



HFCL Limited

8, Commercial Complex, Masjid Moth, Greater Kailash - II,
New Delhi - 110048, India

Tel : (+91 11) 3520 9400, 3520 9500 Fax : (+91 11) 3520 9525

Web : www.hfcl.com

Email : secretarial@hfcl.com

HFCL/SEC/25-26

February 10, 2026

BSE Ltd. 1 st Floor, New Trading Wing, Rotunda Building Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai – 400001 corp.relations@bseindia.com Security Code No.: 500183	National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor, C – 1, Block G Bandra – Kurla Complex, Bandra (E) Mumbai – 400051 cmist@nse.co.in Security Code No.: HFCL
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RE: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Subject: Transcript of Conference Call on the Un-audited Financial Results of the Company for the 3rd Quarter and Nine Months ended December 31, 2025, of the Financial Year 2025-26.

Dear Sir(s)/ Madam,

This is further to our earlier announcement dated February 03, 2026.

In terms of Regulation 30 read with Para A of Part A of Schedule III to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit Transcript of the Conference Call held on February 03, 2026, on the Un-audited Financial Results of the Company for the 3rd Quarter and Nine Months ended December 31, 2025, of the Financial Year 2025-26, which were considered and approved by the Board of Directors of the Company, at its meeting held on February 03, 2026.

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 FY '26 Earnings Conference Call”
February 03, 2026

HFCL

i ICICI Securities



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

MODERATOR: MR. VIKASH SINGH – ICICI SECURITIES LIMITED



Operator: Ladies and gentlemen, good day, and welcome to the Q3 FY '26 Earnings Conference Call of HFCL hosted by ICICI Securities Limited. 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 star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vikash Singh from ICICI Securities Limited. Thank you, and over to you, Mr. Singh.

Vikash Singh: Thank you, Michelle. Good afternoon, everyone. Before we begin, I would like to read the disclaimer. The statement made during this call may be forward-looking and in nature based on management's current beliefs and expectations. They must be viewed in relation to the risks that HFCL's business faces that could cause its future results, performance or achievement 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 investment or other decisions.

From the management side, we have with us Mr. Mahendra Nahata, Promoter and Managing Director; Mr. V.R. Jain, CFO; Mr. Manoj Baid, Company Secretary; and Mr. Amit Agarwal, Head Investor Relations.

Without taking any much time, I hand over to Mr. Mahendra Nahata for his opening remarks. Over to you, sir.

Mahendra Nahata: Thank you, Vikash. Good evening, everyone.

I extend a warm welcome to all of you on HFCL's earnings call for the third quarter and nine months ended December 2025.

I trust you have had the opportunity to review our financial results, press release, and investor presentation, which are available on our website and the stock exchanges.

The quarter was characterised by a combination of near-term volatility and strong long-term structural opportunities. Globally, evolving tariff structures, trade realignments, and supply-chain recalibration led to certain logistical and execution challenges during the early part of the quarter. However, these conditions stabilised from mid-December onwards, enabling smoother dispatches and supply flows.

At the same time, the fundamental demand drivers for optical fibre cables have strengthened immensely. Rising data consumption, hyperscaler-led data centre expansion, AI-driven network upgrades, and the growing need for secure, high-capacity connectivity are driving a sustained global upcycle in optical fibre cable demand. In India, continued focus on

fibreisation, digital public infrastructure, and defence indigenisation provides long-term visibility across HFCL's core business segments.

The optic fibre cable market has witnessed sharp increase in demand on the basis of massive increase in hyperscale data centre creation worldwide. Moreover, after a period of inventory correction and deferred capital expenditure, the global optical fibre cable industry has also witnessed a clear restoration in demand over the last few quarters from telecom operators.

Importantly, this recovery is structurally different from earlier cycles. Demand is increasingly skewed towards high-fibre-count, high-performance cables as required by hyperscale data centres. Supply for such cables remains constrained due to higher technology complexity, manufacturing precision, and scale requirements. As a result, the improving demand environment has translated into better OFC pricing and realisations, with customers placing greater emphasis on quality, consistency, and delivery reliability. Modern hyperscale and AI-focused data centres require extremely high fibre density, ultra-low latency interconnections, and scalable designs to support east-west traffic, storage clustering, and high-performance computing workloads.

The Union Budget 2026 has further reinforced the policy focus on strengthening India's digital and data infrastructure ecosystem. Measures such as the extended tax holiday for foreign cloud service providers who will set up data centres in India underscore the government's intent to position India as a long-term hub for cloud, data centre, and AI-led infrastructure.

Massive growth of Hyperscale Data Centers has resulted in a meaningful ramp-up in hyperscaler-led orders, multi-year demand visibility, and sustained capacity expansion plans across the optical communications ecosystem. HFCL has been preparing for this phase through sustained investments in optical fibre and optical fibre cable manufacturing, combined with focused innovation. As a result, we are today among a limited set of global players capable of delivering very high fibre-count and low latency solutions at scale.

During the quarter, we successfully developed a 3456-fibre Micro Duct IBR cable. Building on this capability, we are now in the process of developing 6912-fibre Micro Duct IBR cables, very few manufacturers globally possess the technology depth and manufacturing discipline required for such products, further strengthening HFCL's competitive positioning.

These products are well-suited for dense, space-constrained data centre environments and has already seen encouraging customer interest and traction. Based on current engagements and pipeline visibility, we are seeing continued demand momentum into the coming quarter, and we expect this trend to keep the same momentum for next few years as data centre and AI-led infrastructure deployments accelerate.

In parallel, HFCL has moved beyond cables to data centre interconnect solutions. We have initiated our Pre-Connectorised Solutions (PCS) business for data centre applications, enabling faster deployment, higher reliability, and reduced installation complexity for customers. We

expect the PCS business to contribute ₹400–500 crore of additional revenues over FY26–FY27.

Further, we have commenced production of MPO cables, which are increasingly essential in high-density data centre and AI environments. This is a fast-growing segment, and we are expanding capacities and capabilities to scale this business meaningfully. Over the coming years, we expect MPO and related interconnect solutions to generate ₹400–500 crore of revenues, strengthening HFCL's presence across the full data centre connectivity value chain. Taken together, these capabilities position HFCL not merely as an optical fibre cable supplier, but as a comprehensive solutions provider for next-generation data centre and AI infrastructure, with visible demand momentum in the near term and a strong growth runway ahead.

Another important structural development shaping the outlook is the progress on the India–United States and India–European Union trade engagement. United States and Europe remain largest and most advanced markets for optical fibre, digital infrastructure, and secure communication networks, supported by sustained investments in fibreisation and data centres.

A more enabling trade framework has the potential to improve market access, strengthen supply-chain integration, and enhance the competitiveness of Indian manufacturers with scale and technology depth. HFCL already has a growing presence in United States and Europe, and our recent export wins reflect increasing acceptance of our high-quality, high-fibre-count solutions.

Our fibre and cable capacity expansion programs continued to progress steadily. Optical Fibre Cable capacity will rise from 30.5 mn fkm to 42.36 mn fkm by June 2026. Optical fiber capacity has already doubled from 14 mn fkm to 28 mn fkm, with the balance 6 mn fkm to be added progressively by December 2026. These expansions enhance our ability to support rising global and domestic demand while improving operational efficiency, automation, and cost competitiveness.

With capacity expansion nearing completion and global demand conditions continuing to strengthen, we expect the Optical Fibre Cable segment to contribute meaningfully higher volumes and revenues from Q4 FY26 onwards. The combination of scale, product depth, and improving industry pricing dynamics gives us confidence that OFC will remain a key growth and value driver for the Group.

Exports remained a key highlight during the quarter and continue to be a structural growth engine for HFCL. During Q3 FY26, we secured export orders aggregating approximately USD 192 million, largely driven by optical fibre cable demand from international customers.

Exports continue to gain share within the overall revenue mix. During Q3 FY26, export revenues accounted for approximately 27% of total revenues, compared to 14% in Q3 FY25, reflecting a significant structural shift in the business. Domestic revenues accounted for the balance 73%. This sharp increase in export contribution highlights HFCL's growing global

footprint, improved acceptance among international customers, and successful execution of its export-led growth strategy.

Development of new generation of Wi-Fi and UBR telecom equipment continue to be our focus. We are also in process of completion of delivery of 8 lakh units of 5G fixed wireless access customer premises equipment. We are also in continuous process of developing more advanced versions of customer premises equipment of 5G to be sold not only in India, but worldwide.

Production and supply of IP/MPLS routers has also started in bulk across the country from quarter 3. These routers are being supplied all over India for the Government's BharatNet program. We are in constant process of developing even the high-capacity routers beyond the routers, which have already been developed now.

EPC project execution revenues remained relatively subdued during the quarter. However, it is important to highlight that while revenue recognition was slower, on-ground execution, planning, and preparatory activities remained steady and disciplined, which are expected to translate into a meaningful revenue uptick in the coming periods.

HFCL continues to progress its defence business in line with its long-term strategy and India's indigenisation priorities. During the quarter, electronic fuzes developed by the Company underwent firing trials in January 2026, with further tests expected in the coming months.

HFCL secured defence orders across radars, electronic fuzes and electro-optical systems, including thermal weapon sights, reflecting growing acceptance of our indigenous capabilities. We also entered the UAV segment with indigenously developed thermal cameras for surveillance applications, supported by a domestic contract from a leading UAV manufacturer.

Development work is progressing well across drone detection radar systems and foliage penetration radar, both of which are in advanced stages of validation. In addition, HFCL is actively working on specialised drone platforms through technology transfer initiatives, which is at an advanced stages of discussion.

Looking ahead, the radar segment is expected to emerge as an important contributor over the coming years, supported by a growing pipeline and upcoming opportunities, including the expected RFP under the BMP programme wherein HFCL is one of the 5 shortlisted party Countrywide.

Our order book as on 31st December 2025 stands at ₹11,125 crore, compared to ₹9,981 crore in Q2 FY26 and ₹10,410 crore in Q3 FY25, reflecting sustained order inflows and improved visibility.

The mix of our revenues continue to improve:

- Product revenues constituted 60% of total revenues, while project revenues accounted for 40%, compared to 51% and 49% respectively in Q2 FY26.

- Exports contributed 27% of revenues during the quarter, up sharply from 14% in Q3 FY25, highlighting the growing global relevance of our product portfolio.

During the quarter, we successfully completed an issue of ₹550 crore through Qualified Institutions Placement. This capital raise will support capacity expansion, R&D investments, debt reduction, and funding our long-term working capital requirements, ensuring we remain well-positioned for sustainable growth.

During the quarter, HFCL received ESG ratings from multiple independent agencies, all reaffirming the strength of our sustainability practices. We also published HFCL's first Sustainability Report for FY 2024–25, providing transparent disclosures on our environmental, social, and governance performance. For us, sustainability is central to every aspect of how we operate and build long-term value. It shapes our choices on resource efficiency, guides how we engage with communities and partners, and anchors the trust we build across markets. Our ESG efforts are, therefore, integral to strengthening HFCL's competitiveness, resilience, and reputation as we grow.

Coming to our consolidated financial performance for the quarter:

- Revenue for Q3 FY26 stood at ₹1210.79 crore, compared to ₹1043.34 crore in Q2 FY26 and ₹1011.95 crore in Q3 FY25.
- EBITDA stood at ₹243.52 crore, compared to ₹203.37 crore in Q2 FY26 and ₹171.89 crore in Q3 FY25, with an EBITDA margin of 20.11%.
- Profit after tax stood at ₹102.37 crore, compared to ₹71.92 crore in Q2 FY26 and ₹72.58 crore in Q3 FY25, with a PAT margin of 8.45%
- Revenue for 9M FY26 stood at ₹3125.15 crore, compared to ₹3263.80 crore in 9M FY25.
- EBITDA stood at ₹489.82 crore in 9MFY26, compared to ₹529.08 crore in 9M FY25, with an EBITDA margin of 15.67%.
- Profit after tax stood at ₹144.99 crore in 9MFY26, compared to ₹256.56 crore in 9MFY25, with a PAT margin of 4.64 %

As we move forward, our priorities remain firmly focused on enhancing our revenue mix, expanding margins, disciplined execution, technology-led differentiation, prudent capital allocation, and the continued expansion of our global footprint. Building on the strong momentum achieved, we remain confident of sustaining this performance in the coming quarters. With these foundations in place, we believe HFCL is well positioned to deliver consistent and sustainable value for all stakeholders.

I would like to thank our employees for their dedication, our customers and partners for their trust, and our shareholders for their continued support.

Thank you.

We will now open the floor for questions.

- Operator:** Thank you. The first question is from the line of Dhaval Jain from Sequent Investments.
- Dhaval Jain:** Firstly, congratulations on a good set of numbers. So I just needed a help with Q3 as well as nine months FY '26 data of OFC as a percentage of total revenue? And if possible, can you provide me with the similar numbers from the last financial year and along with the margins?
- Mahendra Nahata:** Well, OFC as a percentage of total revenue -- because I've got products at INR722 crores and out of that, OF and OFC has roughly, it would be, I would say, of the product revenue, it is 80% and the product revenue is 60% of the total revenue. So it would say the 48% of the total revenue has been OFC.
- Dhaval Jain:** And this is for Q3 or nine months FY '26?
- Mahendra Nahata:** This is nine months. This what I told you is the 9 months.
- Dhaval Jain:** Okay. Sir, and what is the current margins on OFC that we have right now?
- Mahendra Nahata:** Current margin on OFC would depend on different kind of cable, what we manufacture, high quality -- high-capacity cable, low-capacity cable. But roughly, you can say 10% to 12% net margin.
- Dhaval Jain:** Sir, can you repeat again? I just lost you on the line.
- Mahendra Nahata:** Roughly, it would be about 10% to 12% of margin as PBT, depending on what kind of cable we are manufacturing.
- Dhaval Jain:** Understood. Sir, again, on this front on the OFC, what is the current realization in this quarter that we had? Because I think last quarter, it was INR965. So what is the current realization?
- Mahendra Nahata:** Current realization would be roughly about INR1,055 per fiber kilometer as against INR964, which was there in the previous quarter. It has gone up by roughly INR100, you can say.
- Dhaval Jain:** Right. So we -- like it's almost a 10%, 15% of increase since the last quarter. So do we see like it going to keep on increasing further? Or what cycle are we at in terms of realization?
- Mahendra Nahata:** I expect it to increase further by at least another 10% or so. Looking at the demand from data centers, I expect it to increase at least 10% or even more.
- Dhaval Jain:** Right. And just one last question. So in terms of like the OFC, what is our share in domestic versus international markets?
- Mahendra Nahata:** Look, international market, I cannot say because the data I don't have available. But the domestic market, we should be -- this is, again, a very unsubstantiated figure because these are never published by any authentic agency. But my estimation, we should be nearing roughly



about 50%, roughly about 45%, 50%, very roughly. This is my top of the head calculation, but I shouldn't be much wrong.

Dhaval Jain: But this would be your share, right?

Mahendra Nahata: Yes, I am -- my share. I'm talking about my share.

Operator: The next question is from the line of Balasubramanian from Arihant Capital.

Balasubramanian: Congratulations for a good set of numbers. My first question, sir, I think we have been developed electronic fuzes. I think we got initial approval also. When can we expect final approval? And what is the total addressable market in India and global level? And which are the players got approval in India? And how much average prices per fuze?

Mahendra Nahata: You are asking too many questions in one line. I wouldn't even remember. So, I really reply one by one. As far as approval in India is concerned, there are only two companies who are manufacturing electronic fuzes from a long time under transfer of technology from foreign companies. They are not their own developed fuzes which is Bharat Electronics and ECI Telecom, both government companies, they have a transfer of technology agreements, one Reshef from Israel and another from -- I forget the name of the company of South Africa.

So we are the one who have designed the fuzes indigenously. Test firing took place on 20th January in Balasore this year. There have been some successes and in some cases, some improvement is required in the fuzes. So we are doing that those improvements which have been required by DRDO while testing. So those improvements are being carried out and retesting of those fuzes would be done in April. And I'm quite sure in April testing, they will be completely approved.

So that is as far as the Indian manufacturers and approval are concerned. There is no indigenous design and manufacturer who have got any approval. I am sure I think we may be the first one to do that. But these are -- one must realize, fuzes are very, very critical components, which makes the ammunition blast, particularly the proximity fuze has got a small radar in it, which measures the distance between the bomb and the ground at a speed which is faster than the speed of sound.

You can imagine that what kind of criticality it has got. So it needs some more improvement, which we are doing. But I am happy that from this testing, we have learned a few things which are getting implemented in the new set of design and April testing should be final and approval one, it looks to me like that.

Now in terms of demand, I don't have a number for the worldwide demand. But right now, India itself, I think, requires about 0.5 million fuzes every year, India itself. And globally, if you see, the demand would be much, much higher in multiples because of the wars going around. This demand is directly proportional to the geopolitical situation.

Right now with the Russia-Ukraine war and ammunition of all European countries, United States getting or many other countries going to Russia or Ukraine, getting consumed, these

countries need to really build up their stockpile again and supply more to the waring countries, whether it is Russia, whether Ukraine or any other place. So demand is substantial. Proximity fuze demand is substantial for 155 mm gun. That is the highest demand. It's a substantial demand. So I don't have the exact number, but demand would be multiple times more than what is required in India.

Balasubramanian: Okay, sir. Sir, a follow-up with electronic fuzes only. And what is the current average prices for fuze on the industry level?

Mahendra Nahata: Depends on which fuze, which caliber you are talking. There are different fuzes, different calibers. But just one example of a proximity fuze of 155 mm gun would currently – in today's market should be at least INR25,000 to INR30,000 per fuze.

Balasubramanian: Okay, sir. And what kind of capacities we are planning to build, sir, for electronic fuzes, right?

Mahendra Nahata: When our fuzes are completely approved, we would be looking at about 1 lakh fuzes per annum.

Balasubramanian: Okay, sir. We have guided 20% kind of revenue growth. We ended up nearly 20% kind of growth in Q3. I think we have to do to achieve this growth by doing nearly INR1,600 crores plus kind of revenue. Is there any deferment in export order? Is there any delay in shipments in Q3 because of tariffs? Currently also U.S. and India that trade deal have been improved from 50% to 18%. I just want to understand how we can able to take advantage of that.

Mahendra Nahata: Look, this tariff decrease has been announced last night only, and people are doing some guess work. Some clarity is still to be achieved in terms of whether it is immediate or whether there will be some gradual. But assuming it is immediate, of course, it opens up the environment for everybody and improves the situation for all in-country manufacturers. For all -- particularly for telecom equipment, the tariff was 50%. So when it comes down to 18%, it is a substantial advantage to all telecom equipment manufacturers.

Now in terms of revenue, of course, revenue shortfall was there in the Q3, particularly on the export segment because of the tariff issue. A lot of shipments, which were made by us to United States, which are the major part of export, all those shipments were stuck at airports, all the seaports for the want of clearance because of the tariff issue because it was getting very extremely difficult at U.S. customs to determine the tariff, whether the tariff of India applies or tariff of China applies because some of the component or part into that equipment or cable has come from China.

So this was really a big, big problem. So for two months' time, it remained a big problem for everybody, not only for HFCL for everybody and many of the countries where this difference of tariff was coming. Whether a shipment is in a 25% regime or 50% regime, all these kinds of situations was there, 1.5 months, we all suffered.

And unfortunately, we had to pay a lot of demurrages also at the ports or the airports because not to our fault that shipments were not getting cleared, but because of the ambiguity in the

tariff structure, it was creating trouble, and we had to pay a lot of demurrages also. But anyway, that was out of our control.

That problem, as I said in the beginning, has eased out from mid-December. And now the situation has become regular and there should not be any impact going forward. And going forward, I think our revenue in this current quarter would also show some growth.

Percentage, I cannot say very clearly at this point of time. But yes, it can be somewhere around 10% to 15% or a little bit more. But more important is the profitability. You will see the profitability percentage profitability on an overall basis has increased by year-on-year basis, you see there is an increase of 41% in the profitability.

Revenue is remaining around the same, but the profitability has increased by 41%, 42%, which is a significant growth. That growth has come because of our efforts to reduce cost at the same point of time, innovation, new kind of products and because of being able to design and manufacture those products, which are not so easy to design and manufacture, very high count fiber optic cable, not so easy to design and manufacture, which we have been able to do. As a result of this, there has been a better profitability.

So a key issue which I would like to say, yes, there is some shortfall in revenue than what we expected in terms of growth, but there is a considerable increase in the profitability. Q1 of the current financial year was a loss, but now we have come into profit.

And as I can see, looking forward, just as a perception of the management from current performance, when we come to the year-end, our profit would be much better than what we did last year. It would be much better. Even if we maintain the momentum which has been there in Q3, our profit will surpass the profit of last financial year significantly.

Balasubramanian: Okay, sir. Sir, you clearly mentioned...

Operator: Mr. Balasubramanian, I'm sorry to interrupt you, sir. I request you to kindly rejoin the queue for follow-ups, please. There are others who are waiting for their turn. The next question is from the line of Bajrang Bafna from Sunidhi Securities.

Bajrang Bafna: Congratulations for a good set of numbers. Mahendraji, just would like to understand because there are multiple media articles and we are hearing from the industry sources that there is a severe shortage of raw material, which is your germanium and preform. And since we don't have those capacities with us, how the prices of these have moved and what sort of supply arrangements that we are having for this preform and the other raw materials. If you could just guide us will be helpful, sir.

Mahendra Nahata: Yes. Very good question. But we don't manufacture preform. So, germanium and all these are required for manufacture of preform. Preform we import mostly from Japan, more than 90% we import from Japan. And whatever quantity we have contracted with Japanese manufacturers are being supplied regularly to us.

We don't face any shortage. No shortage is being faced by us at all. They are supplying to us as they have contracted. And our capacity requirement for our fiber draw for which the preform was required is being fulfilled by Japanese manufacturers.

Yes, we are also now taking steps to move ahead in manufacturing preform. These are the steps the Company is working on. And we should be able to finalize our plans in very near future because with this kind of a huge capacity requirement where we require preform in such a large quantity because huge capacity of fiber and cable both, we need to have some security for some raw material also, some part of raw material also. So we are working on that plan. But right now, we don't need germanium and all those things. Our requirement of preform is filled up by our suppliers adequately.

Bajrang Bafna:

And how the prices have moved, sir, in that preform?

Mahendra Nahata:

Look, prices will move up. Our contracts, which were there are in process at this moment of time, those prices, whatever we agreed a few months ago. But my opinion is that prices would move up significantly by at least 20%, at least 20% to 25% with the result -- as there is -- I am saying an increase in the cable price of 10%, and it will move up by another 10% or so in near future. Similar is the fiber price and similar would be the preform price. It would move up by some 20% to 25%.

Bajrang Bafna:

Okay. And my second question is on the new age cables, which are required in hyperscalers and in your rollout of data centers, which is either hollow core or multicore. So how are we placed in that technology? And how do we see that the demand that we capture either in India or in U.S. or European market?

Mahendra Nahata:

Very early stage of these kind of fibers. Multicore fiber, I don't foresee much of the demand happening because multicore is -- it does not reduce the transport cost. It only reduces the space required by fiber. But already there are technologies available where we are packing up to 13,000 fibers into one single cable of a small dia. So multicore fiber, I don't see so much of a high demand in future. But hollow core fiber, yes, it may catch up. It is in very early stage of development, very, very early stage of development.

We have also tied up with 2 large institutions of R&D to develop hollow core fiber for ourselves. So we are already in process of development of hollow core fiber. There's a dedicated team which we have put forward -- put in the place in the company with certain R&D institutions to develop hollow core fiber, which we believe would catch up some attention of the hyperscalers like Microsoft bought this Lumenity and all that. But it is still a couple of years away. But we are already taking steps to develop hollow core fiber.

Operator:

The next question is from the line of Smith Gala from RSPN Ventures.

Smith Gala:

A couple of to start with, I want bookkeeping questions. Sir, you mentioned previously on the call that we'll be growing 10% to 15% on revenue. Is my understanding correct that this revenue growth will be sequential? Secondly, we have seen a big uptick in the depreciation expense. So what are the levels of the run rate going forward we'll see? Or this is the run rate we should follow for the next couple of years from now?

Mahendra Nahata: No. Your second question on depreciation. The new fiber optic plant has come into operation. So that depreciation charge on that new plant you see. So that's why the depreciation has increased. What was your first question?

Smith Gala: Sir, my first question, you mentioned on the call that we will see 10% to 15% growth. I understand this growth will be sequential growth and not year-on-year growth?

Mahendra Nahata: Yes, it will be sequential growth, of course.

Smith Gala: Next question from my side will be we are on track to expand our capacities as far as IBR cables are concerned because we have not seen any rise in capacity from first quarter. So had the expansion stopped for one quarter, there was some minor disruption or something like that?

Mahendra Nahata: No. We are fully on track to develop IBR capacity because that is the only way you can pack 3,600 or 6,900 fibers in one cable. That is the only way. And we have significantly expanded our IBR capacity, and it is continued to be getting extended. And it will keep on happening till May, June for which machinery orders are already in place and machineries are arriving one by one by one because the machines are not available altogether. There are very few manufacturers of those machines, quality machines. Non-quality, you can buy as many which you don't want.

So they are coming one by one. That capacity is under continuous enhancement, would be completed by May, June of this financial year, the current expected capacity. But if we find more demand coming up, which I am certain that it would come up, but fiber availability may become a constraint, but cable demand would be there. But if we are able to solve the fiber issue, we would be expanding the capacity further.

Smith Gala: Okay. One last question I'll squeeze in. Can you give me a split between the 5G products and OFC for quarter 3?

Mahendra Nahata: It's about 80-20.

Smith Gala: Okay. So, it is 80-20 of the 722, which we have provided?

Mahendra Nahata: Yes, yes, absolutely.

Operator: The next question is from the line of Sanjay Shah from KSA Securities Private Limited.

Sanjay Shah: Sir, thanks for giving fantastic understanding about the market demand and growth trajectory of HFCL. Sir my question was regarding our planned expenditure, what we need to do in 329 acres we have got at Andhra Pradesh, and which are the products are we going to develop over there? And how that commercialization of that project will start?

Mahendra Nahata: Mr. Shah, thanks a lot for your good question. First of all, the 329 acres would be eventually 1,000 acres. Balance 671 acres or so is still to be allocated by Andhra government, which they are going to allot contiguous to our land, which is under their acquisition process and all that. That is number one. So total, it would be 1,000 acres. The plan to do is to manufacture ammunition there because ammunition needs a large space to manufacture because there

should not be any habitation near about places, because if any unfortunate accident takes place, human life should not come in danger, in any unforeseen circumstance.

So you need a large open space by law to manufacture ammunition. So, for example, we already have taken technology for multimode hand grenade from DRDO, which has been successfully manufactured and tried by a technology provider, DRDO. And now it is under the approval of QA wing of DGQA from Army because of time frame that you can preserve this and all those kind of things, which is happening right now.

And in the next three months' time, we should be able to offer it to Army for the requirement for the demand is immense, lakhs of the grenades are required every year just for practice. Every infantry soldier or the other soldiers have to throw three grenades as a practice every year. So you can imagine kind of a lakhs of the requirement, which is there. So this is just one.

We are also exploring the possibility of manufacturing more ammunition also. More ammunition means ammunition fuze we are already in the process of development and final phase of development after the current field trial and the next field trial. So we also wish to develop the shell for 155 mm gun, which we have fuze already we are developing.

We are also working on some of the ammunition for precision-guided ammunition. One is the dump ammunition, which you fire and it goes and falls depending upon your aim and all that. But then there are some precision-guided ammunition, which is fired and it goes with some sort of a GPS or other kind of a technology gets down to that precise area where it is intended to. So we are in discussion with some companies for doing that also. So land is predominantly for the ammunition purposes. That's why this is a large land required as per law.

Sanjay Shah: So what will be the capex required for that and how we are going to reach?

Mahendra Nahata: Too early to say that Mr. Shah, too early to say that at this point of time.

Sanjay Shah: So now sir, we have grown and we have done a lot of capex in the last few years and we have increased all the capacity on all the fronts. And now we are here to encash the advantage of that capex and make our company more profitable and utilizing all the capex. Now we need further capex of growth because we are going for this new project.

Plus we are going for expansion of our optic fiber capacity and all. And plus the business where we require working capital inventories and all. So how do you plan to raise money? Do promoters intend to increase their stake from here at the current enterprise value, which is the lowest what we feel in the industry?

Mahendra Nahata: Look, first of all, increasing the capacity for optical fiber cable will not matter much, will not require much of the money. Of course, when we go for creation of any large-scale defence manufacturing capacity and all that, yes, that would require. Promoters have willingness to increase the stake. We have the willingness, but all depends upon shareholders' approval, regulatory clearances, it is all subject to that. So willingness is, of course, there.

Sanjay Shah: That shows great confidence, sir. Thank you very much and best of luck for your future.

- Operator:** Thank you. The next question is from the line of Satya, an Individual Investor.
- Satya:** Nahata ji, my question was on the services side. This time, we have seen a loss of about INR11 crores on the services side. Why has that been the case? And how do you see that going forward?
- Mahendra Nahata:** No, these are O&M revenues. And going forward, O&M revenues is going to increase significantly. First of all, Army's O&M phases to start for the NFS, which we created, I think, next couple of months or may be by April maximum. So that would be about INR170 crores per year.
- Then the O&M phase for other equipment we have supplied, which OTN or a couple of other equipment, UBR and which we have supplied to BSNL, that O&M phase is to start. And some of the private operators, we have supplied equipment, that O&M phase is to start. So O&M revenue is going to grow significantly. In my opinion, after three years, our O&M revenue would be something around INR450 crores to INR500 crores per year.
- Satya:** Sir, my question was also on the profitability side. This time, we seem to have recorded some loss over there. So how are we expecting that to change over the future?
- Mahendra Nahata:** As you know, it is -- when you are in the warranty period and all that, there is expenditure, but there is no revenue. Revenue starts after the warranty period is over. So in that kind of a period, you incur loss. But when you are entering into O&M phase of the AMC, the revenue starts coming up.
- Like as I said, in the Army project, we expect the revenue starts coming up from April when the AMC contract would take shape and start. So then the revenue starts coming. Right now, we are spending money, but it's not going to continue for more than a few months now.
- Satya:** Right. Got it. Sir, one question on the 5G equipment side. How is the traction over there on the FWA and UBR products that we have?
- Mahendra Nahata:** Look, UBR is good for 5G, 6G, 4G, everything. And that is, of course, we are now moving into Wi-Fi and UBR all put together, we are going to move into next generation from Wi-Fi 6 to Wi-Fi 7. That's the plan we have, and we should start the development pretty soon. As far as FWA CPE is concerned, the in-country demand of FWA CPE seems to be reducing because people are using alternate technologies based on unlicensed band, point-to-multipoint unlicensed band, which we don't do, of course, we are doing point-to-point only. But however, routers, which are again required in 4G and 5G network, both there we have got a significant traction, particularly in BharatNet because router is required in all kind of networks, whether 4G, 5G, wireline, wireless, every kind of network. There, we have seen a significant traction.
- We have already got orders for about 100,000 routers, which would amount to be about INR700 crores or INR800 crores. We are in process of getting more orders. Right now, even we are not taking any orders for routers because we have a constraint of supply because of component availability and all that.

So we don't want to trouble the customers. We first want to deliver some good quantity, then take more orders. But routers have got good traction. They have already been installed in the field. Connections are already being given to customers by the people who have bought the routers from us, which are the private parties. So that has got a good traction. For CPE, we will now start working on trying to sell it in the international market. So would be UBR and Wi-Fi systems.

Satya: Sir, a quick follow-up on the UBR, we were developing point-to-multipoint, right?

Operator: Sir, I'm sorry to interrupt sir. Sir I am sorry to interrupt you.

Satya: Just a minor follow-up, I'm sorry, just a minor follow-up. We were developing the point-to-multipoint, right, sir? Where are we in the process of that?

Mahendra Nahata: So point-to-multipoint, we have not yet started developing. We have not yet started. We are just looking at worldwide, how much is the demand. In India, there is a significant amount of demand from one operator, but other operators are not using it. Worldwide, unless we see multi-country demand, we would really hesitate to do that because just because demand of one customer in one country, we don't want to take an expensive investment like that.

On the contrary, point-to-point demand is good and the development expense is also less. It's less risky. So unless we are 100% satisfied about point-to-multipoint demand worldwide, we would not really go into that. It's a spectrum issue. If you look at the large development in the United States or all that, operators have a much larger amount of spectrum, so they don't need unlicensed band radio. They are very happy within the license band and they can give large capacity to a large number of customers using the licensed band. So that is the difference.

Operator: We'll take the next question from the line of Rishubh Vasa from Indsec Securities and Finance Limited.

Rishubh Vasa: First of all, congratulations on a good set of numbers in 3Q FY '26. Sir, I wanted to know from an AI and a data center perspective, what are the kind of opportunities we are seeing for our products and services portfolio? What is our current position versus our closest peers? And also, what kind of benefits do we foresee from the recent favorable budget announcements? So can you just put some color so that it becomes clear for us?

Mahendra Nahata: I would not put colour, I would put the plain colour as it is, so basically, data center and hyperscaler demand is really propelling the fiber optic cable and associate industry as far as HFCL is concerned to a very next level because if you look at the telecom operators, the cable required maximum 288 fibers.

We never supplied more fiber count than that to any telecom operator. Now data centers don't even look at 288. They are talking of 3,900 fiber cables, 6,800 fiber cables, that kind of a capacity. So per kilometer cost is multiple high, so revenue also would go up.

And since those kind of cables are manufactured by very few people because not everybody has the ability to design, develop and manufacture those kind of cables, which is very good for

HFCL because we are one of the company who designed, developed, have got machines to be able to manufacture those kind of cables, which has really lifted our Optical Fiber Cable business to next level.

So it has provided a very, very large opportunity for companies who have got this technological and manufacturing capacity. Moreover, we did the expansion in right time. We could foresee this demand coming up. We did our expansion. As a result of that, not only expansion but design also.

As a result of that, today, we are able to supply to these customers who are using this kind of cables all across the world. We are not supplying in India. Everything what we produce of this kind of cable is getting exported. There is so much of demand we have. And in fact, now we have to refuse orders because we don't have capacity to manufacture that kind of requirement or the demand which is coming up.

Now second opportunity, which this market has given is Passive Connectivity Solution, like MPO cables, like other Passive Connectivity Solution, which, as I said in the beginning, is going to get us at least INR500 crores of revenue in the next financial year, at least INR500 crores.

Our people have gone abroad, got trained on various kind of technologies, manufacture of those Passive Connectivity Solutions have come back pretty recently. And we have started receiving orders for those kinds of PCS connectivity solutions. And once we complete initial part of supply, INR400 crores to INR500 crores looks pretty easy to achieve. So demand is there for fiber optic cable, demand is there for accessories, Passive Connectivity Solutions, which has given us very good opportunity.

Operator: The next question is from the line of Abhishek Kumar Leekha from Neste Wealth LLP.

Abhishek Kumar Leekha: Congratulations on good set of numbers. My question is on fuze test. Management was quite confident on the fuze test outcome as per last many calls. And given that fuze test took almost 18 months to rectify and meet standards, what comfort can the management provide from here on its commercialization and time lines from here on?

Mahendra Nahata: Look, Mr. Abhishek, as I said, these are quite complex products. I might be very confident, but there may be still some improvement required because assuming if fuze malfunctions, you would have heard one incident in Lebanon one that 2,000-pound bomb or some 20,000-pound bomb, whatever, the mother of all bomb what U.S. calls, they dropped, but it did not blast.

And it was just lying there. A bomb, which could have destroyed the entire locality. It just did not blast, it was lying there. Why? So the fuze did not function and bomb did not blast. So fuze is a very, very critical piece. It requires a very, very high degree of precision, particularly the proximity fuze, which is where we had some technical issue. So which is being rectified.

When something goes at a speed more than the speed of sound and it measures the distance the radar inside measures a distance between ground and the bomb. You can imagine what kind of

precision is required. So those things are going to be a little more calibrated. So that is happening now.

I'm sure by April, May, when the next test phase of test takes place, it should be successful. But if you see our comfort, I can only say that I am quite confident that it would happen. It has taken years for companies to reach to that level of precision, but we are doing it at a much faster pace, but it needs some patience. Military products, they need very high degree of precision, particularly something like fuze, which is a small part of the bomb, but the most critical part of the bomb.

Abhishek Kumar Leekha: I understand that. The only thing was like what was worrying was like it took almost 18 months to get the next date from DRDO timelines?

Mahendra Nahata: It was not the DRDO giving time. It was ammunition, which was not available from the MIL, the Munitions India Limited.

Abhishek Kumar Leekha: Yes, sorry on that. Yes.

Mahendra Nahata: That ammunition is available with us now. So DRDO testing is not the problem. Problem was the ammunition, which is now being available with us, it would not take that much time.

Abhishek Kumar Leekha: Okay. Can you just provide some kind of revenue visibility for '26, '27 in case of defence line of products and all?

Mahendra Nahata: Defence line of products, I think we should be something like INR400 crores to INR500 crores, something like INR400 crores to INR500 crores.

Abhishek Kumar Leekha: Next year?

Mahendra Nahata: Next year.

Abhishek Kumar Leekha: Okay.

Mahendra Nahata: Look at you must understand. It takes a lot of time to build a defence capability. Approval of product itself is a big issue. But once you get in, some product is approved, then you continue to sell it. The BMP-2 upgradation, for example. We are one of the 5 shortlisted parties. Trials will take place, the tender will happen and assuming we win, assuming. I'm not saying that we will win, assuming. Then we straight away get thousands of crores order. And consistently, we are supplying for 7, 8 years. So it takes time, but I'm sure larger tenders also will come in our way.

Abhishek Kumar Leekha: Yes. We look forward to that day when probably what is being envisaged is actually getting achieved.

Mahendra Nahata: Yes, sure.

Abhishek Kumar Leekha: Yes. And just one last squeeze. The active communication devices and the data centers and the huge cloud that is expected over the next few years because of the income tax holiday that is

being provided by the Government. What kind of opportunities that HFCL can get it from there?

Mahendra Nahata: Look, basically, when new data centers are getting created, all whatever we are supplying to data centers would be in demand in India also. Right now, we are exporting, then there will be demand in India. Right now, data centers are coming up in India. Some of the key players are putting up data centers, but still not to the level what is happening worldwide.

If you look at the United States, for example, one company just announced that they are going to spend \$150 billion in capex on data centers. Just one company. The scale is much different. But yes, with these concessions, I expect that data centers will come up in India because data generation is huge in India because of our own population and usage of mobile phones and the data generations out of that.

So there is a lot of data generation, a lot of storage and those capacities are required in India. So when that happens, so the same product which we are exporting will be required in India also. That is increase in market size for us, and we can increase our capacity to serve our own country's requirement.

Operator: The next question is from the line of Pushkar Jain from Mili Capital.

Pushkar Jain: Congratulations on great set of numbers. I just wanted to know what is the current average realization for bare optical fiber?

Mahendra Nahata: Bare optical fiber, currently, the price would be different for different type of fibers. But I will tell you, in general -- from the point of view of comparison, what we have been doing previously, the price was about INR250 per kilometer in December.

Now this December number I'm giving you because that was the price we purchased on average price in that particular quarter. Now if you see these prices have gone up, this would be nearly about, I would say, INR300 plus.

Pushkar Jain: Okay. And do we also sell bare optical fiber or we just use it for our internal purpose?

Mahendra Nahata: We don't sell. We don't have the capacity to sell. We are rather buying bare optical fiber from other players.

Pushkar Jain: Right, sir. And also in light with so much capacity coming on stream next year, can you give us some guidance on the numbers? How do you see it?

Mahendra Nahata: Look, I would not give a guidance. I can only give my perception and expectation because guidance would be a wrong word to use. But fiber optic cable -- but we have been looking at about INR2,400 crores of revenue from Fiber Optic Cable business this current year. Next year, I think it should be able to cross INR3,500 crores.

This is not my guidance, but my estimation on the basis of current demand, what we have in the country and export and also at the same point of time, the Passive Connectivity Solution demand, which I expect and also the shortage in the market. That is my best -- very, I would

say, more or less conservative expectation that we should be able to reach to INR3,500 crores in Fiber Optic Cable business in the next financial year.

Pushkar Jain: Right, sir. And on the margins, we can...

Operator: Sorry to interrupt you, sir. I will request you to kindly...

Mahendra Nahata: No, no, just I will answer him. Margins, I think it should remain around 10% PBT margin should always be there.

Pushkar Jain: Okay. On EBITDA, it will be like 18 then, somewhat in this range only?

Mahendra Nahata: Yes, EBITDA would be same range. If PBT is the same range, EBITDA would be in the same range.

Operator: The next question is from the line of Amar Ahir from Raedan Capital.

Amar Ahir: I want to ask is the optic fiber cable and optic fiber production capacities that you are adding, is that going to push? And what will be the revenues you bring in there?

Mahendra Nahata: Yes. Mr., your voice is broken again and again. I could not even understand your question.

Amar Ahir: Is it okay now, sir?

Mahendra Nahata: It is right now okay, but please tell your question again.

Amar Ahir: Yes, sure. The optic fiber cable and the optic fiber production capacities that you're going to expand, when will that commence? And what revenues will that bring in?

Mahendra Nahata: No, I already said that, that production capacity enhancement is already in process. It is already happening. It is happening step by step because all machines are not delivered at the same time. So it is already in process. The cable capacity enhancement, what is the current stage we have planned, would finish by May, June this year.

And the fiber capacity expansion would finish by December this year because the machine delivery is a longer time frame. So that will finish by November, December this year. So that is as far as capacity enhancement is concerned.

And as far as the revenue is concerned, I just now said to the best of my expectation, depending on the current situation and best of my knowledge and expectation, instead of INR2,400 crores, which we have planned for the current year, we should be able to reach INR3,400 crores to INR3,500 crores in the next financial year for the Fiber Optic Cable business.

Operator: The next question is from the line of Arun Malhotra from CapGrow Capital.

Arun Malhotra: Yes.

Operator: Mr. Malhotra, I'm sorry to interrupt you, sir. Your voice is breaking drastically.

- Arun Malhotra:** Yes. So what I was saying when the outlook for the OFC business and the Defence business is so good, why are we diluting the existing shareholders? We have done equity raise in 2021, '23 and now again in '25, and our debt to equity is still quite low. So why the equity raise at such low valuations?
- Mahendra Nahata:** You need money for growth. Now question is, if you need money for growth, more working capital and what else you can do? You have to raise money. You have to raise money and also...
- Arun Malhotra:** So you can always raise debt because debt is always cheaper?
- Mahendra Nahata:** No, it's not necessarily that we will raise debt only. We raised debt. We have raised some debt also. We have raised equity also, both. It's a combination of both.
- Arun Malhotra:** Okay. Because your stake has come down from 39 to 28 in the last 3 years when the prospects of the business are the best. So, that's what my point....
- Mahendra Nahata:** We have diluted our stake, we have invested our own money in the Company.
- Arun Malhotra:** Okay. I was saying promoter shareholding. Okay. I got your point. So, the second point was the percentage of the order book towards government is right now close to 70% as per the presentation. The percentage of the current revenues is only 20% because 80% is private?
- Mahendra Nahata:** That is right. That is right. You must understand.
- Arun Malhotra:** So that means the mix in the future will change?
- Mahendra Nahata:** No. Government -- that's what you must understand. A good question and a good observation. Look, what happens, the government orders have come in a bunch, BharatNet, for example, which is a 3-year order, but it's a multiple thousand crores order. So when you see the order book, it looks large, but execution is in 3 to 4 years. So execution takes time.
- So percentage of revenue goes down, whereas the private sector orders come in smaller numbers, INR200 crores, INR300 crores, INR100 crores, INR50 crores, and that execution is also faster. So private sector order booking will remain always lower than the government sector, but revenue would always be higher from the private sector than the government sector.
- And again, another point you should see, the O&M revenue is also in the part of the government order. So O&M revenue bunched with the order book of the current equipment and all that becomes even higher. So the current order book for the O&M itself is about INR3,000 crores. So because the O&M, it looks higher.
- Operator:** The next question is from the line of Saket Kapoor from Kapoor Company.
- Saket Kapoor:** Namaskar, Nahata ji.
- Mahendra Nahata:** Sir, I was waiting for you.



- Saket Kapoor:** Sir, I have been in queue since the beginning. So, the call was very exhaustive and detailed. So, sir, congratulations to all of you for that. Very detailed one. So, I have only one observation. And if Jain sir, can shed some light on that. When we look at our revenues on a consolidated basis, the revenue is at INR1,211 crores. And when we look down at the profitability, the profit from the telecom product is at INR202 crores with revenue of telecom product at INR722 crores. Jain sir?
- Vijay Raj Jain:** Yes, yes.
- Saket Kapoor:** Sir, when we look at the stand-alone numbers, the revenue of the telecom product is at INR702 crores and the profitability is at INR137 crores. So, please explain that the revenue increases by INR20 crores and our profit increases by INR70 crores. So, how should the investors understand this in consolidation? Sir, please shed some light on this.
- Vijay Raj Jain:** Sir, HFCL stand-alone basis, it has multiple businesses including optic fiber cable, telecom product, turnkey projects and all that. When we come to the consolidation, it is mainly HTL Limited and HFCL Inc., which is 100% subsidiary in US. So, these two companies are exclusively into Optic Fiber Cable business where the margins are also high.
- So, what happens eventually, HFCL and HTL manufactures product here, cable here in India and exports to HFCL Inc. In turn, HFCL Inc. sells materials to various respective customers. So, this last quarter, December ended, a lot of inventories got stuck there. So, this revenue has not increased substantially, but the profitability has increased because of the revenue mix. So, HTL and HFCL Inc., they are 100% Optic Fiber Cable. So, that is how it is in consol basis, profitability looks much better than the stand-alone.
- Saket Kapoor:** Okay. So going ahead, the sales will get reflected and then at that time, the profitability will not be there. So we have booked the profitability for this quarter.
- Mahendra Nahata:** There will be...
- Vijay Raj Jain:** Profitability will be there. Profitability is booked only when the final sales takes place to the end customer.
- Saket Kapoor:** Okay. Better would be, sir, I'll take it offline, because I did not understand completely.
- Mahendra Nahata:** Because when we sell it to our own company, we don't book the revenue or profit. It is booked when it goes to the ultimate customer. So with this unfortunate incidence of tariff and all that, these all things got stuck and that's how you see this anomaly.
- Saket Kapoor:** Okay, sir. Sir, can you give me the net debt number and the cost of fund currently, or our rating is due for revision?
- Vijay Raj Jain:** Our rating is due in May-June, but we will try and post this December quarter result, we can approach again to the rating agency.
- Saket Kapoor:** And what is the net debt number, sir?

- Vijay Raj Jain:** Sir, it is around INR1,500 crores, including term loan, working capital facilities, some bill discounting and all that, some payment to these MSME vendors and all that. All taken together, it is INR1,500 crores.
- Saket Kapoor:** One more request, sir, that the level of work that we are doing currently and the type of businesses we have, we should also look at people like CRISIL or ICRA or India rating as our consultant for evaluating our credit rationale also. That's a humble suggestion from my side, if that could be looked ahead in the near future, sir.
- Vijay Raj Jain:** Yes, we can, we are associated with CARE for a very, very long time. So -- but we can explore all those possibilities, yes.
- Operator:** Ladies and gentlemen, we'll take the last question for today, which is from the line of Parth Mehta, an Individual Investor.
- Parth Mehta:** Sir, my only question was, could you please throw some light on the guidance for 5G businesses for the next year and on the revenue front? And defence, you have guided, but the 5G product side, the revenue guidance for the next year?
- Mahendra Nahata:** There are products which are used for 4G, 5G, 6G, everything. So routers, for example, that's used for everything. The UBR is used for all 4G, 5G everyone. So I would not be saying 5G products, but telecom products, I would say. So I would expect something like INR500 crores.
- Parth Mehta:** Okay. Okay. And sir, the services business, I understood that you said that O&M is also doing -- contributing and that is the reason why we have made losses because we are spending money at the moment. But any guidance for services business going forward as well?
- Mahendra Nahata:** No, no. As I said, Army alone, we should be getting INR170 crores a year. They are BNG, OTN, UBR, all this. In three years' time, we said two to three years' time, INR400 crores to INR500 crores would be our revenue from O&M.
- Parth Mehta:** Okay. And ex O&M and normal service business, we are not continuing with that?
- Mahendra Nahata:** No, we are not doing any other normal service business, except doing EPC construction and all that. But no other service business we are doing. It's the O&M.
- Parth Mehta:** So sir, EPC business guidance would you be able to give?
- Mahendra Nahata:** I would say roughly about INR1,000 crores.
- Parth Mehta:** INR1,000 crores a year? So that is much...
- Mahendra Nahata:** Next year.
- Parth Mehta:** Yes, yes. So that is much lesser than what we have been doing in the past, is it?
- Mahendra Nahata:** So past this year, we would be doing INR1,500 crores. We are intentionally not doing much of EPC because that's not the area we are much interested. We are more interested in Defence



business, Fiber Optic Cable business, Telecom Equipment business, EPC is not our priority business. So I would have got more contracts for EPC. Even if I want today, I can get another INR1,000 crores contracts for EPC, but I'm not taking that.

Operator:

As that was the last question for the day due to time constraints, investors may reach out to the Investor Relations team for any further clarifications. Ladies and gentlemen, I would now like to hand the conference over to Mr. Nahata for closing comments. Thank you, and over to you, sir.

Mahendra Nahata:

Thank you very much, all my friends, shareholders for this earnings call of quarter 3. And I am quite sure based on the current order book and current demand scenario of the products which we manufacture and the turnkey contracts we are in process of executing that we'll continue to maintain the momentum which we have shown in Q3.

And the same momentum should continue to happen in the coming quarters also because the demand of our key products like fiber, fiber optic cable and also some of the telecom equipment like routers is very, very good. It's a very good demand, and we have got confirmed orders in hand from large players. And more orders are expected in near future and midterm and long-term future also.

So we will maintain the momentum what we have shown in the third quarter and expect that Company would be able to show even further improved performances in the coming quarters. Thank you very much, gentlemen. Thank you for being with us today.

Operator:

Thank you, members of the management. On behalf of ICICI Securities Limited, that concludes this conference. We thank you for joining us, and you may now disconnect your lines. Thank you.