



## HFCL Limited

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

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### **TRANSCRIPT OF THE 36<sup>TH</sup> ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF HFCL LIMITED HELD ON SATURDAY, 30<sup>TH</sup> SEPTEMBER, 2023 AT 11:00 A.M. (IST) THROUGH VIDEO CONFERENCING (“VC”)/ OTHER AUDIO VISUAL MEANS (“OAVM”) AT PLOT NO. 38, SECTOR – 32, GURGAON, HARYANA**

**Manoj Baid-** Dear Shareholders, I extend a warm welcome to all of you in the 36<sup>th</sup> Annual General Meeting of your Company, which is being held through video conferencing and other audio-visual means.

We have with us today Shri Mahendra Nahata Ji, Managing Director and Chairman of the CSR Committee and Risk Management Committee. Then we have with us Mr. Arvind Kharabanda, Non-Executive Director and Chairman of Stakeholder’s Relationship Committee, Member of Audit Committee, Nomination, Remuneration and Compensation Committee and Risk Management Committee. Then we have with us Mr. Surendra Singh Sirohi, Independent Director, Chairman of Nomination, Remuneration and Compensation Committee, Member of Audit Committee and CSR committee. Then, we have with us, Dr. Tamali Sen Gupta, Independent Director and Member of the Audit Committee and Stakeholder’s Relationship Committee; Mr. Ajay Kumar, Independent Director and Member of the CSR committee, who has joined us through video conferencing. We have with us Mr. Bharat Pal Singh, Independent Director and Chairman of the Audit Committee, Member of the Nomination, Remuneration and Compensation Committee and Risk Management Committee, who has also joined through video conferencing.

Dr. Ranjit Mal Kastia, Non-Executive Director and Member of Stakeholder’s Relationship Committee, could not join us due to his ill health.

Mr. V.R Jain, CFO of the Company, is also present in the AGM. Mr. P.D. Baid, Senior Partner of S. Bhandari and Company LLP, Statutory Auditors, had joined us through video conferencing. Mr. Sunil Bhansali, Senior Partner of Oswal Sunil and Company, Statutory Auditors, has also joined us through video conferencing; Mr. Baldev Singh Kashtwal, Secretarial Auditor and also the Scrutinizer for remote e-Voting and e-Voting during this AGM has also joined meeting through video conferencing. As per articles 14.5 of the Articles of Association of the company, I would request directors present to appoint one of them as the Chairperson of this AGM.

**Arvind Kharabanda-** I propose Mr. Mahendra Nahata to be Chairman of this AGM.

**Dr. Tamali Sengupta -** I second it.

**Mahendra Nahata-** Thank you for electing me as Chairman of this AGM. Dear Shareholders, I extend a warm welcome to all of you in the 36<sup>th</sup> Annual General Meeting of the company.

**Manoj Baid-** Thank you, Sir. Members may kindly note that this AGM is being conducted through video conferencing and other audio-visual means without the physical presence of the members at a common venue in due compliance with the applicable provisions of the Companies Act, 2013, the rules made thereunder read with the various general circulars issued by the Ministry of Corporate affairs.

Thirty members present will constitute the quorum. The participation of members through video conference is being reckoned for the purpose of quorum as per the circulars issued by MCA and section 103 of the Companies Act, 2013.



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Mangala Ji, can you confirm the number of shareholders participating in the meeting?

**Mangala-** At present, 55 members are participating in the meeting.

**Manoj Baid-** Thank you, Chairman, Sir, the quorum for holding the meeting is present. I request you to accord your consent to start the proceedings of the meeting.

**Mahendra Nahata-** Please, proceed.

**Manoj Baid-** Thank you. Before I hand over the proceedings to the Chairman, I would like to highlight certain points here.

The joining to this meeting opened 15 minutes before the scheduled time of the commencement of the meeting, which is 11:00 a.m. and it will remain open till another 15 minutes of the commencement of the meeting.

Members are encouraged to join the meeting through their laptops and headphones for a better experience and use the Internet at a good speed to avoid any disturbance during the meeting. Participants connecting from mobile devices or tablets or through laptops connecting via mobile hotspots may experience audio-video loss due to fluctuations in the respective network. It is, therefore, recommended to use a stable WiFi or LAN connection to mitigate any kind of technical glitches.

As mentioned in the notice convening this AGM, the facility of participation at the AGM through video conferencing has been made available for 1000 members on first come first serve basis, except for Large shareholders, Promoters, Institutional investors, Directors, Key Management Personnel, the Chairperson of the audit committee, Nomination and Remuneration Committee and Stakeholders relationship committee as well as the Auditors who are allowed to attend the AGM without any restrictions on account of first come first serve basis.

Pursuant to the circular dated 8<sup>th</sup> April 2020, issued by the Ministry of Corporate Affairs, the facility to appoint a proxy to attend and cast vote for the members is not available for this AGM. However, the body corporates are entitled to appoint authorized representative to attend the AGM through video conferencing other audio-visual means and participate and cast their votes through e-Voting.

The deemed venue for the AGM will be the place from where the Chairperson of the meeting conducts the AGM, which is Gurgaon office of the Company.

Pursuant to the provisions of the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided the facility for voting by electronic means to all its members to cast their votes electronically and the business may be transacted through such e-Voting. For this purpose, the Company has tied up with the e-Voting system of NSDL to facilitate voting through electronic means as the authorized agency.

The Company provided the remote e-Voting facility to all the persons who were members on September 23, 2023, being the cut-off date for vote on all the 5 resolutions set out in the notice of AGM from 9:00 a.m. on September 27, 2023, till 5:00 p.m. on September 29, 2023.



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Members attending the AGM today, who have not cast their vote by remote e-Voting during the said period are entitled to exercise the right to vote by e- Voting during the AGM, which shall remain active for 15 minutes after the closure of this AGM by the Chairman.

Mr. Baldev Singh Kashtwal, Practicing Company Secretary having membership number FCS3616 and CP No. 3169 has been appointed by the Board as the Scrutinizer to supervise remote e-Voting, e-Voting today in a fair and transparent manner. Mr. Kashtwal is present in the meeting through video conference.

The voting results will be declared on or before October 4, 2023, after considering the e-Voting done today by members participating in this AGM and also the remote e-Voting already done by certain members. The results, along with the Scrutinizer report shall also be submitted to stock exchanges i.e. NSE and BSE and will also be placed on the website of the Company.

Since this AGM is convened through video conferencing, other audio-visual means and resolutions have already been put to vote through remote e-Voting, therefore, in terms of Secretarial Standard-2 issued by the Institute of Company Secretaries of India, the same are not required to be proposed and seconded. There are 5 resolutions namely;

Ordinary business:

There are 4 resolutions, the first resolution is to receive, consider and adopt the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March 2023, the reports of the Board of Directors and the Auditors thereon, which is an ordinary resolution.

Second resolution is to receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2023 and the report of the auditor's thereon, which is an ordinary resolution.

Third one is to declare a dividend of 20 Paise that is 20% per fully paid-up equity shares of face value of ₹ 1 each for the financial year ended 31<sup>st</sup> March, 2023, which is also an ordinary resolution.

The fourth one is to appoint a director in place of Dr. Ranjeet Mal Kastia having DIN number 00053059, Non- Executive Director, who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment, which is a special resolution.

Then under the special business, there is one item, which is to approve the material related party transactions with HTL limited, a material subsidiary of the company which is an ordinary resolution.

To transact to business as mentioned in the AGM notice, the members have been provided an opportunity to inspect all documents referred to in the notice and the statements annexed to the notice by writing to the Company at its email id [secretarial@hfcl.com](mailto:secretarial@hfcl.com) till the date of AGM.

The Register of Directors and Key Managerial Personnel and their shareholdings, Register of contracts and arrangements in which directors are interested and other documents as referred in the notice of AGM are open for inspection by the members till the conclusion of this AGM. With this, I now hand over the proceedings to the Chairman. Thank you, Sir.



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**Mahendra Nahata**- Dear shareholders, my colleagues on the Board and distinguished ladies and gentlemen. It is an absolute pleasure to welcome you all to the 36<sup>th</sup> Annual General Meeting of HFCL Limited. I thank you for joining us today and for the continued support you have shown in us. I trust that you have had the opportunity to go through our annual report for the financial year 2022-23 and got a deep insight into our key strategic and operational initiatives. We look forward to your valuable feedback on the annual report, which can be sent via email to our Compliance Officer, Mr. Manoj Baid.

In the last financial year, we witnessed volatility in the financial markets, inflationary pressures and modest global GDP growth. However, India has emerged as one of the world's fastest-growing economies due to its robust domestic consumption, ongoing economic reforms supported by favourable government policies and increasing public and private investments. These factors, coupled with a strong focus on digital transformation and innovation, have made India an attractive destination for global investments. Given this context, HFCL is well-positioned to capitalize on India's promising growth trajectory and achieve sustainable growth.

The year gone by was a landmark year for the telecom sector, not only in India but also globally. It is no secret that technology has emerged as a significant disrupter across industries. The convergence of data-driven internet technologies and the 5G rollout has transformed communication and spurred innovation in multiple sectors.

The demand for high-speed connectivity has reached unprecedented levels, driven by increasing reliance on digital technologies. With the rollout of 5G networks, there are vast opportunities for innovation and growth across sectors.

Globally, there is a substantial increase in investments and broadband expansion. Governments and private entities are recognizing the critical role of high-speed connectivity in economic growth and development. This growing awareness has led to significant financial commitments from countries like America, Europe and Africa to ensure advanced digital infrastructure is readily available for their citizens and industries.

In India, 5G and FTTH rollout, alongwith national priorities, like the development of homegrown products under the PLI scheme and fiberization under BharatNet, are fuelling massive opportunities for players like us. The launch of the Bharat 6G Alliance further solidifies India's position as one of the world's top leaders in 5G ecosystems and we aim to be at the front line contributing to 6G technology and fostering the growth of the Indian telecom sector.

Friends, expanding into global markets is our key strategy with targeted efforts in the US, Europe and the Middle East. The Company's reach spans over 45 countries and serve more than 100 global customers. The Company has adopted a prudent approach by diversifying the customer base to reduce geographical risks. Your Company has established subsidiaries in strategic locations, such as the US and the Netherlands, to facilitate global demand and capitalize on global opportunities. We are also diversifying our product portfolio to capture emerging market opportunities. We have established a strong sales network across Europe and North America and developed products tailored to international markets.

During the financial year 2023, we have significantly increased revenue from international business to ₹817.49 crores, the Company has maintained robust growth in export revenue, with a CAGR of 88% over the past three years. We remain committed to further expanding our global presence and increasing our export revenue, recognizing its pivotal role in our growth strategy. Furthermore, our export strategy is closely aligned with market-specific



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requirements. To meet the specific demands of different markets, we are enhancing our production capacity and investing in research and development of new products designed for export markets.

Now, I will talk about the financial performance of the Company in 2023. During this year, we achieved a consolidated net revenue of ₹4,743.31 crores, marking a modest increase from the previous year. Over the years, we have focused on optimizing our revenue mix by increasing income from products has been instrumental. In FY 2023, sales from product reached to ₹2637.97 crores, accounting for a substantial 50.61% of the total consolidated revenue. This strategic shift from the project led to product-led revenue, positions us well to improve profit margins in the future. During the year, our EBITDA stood at ₹665.86 crores compared to ₹692.98 crores in FY 2022. While the net profit for the year was ₹317.71 crores compared to ₹325.86 crores in the previous year. This marginal decrease in EBITDA and profit is primarily attributed to increased operating expenses. However, despite this slight dip, our margin remains healthy, showcasing our resilience in navigating the dynamic market conditions.

I am delighted to share that the Board of Directors of your Company has recommended a final dividend of 20%, i.e., 20 Paise per equity share of face value ₹1 each for the financial year 2023. Furthermore, it gives me great pleasure to inform you that our net worth has increased to ₹3,144.14 crores from ₹2,818.37 crores in the prior year, underscoring our dedication to financial strength and stability.

To drive sustainable growth, we have charted a clear roadmap with a focus on capacity expansion, innovation, technology adoption and geographical expansion.

In response to growing global demand, we are expanding our manufacturing capacity by increasing optical fibre production capacity from 10 million fibre kilometres to 33.90 million fibre kilometres and the same shall be operational as planned. In addition, we are also expanding optical fibre cables production capacity from 25 million fibre kilometres to 35 million fibre kilometres, that capacity will be added in a phased manner with a completion target by the financial year 2025. Additionally, we are setting up a state-of-the-art manufacturing facility exclusively for advanced telecom and networking products. These expansions will lead to a significant increase in revenue and profitability and enable us to address the evolving market needs and stay ahead in delivering innovative solutions to our customers.

At HFCL, innovation is deeply ingrained in our Company's ethos. We are committed to leading innovation through technology-driven research and development initiatives. Our commitment to staying at the forefront of the industry is evident through our strategic partnership with industry leaders. Our collaborations with industry leaders are integral to our growth strategy. These partnerships have provided us with a competitive edge and have positioned us for sustainable growth.

These collaborations strengthened our innovation efforts, allowing us to develop an extensive product portfolio. This portfolio includes cutting-edge products, such as fixed wireless access customer premises equipment, 5G macro radio units, indoor and outdoor small cells and routers of various types. Driven by innovation, the Company has invested sustainably in other cutting-edge technologies, including WiFi access points, backhaul radios, routers and cloud-based network management systems. These achievements showcase our unwavering dedication to advancing technology within the industry.



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As we focus on business growth, it is equally important to highlight our commitment to the environment, society and governance.

At HFCL, sustainability is a fundamental value ingrained in our business practices. Our environmental sustainability efforts encompass energy, water and waste management practices. The transition to LED which consumes less power, reduces optical fibre cable diameters, dry core constructions and solar and wind energy adoptions, highlights our commitment to resource optimization and responsible manufacturing. The proposed solar and wind model installation of 10-megawatt capacity in HTL Limited, our subsidiary company, emphasizes our commitment towards renewable energy integration and emission reduction. Similarly, the setting up of a 1-megawatt solar power system at our Hyderabad facility, along with the shift to LED UV lamps and also transition to solar energy at our Goa facility, reflects our continuous efforts towards sustainable development and emission reduction.

I would like to highlight that HFCL is committed to creating a workplace where everyone is treated fairly and given equal opportunities. At HFCL, our people are our most valuable assets. We invest in training and development programs to empower our team with the skills they need to excel in a rapidly changing industry. Our focus on diversity, equality and inclusion underscores our dedication to creating an equitable and inclusive environment. This approach not only attracts top talent but also enhances innovation, ensuring organizational progress.

As a responsible corporate entity, HFCL conducts various corporate social responsibility initiatives, including healthcare support, education for underprivileged children and rural digital infrastructure. These initiatives reflect our commitment to making a positive impact on communities.

Hence, looking ahead in the financial year 2024 holds the promise for transformative accomplishments. Our ongoing pursuit of 5G technology, capacity expansion and the launch of innovative products positions us well for substantial revenue growth and better margin profile. The augmentation of optic fibre and cable production capacities ensures our readiness to meet industry demands while enhancing revenue and profitability. We remain committed to advancing our nation's growth, leveraging these opportunities to drive innovation and deliver substantial value for our shareholders.

I once again express my sincere gratitude for your trust and unwavering support for HFCL. We are excited about the journey ahead as we continue to strive for excellence and sustainable growth.

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

**Manoj Baid**- Thank you, Sir, for your valuable insights.

As required under Secretarial Standard-2, issued by the ICSI, any qualifications, observations or comments or other remarks on the financial transactions or matters which have any adverse effect on the functioning of the company, if any, mentioned in the auditor's report, shall be read at the AGM and attention of the members present has to be drawn to explanations, comments given by the board of directors in its report.



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I am happy to inform you that the standalone and consolidated auditor's report and the secretarial audit report are free from any qualifications and are self-explanatory and do not call for any further clarification and hence may be taken as read.

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

Now we will take all the queries and views of the shareholders who have registered themselves as the speaker shareholders.

Six shareholders have got themselves registered as speaker shareholders for today's AGM. We have also received a few questions from three shareholders in advance via emails. We will take the first question received from Quant Mutual Fund. Their first question is that *in the last two years, what has been the share of market loss to Chinese product imports in our two segments? One optic fibre, optic fibre cables and second telecom products.*

**Mahendra Nahata-** Thank you. As far as our products are concerned, we remain totally unaffected by Chinese competition.

**Manoj Baid-** The second question is *how far long is our development of 5G radio access network products, transport products and broadband wireless products? Shall we completely own IPR licensing of these products?*

**Mahendra Nahata-** Well, thank you. Yes, we will be owning the IPR of these products and these are likely to be launched between Q4 of financial year 2024 to Q1 of financial year 2025.

**Manoj Baid-** Next question sir which has been received from Quant Mutual Fund is, *over the next five years, what are the prospects for HFCL in railway communication and signalling system for metros, mainline railways and freight corridors?*

**Mahendra Nahata-** Look you know, HFCL has really specialized into Metro projects for setting and upgrading their telecom networks. We have implemented several projects in these areas, and we see major expansion on Metro networks in all tiers one and tier two cities including greenfield projects of Metro as well as Monorails even in tier three cities in next five years. Overall estimate is around ₹30,000 crores money that will be spent which creates a reasonably good opportunity for HFCL in next five years in India, in addition to some more opportunities outside country, which will be explored in partnership with prominent industry players. Of course, as shareholders know, HFCL has implemented telecom networks of Metro rails outside India also, which includes a telecom network of Mauritius Metro, which also includes the telecom network or Dhaka Metro, further work in Dhaka Metro is in progress and we will be participating in number of such projects nationally and internationally.

Maybe we can take one more question from Quant?

**Manoj Baid-** Okay sir, the last question which I will take from the Quant is, they have asked that *in the medium and long term, shall we be spending capital for plants in foreign locations to further enhance our proximity and relationship with clients? Can there be any cost sourcing synergies here as well?*

**Mahendra Nahata-** Look as of now, we have no such plans in place. However, we are definitely looking into all angles from the perspective of reaching to the consumer quickly to decide whether we have any reason to establish such plants in any country and many of the other considerations apart from ability to reach to the customer quickly like, cost, quality and all those are being considered before we decide to set up plant in other countries.



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**Manoj Baid-** Thank you sir. Next, we have received a question from Mr. Kaushik Sahukar. His first question is, *can you discuss the performance and growth prospects of HFCL's different business segments such as telecom equipment and services?*

**Mahendra Nahata-** The growth of our business goes together with the growth of the industry. If you look at all over the world, telecom networks are growing rapidly. 6G is not far away in few years, then of course fibre to home because COVID has taught people to work from home. So, all the governments are looking at providing fibre facilities with home to the residents and their citizens. All this put together have opened up massive opportunities for growth of telecom network all over the world. And therefore, I would say with the growth of telecom all over the world, companies like us are also poised to grow. Now in our Country also same thing is happening, 5G is growing at rapid speed, FTTH is growing at rapid speed. And with BharatNet our government is striving to put fibre into villages to every home, there will be massive growth opportunity in telecom in India also. Your Company being focused not only in India, but internationally also, I would say growth opportunities for HFCL is quite enormous and our strategy of driving growth through products and through exports is the right strategy in the current environment. So, I am very hopeful, very optimistic about the future.

**Manoj Baid-** Thank you, Sir. His second question is, *are there any plans for diversification or expansion into the new areas of the telecommunication industry?*

**Mahendra Nahata-** Look in telecom industry, we are continuously working on all kinds of new products which are near to the areas where we operate, near to the area hereby means near to the product areas like optical fibre, optical fibre cable. We are constantly designing new kinds of products, which are required in the international market and the telecom operators locally for their specialized needs. Similarly, we are also designing products which are required by our customers to their specific needs like 5G products, Wi-Fi access points, or UBR, different kinds of routers are designed by us, which are required by customers and the Company is focused on not only expanding its product range, but also its geographical presence across the globe.

**Manoj Baid-** Thank you, Sir. His last question is *how does HFCL position itself in the market compared to competitors and what are its competitive advantages?*

**Mahendra Nahata-** We are aiming to be at the forefront of global technologies revolution through innovation. There are many competitive advantages over our peers like we are market leader in our OFC cable supplies in India, we have largest capacities. We are the largest defence network implementer in India, we are the largest manufacturer of Wi-Fi access points and UBRs in India. Backward and horizontal integrated manufacturing facilities have given us competitive advantage, end-to-end communication network solution provider that also gives us competitive advantage. Strong R&D Focus gives us new generation of products, gives us competitive advantage with our own IPR and having long term customer relationship because the trust and faith customers have placed on us, also is an important advantage which we enjoy over our competitors.

**Manoj Baid-** Mangla Ji, please unmute Mr. Kaushik Sahukar if he is online and wishes to ask anything further, otherwise we will move to next speaker.

**Mangla-** Mr. Kaushik is not attending.

**Manoj Baid-** Okay, so, you can take Mr. Bhutani if he has joined us.

**Mangla-** Mr. Bhutani has not joined us.



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**Manoj Baid-** Okay, we have received few more questions from Mr. Hitesh Doshi which I will read, *does HFCL have a market opportunity in 'Rip and Replace' which is going on in the US?*

**Mahendra Nahata-** Good question. With a view of long-term market strategy, HFCL has built up a sales and technical support team in US and already appointed distributors and third party logistic partners for the sale in US. HFCL is targeting US market aggressively, and we have already started getting good results. We are also expanding our full product portfolio to capture 'Rip and Replace' kind of market opportunities.

**Manoj Baid-** Sir his second question is, *what is the market opportunity, orderbook, outlook and its execution period in 5G, BharatNet, defense and railway. Also, what is the replacement demand and replacement cycle of our products?*

**Mahendra Nahata-** So quite a lot of questions in one question but anyway, I will reply all of that. Well, our focus on 5G is on access solutions, which consists of fixed wireless access customer premises equipment, various kinds of routers and radio access network products. Fixed wireless access, CPE products include both Sub-6 GHz and millimetre wave products and a combination of both indoor as well as outdoor products. The router products address the needs, both of telcos and enterprise customers. Radio access network products include indoor small cell, outdoor small cell, 4T4R and 8T8R macro radio units, the estimated market size for these products could be around US dollar 80 billion in next three years globally. For BharatNet, the total CAPEX budgeted for multiple states is about ₹40,000 crores, and then about ₹1 Lakh crore for OPEX for maintenance and operation over a 10-year period, after completion of this project of course, which is expected to be completed in three years. And we being well positioned and a formidable player in BharatNet Phase 1 and Phase 2, we are targeting good amount of share from these opportunities. For railways, the market opportunity is about ₹30,000 crores over a period of five to seven years and for the defense products, the opportunities range from ₹70,000 crores to ₹80,000 crores in next five to seven years. In the world, where the technology is changing fast, it becomes obsolete rapidly and to maintain the pace with the changing environment, telecom equipment are also needed to be replaced and modernized. As you are aware, HFCL is highly technological and advanced and R&D focused organization, we continuously innovate and offer latest products as per our customer requirements. The replacement cycle for telecom products is about 5 to 7 years and some of them may be extend to 10 years. And optical fibre cable ranges from anywhere between 20 years to 30 years depending upon how the products have been maintained or how it has been used. So, it varies in the telecom products from 5 years to 10 years and optical fibre cable from 20 years to 30 years. Now, I will take the final question from Mr Hitesh. Although we received several more questions from him, but due to the time constraint, we will take only one more question.

**Manoj Baid-** His last question is, *please give more details on our telecom product portfolio in terms of number of products to be introduced and how many had been tested successfully in India and export markets also what will be the margin from these products?*

**Mahendra Nahata-** Mr. Hitesh obviously, we are working on various products which are under development in telecom including 5G space, such as FWA CPE as I have said earlier, small cells aggregation routers, WiFi 7 indoor and outdoor access points, ultra-high-capacity point to point and point to multipoint UBRs. These products are under various phases of field trials and lab testing in customer networks and they are expected to be launched anywhere between Q4 of this current financial year to Q1 of the financial year 2025. Typically, as far as margins are concerned from such products are in the range of 15% plus since these products are designed indigenously, having our own IPRs. You will be happy to know that products like WiFi



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6 access points, UBRs and switches are already deployed in a network of telecom service providers in India as well as outside India in a very high quantity.

**Manoj Baid-** Thank you sir. Mr. Mangla, Is Mr. Kirti Shah has joined us?

**Mangla-** No Sir. He has not joined.

**Manoj Baid-** Okay, then moving to the next participant. We can take Mr. Murli T if he is online.

**Mangla-** No sir. He has also not joined.

**Manoj Baid-** Okay, then the next speaker is Mr. Bharat Raj. If he is there, please unmute him.

**Mangla-** No Sir. Mr. Bharat Raj is not there.

**Manoj Baid-** I have now a few questions received from Arihant Capital. Their first question is, *we are doing CAPEX of OF and OFC side. Could you please share more details about progress and execution, CAPEX spending and funding mix?*

**Mahendra Nahata-** Total CAPEX of both OF and OFC expansion will be around ₹850 crores approximately and ₹100 crores has already been spent and balance ₹750 crores approximately will be incurred during financial year 2024 and 2025 and it will be funded through a mix of debt and equity and internal accruals. As already informed, first phase of optical fibre expansion with incremental capacity of 15 million fibre kilometre will be commissioned by Q3 of FY 2024 and another 9 million by Q4 of FY 2025. As you also know, the Company is also in process of expanding its optical fibre cable production capacity from 25 million fibre kilometre to 35 million fibre kilometre in a phased manner with a completion targeted by financial year 2025.

**Manoj Baid-** So sir now I am taking the last question of the day which has come from Arihant Capital. I will read the question, *on exports markets what kind of traction we are witnessing? Because inventory built up in US telecom players and slowdown in Europe, any comment on that?*

**Mahendra Nahata-** Yes. During the shortage of optical fibre cable last financial year, all the distributors and operators placed advanced orders on optical fibre cable manufacturers and built-up inventories. However, since there was a delay in announcement of broadband equity, access and deployment program by US government, operators and infrastructure companies put a further buying on hold. BEAD funding is now announced and we see positive sentiment in the US market, similarly we see positive sentiments in the European market also. We now see positive sentiments in the Indian market also because BharatNet has been announced and tender for that is expected in next couple of months. So, I think there would be good momentum again in the Q1 of the financial year 2025. Situation is similar in Europe, there was no funding by the government and operators kept their spending on hold and we are expecting the market to get back to normal in next few months.

**Manoj Baid-** Sir, with this now you can conclude the AGM.

**Mahendra Nahata-** Business of the 36th Annual General Meeting is now concluded. Thank you, ladies and gentlemen.

**Manoj Baid-** So with this we have come to the conclusion of today's proceedings. On behalf of the Company and its shareholders, I thank all the Board members on the dais and who have joined through video conferencing, auditors, secretarial auditor. Thank you, all my dear shareholders, for taking time out and joining this AGM online. We look forward to having your



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presence in our next AGM. e-Voting is in progress and will be disabled 15 minutes from now. In case you have not voted so far, please do vote. Thank you very much. Thank you.

**Mahendra Nahata**- Thank you very much.