



“Transcript of 39th Annual General Meeting of HFCL Limited”

September 29 2026



Management: Mr. Mahendra Nahata - Managing Director
Mr. Arvind Kharabanda - Non-Executive Director
Dr. Ranjeet Mal Kastia - Non-Executive Director
Mr. Ajai Kumar - Independent Director
Mr. Anil Narendra Shah - Independent Director
Mrs. Bela Banerjee - Independent Director
Mr. Vijay Raj Jain - Chief Financial Officer
Mr. Manoj Baid - President & Company Secretary
Mr. J S P Bansal - Statutory Auditor
Mr. Sunil Bhansali - Statutory Auditor
Mr. Baldev Singh Kashtwal - Secretarial Auditor

Moderator: Over to you Manoj ji.

Manoj Baid: Good morning dear shareholders, I extend a warm welcome to all of you to the 39th Annual General Meeting of your Company, being held through video conferencing/ other audio-visual means. We are pleased to have with us today Mr. Mahendra Nahata, Managing Director and the Chairman of the CSR Committee and the Risk Management Committee who has joined us from the Company's Corporate Office at New Delhi. Then we have with us Mr. Ajai Kumar, Independent Director and Chairman of the Audit Committee and the Nomination, Remuneration & Compensation Committee, and the member of the CSR Committee, who has joined us from Mumbai. Mr. Anil Narendra Shah, Independent Director and the member of the Audit Committee, and the Risk Management Committee has also joined us from Mumbai. Mrs. Bela Banerjee, Independent Director, member of the Audit Committee, the Stakeholders' Relationship Committee and the Nomination, Remuneration & Compensation Committee who has joined us from Noida. Mr. Arvind Kharabanda, Non-Executive Director and Chairman of the Stakeholders' Relationship Committee, member of the Audit Committee, the Nomination, Remuneration & Compensation Committee and the Risk Management Committee has joined us from Delhi. Dr. Ranjeet Mal Kastia, Non-Executive Director and member of the Stakeholders' Relationship Committee and the CSR Committee has joined us from Delhi. Mr. V R Jain, CFO of the Company, has joined us from Delhi. Mr. Sunil Bhansali, Senior Partner of Oswal Sunil & Company, Statutory Auditors has also joined us from his Delhi office. Mr. JSP Bansal, Senior Partner of S. Bhandari & Co. LLP, Statutory Auditors has joined from Jaipur office. Mr. Baldev Singh Kashtwal, Secretarial Auditor and also the Scrutinizer for remote e-voting and e-voting during this AGM, has also joined the meeting from his office in Delhi. As per Article 14.5 of the Articles of Association of the Company, I request Directors present here to appoint one of them as the Chairperson of this AGM.

Ajai Kumar: I propose the name of Mr. Mahendra Nahata for being the Chairman of this meeting.

Bela Banerjee: I second the proposal.

Manoj Baid: Thank you Sir. Members may kindly note that this AGM is being conducted through VC/OAVM, without physical presence at a common venue, in compliance with the Companies Act, 2013, and relevant MCA circulars. Participation through VC is being reckoned for quorum purposes as per Section 103 of the Companies Act, 2013. The quorum is present. Currently, 55 shareholders have joined the meeting through VC. I request the Chairman to accord his consent to commence the proceedings.

Mahendra Nahata: Please proceed.

Manoj Baid:

Before we begin today's proceedings, 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 am and it will remain open till another 15 minutes of the commencement of the meeting. Members are encouraged to join via laptops and headphones using stable internet to avoid any technical issues. Participation through VC is available for 1000 members on a first-come-first-serve basis, excluding large shareholders, promoters, institutional investors, directors, KMPs, committee chairpersons, and auditors who may join without restriction. Pursuant to the Circular of 8th April 2020, issued by the MCA, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the body corporates are entitled to appoint authorized representatives to attend the AGM through VC, other audio/video means and participate and cast their votes through e-voting. The deemed venue for the AGM is the registered office of the Company which is Gurugram in Haryana. Pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015, the Company has provided 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 NSDL for facilitating voting through electronic means as the authorized agency. The Company provided remote e-voting facility to all the persons who were members on September 22, 2026, being the cut-off date for vote on all the seven resolutions set out in the Notice of AGM, from 09:00 a.m. on September 26, 2026 till 05:00 p.m. on September 28, 2026. Members attending the AGM today, who have not cast their vote by remote e-voting, during the said period, are entitled to exercise their right to vote by e-voting, during the AGM, which shall remain active for 30 minutes after the closure of this AGM by the Chairman. Mr. Baldev Singh Kashtwal, Practicing Company Secretary, has been appointed by the Board as the Scrutinizer to supervise remote e-voting, e-voting today, in a fair and transparent manner. The voting results will be declared on or before October 01, 2026. The results along with scrutinizer report shall also be submitted to the stock exchanges, NSE and BSE and will also be placed on the website of the Company. Since, AGM is convened through VC/OAVM 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 seven Resolutions namely in the category of the Ordinary Business.

First one is to receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2026, the reports of the Board of Directors and the Auditors thereon which is an Ordinary Resolution.

The second resolution is to receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2026 and the report of the Auditors thereon which is again in Ordinary Resolution.

Third resolution is to declare a dividend of 20% on each fully paid-up equity share of face value of Rs.1 for the financial year ended 31st March, 2026 again an Ordinary Resolution.

The fourth item is to appoint a director in place of Mr. Arvind Kharabanda whose DIN is 00052270, Non-Executive Director, aged 79 years 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 category of Special Businesses, first is to approve the material modifications in the material related party transactions with HTL Limited, a material subsidiary of the Company for FY2026-27 again an Ordinary Resolution.

Next one is to approve the material related party transactions with HTL Limited, a material subsidiary of the Company for FY2027-28, Ordinary Resolution

And the last item is to approve the material related party transactions, between HTL Limited, a material subsidiary of the Company and HFCL Inc., a material wholly-owned subsidiary of the Company for FY2026-27 again an Ordinary Resolution.

To transact the businesses as mentioned in the AGM Notice, the members have been provided an opportunity to inspect all documents referred in the notice and the statement annexed to the notice by writing to the Company at its e-mail ID, secretarial@hfcl.com, till the date of AGM.

The Registers 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. Now, I would like to invite our Managing Director, Mr. Mahendra Nahata, to address the shareholders, give an overview of the Company, and provide key business updates. Thank you. Over to you sir.

Mahendra Nahata:

Thank you Manoj. My dear shareholders, esteemed colleagues on the Board, and distinguished guests. It gives me immense pleasure to welcome you to the 39th Annual General Meeting of the Company. I extend my sincere appreciation for your continued confidence in our vision and for standing with us through every phase of our evolution. I hope you have had the opportunity to review our Annual Report for FY2026, which presents a comprehensive overview of our financial performance, strategic initiatives, and

operational milestones. FY2026 was a landmark year for HFCL. It was not only a year of strong financial performance, but also an important milestone in establishing HFCL as a technology-driven, product-led and globally competitive enterprise. The investments made over the past several years in innovation, product development, manufacturing, engineering capabilities and market expansion are now translating into tangible business outcomes and creating a stronger platform for our next phase of growth. The global economy remained resilient during FY2026 despite geopolitical tensions and trade-related uncertainties. At the same time, accelerating investments in artificial intelligence, cloud computing, hyperscale data centres, 5G networks, broadband connectivity and digital infrastructure continued to create structural opportunities for technology and connectivity companies. Geopolitical developments also reinforced the need for secure infrastructure, defence modernisation and indigenous technology capabilities. The scale of opportunity before HFCL is unprecedented. The rapid expansion of hyperscale data centers and AI-led digital infrastructure is fundamentally reshaping global connectivity requirements and creating sustained demand for high-capacity, reliable and technologically advanced solutions including optical fiber cables. The optical fiber industry has witnessed international demand never seen before. HFCL has built the manufacturing scale, engineering depth, product quality and execution capabilities required to participate meaningfully in this growth cycle. The significant export orders already secured by the Company demonstrate the confidence placed in us by our international customers and provide a strong foundation for securing further business. With a growing global presence and a robust opportunity pipeline, exports now contribute 66% of our revenue. India remained among the world's fastest-growing major economies, supported by strong domestic demand, sustained public capital expenditure, rapid digital adoption and policy initiatives such as BharatNet, PM-WANI, Production Linked Incentive and Atmanirbhar Bharat. Together, these trends are opening significant opportunities across telecommunications, optical connectivity, electronics manufacturing, digital infrastructure and defence technologies. HFCL is strategically aligned with these megatrends. We have strengthened our capabilities across optical fiber, optical fiber cable, connectivity solutions, telecom products, defence electronics and aerospace segment. We continue to invest ahead of demand in areas where technology, scale and manufacturing excellence can create competitive advantages. FY2026 witnessed strong performances in HFCL reflecting both the scale and the quality of growth achieved during the year. Revenue from operations increased to Rs.4,949.27 Crores, EBITDA grew by 63.2% to Rs.826.75 Crores, while EBITDA margin expanded to 16.7% from 12.47% in FY2025. Profit after tax increased by 90.1% to Rs.329.44 Crores, with PAT margin improving to 6.66% from 4.26% in the previous year. These results demonstrate the growing strength of our product-led business model, improved operating leverage and disciplined execution. Our business mix continued to improve. Products contributed approximately 62% of revenue in FY2026, compared with 27% in FY2021. Exports accounted for approximately 41% of revenue, compared with around 12% in FY2025,

reflecting the growing global acceptance of our products and deeper engagement with international customers. Building on this momentum, we are focused on further expanding our international business and increasing the contribution of exports to our revenue, reinforcing exports as a key driver of HFCL's future growth. Private-sector customers contributed approximately 84% of revenue during FY2026, compared with 65% in the previous year. This shift is improving the scalability and resilience of our business while supporting better working-capital efficiency, cash flow and earnings quality. Our order book exceeded Rs.21,200 Crores as at March 31, 2026, provides strong multi-year revenue visibility. The momentum continued beyond the fiscal year-end with our current order book increasing to more than Rs.26,000 Crores reflecting sustained customer confidence in our products, capabilities and execution excellence. This growing scale and diversification across connectivity, telecom products, defence and digital infrastructure reinforce our confidence in the Company's long-term trajectory. The strongest momentum is emerging from our optical fiber cable and connectivity business. The rapid growth of artificial intelligence, cloud computing and high-performance computing is creating increasingly large and data-intensive digital infrastructure. AI workloads require substantial volumes of data to move within and between data centers, increasing the need for high-capacity, reliable and low-latency optical connectivity. The continued build-out of hyperscale and AI-focused data centers is driving demand for high-fiber-count cables and advanced connectivity solutions. This opportunity is further supported by telecom network modernization, deeper fiberisation, fiber-to-the-home deployments, enterprise connectivity and government-led rural broadband programmes. During FY2026, HFCL secured a landmark five-year optical fiber cable supply agreement valued at approximately Rs.10,159 Crores with a leading global hyperscaler. The Company also received several large orders from global customers for the supply of optical fiber cables and connectivity solutions. These wins not only validate our technological and manufacturing capabilities but also position HFCL favourably to capture the growing global demand for optical connectivity solutions. As on date, our combined order book for optical fiber cable and connectivity solutions alone stand at approximately ₹19,000 Crores.

Mahendra Nahata:

To meet this demand and build a future-ready manufacturing platform, the Board recently approved a revised capacity-expansion plan across the optical communications value chain. The aggregate approved investment in optical fiber, optical fiber cable and preform manufacturing has increased from approximately Rs.980 Crores to approximately Rs.1800 Crores. Upon completion of these expansion programmes, HFCL's manufacturing capacities will increase to 43.10 million fiber kilometres per annum for Optical Fiber and equally 62 million fiber kilometres per annum for Optical Fiber Cable, and 600 metric ton per annum for Preform. The preform manufacturing facility will be implemented through HFCL Technologies Private Limited, a wholly owned subsidiary of the Company. The Optical Fiber and Optical Fiber Cable capacity expansion projects are expected to be completed by

July 2028, while the Preform Manufacturing Facility is expected to be established by October 2028. These investments are intended to create a larger, integrated and more resilient optical fiber manufacturing platform covering critical stages of the value chain, from Preform to Optical Fiber, Optical Fiber Cable and Connectivity Solutions. Collectively, they will augment our manufacturing capabilities, improve operational efficiencies and economies of scale, strengthen our supply chain security and enhance export competitiveness. These investments will also strengthen our ability to meet existing customer commitments and pursue emerging opportunities across domestic and international markets. Alongside manufacturing expansion, we continue to strengthen our technology and product portfolio. We have shipped more than eight lakh indigenously developed 5G Fixed Wireless customer-premises equipment units to a leading telecom operator. During FY2026, we successfully delivered a large quantity of IP/MPLS routers and secured significant contracts under BharatNet Phase III programme. Our execution and router-integration performance under BharatNet further demonstrate our ability to deliver indigenous networking products at scale. FY2026 also marked meaningful progress in building defence and aerospace into a strategic growth platform for HFCL. We secured orders for indigenously developed thermal cameras and drone-detection radars, strengthened technology-transfer partnerships with the Defence Research and Development Organisation, expanded our intellectual-property portfolio and established a presence in the high-entry-barrier aerospace segment through the proposed acquisition. We also commenced deliveries of Thermal Weapon Sights for AK-203 rifles to the Indian Defence Forces, further demonstrating our execution capabilities and commitment to supporting India's defence modernisation efforts. Our defence order pipeline, including the proposed aerospace acquisition, stands at approximately Rs.2,189 Crores. The combination of capabilities across aerostructures, aeronautics, radar and thermal imaging provides a strong platform to participate in the growing global market for advanced defence technologies. To support our long-term growth ambitions in the defence sector, HFCL is developing a defence manufacturing ecosystem in Andhra Pradesh. These facilities are envisaged to manufacture Artillery Ammunition Shells, Multi-Mode Hand Grenades, among other defence products. We see this as a long-term strategic platform that will enable HFCL to participate meaningfully in India's defence modernisation programme while strengthening our position in global defence supply chains. Over time, we expect defence and aerospace to become important contributors to HFCL's growth, margin profile and value creation. Our research and development ecosystem, comprising more than 200 engineers and scientists, remains central to our strategy. We continue to invest in differentiated products, intellectual property and advanced engineering to address evolving customer requirements in India and global markets. Our objective is not merely to add manufacturing capacity, but to combine technology, product innovation and scale to create a more valuable and globally competitive enterprise. For HFCL, sustainable growth is inseparable from long-term business success. We continue to integrate environmental, social and governance considerations into our

strategy, risk-management framework and also operating processes. During FY2026, we submitted our near-term decarbonisation targets to the Science Based Targets initiative, while continuing to invest in renewable energy adoption, resource efficiency, waste reduction and responsible manufacturing. Our community-development programmes across healthcare, education, skills development and social empowerment positively impacted more than 1.15 lakh beneficiaries during the year. These initiatives reflect our commitment to creating enduring value for our stakeholders, communities and the environment. As we progress through FY2027, HFCL stands at an important new stage of its evolution. We have a stronger product portfolio, a significantly larger order book, a widening global presence, expanding manufacturing capabilities and growing opportunities across optical connectivity, telecom products, digital infrastructure, defence and aerospace. Our priorities are clear: to deepen our technology leadership, accelerate export growth, increase the contribution of higher-value products, strengthen vertical integration, invest ahead of demand and continue improving profitability, and capital efficiency. We remain focused on scaling responsibly and executing our commitments with discipline. Looking beyond the near term, our ambition is to build HFCL into a global technology and manufacturing enterprise. By leveraging differentiated products, strong intellectual property portfolio, deep engineering expertise and advanced manufacturing capabilities, we aim to serve some of the world's fastest-growing technology and defence markets and create sustainable long-term value for all our stakeholders. I extend my sincere gratitude to our shareholders, customers, partners, bankers, governments and Board members for their continued trust and confidence in HFCL. I also thank our dedicated employees, whose relentless execution and unwavering commitment have been the true architects of our progress. Together, we look forward to building a more connected, secure and resilient future. Thank you.

Manoj Baid:

Thank you sir. Thank you for your valuable insights. As required under Secretarial Standard-2 issued by 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, mentioned in the Auditors' 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. I am happy to inform you that the Standalone and Consolidated Auditors' Report do not contain any qualifications, observations or comments which have any material adverse effect on the functioning of the Company and do not call for any further clarification and hence, may be taken as read. The Secretarial Audit Report for Financial Year 2026 also has no qualifications, reservations or adverse remarks 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 30 minutes after the closure of this AGM by the Chairman. We now open the floor to shareholders who have registered as speakers to present their questions or views. 22 shareholders have registered themselves as speaker shareholders up to September 25, 2026 for today's AGM. I would like to request all

the speakers to kindly limit the number of questions to one each, so that everyone has a fair chance to speak and express their views. We have also received questions from few shareholders in advance through e-mails. I will take questions received from Gareth Jay Vaz, a financial institutional investor. Their first question is, Is there scope for further capacity expansion if you get more orders? Over to you sir.

Mahendra Nahata: Well, the recently announced capacity expansion in optical fiber cable and optical fiber. Now, the optical fiber from 28 million fiber kilometer to 43 million fiber kilometer and optical fiber cable from 39 million fiber kilometer to 62 million fiber kilometer has been undertaken after very carefully evaluating our current order book, customer engagements, and the opportunities we see ahead across domestic as well as international markets. These expanded capacities, in fact, provides us with significant headroom to address the growth opportunities currently visible to us. Going forward, we will continually and closely monitor demand, order inflows, and emerging market opportunities. Should the opportunity landscape violate further capacity requirements, appropriately and take a deliberated decision at the relevant time.

Manoj Baid: Sir, the second question is, can you please walk us through your readiness for 2027 preform supply?

Mahendra Nahata: Well, very good. We are well secured in terms of preform availability for 2027. We have tied up our supply requirements and our suppliers for approximately the next 18 months, which provides us with adequate visibility with supply security as we scale up our optical fiber capacity. In parallel, we are building our own preform manufacturing capability which is expected to be commissioned as I have said before by October 2028. Therefore, we remain comfortable with our preform availability to support our planned optical fiber capacity expansion and do not foresee any supply side constraint based on our current requirements.

Manoj Baid: Sir, Gareth's last question was how is the progress on the sale of EPC business?

Mahendra Nahata: Well, first we would like to clarify that we have not announced any sale of the EPC business. During the last quarter, we constituted a restructuring committee to evaluate various strategic options for EPC business and appointed E&Y as an advisor to assist the committee in assessing possible structures. The evaluation process is currently underway and we expect the advisors to present their recommendations to the committee in due course. Once the evaluation is completed, and a decision is taken on the appropriate structure, we will make the necessary disclosures and keep the market informed in accordance with applicable regulations.

Manoj Baid: Thank you, sir. Now I would request the moderator to kindly unmute Mr. R. P. Tulsian if he had joined us.

Moderator: Yes, sir. We have Mr. R. P. Tulsian. Mr. Tulsian, please go ahead and unmute your microphone so that we can hear your question.

R. P. Tulsian: Namaskar Chairman. I am so happy to hear the extempore speech. I feel like I am sitting in the Company not virtually, but physically. The setup is so good. It does not look like a virtual meeting. Have you seen the photo of setup? You will believe that you are speaking virtually. The presentation was so excellent and easy to understand. For a small shareholder like me, the language you have spoken, I have understood it so easily that we are going to be number one in optical fiber and we are going towards 60-80-90% in export. And Trump uncle has also played a big role in bringing us down, but you have hit the right sixer. God willing, it will be like this. Because there is a problem in war, both in exports and in orders. But I am very happy that HFCL has told them everything. They have done a very good job. I met you 10-15 years ago in Maharaj Ji's program in Faridabad at Sudhanshu Vaid's place when he introduced me to you and today I am very happy to see you, it feels like I met you 15 years ago because there is no change in your getup, but the Company's getup has changed the Company has gone from Rs.12 to Rs.240-Rs.250, I am telling you this now you have limitations to speak but I can speak as a shareholder, the progress that the Company has made and the EPS that has been presented now for June that means half of the year's EPS so this is amazing, if I multiply it by 4 then it will become Rs.6.50 and Rs.7. But if you are saying that there will be growth of 20-30%, then it will reach Rs.10. I believe in this. Because the war will not be like the war that is going on now. And the defence that you have put in it, that is very powerful. By adding the item of defence, HFCL will go to the new pedestal. This is my belief. And now this price of Rs.200, this price is Rs.1000. From 990 to 1050, I will put it after a year. Not now, after a year. Let us be realistic. Because your order book is amazing, 25,000-30,000 order book is going and optical fiber is saying that the work is not going to stop India is in the expansion of 2047 and HFCL is going to have a real contribution in it With these words, our Company Secretary has asked such a good question that now no one will have any ask question to ask and anyway, if a share of Rs.70 becomes Rs.250 in a year, it is nonsense to ask a question, just say that you continue what you are doing, this is my request that if you continue this performance then the day is not far as I said we will come in four figures. With these words, Mr. Nahata, many congratulations to you once again.

Mahendra Nahata: Thank you very much Tulsian, thank you very much for your words. As far as the question of growth is concerned, when the year started, I said that there will be 20% growth. In the last quarter, in the investor call, I said that there will be 40% growth. Now I can say that there will be 60% growth. I can estimate this for sure. You can still understand. And as far

as the future quarters are concerned, keeping the order book in front of you, I can say that every quarter will be better than the last quarter. Because we have the order book in our hands, the supply is secured, we know what is going to happen, our execution is proper, we have the capacities. So I do not see any reason that our growth is not at least 60% and accordingly, there is growth in profitability. Thank you for your words.

Manoj Baid: Sir, moving on the next question is from Mr. Gagan Kumar. Moderator if you can unmute him if he had joined us.

Moderator: Yes, we have Mr. Gagan Kumar. Please go ahead sir.

Gagan Kumar: Good morning, Mr. Chairman, Board of Directors, and fellow shareholder, myself, Gagan Kumar. I am joining this meeting from Delhi. First of all, I would like to mention that I had requested for a hard copy of Annual Report, which I received well in time. And I am very happy to share that I do not have any question pertaining to accounts, as each and every aspect of balance sheet is very much clear, sir.

Gagan Kumar: So my one or two general queries for today AGMs are that what steps have been taken to improve return for the shareholder and make our company more profitable. And what is our vision for next two to three years along with the capex? And where do we see our Company by 2030? These are the two general queries of mine, and it would be unfair on my part without mentioning our corporate governance under the leadership of our CFO, CS, and entire secretarial team. Hope to see a healthy growth in the business and as well as in the size of the Company. Thank you so much for this opportunity.

Mahendra Nahata: Gagan ji, thank you very much for your very pertinent questions. As well as the steps taken for the growth of the Company, I have enumerated quite a lot in my opening remarks. But just to summarize, one, capacities have been increased so as to increase revenue because demand is there. And if demand is there, fulfillment of that demand depends on how much capacity we have for production. So capacities have been increased immensely. Fiber from 28 to 43 million kilometers, that expansion is on. For the fiber optic cable, expansion is on to reach to 62 million fiber kilometer. These are per annum. And project is already undertaken to create a capacity of 600 tons of preform, which is the basic raw material for fiber. Now that we do not produce at the moment, we buy from outside. Producing that would certainly improve our cost also and improve our resilience in raw material availability. These are the steps taken on the production side and cost reduction side. Second step we have taken to improve our customer base by increasing export orders. Today I am happy to share that of optical fiber cable more than 80% is getting exported mostly through the hyperscaler and demand is very good. Today, we have orders for Rs.19,000 Crores in our hands for fiber optic cable and connectivity solutions on fiber. And

we expect looking at the kind of demand, which is existing in the world. We expect very good orders coming up in future also. So third step, which you would have seen revenues have grown up substantially from private companies rather than the government, which has also given higher profitability as well as more stability because they are not only government, you have so many private customers, which includes exports also. So with this, capacity expansion, cost reduction, increasing revenue from exports, increasing revenue from private operators, diversification of product range, including defence products, which will provide us more stability in our revenue and maybe more growth also. We have taken enough steps to improve the profitability and return to the shareholders. Now is the time to really execute these expansion projects and continue to support our customers in a manner that they keep on having that trust which they have imposed on us continuously, which they have and we keep on receiving more orders from them, which we are receiving. So all this would create a good value for the shareholders. I have no doubt about that. Now, as far as share price is concerned, I am nobody to comment on that. That market will decide. But yes, I can see a bright future for the company from the working part of it.

Manoj Baid: Sir now, next question is coming from Mr. Gaurav Kumar Singh. Moderator if he had joined us, can you unmute him?

Moderator: Yes, please. Mr. Gaurav Singh, please go ahead.

Gaurav Kumar Singh: Respected Chairman, Board of Directors and fellow shareholders, good morning to all of you. Myself, Gaurav Kumar Singh, joining this stage from Delhi. First of all, I would like to thank the management for giving me this opportunity to express my views on this platform. As a long-time investor, I would like to know how the Board plans to maximize shareholder value over the next five years. And, sir, what are the key challenges and opportunities currently we are facing? That is it from my end. As far as the agenda of this meeting is concerned, I support all the resolutions along with all my family members. I sincerely thank the management and all the employees of this Company for their dedication and hard work. I also wish to thank our CFO, Company Secretary and his entire secretarial team for maintaining high standard of corporate governance. In the end, I wish a bright future for the company and a great health for all of you. Thank you, sir. Jai Hind.

Mahendra Nahata: Thank you, Gaurav ji. As I understood your question when you are talking what steps we have taken to create value for shareholders in next five years. So if I understood your question well, I have already replied enough in the previous questions, the same issue and in my opening remarks also. Basically, increased capacity, increased exports, increased diversified product range, backward integration, going into defence and aerospace sector first time in defence. All these steps are going to result in increased revenues of the

Company. Now, of course, I expect with the revenues increasing, profitability also would become better and better. And with the revenues increasing, marginal costing will also play some role that will also increase profitability. So all these are expected to increase revenues of the Company and consequently return on the capital employed and also the profitability of the Company. So I see with the demand of the products which we are in, fiber optic cable, connectivity solutions, defence products. Because of what you see the geopolitical situation today, every country is trying to prepare itself for a deeper and better defence capabilities. So all this put together, I see good demand for all the products which Company manufactures for five or more years, which will definitely improve the working of the company and give better results and create more value for the shareholders.

Manoj Baid:

Sir moving on, next speaker is Mr. Manjit Singh.

Moderator:

Yes, we do have Mr. Manjit Singh here. Mr. Singh, please unmute your camera and your microphone so that we can hear and see you as well. Please go ahead now.

Manjit Singh:

Chairman sir, first of all good afternoon to you, all the Board of Directors, all the staff of HFCL and my co-fellow shareholders. Sir, you told us enough about the Company in your opening remarks, we have been connected to the Company for many years, we have confidence in you. Apart from that, what are our future growth plans? Tell us something about that. Apart from that, what are our future plans? Apart from that, I have also full confidence that our Company and I would like to thank my CS and his team for giving me the opportunity to speak in front of you. Thank you Sir. Thank you so much for giving me a chance.

Mahendra Nahata:

Thank you very much, Manjit ji. You are absolutely right. Performance of company is a team effort. As long as a person does not work well for the company, the Company cannot grow. And I am very happy to say that the Board has guided the Company very well. The senior executives have guided the day-to-day work very well. They have taken the Company to the growth path. And our workers have also worked as hard as they can to increase the Company's revenue and profitability. I thank you all from the bottom of my heart. As far as the Company's growth plan is concerned, I have already said a lot about how the Company will grow. I do not think I will have to repeat. But again, I would like to say a few words, increased capacity, increased product range, export revenue and also more revenue from private sectors. All these will contribute to major growth in the Company's revenue and profitability both.

Manoj Baid:

Thank you sir. Next speaker is Mr. Narendra S Shahukar. I would request moderator to unmute, his line is available?

Moderator: We have Mr. Kaushik Shahuar here. Please go ahead, sir. Would you like to switch on the video as well?

Kaushik Shahuar: Yes, if possible.

Moderator: Okay, please accept the prompt. Yes. Now you can unmute your microphone and camera so that we can see you as well. Please go ahead now. Now you will get an option to unmute your microphone and camera. We will wait for the connection from Mr. Shahukar.

Kaushik Shahuar: Respected CMD sir Mr. Mahendra Nahata, esteemed Board Members and fellow shareholders. Good afternoon to all. It gives me immense pleasure to interact with you once again this year. I am deeply grateful to our Company Secretary Mr. Manoj Baid for granting me the opportunity. I sincerely wish a good health and success. Coming to only query, sir I can see as an order book of about Rs.21206 Crores and is simultaneously committing substantial capital toward optical fiber cable and preform capacity expansion, including the recently approved additional investment of approximately Rs.820 Crores. What specific ROCE or EBITDA margin threshold does the Board expect this incremental investment to achieve and by which financial year shareholders wo;; see the full benefit in earning and cash flow. One suggestion, sir HFCL could focus on converting its strong order book into high margin, higher margin integrated solutions by combining optical fibers, cable, telecom equipments and its 5G defence technology capabilities rather than competing primarily on product volumes. This could improve customer stickiness, margins, and recurring revenue visibility. On a lighter note, HFCL fiber is traveling at light speed. Now we only request that the profit also travel at the same speed to shareholders. Before concluding Chairman Sir, Mr. Mahendra Nahata, I earnestly request you to kindly empathize with my medical condition, which is unfortunately aggravating very rapidly. Sir, even last year you assured me, but nothing was done after that. So I request you to kindly consider my professional credentials this time and give me opportunity in the area of certification audit. I wish to remain professionally self-active and self-reliant as long as I am able to work and your support in this regard would truly mean a great deal to me. Sir I request again, if you so please, please help me in this regard.

Mahendra Nahata: Where are you based Mr. Shahukar?

Kaushik Shahuar: Mumbai based.

Mahendra Nahata: Okay, so I will definitely have somebody contact you in Mumbai. You write to my Company Secretary on his e-mail.

Kaushik Shahuar: I have written so many times, so many times from last year.

- Mahendra Nahata:** I can assure you, this time somebody will definitely contact you kindly send your address by e-mail to my Company Secretary and somebody will get in touch with you and definitely work on how best to help you, my esteemed shareholder we would definitely like to do that just please send your all your contact details.
- Kaushik Shahuar:** Yes I will do right, I will do it right now Sir and thank you very much for the valuable time patience and kind consideration. I remain hopeful for a possible response and sincerely look forward to meeting again next AGM.
- Mahendra Nahata:** And I will just, in the interest of time, just answer your question. Somebody will definitely contact you send me the details. As far as the question of margins are concerned, our last quarter EBITDA was 23%, and PBT was 16%, as against something like 6% or so last year. So there is already a very considerable improvement in the profitability of the Company. As the revenue goes, I believe marginal costing will play and there may be some better performance in terms of profitability, in terms of percentages growth. There may be some, I am not making any guidance, but there may be, but there has already been a considerable improvement in the profitability. As far as in high value product is concerned, yes, we are concentrating on that. Fiber, cable, optical cable, connectivity solution, defence product, I am sure all of them will give good results. Thank you.
- Manoj Baid:** Sir, we tried to contact him yesterday to understand what is his specialization so that we can utilize his services, what best we can offer to him. Again, we will contact him today.
- Mahendra Nahata:** Okay.
- Manoj Baid:** Next speaker is Mr. Reddeppa Gundluru, if he had joined us, moderator, can you unmute him?
- Moderator:** Yes, we do have Mr. Gundluru here. So we have sent a prompt on your screen. If you can please accept it. You can then unmute your microphone and camera so that we can hear and see you.
- Reddeppa Gundluru:** Thank you so much, sir. Good morning. Namaste respected Chairman, Managing Director, Shri. Mahendra Nahata ji, all distinguished Board Members, senior management, Auditors, and Company Secretary, my fellow shareholders. Myself, Reddeppa Gundluru, joining this AGM from Hyderabad. First of all, I would like to thank the Company Secretary sending the beautiful Annual Report. It has very wonderful cover page. The numbers are speaking. The pictures are speaking. Very good. Just a minute, sir. Just a minute, sir. Please, please. Just a minute. Please do not disconnect.
- Mahendra Nahata:** Voice is gone. You are on mute, Mr. Gundluru. You are on mute.

Reddeppa Gundluru: Thank you, Company Secretary. I particularly appreciate the HFCL, the global presence across Europe and the United States, and also Middle East. My company has evolved from the predominantly domestic telecom equipment player for its global technology for the telecom infrastructure and also important strategy. My congratulations for the entire Board for the wonderful financial performance and also the strengthening of the company, capabilities, indigenous, 5G solutions, including fixed wireless and also access solution, all the routers and also everything. So R&D is very wonderful. And also I would like to congratulate the company for securing significant telecom and also defence, so defence and also all other good foundations transitional growth. So I appreciate the management for also dividend. So I have a few questions regarding the company 5G, FWA routers, indoor and also outdoor, small cells and also IP led products. Would you please share the broader expectations regarding their revenue contribution for the 2 to 3 years, Sir? Second question about the company expanding, global supply capabilities. So could you please explain how my local manufacturing strategy is expected to improve the competitiveness and the overseas market, sir. And what about the respective tariffs and all? So finally, I support all the resolutions, especially leadership, Mahendra Nahata ji, and also Board, R&D teams, engineers, and employees, their continued efforts. And also the Company Secretary, Mr. Manoj sir, always reachable, professional man, soft spoken especially always reachable to the speaker shareholders. I wish all the best. God bless you, sir for your wonderful services. Sir, e-voting has been done. No questions on the balance sheet or the financial or the other expenses. So I support all the resolutions. We have faith on you, trust on you. Go ahead, take appropriate decision to my company growth, sir. That is it. And I pray God to give more wisdom and strength and the health and wealth for the entire Board member families and CS, CFO families. Thank you so much for giving this opportunity. God bless you all.

Mahendra Nahata: Thank you Mr. Gundluru. First of all, coming to your question on export, we are continuously working on that. Continuously we are working on increasing our export share of our revenue. As we discussed last year it was 66%. Currently of our fiber optic cable business, roughly about 80% is coming from exports. As our capacity increases, we will continue to increase our overall export numbers. But as you also know, data centers are going up in India also. Number of data centres are coming up in India. So our effort is to participate in that market also. There is a new market coming up in India. So we are also strengthening our sales team for local supply to the local data centres. So as we do exports, we would also be supplying to local data centres as we had been supplying to local telcos earlier. And I am sure while the exports grow, the revenue from indigenous data centres will also grow. In terms of share of revenue, I would say in optical fiber cable, it is still something like 70%, 80 % will still come from exports because the demand is much higher there where high capacity cable they require because of much higher data flow in those countries, cloud computing, artificial intelligence, those kind of things. But India is also not lagging far behind. So we expect substantial revenue to come from India also, as you rightly

pointed out. In terms of margin improvement also, we have taken very effective steps which I have already enumerated, which you would have already heard and I expect revenue and margin both to grow in the coming years.

Manoj Baid:

Thank you, sir. We have also received three questions from shareholders in advance. One of them is Mr. Nalin Shah. I will take up his questions. His first question is HFCL is executing a structural shift away from low margin EPC turnkey projects targeting more than 85% revenue from manufactured products in FY2027 up from 62% in FY2026. Since turnkey execution carries lower profitability, how much will this 85-15 product to project revenue mix expand consolidated EBITDA margins in FY2027 and FY2028?

Mahendra Nahata:

Well, Mr. Shah, normally I would not like to give any guidance on numbers of increase in EBITDA or profitability. But one thing is for sure, as we increase our capacity and as we increase our sales from more value-added products, margins will definitely improve. The shift from project-led avenues towards manufactured products is a deliberate part of our transformation strategy. While EPC projects have historically helped us build capabilities and customer relationships, they typically operate at a lower margin because EPC business nature is such. And they require higher working capital compared with manufacturing and technology-led products. And there are then implementation related difficulties are also there in the field, particularly in India. We have so many issues coming up, whether approvals, whether all those kind of issues happen. So if you see business is a more, hard business to carry than the manufacturing business. But it definitely builds your relationship with the customers. And also we have built up a strategy that we should do only those EPC businesses where our product has got at least 50% of the revenue. Suppose the EPC business total is 100. It should at least have 50% of the order book from our manufacturing products. Then it is worthwhile to take an EPC business. It should not only be construction. It should be a good mix of our manufacturing products and construction. So our future strategy is to do those EPC businesses only where we have a good percentage of our products. Now BharatNet business, for example, you will take, it has a good mixture of our products, it has got optical fiber cable, it has got routers, it has got our power systems from our sister company. So all that mixed together, when you have a substantial revenue coming from our own products, then only we would like to take those EPC businesses, provided they are profitable also and working capital is not held up for a longer time. But yes, definitely I agree with you, it is held up for a longer time than the normal manufactured products. That is why we have reduced share of our EPC business from our overall revenue and that would be our effort also continuously in a sense that it has to be product led, it has to be profitable, it has to be less working capital intensive.

Manoj Baid:

Thank you sir. His second question was, HFCL is targeting defence revenue of Rs.500 Crores in FY2027 up from Rs.77 Crores in FY2026 supported by a Rs.2189 Crores order

pipeline while the Company is also targeting 40% plus overall revenue growth in FY2027, implying the revenue of over Rs.6,900 Crores against a total order book of Rs.26,665 Crores as of June 30, 2026. Given the higher IP content and potentially higher margins in proprietary defence electronics such as thermal sites, fuses, and radars, how should we think about the order book execution and quarterly revenue trajectory across Q2, Q4, FY2027, and also FY2028? And as the defence business scales up alongside the overall product mix, what consolidated EBITDA margin and absolute EBITDA should factor in for FY2027 and FY2028?

Mahendra Nahata: In one question, you have asked 10 questions. Well, HFCL has entered FY2027 with a strong order book and an improving business mix, providing good visibility of growth over medium term. We expect the defence business to scale meaningfully, supported by opportunities across thermal weapon sights, electronic fuses, radars, Multi-Mode Hand Grenades, other products. Our defence revenues may vary between quarters depending on qualification, tender and execution timeliness. While we do not provide quarterly revenue profitability guidance, our growth outlook has strengthened considerably during the year. At the beginning of, I am talking about overall growth now, at the beginning of FY2027, I had articulated a revenue growth expectation of around 20%, which I revised to over 40% following Q1 FY2027. Given the current business run rate and the opportunities ahead and the way the orders are growing with a massive order book, we can now very confidently say that we are able to deliver revenue growth of over 60% in FY2027 compared to FY2026. Now what that would mean you can calculate it yourself because it was about Rs.5,000 Crores in FY2026 and our best expectation to reach to 60% growth, you can calculate the numbers yourself. Similarly, we had earlier expressed an achievement revenue of Rs.10,000 Crores by FY2029 with improving growth trajectory and visibility across our businesses, we can say that we will be able to achieve this Rs.10,000 Crores target much sooner than FY2029. I would not like to predict how soon, but yes, we will be able to achieve this target much sooner than FY2029, that I can assure you.

Manoj Baid: Sir, Mr. Nalin's last question was about the export. Export revenues increased to 41.36% of total revenue in FY2026, up from 12% in FY2025, with now management targeting 50% to 60% plus from exports in FY2027 onwards. Considering that over 70% of current optical cable production is catering to overseas market, what is the expected revenue growth profile from international markets across FY2027 and FY2028? And do overseas contracts offer structurally higher EBITDA margins compared to domestic telecom sales? And how will this shape full-year operating profit figures?

Mahendra Nahata: Such a large question. Well, international markets have become an important growth pillar for HFCL. Supports our investment in product development, manufacturing capabilities, customer qualification, and global business. We expect exports to remain a significant

contributor to our growth in optical connectivity or capacity expansion. Then we will further strengthen our ability to address our global demand across telecom, broadband, and data centre connectivity. At the same time, Mr. Shah, we see a significant opportunity in defence and expect a substantial part of growth in our defence business to come from supply to international OEMs as their tier 1 supplier and I can tell you we are negotiating at this point of time for substantial contracts with the international OEMs for supplying to them, which is good that you are not supplying to government but you are becoming Tier 1 suppliers to the OEMs who supply to the government which again, you know, is a good thing because less working capital is blocked and there are less hurdles when you supply to the global OEMs than you supply to the government directly. And we are going to become their Tier 1 suppliers. So there are major, only thing I can say that there are major discussions going on by the Company with such OEMs and I expect next few months, major businesses being finalized with such kind of companies. Now, this will definitely improve our revenues from defence. While we have said Rs.500 Crores of revenue from defence in the current year, but looking at the current run rate, we might exceed that. With the Q1, our revenue from defence was about Rs.150 Crores. Q2 is going to be same or maybe a little better. So I think Rs.500 Crores we will be able to exceed and next year I see a substantial growth. Three years' timeframe we have kept a target of Rs.5000 Crores which may even be better than what we anticipate looking at the possibility of receiving orders from aerospace platform as well as indigenous land-based products such as radars, electronic fuses, thermal weapon sights and these kind of products.

Manoj Baid: Thank you sir. Now I would request the moderator to unmute Mr. Praveen Kumar, if he had joined us.

Moderator: Mr. Praveen Kumar has not joined the meeting, sir.

Manoj Baid: Okay, then we can move to next speaker, Mr. Hiranand Parsram Kotwani.

Moderator: Yes, we have Mr. Kotwani here. Please go ahead, sir.

Hiranand P Kotwani: Namaste. It is a great meeting .Namaste to all those who are listening to me. Mr. Mahendra Nahata, you narrated all these things in your speech. Why people are asking questions I fail to understand. They are asking for the sake of questions. Because you narrated well and you should have taken all the questions first. Then you answer. Because majority are the same questions. Growth, sustainability, profitability, export. So it does take time. But certainly this company has a great future. I was associated 35, 30 years back. This organization, there was a rampage at NSE and BSE. I was a witness to these companies. I used to read your balance sheet. This time only I have not received your physical balance sheet. I read the soft copy, it was good.

- Manoj Baid:** I think we are lost Mr. Hiranand.
- Moderator:** Yes, we can hear you sir. Yes, please go ahead.
- Hiranand P Kotwani:** Certainly, I congratulate the gentleman. He narrated all the company's operation efficiency. Gentleman, what is the export for this five months? Can you narrate April to August? How much have we exported? How much foreign exchange have we done? Because everyone has asked. Your Delhi people and others have asked some irrelevant questions. But certainly this company has a great future. How the sustainability and the future growth and the minority shareholder reward. That is only my question. Thank you and good luck.
- Mahendra Nahata:** Mr. Kotwani, I would like to humorously ask you a question. As far as growth is concerned, you have just seen the trailer, the movie is yet to be released. So, with my statement, a lot of things would have been clear to you. Because capacity is increasing, orders are increasing. So, I am saying that this statement will not go wrong. This was a film dialogue, I had heard it somewhere, I don't remember where. This was the trailer, the movie is yet to be released. So, when the movie is complete, you will definitely see the growth, you will see an increase in profitability and revenue, I think the shareholder will get an equally good reward. As far as export is concerned, we are very competitive. We are getting good quantum orders in good competition. And I am confident that we will continue to do so.
- Manoj Baid:** Thank you, sir. Moving on to the next speaker. Can we take the moderator Mr. Manoj Bagadia if he is there?
- Moderator:** We do not have Mr. Manoj Bagadia here in the list. He has not joined the meeting.
- Manoj Baid:** Then we can move to Mr. Lokesh Gupta, next speaker, if he is there.
- Moderator:** We have Mr. Lokesh Gupta. Please go ahead, sir.
- Lokesh Gupta:** Namaskar Chairman Sir, I am Lokesh Gupta from Delhi welcoming you and all the board members. You gave excellent chairman speech, you spoke about the company's present and future. There are no questions left after that. Even if there are questions, it is a question of trust. We have faith and trust. Whatever decision you have taken about the Company, it will be in the interest of the Company like it was always. Sir, I want to know one question. Sir, the input cost is increasing. What are we doing to keep our margins intact? Could you tell us a little about the costs that are increasing and what we are in a position to do to control them? All my questions are covered in the fantastic Annual Report prepare by the Company Secretary. I would like to thank Company Secretary for this. Finally, I want to wish the Company a good fortune. Thank you, Sir.

Mahendra Nahata: Gupta sir, thank you for your good wishes. The cost increase has been seen in some products, in raw materials. Accordingly, the sales price has also increased. Overall, the margin has improved. The EBITDA margin has reached 23%. The EBITDA which was 6% has increased to 18%. There has been a growth in the margin because of backward integration. We are increasing fiber production, which reduces the cost. We are moving towards preform. By doing preform production, the import of preform will be reduced and we will also have local production. This will reduce the cost. So, in terms of competitiveness, there will be an increase. I do not think there will be any reason to believe that there will be a difference in the margin. Brother, my opinion is that as revenue increases quarter to quarter, there should be some improvement in the margin. I don't think there will be any reason for a decrease.

Manoj Baid: Thank you, sir. Then now we can move to the next speaker. Next speaker is Mr. Daljit Singh. Moderator, if you can take him online, if he is there.

Moderator: Yes. Please go ahead, Mr. Singh.

Daljit Singh: To be in the HFCL AGM in front of Nahata Sir, it is a very big thing. Sir, I have been sitting with you from the beginning till now, the questions and answers you are giving are in such a way that you are answering the questions of the shareholders in a very good way. Sir, what you said in the welcome speech, you said it very well. Secondly, I would like to thank the Company's Secretarial Department for connecting me with VC. The Company is doing well in its vision and mission. Sir, I would like to know one thing. India is going to develop. We are talking about development. India is going to be a developed country and according to that, our Company's preparations, it should be like developed countries, what preparations we are doing. Secondly, what extent AI is used in the Company? Thank you and best wishes for my HFCL company growth and prosperity of the company.

Mahendra Nahata: Thank you for your kind words. There is no doubt in this. Our country under the leadership of Prime Minister Shri Narendra Modi our country is moving forward in self-determination. And as he has said, in 2047, our country should emerge as a developed country. Therefore, whatever product we are making, it is all new technology. In optical fiber, as and when progress is being made in technology. I don't want to go into the details of technology. But we are also making progress. We are making new types of fibers. We are designing new types of technology fiber. We are continuously improving technology on the product side as well. The products on the defence side will be useful for years to come. Improvement has to be made in every product. As time goes by, the technology gets better. We have to keep up with it. That is a good thing. Because the entry barrier is also very strong, but not many companies are able to improve at that level at all times. So Mr. Singh, you are absolutely right that technology is improving and we also have to keep improving with it. And this is

our biggest priority in the Company that we are not lagging behind anyone in technology. Today, when I say that 80% of fiber optic cable is being exported, it is not because we are selling it cheaply. This is because we have the quality and the technology. Today we are making a 7000 fiber cable in a fiber optic cable. Till now, in India, cables above 288-fiber capacity have never been used, and now development of 14,000-fiber cables is also underway. So, just imagine how far technology has progressed. So, please do not worry at all. We are keeping a close watch on technology, and for us, one of the most important things is to keep our technology at world standards. So do not worry we will take care of the technology, it is an important thing for us.

Manoj Baid:

Thank you, sir. Now I will take up the questions that were received in advance from some of our foreign institutional shareholders. BNP Paribas has sent their few questions. Their first question is on defence business. Over the next three, five years, which defence networking or electronic warfare adjacencies does HFCL believe it can win in on the basis of proprietary technology? And what revenue and margin profile can this business achieve at scale? What milestones should investors monitor over the next 12 to 24 months to assess progress?

Mahendra Nahata:

You know which defence agencies will be able to develop in electronic warfare or different kind of technologies? It is very difficult for me to tell. Worldwide, this development in defence information warfare, defence technology is going on. Now, many companies are there which are doing this kind of development. We are also doing to our end whatever to the extent possible development in defence area. Certain products we have developed, we are very unique in terms of their own capabilities. Like very recently we demonstrated foliage penetration radar to our defence forces. Second demonstration of that is again going to happen in next few days. Now all this, means that we are also keeping ourselves at par with the defence technology, the products which we are in, whether different kind of radars, whether electro-optical sights, in ammunition area also, we are tying up with some international companies and trying to develop or produce very high capability, high quality and high technology ammunition. So we are also keeping track of technologies, whatever R&D we are doing, we are doing as per the world standards, like we mentioned, foliage penetration radar, drone detection radars, jammers, etc. And we are also in touch with outside companies for technology transfer. Also, we are in business discussion with various OEMs to manufacture products required by them as their Tier 1 suppliers. Now, which are the things you should keep in mind to assess our progress? Simply, you look at the revenues which we do from defence these years. Last year, we had only something like Rs.70 Crores of revenue, which would increase to Rs.500 Crores plus this year and next year we believe that you know to the best of our estimate at this point of time we should be reaching near about Rs.2000 Crores. That is my best estimate at this point of time. Not a big guidance, but best estimate. And we want to increase our revenue from the defence sector to Rs.5000

Crores in next year. That is the objective the Company has in mind. And I think we should be able to do that, looking at the current portfolio of products, as well as current discussions going on. But mind you, because it is a difficult business. Because the qualification of the products itself is a very tedious process. So it does not happen that you design a product today and you start selling it from tomorrow. It takes a couple of years to do the qualification itself. Certain of our products are already qualified. The electro-optic sights which are already being supplied, Multi-Mode Hand Grenades, it is in the final stage of qualification. Electronic fuses, two are already qualified, one more has some issues which have been rectified, which will also get qualified in next few months' time. The aerospace products which have come to an acquisition are already qualified by the OEM. So they are under supply and revenue is already coming out of them. So revenue in next two to four years, if you keep a close watch in what we are doing, that will give you adequate information as far as our defence business growth is concerned. But definitely looking at a geopolitical environment, where, as I earlier said, every country is trying to enhance its defence portfolio. I believe that with our own indigenously designed products, having our own IPR, and also relations with the Tier 1 as a Tier 1 supplier to the large OEM, we see good opportunity in growth of this business.

Manoj Baid:

The second question is on medium term business outlook of the Company, which is, can you share some guidance for FY2029 revenue and EBITDA margins for the consolidated business? What should HFCL's revenue and profit mix look like across optical fiber cables, telecom equipment, then defence, and international market? And what are the normalized ROCEs for each of the businesses? So in a question, there are many questions, sir, actually.

Mahendra Nahata:

You know, look, as a matter of policy, we do not provide formal guidance on revenue, EBITDA, margins of profitability for a specific future year such as 2029. Only thing I can say that on a medium and long term, we remain very positive about HFCL's long term and medium term prospects. Our strategy is to build a more diversified and profitable business with an increasing contribution from higher value products, technology-led solutions, defence and international markets, while further strengthening our optical fiber and optical fiber cable business meaningfully or ongoing capacity expansion and backward integration initiatives that will further improve our competitiveness, operating efficiencies, and ability to address growing global demand. As the contribution from higher value businesses increases, we expect this improving business mix to support a sustainable growth in profitability and also capital efficiency over the medium term. We do not provide business-wise ROCE guidelines, any segment-wise ROCE guidelines. But as far as capital allocation, the decision remains focused on generating sustainable return over our cost of capital. And as you would have seen, profits have grown in terms of percentages substantially. Revenues have also grown substantially. In Q1, you could see there was a substantial growth if you take a year-to-year comparison. And I am sure the growth potential will continue

throughout the year. In medium term, if I look at when you talk of 2029, I cannot provide any guidance, but I can always say that looking at the order book, looking at the fiber optic cable order prospects, connectivity solution prospects, defence order prospects, you can expect reasonably good growth opportunities. And when I say reasonable, I am trying to be very conservative in my words, but growth prospects are reasonably very good.

Manoj Baid: Thank you, sir. It is almost one-and-a-half hour since we started the meeting. Still, there are more than 10 speakers still to speak. So I would. ask moderator if Mr. Modi Arunkumar, then Mr. Sarvjeet Singh, Mr. Davinder Kaur, Mr. Murli Dhar Talreja, Ms. Ashika Talreja, Mr. Sandeep Singh, Mr. Ram Chandra Singh, Mr. Narender Singh Chauhan, Ajay Kumar Jain, if they are available, you can unmute each of them one by one so that we can quickly take one question from them.

Mahendra Nahata: Please ask your question in short, so that you know it can be quick and reply can be quick. Otherwise, I will not be able to take so many.

Moderator: Sure, sir. We have Ms. Ashika Talreja. Ms. Talreja, we have given you permission to unmute your microphone. Please go ahead. Ms. Talreja, please go ahead. There is a little bit of disturbance, it seems, because there are two connections I can see.

Ashika Talreja: I am Ashika Talreja from Delhi. Respected Chairman sir and my fellow shareholders. My some doubt has been cleared by the speech of Chairman sir. The company is progressing very well. Tell us about the company's plan for 2026 and 2027 and I want to know how much company spent on CSR. Can you give some details of the CSR-related activities that you do? I would like to thank the Secretarial Department who gave me the opportunity to speak and I also received the Annual Report on time. I support your all resolutions and my best wishes.

Mahendra Nahata: As far as company expansion and prospects and in 2026-27, I have already enumerated quite a lot. So I do not think I need to repeat that. But yes, just because I have to answer your question, you know, one thing I will say that quarter one was Rs.1975 Crores and quarter-on-quarter, I think we will keep on improving our revenue. That is my best estimate at this point of time, looking at the orders concerned and looking at our capacity expansion is there. In terms of CSR, we are constantly fulfilling our obligation of CSR requirement. Our more focus has been on education and healthcare. We have given healthcare facilities in rural areas in quite a place through mobile operating mobile vans where doctors and compounders are there. Generic medicines are given free. And then a lot of blood tests and those kind of tests are carried out in the van itself with the machines provided, equipment provided. So we have six, seven such vans. I do not remember the exact number running all over the country, different places, for rural areas, specifically for the areas where there are

no primary health centres to benefit those kind of people. And last year, about one-and-a-half lakh people benefited from all of this programs. Second focus has been education, where in schools, few schools we have already provided computer labs, where there have not been computer labs and this is a time where children should learn computers. Effectively, computer labs have been provided by us. Some infrastructure work, wherever there was infrastructure required, improvement of the facilities and all that, we have done that. So these are the two areas we are concentrating and we will keep on concentrating on that. We have got a very efficient team which looks after all our CSR activities and they will continue to primarily focus on these two things.

Manoj Baid: Just to add, sir, in last few years, we have spent more than Rs.50 Crores on the CSR activities. Rs.50 Crores.

Mahendra Nahata: Very good.

Manoj Baid: Then, Moderator, can you take Mr. Arunkumar?

Moderator: We have Mr. Narender Chauhan.

Manoj Baid: Please take him.

Moderator: Mr. Chauhan, please go ahead and ask your question in short.

Narender Chauhan: Good morning, respected Chairman, Managing Director, Board Members and Chair of the Board. First of all...

Moderator: Mr. Chauhan can you please come closer to the microphone. We are not able to hear you clearly.

Narender Chauhan: I congratulate the management and entire team for the strong progress made during the year. I would also like to thank Company Secretary, sir, and his entire team for facilitating this session. Sir, my question is regarding research and development. Our company is investing in new technologies, developing several indigenous products. Sir, how does the management plan to convert these investments into commercially successful products? And when can shareholders expect these new technologies to start contributing meaningfully to revenue? With that, sir, I wish HFCL continued success and long-term growth. Thank you.

Mahendra Nahata: Mr. Chauhan, thank you. In fact, these R&D investments are already contributing in revenue. For example, fiber optic cable, fiber. We have designed new kind of fibers by our R&D, new kind of cables by our R&D. And they are already contributing a lot in the revenue. Similarly, for example, we have designed routers, IP MPLS routers, which are we

have more than a lakh of routers from the BharatNet program and also one of the private operators. That is also contributing meaningfully. Fixed wireless access. We have already supplied 800,000 of such units to telecom operators, which we have designed locally. So Wi-Fi access points, UBR. These are all the products which are locally designed by our R&D and which are already meaningfully contributing to our revenue. And we would see to it that all the products we design will contribute to our revenue. But one thing I must say, that not everything you attempt to design is always designed successfully. The R&D is something where if you start designing 10 products, maybe 7 will succeed, 3 will not. Because as somebody had said a long time ago, that R&D will succeed each time is a insanity. It does not happen that way. Because if you see, for example, ISRO sends 10 rockets, one or two of them can fail you know that is the nature of R&D and this kind of science-led high technology products but we are quite successful in fiber optic cable and fiber particularly we are very successful and all those investments we are doing in R&D is giving us good returns.

Manoj Baid: Thank you sir. Moderator can we have the next speaker please?

Moderator: Manoj sir, we have recently seen Mr. Sarvjeet Singh, who has joined. So we will allow Mr. Sarvjeet Singh.

Manoj Baid: Please take him.

Sarvjeet Singh: Chairman, sir, first of all, good afternoon to you, all the Board of Directors, all the staff, all the staff of HFCL Limited and my co-fellow shareholders. Sir, you said a lot in your opening remarks. So, sir, we have complete faith in you that our future is going to be good. So, sir, what are our future plans? Please tell us a little about it. Rest, sir, in the same way, our company should din dugni raat chukauni tarakki karte rahi and our future should be bright. Thank you, sir. Thank you so much for giving me this opportunity.

Mahendra Nahata: Thank you very much, Mr. Singh. As far as the future plan is concerned, I have told you a lot of things and you must have heard it. Expansion, export, business from the private sector, business from the defence sector, all initiatives are going on. You must have heard all the things I have told you. So the growth plan is on the line, the backward integration line is on the line, which will improve both profitability and revenue. We are increasing the product range, which will increase our revenue. We are paying more attention to export, which will increase our revenue. So you don't have to worry about the growth plan. We will increase our revenue and profitability equally.

Manoj Baid: Moderator, Mr. Modi Arunkumar, then Davinder Kaur, Murli Dhar if they are available, we can take them. Otherwise, we can move on.

Moderator: Manoj sir, we do not have any more speaker shareholders. We will take that as a last question. We can continue with the further proceedings.

Manoj Baid: Now, I have received a few questions in advance from Mr. Pramod Jain. And his question is, globally, the demand for artificial intelligence and data centres is growing rapidly. What specific roadmap does HFCL have to capitalize on this massive opportunity? And the second question in this itself is, what kind of revenue contribution are we expecting from this segment over the next two, three years?

Mahendra Nahata: Look, I have already given a detailed reply to this, that artificial intelligence has led to massive growth in hyperscale data centres globally and now in India also. So that has really created a never before seen demand of fiber optic cables and connectivity solutions and that has contributed a lot in increase of our revenue and that also cables are high density cables you know up to 7000 fiber cables we have started now designing 14,000 fiber cable, so these are all increasing revenue in a massive way and these are led by AI because AI is creating massive data and data requires data centres, cloud computing that requires data centres. All that together we are already taking advantage of what is happening in AI, what is happening in data centre creation and resulted increase in our business.

Manoj Baid: Thank you, sir. With the permission of yours, now I am taking the last question of the day, which is, what is the latest update regarding our present-age telecom equipment and new product launches? What are the prospects of securing new orders from domestic and international telecom operators?

Mahendra Nahata: Well, HFCL continues to invest in building indigenous portfolio of telecom and networking products as part of our transformation into a technology-led enterprise. Our portfolio spans 5G, fixed wireless access, Wi-Fi solutions, MPLS routers, transport and backhaul products, with increasing emphasis on indigenous R&D and intellectual property. We see opportunities from 5G networking expansion. We in fact are doing some research around 6G also, broadband penetration and enterprise connectivity in India while also targeting international markets. Well, we also continue to engage with domestic and also the global telecom operators and exploring various opportunities to convert their orders in due course of time. Not only are these products, fiber optic cables also being bought by telecom operators. We are constantly working with telcos to supply fiber optic cables to them who have been our traditional customers. Thank you.

Manoj Baid: So with this, sir, now I would request you to kindly conclude today's meeting.

Mahendra Nahata: Well, I would like to sincerely thank all our stakeholders, our shareholders, customers, partners, bankers, fellow Board members, and most importantly, all our employees for their

continued trust and support. It is this collective confidence that has enabled us to move forward with clarity and conviction. The business of AGM is now concluded. Thank you, ladies and gentlemen.

Manoj Baid: Thank you, sir. Thank you. With this, we conclude today's proceedings. On behalf of the Company and its shareholders, I extend my heartfelt thanks to all the Board members, Statutory Auditors, Secretarial Auditors. Thank you, my dear shareholders, for taking time out and joining this AGM online. We look forward to have your presence and participation in our next AGM. Please note that e-voting is currently in progress and will remain open for next 30 minutes. If you are not yet voted, please do vote. Thank you. Thank you very much.

Mahendra Nahata: Thank you very much. Thanks to all of you.

Moderator: Thank you.