of its 2 years of turnover. And added to that, the Government of India has given thrust on digitalization and optical fiber localization. I am very confident that our Company is going to be, from shareholders' point of view, a multi-bagger in the coming years.

Sir, I am coming to my specific question, which is regarding working capital. Approximately, 45% of FY 20 revenue is in trade receivables. How the Company is planning to manage its working capital in this financial year?

Mahendra Nahata: Mr. Daga, thank you for your question and also for good comments you have given about the Company. Thank you very much for that. The trade receivables of the Company include gross revenue. It is including the GST. Now these revenues are in the contracts which we executed for Defence Ministry or for any other Government organizations, are milestone based. So, as soon as the milestones get completed, you receive payments. So, since the milestones have got bit delayed in the current year and the last year because of the pandemic and various other reasons, that is why you see that the receivables are a bit higher than the earlier years. However, we try to balance that with credit from our suppliers. So, working capital management is completely effective. As the speed of execution grows now, you will see the receivables come down.

Manoj Baid: The second questions that we have received is from Mr. M. P. Bhutani. Do we have Mr. Bhutani online?

Moderator: Sir, he is not present in the meeting room.

Manoj Baid: OK, but he has already sent his questions in advance to us. I will read out his questions.

Was there any cut in the remuneration of the Directors and employees of the Company for the fiscal year 2020, as many companies have done that?

The next question he has written is- What is the future strategy of the Company on technology challenges and competition and development front?

Then, the third question is- What steps has the management taking to strengthen the Company for increasing the shareholders' value? And what is the value creation roadmap and where do we see our Company?

Mahendra Nahata: So, I will answer these questions for the benefit of other shareholders, in spite of the fact that Mr. Bhutani himself is not present. There has not been any salary cut except, my salary. The Managing Director's salary was reduced but nobody else.

However, we did another smart thing. We reduced the fixed salary of the key persons and put them into the Performance Linked Incentive (PLI). So, there is an encouragement for the better

performance. So, fixed liability has gone down. If there is a performance, they will get paid, which is to the benefit of the Company.

The second question, being what the future strategy of the Company, as outlined in my initial speech, the strategy is focused on technology creation. As we know, we are in a high technology environment, so, the Company has decided to invest heavily on research and development, our own R&D facility, as well as partnership R&D by acquiring stakes in other companies and collaborative research. By this approach, the creation of own product and technologies, margins are improving significantly, as you would have seen in the last year. It is going to further grow in the current year with more and more products coming in the Company's IPR ownership and being Company's own products and technologies. This is being done in telecom sector, defence sector, surveillance sector, all across the sectors we are working, we are adopting this strategy. Moreover, optical fibre cable business, though had slowed down during the last year, but, has picked up quite fast in the current year with Government of India and our honourable Prime Minister announcing program for optical fibre connectivity to 450,000 villages, 5G networks happening, all this will increase the demand of fibre optics cable. This will further increase the demand of fibre optical cable and our program of creating a new facility of manufacturing optical fiber cables at Hyderabad will further increase our revenue and profitability goal. So, technology, increasing the production base, export increase, these are the certain areas which will lead us to be better than competition and being facing the technological challenges.

Next question is, what is the step that we are taking for strengthening shareholders' value? Of course, technology, improving in revenue, profitability, these are the issues which we are taking into count to increase the shareholders' value of the Company.

Manoj Baid: Thank Your Sir for your detailed answers. We have Mr. Saket Kapoor. Mangla Ji, is Saket Kapoor online?

Moderator: Yes, Sir.

Manoj Baid: Just unmute him.

Surender Nath Kapoor: *Mera naam Surender Nath Kapoor hai. Mobile phone Saket Kapoor ka hai. Main pehla speaker hi hoon. Namaskaar Sir. Thank you for giving us the opportunity Sir.*

Over the last few years, we have seen sea changes in the top management's approach towards minority shareholders. Request for conference calls, press releases, investor presentation has now become a part and parcel every quarter and I thank the investor team led by Nahata Ji for facilitating the same.

Sir, but over the years, the steps which the management is taking, is still not yielding the right results. If we take the minority shareholders point of view. Sir, we find that still the image of the Company is dented, if I may use that un-parliamentary word. But still Sir, the image is still tarnished of whatever has happened earlier and people still fear to invest in the brand HFCL, as an investor I am talking, as a minority shareholder. This is the reason that even after having such a

strong portfolio, we are unable to attract these investors, if we take the peer comparison. I am talking about the foreign institutions and I am talking about the mutual funds. None of them have so long participated. So, lot of work is still left to be done by the management to augment the same.

I would like to ask the management, what is the gain shareholders have made, minority shareholders have made over the period of last 5 years and compare it with the peer people. I won't be naming them on the platform, but *aap khud compare karke dekhiye is prakar se, agar kisi ne kisi doosri peer company me invest kiya aur HFCL mein kiya to 5 saal me, aaj uski value kya reh jaati hai? Aapki kya rewarding policy hai, going forward Sir? Aur 5G aur artificial intelligence ka platform par hum kaise, kahan apne aap ko taiyaar kar rahain hain? Sir e-AGM ko ek part and parcel banaaiye. Hum khud ek technology company hain, telecom facilitator company hain. To hamein ise part and parcel rakhna chahiye kyuki ye shareholders ke liye asambhav ho jata hai ki Solan me ja ke AGM attend karna.*

Baki Sir, main fir request karunga aur mujhe bahut khushi hai ke jis prakar se management ka approach badla hai, investors ke prati, ye rujhan ko aap maintain rakhen aur right investor ko track kijiye. Hame ek anchor investor ki need hai Sir, jis se hamare stock ko rerating milegi. Uske liye aap pratibadh rahiye aur is par apna jo homework kar sakte hain, kijiye Sir. Ye keh dena ke-what can I do if mutual funds do not invest, that is the reason what I am asking you, Sir. We should do all the things so that mutual finds get attracted like honeybees to our honey. That is what my request is.

Sir, you are working very hard and now you have become a company of national importance. And I hope and wish all the very best to the team, especially *Nahata Ji, Baid Sahab, Jain Sahab, aap log commendable job kar rahein hai.* Thank you.

Mahendra Nahata: *Saket Ji, bahut bahut dhanyawad, aapke suggestions ka bhi. Dekhiye, shareholders ke liye, ya Company ke liye, dono ka synonymous hai. Hamari poori koshish sabse pehle ye rahegi ke Company acche se accha kaam kare, technology me aage badhe. Company yadi accha kaam karti hai, technology me aage rehti hai, to mera khayal hai investors swayam hi attract honge. Investors attract karne ke liye accha kaam hona jarori hai, Company ki growth, technology me growth honi jaroori hai. Aur mujhe vishwas hai jis tarah ka kaam hum kar rahe hain, jis tarah ki Company ki order book hai, acche investors aaj bhi hai, aur aage bhi nazar Company ke upar jaroor rahegi. Aur samaya aane ke sath, ye jo bhi pandemic situation chal rahi hai, is samay to main kuch nahi keh sakta, samay aane ke sath Company ki popularity aur badhni chahiye.*

Investors relations ke liye jo bhi cheezon ki jaroorat hoti hai, chahe jo regular investor connect ho, jo aapne kaha hum kar hi rahein hain, un cheezon ko hum aur badhayenge, jis se ke logo ko Company ke baare me jyada se jyada pata lag sake. Jahan tak growth ka sawal hai, aapne dekha acchi order book hamari hai. Aage bhi aur acchi rehne ki poori ummeed hai. Kafi tenders me hamne participate kiya hua hai, private sector se acche orders aa rahe hain. To mujhe ummeed hai Company ki working aage bhi acchi rahegi. Aur investors bhi jaroor attract honge. Aur jahan tak minority shareholders ka sawal hai, aur unko barabar opportunity denge ki Company ke management se sampark karein. Aap kabhi bhi e-mail de sakte hain. Kabhi bhi aapki koi query ho, uska jawab le sakte hain. Aur jo

Company quarterly performance ke upar hum calls karte hain, uske upar bhi aap sawal hamesha pooch sakte hain. Bahut dhanyawad.

Manoj Baid: Thank you Sir. The next question we have received is from Mr. M. R. Bothra. Mr. Mangla Ji, is Mr. Bothra online? Please unmute him.

Moderator: Bothra Sahab, you can switch on your video.

M. R. Bothra: Is it OK, Mangla Ji?

Manoj Baid: Yes, we can hear you Mr. Bothra.

M. R. Bothra: Good morning Sir. Thank you, Chairman Sir. First of all, let me extend my thanks to the entire management team for giving such an excellent annual report, truly informative, detailed, and extensive description of the business, many of the initiatives that have been taken by the Company and the growth areas.

I would like to thank to you Sir that I have attended a few meetings where the Chairman responds only at the end of the meeting, clubbing all the queries. You have been replying to each and every speaker. It is great Sir. Thank you also to the Ministry of Corporate Affairs and the Government initiative which has actually given us an opportunity to attend the meeting and making a historical decision of online meeting which will save the time and resources of corporates and also, of the investors at large.

Sir, I have been a member of this prestigious Company for a long time and got an opportunity today to express my views, thanks to the Secretarial Department. Excellent coordination, sending a confirmation and asking to send the ID proof is par excellence compliance approach, Sir.

Chairman Sir, many of the speakers have already covered many of the points that I wanted to raise. So, turning towards the year gone by I would like to attract your attention to a few points that in spite of having 19% revenue downfall, the Company has been in a position to maintain the profitability and managing almost equivalent EPS of Rs.1.76 on the face value of Re.1.00. That is an excellent job. So, there is excellent cost management exercise and utilization of resources by the Company.

My three points, that I would like to know- One is, we see a buzzword, 5G technology. In that view, where does the Company stand and how we are planning to contribute in the growth of the economy and shareholders.

The second point, Sir, I would like to say, though one of the learned speaker had mentioned about the inventory and increase in trade receivables. So, the debtors have increased significantly in 19-20. Will the Company be able to recover in due time, though you had mentioned that it is milestone based, but that is our point of concern?

I am sure because of the industry approach, it might be right to have that much of leverage and third point Sir, when can we expect the Company to come back to the dividend paying list?

Sir again, to the entire management team, for making excellent arrangements to have this AGM happen in so smooth, flawless, and hassle-free way. Thank you, Sir.

Mahendra Nahata: Thank you Mr. Bothra. I prefer to answer all the questions then and there. I, being involved in the day to day working of the Company, know everything by heart. Not an issue. Thanks a lot. 5G is a buzzword all over world today. It has started happening in the world and would happen in India as well. The Government is yet to announce the auction of the 5G spectrum, but the industry expects that it should happen sometime soon. With 5G coming, we need to be having those equipment and technologies which cater to the 5G network requirements. And some of the steps, we have taken, and I will elaborate, and new steps are being taken.

One, fiber optic cable is going to be one of the mainstays of 5G transport network because data delivery in 5G is so high that unless we have fiber optic cable, transport of data becomes very difficult. So, the demand for fiber optic cable will increase with 5G coming. And as I said, we are creating additional capacity in Hyderabad, apart from our capacity in Goa and our subsidiary company HTL in Chennai for the new upcoming demand for fiber optic cable in 5G and also fiber-to-the-home. So, that is the first step.

Number two, we have already started designing of products which will be required in the 5G technological environment, which include high capacity microwave radios, which also includes routers, switches, which will be required for 5G applications. It also includes Wi-Fi equipment which we have already designed for the current generation of network, i.e., 4G network. For 5G data upload, you need higher capacity of Wi-Fi system, which is called Wi-Fi 6 standard. We have already started working on Wi-Fi 6 standard and I believe that the first prototype would be out from Company's R&D lab within the current or maybe the next month. So, 5G is still not there but high-speed access points, yes, would be available within the current financial year, or maybe within the current calendar year. So likewise, we are designing new products, technologies, apart from creating system integration capabilities to participate in the 5G technological challenges, when they come up after auction happens in the Country. The product, system integration capabilities, all are being developed at the same time to take advantage of this going forward.

Number three, trade receivables, as you said, this is milestones based and since the project implementations have got delayed because of the pandemic kind of situation, trade receivables have increased a bit but I am sure, with the speed increasing in the execution of our networks, a major portion of these receivables could be received by the Company within the current financial year itself. I have no doubts about it. There are not going to be any major bad debts, barring maybe very minuscule bad debt, which is not worth mentioning. There is not going to be any bad debt in the books of the Company.

As far as the dividend policy is concerned, with the outbreak of Covid-19, followed by a Country-wide lockdown and disruption in the supply chain, we thought, the management thought to preserve the cash-flow. In the current situation, it is better to preserve cash. To do so, we have not declared dividend for the current year.

So, I hope that answers your questions Mr. Bothra. Thank you very much.

Manoj Baid: Thank you Sir. Mr. Bothra was the last speaker. With this, you can conclude the meeting Sir.

Mahendra Nahata: Thank you Manoj and business of the 33rd Annual General Meeting is concluded. Thank you, Ladies and Gentlemen.

Manoj Baid: Thank you Sir. With this, we have come to the conclusion of today's proceedings. On behalf of the Company and its shareholders, I thank all the members on the dais and our other Directors who joined through video conferencing. Thank you, all dear shareholders, for taking time out and joining this e-AGM online. We look forward to have your physical presence in our next AGM. E-Voting is in progress now and will be disabled 15 minutes from now. In case you have not voted so far, please do vote. Thank you very much. Thank you again.

Mahendra Nahata: Thank you.

***** *The 33rd AGM concluded at 11:54 p.m. (IST)******