



HFCL Limited

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HFCL/SEC/24-25

February 11, 2025

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RE: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI Listing Regulations”).

Subject: Transcript of Conference Call on the Un-audited Financial Results of the Company for the 3rd Quarter and Nine Months ended December 31, 2024, of the Financial Year 2024-25.

Dear Sir(s)/ Madam,

This is further to our earlier announcement dated January 27, 2025.

In terms of Regulation 30 read with Para A of Part A of Schedule III to the SEBI Listing Regulations, we hereby submit Transcript of the Conference Call held on February 04, 2025, on the Un-audited Financial Results of the Company for the 3rd Quarter and Nine Months ended December 31, 2024 of the Financial Year 2024-25, which were considered and approved by the Board of Directors of the Company, at its meeting held on February 03, 2025.

The aforesaid Transcript will also be available on the Company's website at <https://www.hfcl.com/>.

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)
President & Company Secretary

Encl: Copy of Transcript.



“HFCL Limited Q3 2025 Earnings Conference Call”

February 04, 2025



MANAGEMENT: **MR. MAHENDRA NAHATA – PROMOTER AND
MANAGING DIRECTOR**
MR. VIJAY RAJ JAIN – CHIEF FINANCIAL OFFICER
MR. MANOJ BAID – COMPANY SECRETARY
MR. AMIT AGARWAL – HEAD OF INVESTOR RELATIONS

ANALYST: **MR. MOHIT LOHIA – ICICI SECURITIES LIMITED**



Moderator: Ladies and gentlemen, good day, and welcome to HFCL Q3 FY '25 Earnings Conference Call, hosted by ICICI Securities.

Statements made during this call may be forward-looking in nature, based on management's current beliefs and expectations. They must be viewed in relation to the risk that HFCL's business faces that could cause its future results, performance or achievements to differ significantly from what is expressed or implied by such forward-looking statements. Investors are therefore requested to check the information independently before making any investments or other decisions.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Mohit Lohia from ICICI Securities. Thank you, and over to you, Mr. Lohia.

Mohit Lohia: Yes. Thank you, Andrew. Hi, good afternoon, everyone. Thank you for joining us today for Q3 FY '25 earnings call of HFCL Limited. First of all, I would like to thank Management for providing us the opportunity to host the call.

From the Management side, we have Mr. Mahendra Nahata – Promoter and Managing Director; Mr. Vijay Raj Jain – Chief Financial Officer; Mr. Manoj Baid – Company Secretary; and Mr. Amit Agarwal – Head of Investor Relations.

Without further delay, I would now hand over the call to Mr. Nahata for “Opening Remarks”. Thank you, and over to you, sir.

Mahendra Nahata: Thank you, Mr. Lohia. Good evening, ladies and gentlemen.

I am delighted to welcome you all to HFCL's earnings call for the third quarter of FY25. I trust you must have had the opportunity to review our financial results, press release, and earnings presentation, which are available on our website and also on the website of stock exchanges.

The telecommunication industry is undergoing a profound transformation, driven by both technological innovation like artificial intelligence and the upcoming growth in demand for products required for data centers and optical networks. As digital adoption accelerates, countries like India are at the forefront of this global movement, spearheading initiatives that promise to shape the future of connectivity with strong emphasis on rural connectivity.

India now boasts over 1.19 billion telecom subscribers, making it the second-largest telecom market globally. This is a remarkable achievement, considering that just a few decades ago, the telecom landscape was limited to major urban centers. Data usage in India has grown exponentially in the past few years. The Country has witnessed a tenfold growth in data usage since 2018, and it is projected that India will reach 350 million 5G subscribers by FY26

Globally, the telecommunications market was valued at approximately USD 2.32 trillion in 2024 and is projected to expand to around USD 4.21 trillion by 2034, reflecting a CAGR of 6.15%. This growth will drive a surge in demand for broadband equipment, telecom networking products and fiber optic infrastructure as telecom operators work to meet the growing data demands of consumers. Hence, telecom networking products and fiber optics will play a key role in telecom, particularly as 5G networks rolls out across the Country. The 5G revolution is well underway, and we are seeing telecom operators invest heavily in fiber-based backhaul solutions to ensure that their networks are capable of handling the massive data loads that 5G delivers.

Alongside these technological advancements, governments worldwide are implementing initiatives to enhance universal connectivity. Telecom operators are making significant strides in expanding broadband infrastructure in underserved areas, further boosting the demand. Over the past few quarters, the global optical fiber cable market had experienced a slowdown. This slowdown could be attributed to a variety of factors, including geopolitical tensions, large inventory built with the operators and delay in major government funded programs.

Despite these challenges, we remain optimistic about the future. We anticipate that demand for optical fiber and digital network solutions is gradually picking up, driven by several key catalysts including 5G acceleration, rural broadband initiatives such as BharatNet Phase III, the increasing adoption of Artificial Intelligence enabled services, hyper-scaling of data centers and the growing need for high-speed, reliable internet connectivity across smart cities, industry 4.0, and remote education networks.

At HFCL, we have been preparing ourselves for this resurgence in demand. Over the past few quarters, we have focused on enhancing our production capacities, improving operational efficiencies, and developing innovative products and solutions to cater to the evolving needs of the market. By optimizing our processes, we are better positioned to deliver high-quality products on a scale and ensure timely deliveries to our customers.

We are increasing our presence by appointing our own employees, distributors, and dealers in key global markets. Our goal is to achieve a substantial rise in export revenue from our optic fiber segment, with a significant portion of revenue coming from international markets in the coming years. Additionally, we aim for a considerable share of our telecom segment revenue to be export-driven.

As we reflect on the past year, we would like to share some of the significant milestones that highlight HFCL's continued leadership in the telecom sector.

As you are aware, BSNL had floated tenders for BharatNet Phase III across 16 telecom circles, in which your Company also participated. BSNL has already announced the winners for six telecom circles, and I am pleased to inform you that your Company has successfully secured an Advance Work Order worth approximately ₹2,501.30 crores for the design, supply, construction, installation, upgradation, operation, and maintenance of the middle-mile network of BharatNet Phase III in the Punjab Telecom Circle. In addition, the Company has also secured Advance Purchase Orders worth ~INR 2,167.65 Crores from Rail Vikas Nigam Limited for supply of



Optical Fiber Cables, Telecom Equipment & related accessories along with maintenance of the telecom equipment, for BharatNet Phase III in Uttar Pradesh (East) Telecom Circle and Uttar Pradesh (West) Telecom Circle.

These wins indicate HFCL's growing dominance in the market and its capabilities to meet the ambitious goals of BharatNet program.

In addition to securing orders worth over ₹4,650 crores under BharatNet Phase III, there is significant potential to independently supply fiber, optical fiber cable, and telecom equipment to other vendors in the remaining 13 telecom circles wherein either contracts have been awarded or are in the process of being awarded.

The BharatNet Phase III is finally set to link all 640,000 villages in India with high-speed internet. The Company is dedicated for executing this landmark project in line with the Government's vision of a 'Digital India,' aiming to bridge the digital gap, especially in rural and underserved regions.

HFCL has been an important player in the success of BharatNet, especially in Phase II, where our cutting-edge technology and effective execution led to transformative improvements in rural broadband connectivity in the states of Punjab and Jharkhand.

In the Union Budget announced recently, the Government emphasized the importance of digital connectivity by proposing high-speed internet access for primary healthcare centers and government secondary schools across the Country. This initiative will increase the demand for broadband equipment and optical fiber cables, further accelerating broadband infrastructure development across the Country. Since these products are manufactured by your Company, it expects to get reasonable market share in this increased demand.

As you are aware that your Company had secured order worth ₹623 crores for the supply of 5G Fixed Wireless Access Customer Premises Equipment. We have already supplied over 2 lakh units, which are being successfully deployed. The demand for our indigenously designed communication equipment continues to grow strongly, reflecting our product's reliability and market acceptance.

We recently introduced two groundbreaking Unlicensed Band Radios (UBR) designed to address critical needs in modern telecom networks.

HFCL's UBRs bring significant benefits to telecom operators by addressing the challenges of high capital and operational costs. HFCL has achieved a remarkable milestone with over 350,000 successful UBR deployments.

We have also made decisive progress in our Defense sector initiatives, which are aligned with our strategy for diversification. We recently inaugurated a state-of-the-art Defence Manufacturing Facility in Hosur. Our defense product programs are now in the advanced stages of trials, and we are optimistic that these will soon translate into firm orders. Furthermore, we are proud to announce prestigious orders in the defense space, including supplying Strong Tethered Fiber Optic Cables and Fiber Optic Assemblies for critical naval applications, received by our subsidiary HTL Limited. In addition, HTL has also secured orders for Power Distribution

Units for air defense systems, as well as multiple cable assemblies for missile systems and naval applications. In addition to this, HFCL has been declared as the lowest bidder for a contract of ₹43 Crores for supply of tactical optical fiber cables to the Indian Army.

I would further like to update all the stakeholders that the Board of Directors in its meeting held on February 21, 2024, had granted approval for a strategic expansion into Europe by way of setting up an Optical Fiber Cable manufacturing facility in Poland.

Subsequently, the European Commission vide its landmark decision on June 14, 2024 informed that HFCL is the only Indian company that has not been engaged in the dumping of OFC in European markets. As a result, while provisional anti-dumping duties were imposed on all other Indian OFC manufacturers, HFCL remains the sole Indian OFC manufacturer to have been exempted from these duties. Furthermore, the European Commission on December 16, 2024 announced the imposition of definitive anti-dumping duty on all other Indian OFC manufacturers, reaffirming HFCL's exemption.

Given this significant regulatory development, the Board in its meeting held on February 03, 2025 decided to temporarily put on hold the planned OFC manufacturing project in Poland. Instead, the Company will leverage its competitive advantage and cater to European customers directly from its manufacturing facilities in India. This strategic approach will optimize resource allocation while reinforcing the Company's presence in the European market. By utilizing existing capacities in India, the Company can efficiently meet European demand while saving ₹175 crores in capital expenditure.

I am pleased to inform you that the Company's current order book stands at ₹10410 Crores as compared to ₹6151 Crores in last quarter.

In terms of our financial performance, I would like to highlight the key metrics for Q3 FY25.

- Revenue for Q3 FY25 stood at INR 1011.95 Crores as compared to 1032.31 Crores in Q3 FY24 and 1093.61 in Q2 FY25.
- EBITDA for the quarter stood at INR 171.89 Crores as compared to INR 171.82 Crores in Q2 FY25 and INR 163.45 Crores in Q3 FY24; EBITDA margin stands at 16.99% for Q3 FY25 as compared to 15.71% for Q2 FY25 and it stood at 15.83% in Q3 FY24;
- For Q3 FY25, profit after tax stands at INR 72.58 Crores as compared to INR 73.33 Crores of Q2 FY25 and INR 82.43 Crores in Q3 FY24; PAT margin stands at 7.17% in Q3 FY25 as compared to 6.71% in Q2 FY25 and 7.99% in Q3 FY24
- Segment revenue for telecom products during the quarter stood at 58% as compared to 52% in Q2 FY25 and 35% in Q3 FY24

As we enter 2025, HFCL is focused on resilience, innovation, and collaboration to achieve remarkable milestones. We are grateful for your unwavering support and trust in our vision. With your continued backing, we are poised to achieve even greater heights.

Thank you very much, gentlemen. Now ground is open for questions.



Moderator: Thank you. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press “*” and 1 on the touchtone telephone. If you wish to remove yourself from the question queue, you may press “*” and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question comes from the line of Jinesh Shah from RSPN Ventures. Please go ahead.

Jinesh Shah: My first question would be, I just wanted to confirm that we got the order from BharatNet in January, right? And we had order book of INR 10,000 crores as of December. So, that is excluding the BharatNet orders. So, if I include that, it is much more than that, right? Is that understanding correct?

Mahendra Nahata: It includes BharatNet orders, definitely.

Jinesh Shah: It includes INR 10,000 crores BharatNet orders, correct?

Mahendra Nahata: Yes. All BharatNet orders are included in this figures. All orders of BharatNet, which have been currently received in order are included. And as I said, out of 16 circles, I think balance 13 have been awarded or are being awarded. Rather 3 have been awarded, 10 are yet to be awarded. So, we are working with those operators to get more orders for our equipment and fiber optic cable. So, as and when we receive those orders, we will definitely let you know. But whatever has been received is already included in this INR 10,000 crores.

Jinesh Shah: Okay. Okay. Understood. And just to add 1 more question to this. Can you share the percentage of HFCL for the order that has been received in.

Mahendra Nahata: Mr. Shah, I am not able to understand your question very clearly. So, there is a lot of noise while you’re speaking. Can you repeat your question?

Jinesh Shah: Yes, sure. We received an order of INR 2,167 crores in consortium, right? So, I just wanted to understand the share of HFCL in that.

Mahendra Nahata: So, it is totally HFCL. Consortium order was INR 13,000 crores. This INR 2,400-some crores, which you’re saying it is totally HFCL, 100%.

Jinesh Shah: Okay. Understand. That's clear. And my second question is can you give us a split of OFC Equipment and Telecom Product segment revenue top line?

Mahendra Nahata: Say that again?

Jinesh Shah: I wanted a split of equipments and OFC in the Telecom Products segment revenue.

Mahendra Nahata: Mr. Shah -- operator, can you please clear his voice because his voice...



- Moderator:** Mr. Shah, your voice, there's a static behind your voice.
- Jinesh Shah:** Okay, sir.
- Moderator:** Can you come a little closer to the mic and speak?
- Jinesh Shah:** Yes. Is it better now?
- Moderator:** Yes, better.
- Jinesh Shah:** Yes. So, I just wanted to understand the split of telecom equipments and OFC in the Telecom Product segment?
- Mahendra Nahata:** You are saying that total percentage of revenue in OFC and telecom vis-a-vis the total revenue, that is the question?
- Jinesh Shah:** Yes, that is the question.
- Mahendra Nahata:** The reply is that 58% of the revenue has come from telecom products and 42% of the revenue has come from turnkey projects in this quarter.
- Jinesh Shah:** No, no. Just wanted to understand the split of OFC and equipment...
- Mahendra Nahata:** Okay. Understood. That is roughly about 50% each. Roughly about 50% each.
- Jinesh Shah:** Okay. Okay. Got it. And just to follow up on that, can you just talk about the market of OFC at a macro level because we talked about that we saw an uptake in Quarter 2 or Quarter 3, and then we should be seeing a good moment in the OFC market as well. But that is not like seen in revenue in terms of we see monetary wise. So, can you just talk about like what we should expect in the coming quarters, like when should it be normalized and it should be reflected in our P&L?
- Mahendra Nahata:** I understand you are talking about OFC market. It has already started showing some signs of growth with the few orders we have received internationally. In India, the growth is yet to come in a sense that orders have been received, but implementation of BharatNet is yet to start. So, growth in India is also there with BharatNet. Internationally, also market has started looking up with more number of inquiries being received and some orders also being received from foreign operators.
- Particularly, demand is significantly growing from data centers because internationally, unlike India, data center, people are allowed to interconnect their data center across the cities where they require very high capacity cables. There also the demand is increasing. And we have started supplying to data center people also with high-capacity cables. So, it has started looking up, not to the extent where we would expect it to be.



I believe this quarter would see some growth in demand, definitely, current quarter from the last quarter, I would say, roughly about 15% growth in demand would be there. Q1 of the next financial year would see even a better improved demand, particularly coming from data center areas and rural connectivity areas. That includes India also because BharatNet Phase-3 implementation would start. So, definitely, we can now see green shoots in the increase in the demand of optical fiber cable.

Moderator: Thank you. Mr. Shah, please rejoin the queue for more questions. A reminder to all the participants, please restrict yourself for 2 questions.

Next question comes from the line of Balasubramanian from Arihant Capital. Please go ahead.

Balasubramanian A: Thank you so much for the opportunities. My first question, in the recent budget, Union Finance Minister has announced broadband connections for all government, secondary and primary schools, health care centers in rural areas. Like what's your view on this budget and what kind of benefits we can expect in overall industry?

Mahendra Nahata: Good question. This is a kind of an extension of BharatNet. Once BharatNet is put to the gram panchayats, which is the current program, that the BharatNet will go up to the gram panchayats in a ring topology. Earlier, it was in a linear topology, which was not so reliable.

Now the next step is to connect the villages and within the gram panchayats, different public utility organizations like primary health care centers, schools or government institutions.

So, this additional program of connecting all the schools and primary health centers, which was not announced till now, would definitely increase the demand of the connectivity equipment, which are mostly, in my opinion, to start with going to be wireless like WiFi or different other kind of equipment, which would be UBR, those kind of equipment would be used for this point-to-point or point-to-multipoint connectivity.

Fortunately, whichever equipment they use, whether they use WiFi or UBR or even fiber optics, we have all those equipment available with us designed indigenously. So, definitely, it is going to have some increase in the demand of these equipment. And also naturally, since we have all this equipment available, we will be benefited.

Balasubramanian A: Got it, sir. Sir, and the second question regarding recently, Trump organization US have imposed lot of tariffs to Mexico, China and Canada. Right now, China has a higher capacity for OFC side, so is there any impact on U.S. tariffs? And what kind of benefits are expected to Indian companies, especially HFCL? And how much exports like exposure we have on the U.S. side, sir?

Mahendra Nahata: Look, increase in tariff on China by U.S. market doesn't impact much as far as telecom is concerned, because U.S. does not allow import of equipment from China in any case. They really don't allow. So, therefore, this tariff increase on the Chinese products of 10%, which has recently



been announced, would not impact the Indian manufacturers, because as it is, they are not allowing import of Chinese.

Balasubramanian A: Got it, sir. And sir, on the optical fiber and optical fiber cable realization side, like how is the status in this quarter, sir? On the price side?

Mahendra Nahata: You're talking about the price?

Balasubramanian A: Yes, sir. Realization per fiber kilometer.

Mahendra Nahata: Yes. In terms of realization fiber per kilometer of cable, I am talking fiber per kilometer of cable, it has been about INR 840 as compared to INR 893, which was there in the last quarter and INR 1,073 which was there on 31st December 2023. So, it has come down considerably. But similarly, price of fiber has also come down.

Fiber is now INR 266 per kilometer, which was INR 291 on 30th September. And on 31st December 2023, a year ago, it was INR 329. So, as the price of cable has come down, price of fiber has also come down.

Moderator: Thank you. Mr. Balasubramanian, please rejoin the queue for more questions.

Next question comes from the line of Manoj Jethva with KSA Shares and Securities Private Limited. Please go ahead.

Manoj Jethva: This is Manoj here from KSA Securities. Many congratulations for the good set of numbers in these challenging times. Sir, my question is regarding the Defense sector, which we have come out with a new facility in Hosur. So, could you please add some colour on it, sir? And what could be the growth prospects as far as Defense opportunity is concerned with HFCL?

Mahendra Nahata: Well, as far as colour is concerned, colour of army is green; Air Force is blue; and Navy is white, as far as colour is concerned. But anyway, Defense, as I have always been saying, approvals and all that take a lot of time. And approval processes are pretty long. And at the same point of time, a lot of impediments. I would not tell you the numbers.

We have large LOI, letter of intent for supplying of electronic fuses from one of the NATO countries. Now that NATO country wanted a certificate of testing from Indian government agency, which is DRDO. We applied for testing. We got the firing range sanctioned by DRDO. We needed ammunition for testing. And would you believe we have been given a delivery date of 9 months for supply of ammunition, which are produced at government factories only.

As a result of that, we have not been able to test our fuses as per the requirement of that particular country, and we have not been able to start supplying. This is a travesty that we have a large 3-figure LOI reaching near to 4 figures. Letter of intent, subject to this testing and all that and have not been able to do so till now because of delay in supply of ammunition by government companies. So, these are some of the difficulties.

Nevertheless, after successful testing of our radars, thermal weapon sights, we have started working on receiving orders. Recently, our people had gone to some of the foreign countries, and they have received good inquiries for these products. And we expect to start building order book from coming quarter. We expect that some small orders may start from this quarter and start building a better order book from the next quarter itself.

Manoj Jethva:

Sir, in the overall, say, around 1, 1.5 year, how do you see the Defense business to pan out in the total revenue-wise, EBITDA-wise or market wise?

Mahendra Nahata:

I'll tell you, 3, 4 projects. 1, electronic fuses, this testing and whatever has not happened, we are trying our best to make it happen by April, May. So, once that happens and test results, which I am sure would be positive, would give rise to possible orders for those electronic fuses. Radars, we are expecting a reasonably good demand to come for radars.

Thermal weapon sights, again, small orders are being received. And some of the tenders also we have participated, which are under evaluation. Then BMP-2, as I've been informing, five companies have been shortlisted for a project, which is multi-thousand crore project and HFCL is one of them. Others are, of course, one of the government companies and L&T, Alpha Design, and all these kind of companies, Tata, which have been shortlisted.

So, we are very, very hopeful that we should be able to be a key player in that segment also. So, 1.5 years, I think, we expect to receive reasonable size of orders from all this. Revenue should also start flowing in from the next financial year. Apart from receiving orders, revenue flowing should also start. I would not like to give you a number how much it can be, but, yes, we are very hopeful that revenue will start flowing in from Defense in the next financial year.

Moderator:

Mr. Jethva please rejoin the queue for more questions. Next question comes from the line of Tanuj Khiyani with Ventura. Please go ahead.

Tanuj Khiyani:

Hello sir. Sir, you have guided for a Defense order worth INR 800.....

Moderator:

Mr. Khiyani, sorry to interrupt, your voice is breaking. Can you just come a little closer?

Tanuj Khiyani:

Is it clear now?

Moderator:

Yes, go ahead.

Tanuj Khiyani:

Sir, you had won a defense order of Rs. 800 crores, has it come through yet.

Moderator:

Mr. Khiyani, once again, sorry to interrupt, your voice is breaking.

Tanuj Khiyani:

Hello. Sir, you had guided INR 800 crores Defense order, has it come through yet?

Moderator:

Mr. Khiyani, I would request you to dial us back once again, because your voice is breaking. Thank you.

- Tanuj Khiyani:** Sure.
- Moderator:** We'll take the next in line, and that is Rohan Vora from Envision Capital. Please go ahead.
- Rohan Vora:** Hello, sir. Thank you for the opportunity. Sir, so the first question was, as I understand, the order inflow for this quarter was around INR 5,300 crores, of which around INR 4,600 crores was pertaining to BharatNet. So, just wanted to understand what was the balance order from? What kind of products and what kind of projects are we seeing?
- Mahendra Nahata:** The balance was various equipment in terms of fiber optic cable, unlicensed band radios, WiFi equipment. This is a mixture of different equipment and cable from number of customers. This could be indigenous, this could be export also.
- Rohan Vora:** Got it. And sir, so the order book that we have today has around INR 2,500 crores of product, so what is the breakup of equipment in this?
- Mahendra Nahata:** Which order you're talking about?
- Rohan Vora:** So, our current order book as it stands is around INR 10,400 crores...
- Mahendra Nahata:** Okay. I'll tell you. Order would be roughly about INR 2,525 crores for equipment and INR 4,197 crores would be roughly about turnkey projects, which includes BharatNet of INR 1,400 crores, of course.
- Moderator:** Thank you. Mr. Vora, please rejoin the queue for more questions. Next question comes from the line of Rucheeta Kadge with IWealth. Please go ahead.
- Rucheeta Kadge:** Hello, sir. Very good evening. Sir, my question was on the telecom product side. So, during the year, we had told that we'll be doing around INR 2,000 crore revenue. So, currently, if I say we've done around INR 1,000 crores. So, do we expect another INR 1,000 crores by the last quarter? Or there has been some issue with it and it will come going ahead? Just wanted a little understanding of that part.
- Mahendra Nahata:** Good question. We definitely had expected about INR 2,000 crores or so. Until now, this has been about INR 1,000 crores or so. In the current quarter, we expect roughly about reaching to INR 350 crores to INR 400 crores in the particular quarter, something around that. I am not 100% sure, but INR 350 crores to INR 400 crores kind of we'll reach. Now reason of the shortfall is that some of the equipment, which we were to supply earlier, that delivery got delayed because of customer readiness and customer trials and they are approving the product.
- A lot of times, they wanted a lot of software changes to be done suiting to their requirements, which was not expected earlier. So, that delayed the supply of roughly about INR 250 crores or so. Then demand for some of the export market, which we expected to happen, that also got delayed. So, all that delays contributed this INR 500 crores to INR 600 crores of shortfall in this particular financial year. One is customer wanted some changes. Second, there was less demand

from export markets, because we had expected the rural networks to come up more quickly like BharatNet and all that, when we started the year, and which would have increased the supply of equipment to BharatNet project also, because there is a significant demand in BharatNet.

But BharatNet also got delayed by six to nine months. So, that part of supply also could not happen. So, all these factors put together really led to unexpected slowdown in the Telecom Networking segment, which we believe this year, BharatNet would come up again. It has come up. So, increased demand would be there from BharatNet. We have significantly good products for BharatNet program routers and all that.

In fact, we are one of the major recipients of the order for routers, which is one of the critical equipment of BharatNet requirement. And moreover, we expect more orders to come in from as I said, in the balance 13 circles, 3 of which have been awarded and 10 more are to be awarded and 8 more circles, where tenders are to be floated by state governments, we expect more orders to come in. So, this year should show better performance in terms of order booking.

In terms of delivery, again, BharatNet particularly will depend upon how the people who receive orders, they are able to implement the BharatNet project. From export side also, we expect to have better demand this year because rural connectivity emphasis is being put on by different governments, and we are manufacturing those rural connectivity equipment. So, this year should see better prospects for telecom equipment market as well as fiber optic cable, because fiber optic cable had also considerably slowed down, as I said in opening remarks, worldwide.

Every fiber optic cable company had a low revenue, compared to what they had done two years ago, and we were not the only company affected by that. And as a result, fiber optic cable also had slowed down considerably in the current financial year.

Moderator: Thank you. Ms. Kadge please rejoin the queue for more questions. Next question comes from the line of Rohan Vora with Envision Capital. Please go ahead.

Rohan Vora: Hello, sir. Thank you for the opportunity. So, sir, my question actually was that, as I understand, INR 2,500 crores is our order book for products. I wanted the breakup of equipment and cables between this?

Mahendra Nahata: Give me a second. Yes, Out of INR 2,500 crores, INR 1,100 crores would be for fiber optic cable, and about INR 1,400 crores would be for different equipment, which includes routers for about INR 800 crores, INR 500 crores for 5G products, and rest is indigenous products. So, it is a division, answering your question, INR 1,100 crores and INR 1,400 crores.

Rohan Vora: Understood, sir. Sir, and one more on this line was that over a longer period of time, we have said that we want INR 3,000 crores of revenue to come in from equipment alone. So, just a broader idea on what kind of...

Mahendra Nahata: No, I never said INR 3,000 crores to come from equipment alone. When did I say that?



Rohan Vora: So, sir, on an older call, what we said was that when we reached INR 10,000 crores of revenue, we want...

Mahendra Nahata: At that point of time. Yes. At that point of time, we would...

Rohan Vora: What we had said there is INR 3,000 crores would come from equipments?

Mahendra Nahata: Yes, yes.

Rohan Vora: So, sir, just wanted to understand what kind of equipments will drive our growth going forward...

Mahendra Nahata: One is the 5G-related equipment where we already have INR 600 crores of order, which is under supply. Routers is again, which as I informed, we already have orders worth about INR 800 crores for router and we expect to receive much more orders for routers from the balance telecom circles and also the international market, then WiFi, and UBR, unlicensed band radios, because that's one of the key products which we are manufacturing.

And we have already supplied and installed about 350,000 more than that as radios all over. So, that is another area we will receive reasonably good orders. And moreover, within next one or two years, we are designing more equipment, which includes in UBR right now, we are point-to-point. Now we are trying to go for point-to-multipoint, because point-to-multipoint would be when government completes this BharatNet Phase-3, which is connecting 250,000 Gram Panchayat.

Next step would be to connect the villages where either overhead fiber optic cable would be used or they can use point-to-multipoint unlicensed band radio also. The rural areas, interference-free spectrum is very easily available and where the government does not have to pay a license fee for spectrum even to itself. So, that would give rise to demand for point-to-multipoint radios significantly. If I look at the world market, 80% of the demand is for point-to-multipoint radios, which we are not manufacturing at this point of time. We are doing only point-to-point radios.

So, that is another area where we expect good demand to come up. So, WiFi access points, switches, routers, unlicensed band radios, 5G equipment, these are all put together, we expect that we are aspiring to reach to a INR 3,000 crores kind of revenue from national and international market when we reach to a INR 10,000 crores revenue in total.

Moderator: Thank you. Mr. Vora, please rejoin the queue for more questions. Next question comes from the line of Tanuj Khiyani with Ventura. Please go ahead.

Tanuj Khiyani: Sir, you had guided for INR 800 crores Defense order, which didn't come through. Any guidance on that? And regarding our 25% to 30% growth, are we on track to achieve for the...

Mahendra Nahata: A while ago as I said, we have received the LOI for INR 800 crores for the Defense order. But unfortunately, we had to submit test results from the government facility. And as I just now explained how it got delayed. And now we are trying to complete it by April, May. Then we

have to submit the test results to the potential buyer and let us see what happens at that point of time.

It was there, but because of ammunition supply getting delayed by government factories in India, we had no option, but to sit quiet and wait for ammunition to come. And when the ammunition comes, we test it and supply the certificate to the foreign buyer and then order could be confirmed. But unfortunately, that hasn't happened till now.

Tanuj Khiyani: Okay, sir. And regarding the growth guidance, are we on track to achieve the 25%, 30% mark that you have guided?

Mahendra Nahata: Please say that again?

Tanuj Khiyani: Regarding the growth guidance, you had guided for 25% to 30% year-on-year growth. So, how are we going ahead with that?

Mahendra Nahata: Not really guidance. What I had said that we aspire to have a 25% to 30% growth. Definitely, we aspire that. But sometimes what happens the market like fiber optic cable market knows that worldwide, which was out of our control, and therefore, we could not reach to the required revenue, and we still aspire that. Yes, this kind of growth should be there in the company, some 20%, 25% growth has to happen. But sometimes, despite of the best of the efforts, this, what we aspire, may not come through, particularly market situation, geopolitical situation, and those kind of things happen, which results in the aspiration not reaching to the level we wanted it to be. So, that's the situation. But yes, we definitely aspire that kind of a growth.

And right now, looking at the current market situation and the growth in rural connectivity, BharatNet and those kind of things, I am sure that we'll be able to overcome those hurdles, which we had faced in the current first three quarters.

Moderator: Thank you. Mr. Khiyani, please rejoin the queue for more questions. Next question comes from the line of Hitesh K. Patel from K.K. Patel & Company. Please go ahead.

Hitesh K. Patel: Thanks for giving the opportunity to ask the question, sir. My question was regarding that how much of the PLI amount claim would be there from the government, and when the amount will be received, the production linked incentive?

Mahendra Nahata: PLI amount, we have still not been able to claim because as we discussed a little while ago that the amount of revenue we thought would come from telecom equipment, which will make us PLI available to us would not be fulfilled during the current financial year. So, we expect to start claiming PLI from the next financial year.

Hitesh K. Patel: And what will be the tentative amount, sir?

Mahendra Nahata: Tentative amount, I can't say at this point of time. But if at all we are able to claim, this should be around INR 40 crores to INR 50 crores.



Hitesh K. Patel: For the entire year, sir, next?

Mahendra Nahata: Yes, for the entire year.

Hitesh K. Patel: Okay. And my other question was that, sir, you already told that in all 16 circles, BharatNet tender was there and only 6 have been opened yet. So, when can the next 10 will be opened or will be available, who has got the tender and all the other information?

Mahendra Nahata: All have been opened. There are just 2 parts, I will tell you. 16 have been centrally done by BSNL on the instruction of DoT, funding has to come from DoT. So, funding is not an issue. Other 8 states, One has been announced in Gujarat. Others are yet to announce, which are to be implemented by state government, funded by central government. The funding, again, is not a problem.

Of the 16, which have been done centrally, all have been opened, but only 6 have been awarded. Out of 6 have been awarded, 2 are in consortium with HFCL, wherein, as I said, HFCL received orders worth about INR 2,200-some crores from Rail Vikas Nigam Limited, who were the prime bidders.

Now in Punjab, we are the sole bidders, and we have received orders for about something like INR 2,500 crores or so order we have received and Rail Vikas Nigam has been about INR 2,200 crores.

Now that takes 3 out of 6. Balance 3 which have been awarded, we are already in talks with them to supply our fiber optic cable and equipment like routers and unlicensed band radio, etc. And that discussion negotiation is going on. Some of them have come and seen POC that testing and all that of our routers and all that. Fiber optic cable, they know that we produce from years. So, that discussion with 3 of them is going on.

Rest 10 have still not been awarded, for two particular reasons. one, there are some high prices by some three or four of them, which are still being negotiated by BSNL with the L1 bidders, which may be out of the budget range of BSNL. And some 3, 4, 5 are stuck in some technical issues. Some technical issues are there, which exactly we are not aware of.

But I expect that these issues to get resolved for the tenders which have already been opened, which are 10, but not awarded in February or by 15th March or so, in my opinion, and that would be awarded one by one. As the issues get resolved, particularly the pricing issues, which are under negotiation may get over quickly, quicker than those technical issues where they are stuck up because of some of the technical issues.

So, by 15th March or so, I expect, rest it is government, it may happen early, it may happen little late. But yes, ultimately, it would happen. Of the remaining 8 states, which are to be done by states themselves like which includes Maharashtra, Tamil Nadu, Gujarat, Odisha, Jharkhand, Chhattisgarh. Only Gujarat has announced a tender, rest are in process, may be either couple of

months, they would also come up and announce their portion of BharatNet Phase-III. Gujarat has already announced it just two days ago. So, that is the situation.

And we expect that these 3 circles which have been awarded, 10 which are to be awarded, 8 where the tenders are to come from different states, to receive significant amount of orders because fiber optic cable and equipment, we produce most economically, and quite competitively. So, we should be able to receive reasonably good size of orders from those 10 plus 8 circles.

Right now, it has been 10 plus 3 plus 8, 21 circles. Right now, ordering for only 3 circles have happened as far as we are concerned. There's a lot more to go, a lot more to go. It is only 3 out of 24.

Moderator: Thank you. Mr. Patel, please rejoin the queue for more questions. Next question comes from the line of Aakash Goel with Tara Capital Partners. Please go ahead.

Aakash Goel: Hello.

Moderator: Mr. Goel, please go ahead.

Aakash Goel: Congratulations on a good set of results. Sir, just a few questions. I wanted to have some clarifications on the strategy. Sorry, have not been following the company for a long time. So, I think strategically, we have been talking about increasing our product-based revenue mix and reducing the service-based revenue. Is that correct?

Mahendra Nahata: Yes, that is right. And the current quarter, if you've seen, the mix has been quite reasonable. Current quarter it has been 58% products and 42% of turnkey, which used to be reverse earlier. So, current quarter, we have significant progress with 58% in the product. And I think trend should continue with more orders being received in BharatNet for products.

Aakash Goel: Okay. Sir, do we have a target mix in mind here regarding the services and the product mix that we want to achieve over a period of time?

Mahendra Nahata: Target is 70-30. 70 for Products, 30 for EPC. That is the target. Again, but let me qualify it a little bit. If I receive a profitable turnkey project, I am not going to deny it. At that point of time, you may find this percentage may change a bit. But that would be on account of, depending upon if we receive a good profitable project, we are not going to refuse it.

Moderator: Thank you. Mr. Goel, please rejoin the queue for more questions.. Next question comes from the line of Rishubh with Indsec. Please go ahead.

Rishubh: Sir, I wanted to understand basically the opportunities what we are seeing for our product division in the international scenario, what are the upcoming opportunities where we are targeting for the products? And currently, what kind of challenges we are seeing in securing these things?

Also, I would like to understand, now the OFC prices are in a declining trend, so where it will stabilize? And what kind of an outlook do you foresee going ahead for the OFC cables, fibers, etc?

And the third question will be regarding the market share, how are we doing on the market share in terms of the domestic market as well as the international space?

Mahendra Nahata:

Look, fiber optic cables and product, I will mix up those two questions together. For the pricing, fiber optic cable and fiber prices have been coming down pretty recently and that has been because of the lower demand, as I've been saying for fiber optic cable. That lower demand has been the result of worldwide kind of a trend, where more stock was there with the operators and less consumption was there because of delay in government-funded programs. And there was overcapacity built up in expectation of these things to happen, but did not happen, so there was consequent decline in the prices.

The average price for good quality fiber, I am not talking of a very third-grade kind of fibers where the price could even be lower. But December 31, 2024, average price for the quarter for fiber has been roughly about INR 266 per fiber kilometer, which was INR 291 a quarter back and INR 329 a year back.

So, this trend INR 266 or so, which have come up, I think this should almost at the low end, almost. There may be some more variation coming up. But with the increase in demand, which we can see now, I think may not go down further except a few rupees here or there. That is number one. Cable prices have consequently come down as raw material price go down, the finished good price also go down. So, it is INR 840 per fiber kilometer for cable on an average, which were INR 893, three months back, INR 1,073 a year back. And again, with the fiber price if they come down a bit, this will also come down a bit.

But again, I don't expect to be a major decline happening any further now. Not a major decline. Some decline may still be there, not a major decline, but the decline would be raw material and cable both.

Another pointer I can give you, preform, which is the raw material for fiber itself. We used to buy roughly about \$82 to \$85 a kg. Now that has come down to \$58 a kg, so preform price has come down, that is a raw material for fiber. Fiber price has come down, which is a raw material for cable.

And consequently, cable prices also come down. But I don't expect now that trend to continue to a very larger extent, it should stabilize now with some possible changes, which may happen. That is one.

As far as the international demand for products and telecom equipment are concerned, and fiber optic cable is concerned, fiber optic cable market has already started looking up. We already see better orders coming in, better inquiries coming in. We have been shortlisted by a couple of

companies for supply. Though firm orders are yet to be received from them, but yes, LOI kind of documents have already been received, and we are in process of finalizing contracts with them.

If we are able to finalize contracts for which LOIs have already been received, there will be significant amounts of contracts to come for multiple years. So, margin is certainly looking up for fiber optic cable as well as equipment. So, we see that fiber optic cable, which saw a major slowdown of revenue internationally, not only HFCL, but internationally, should show much better improvement in the next financial year. We expect that it should show a good improvement in the next financial year.

Rishubh:

Okay, sir. Yes. And regarding the market share, if you can give any colour on that?

Mahendra Nahata:

Market share, internationally, it would be pointless to talk market share. But in the market share in India, for fiber optic cable, I would say we have our highest market share. Percentage, I would not be able to tell you right now, it's difficult to tell you percentage.

As in India, HFCL should be having the highest market share in the Country. In terms of equipment, different equipment would have a different market share. For FWA CPE, fixed wireless 5G CPE, we are the only Indian producer. So, as an Indian producer, we are the only one, 100%. But rest is coming from outside India, countries like Taiwan and all that. So, if you mix up all that, then our market share could be 15% or so. But as an Indian company, our market share is 100%, because there is nobody else producing that as an Indian company.

UBR, unlicensed band radio, which is another major product which has been designed by us, I would say, as an Indian company, we should have 90% market share in the Country for point-to-point UBRs. We should have 90% share. All operators, we have supplied point-to-point radios. To BSNL, we are supplying. To Vodafone-Idea, we are supplying. So, point-to-point radios, we have 90% market share. We haven't seen any other independent manufacturer manufacturing that in India those point-to-point UBRs.

Moderator:

Thank you. Mr. Rishubh, please rejoin the queue for more questions. A reminder to all the participants, please restrict yourself to one question. Next question comes from the line of Saket Kapoor with Kapoor & Company. Please go ahead.

Saket Kapoor:

Namaste Nahata Ji. And thank you for the opportunity. Sir, just a question, it is hearting to see that you guided for a higher mix of telecom product to be turnkey. But when we look at our margins, they are lower for the product segment. So, what should be penciling in going ahead?

And also, sir, for the turnkey part, are there one-off any receivables pending or one-off any payments that have been included in the profitability, I am just referring to our 9-month number, rather than the Quarter 1. And just to elaborate the same, sir, for the 9 months, we find the telecom product at INR 1,863 crores and turnkey project at INR 1,400 crores, whereas the

profitability is INR 128 crores for telecom product and INR 300 crores for turnkey. So, what explains, and what should we will be penciling in going ahead?

Mahendra Nahata:

Look, without going into the numbers, since the capacity utilization was low, profitability has been lower. And fiber optic cable for example, capacity utilization is roughly about 50% in the current year. So, when the capacity utilization improves, definitely, the profitability is also going to improve. There's no receivables included in the profitability in that sense. Receivables and profitability are two different numbers.

So, I don't understand that part of the question. But as far as profitability is concerned, when the capacity utilization improves, the profitability is definitely going to improve. And particularly in fiber optic cable segment, we already see green shoots happening in this quarter itself, we should do better than the last quarter in the current quarter, which is Quarter 4 from the Quarter 3, it should do better in my opinion.

And then as the orders come in, Quarter 1 should even be better, and we have started receiving orders today itself, we have been adjudged L1 Army tender for tactical cables, which we would be supplying in this quantity for the first time. Earlier we had supplied a small order for tactical cable, but now it's the first time INR 43 crores order has been received by us. And another major tender for the similar cable is coming up as we expect very soon.

And as we have won this tender, our effort would be to win their next tender also. Internationally also, we have started receiving LOIs where we have been adjudged lowest in the tender floated by those telecom operators. And of course, once they test our cables and approve them, their supplies will be starting for a multi-year contract. But yes, LOI has been received.

I don't think there will be a problem in the testing at all, because cables we have been manufacturing since many, many years, shouldn't be a problem. So, capacity, and then don't forget BharatNet, BharatNet is major part of consumption in India for the next 3 years, and our expectation is to achieve reasonable orders from that part also. So, that should also help us improve our capacity utilization and consequently, the profitability.

Moderator:

Thank you. Mr. Kapoor, please rejoin the queue for more questions. Next question comes from the line of Hardik Vyas with ET. Please go ahead.

Hardik Vyas:

Sir, I had one question. For the telecom products, we have executed about 2 lakh numbers for FWA and 3.5 lakh for UBR. So, do we have capacity to cater to the domestic market as well as export markets when the demand comes up for these telecom products? And what could be the demand look like in terms of numbers?

Mahendra Nahata:

Look, Hardik, let me tell you how we manufacture these telecom products. Telecom products, essentially, we get manufactured on a contract basis. We don't manufacture them ourselves. We do the integration of those products. The PCB assembly, which is the starting point of

manufacturing is a key point where the maximum amount of CapEx and all are required, are manufactured on a contract basis, which is a trend worldwide.

Worldwide, everybody, all major companies get it manufactured on a contract basis by EMS houses, like you have Flextronics, you have Dixon, you have Jabil and many, many such names you would have heard, including Apple and all that, they get it manufactured from such contract manufacturing. We also do that.

System integration is then done in our own premises. And system integration capacity, you can increase very quickly with the increase of a test equipment. You just need a test equipment and workers and increase your capability to do that system integration and final testing of equipment.

So, if you have an EPC house which has less capacity, you can engage another EPC house, a contract manufacturer to manufacture your equipment, and system integration you can keep on doing at your own place. So, capacity would not be a constraint in terms of this, whether it is UBR or whether it is going to be fixed wireless access. It would not be constraint. Constraint can come in PCB assembling, but then you can go to another contract manufacturer.

Moderator: Mr. Vyas, please rejoin the queue for more questions. Next question comes from the line of Rucheeta Kadge with iWealth. Please go ahead.

Rucheeta Kadge: My question was on the order book side, so on the product and the turnkey and the O&M. So, what is the execution cycle for the same, and currently in O&M, what is the kind of revenue that we are doing?

Mahendra Nahata: O&M, I think this quarter, the revenue was negligible. Let me just check, give me one second. So, the O&M revenue in the current year, not the quarter, would be roughly about INR 50 crores. But it will increase once the BharatNet goes into a mode of operation after implementation or our NFS project, which we are implementing, the warranty period for that ends, which is under discussion when that warranty period would end. This is the discussion is going on at this point of a time. So, that is as far as the O&M is concerned. Is that the question or any other question from you?

Rucheeta Kadge: If we look at the turnkey order book, sir, what is the execution cycle for it? Like this INR 4,000 crores in turnkey, and INR 2,500 crores in products, by when can we execute this?

Mahendra Nahata: Yes, yes. This would be executable in three years of signing of the agreement between us and BSNL, which is in process. But our effort is to complete quicker than three years, because then we receive better revenue. But yes, contracted cycle would be three years.

Moderator: Thank you. Ms. Kadge, please rejoin the queue for more questions. Next question comes from the line of Lakshay Agarwal with GrowthSphere Ventures LLP. Please go ahead.

Lakshay Agarwal: So, thank you for taking my question. So, as you have mentioned that like in our optical fiber cable segment, we can see that in the current quarter, and the following quarter also we see some



growth. So, I wanted to understand, is there any specific optical fiber cable which is required to cater to the data center orders which are coming in? And really, how much in terms of the contract value are these orders for?

Mahendra Nahata: There's a lot of noise.

Lakshay Agarwal: It's not from my end. I guess someone else is unmuted.

Moderator: Mr. Agarwal, it's coming from your line.

Lakshay Agarwal: It's not from my end, definitely.

Moderator: Let me just check, just hold on.

Mahendra Nahata: Mr. Agarwal, if I understand well your question was are we making any specific cable for data center. Is that true?

Lakshay Agarwal: Yes, I just wanted to understand that, is there any specific optical fiber cable, which is required for it? And in terms of the contract value, which we get from these, from the data center...

Mahendra Nahata: As I said, we have started working on getting orders from data centers. Now different kind of data centers need different kind of cables. This all depends upon what particular customer wants. Some of the customers would need traditional loose tube kind of cables with multiple fiber. Somebody would need about that, let's say, somewhere near 400 fiber cables, some of them 800, and some of them need 1,700. As you keep on going higher the design changes, the recent trend in IBR kind of cable, intermittently bonded ribbon cable in the lower volume of size, you are able to pack in more fibers.

So, again, it depends on what a particular customer wants. IBR cable is the most recent trend, which has started for higher volume of cables. We already manufacture IBR cables in Hyderabad, and we are increasing our capacity for IBR cables now, because, as I said, data center people are asking for more and more cable now because they are interconnecting their data centers and there high-capacity cable is required. So, we are increasing our capacity to manufacture IBR cables. We are almost more than doubling that capacity.

Moderator: Mr. Agarwal, please rejoin the queue for more questions. Last question comes from the line of Abhi Mevawala with Wise Capital. Mr. Mevawala, please go ahead with your question. Mr. Mevawala, if you have muted your line, unmute yourself and please go ahead with your question.

Abhi Mevawala: Hello, am I audible.

Mahendra Nahata: Yes, yes.

Abhi Mevawala: So, I have only one question. Optical fiber business is currently in a down cycle. So, when earlier the business was in good term two or three years back, so compared to that time and recent time, what are the margin impacted in terms of percentage?

Mahendra Nahata: Our margin impacted is quite significant. I think margins have gone down by almost 50%, almost 50%. prices have gone down and also capacity utilization have gone down. Margin has gone on by roughly about 50%.

Abhi Mevawala: Okay. Thank you.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, we will not be taking any further questions. You can connect with us individually. I would now like to hand the conference over to the Management.

Mahendra Nahata: We can have one more question. Operator, can I have one more question.

Moderator: Sure. All right. So, the next question comes from the line of Jinesh Shah with RSPN Ventures. Please go ahead.

Jinesh Shah: Yes. So, thanks for the opportunity again. So, I just had this question that we can see significant improvement in the gross margins. So, is it because of the product mix or like what is the reason behind it? I just wanted to understand that.

Mahendra Nahata: No, in turnkey, better margins can happen contract-to-contract basis. Sometimes when a contract is good and the supply portion is higher, you can have better margins, so it all depends on which portion of your contract you are executing at which point of a time. Certain portion, you have higher margins, certain portion you may not have. It really depends upon the contract to contract and phases of that contract.

Jinesh Shah: So, can we expect that it should be around like 29% to 31% or 32% maybe...

Mahendra Nahata: Not always. average it should be sometimes something coming around 15% or so on an average.

Moderator: Thank you. Mr. Shah, please rejoin the queue for more questions. one last question comes from the line of Rohan Vora with Envision Capital. Please go ahead.

Rohan Vora: Hello sir. Thank you again. So, sir, just a couple of questions. one was on the capacity expansion for fiber and cable, so when is that expected? And the second was on RAN products. So, what is your view on the market size, because it appears that the market is pretty large for that. And how do we expect to get orders in the RAN side of the telecom equipments? Thank you.

Mahendra Nahata: That capacity expansion of fiber would be completed by more or less by 31st March 2025. It is already happening in Hyderabad, so it should be completed by 31st March or so.



As far as RAN products, RAN products is a very broad theme. RAN could be 5G RAN. RAN could be UBR. RAN could be Wi-Fi. Radio access network is a very wide terminology. Any specific areas you are asking?

Rohan Vora: Our competitor delivered a large project for BSNL recently. So, the similar product...

Mahendra Nahata: That is for 4G RAN. That is for 4G. 4G, I don't expect any major demand to happen in future, because 5G has come. 4G, I don't foresee major demand to come up. As you are talking about BSNL project of 4G, I think worldwide 4G is more or less finished. I don't expect major orders for 4G to come any longer.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, we will not be taking any further questions. You can connect with us individually. I would now like to hand the conference over to the Management for closing comments.

Mahendra Nahata: Thank you. Thank you very much, ladies and gentlemen, for being with us for this investor's call for the Quarter 3 of Financial Year '25, and we look forward for your continued support. And we definitely aspire for a better growth in the coming quarter and the coming year, and we'll stay connected. Thank you very much.

Moderator: Thank you. On behalf of ICICI Securities, that concludes this conference. Thank you for joining us. You may now disconnect your lines.