



HFCL Limited

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HFCL/SEC/25-26

March 25, 2026

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

Subject: Outcome of the Meeting of the Board of Directors of the Company - Establishment of Preform Manufacturing Facility

Time of Commencement: 3:00 p.m.

Time of Conclusion: 4:45 p.m.

Dear Sir/Madam,

The Board of Directors at its meeting held today, has, inter-alia, approved the setting up of a Preform Manufacturing Facility through the Company’s wholly owned subsidiary, HFCL Technologies Private Limited (“HTPL”). This initiative forms part of HFCL’s strategy to achieve higher level of backward integration within its Optical Fiber Cable (OFC) business with Preform being basic Raw Material for the manufacture of Optical Fiber.

The decision to establish a Preform manufacturing facility is driven by the sharp and sustained growth in demand for optical fiber cables, which has resulted in constrained supply conditions for optical fiber. Optical fiber availability is directly dependent on the uninterrupted availability of Preform in required quantities as Preform is the basic raw material for fiber production. In this context, backward integration into Preform manufacturing will enable the Company to support the availability of optical fiber in required quantities, mitigate upstream supply risks, and ensure full capacity utilisation of Optical Fiber Cable capacities at its various locations.

With sustained and significant increase in demand of optical fibre cables, the Company is also considering further increase in its optical fiber manufacturing capacities over and above expansion already underway.

The proposed facility will therefore be a significant step towards strengthening supply chain resilience by securing access to a critical raw material, reducing dependence on external suppliers, and enhancing cost efficiency, thereby significantly improving overall margins.

Key Strategic Benefits

- Improved supply chain security and reduced import dependence.
- Cost optimization and significant margin enhancement through backward integration and scale efficiencies.
- Better quality control and product consistency.
- Greater flexibility in capacity planning and execution.
- Adoption of advanced manufacturing technologies.

Strategic Context & Timing

The investment supported by very strong industry tailwinds is being undertaken at a strategically opportune time, aligned with HFCL’s ongoing expansion of Optical fiber capacity, which has already reached to 28 mn fkm from 14 mn fkm recently and is now targeted to scale up to 33.90 mn fkm with further increase in capacity under consideration.



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Strong Demand Outlook for Optical Fiber

The long-term demand outlook for Optical fiber remains robust, driven by:

- Rapid expansion by global hyperscalers, driving significant demand for optical fiber cables for data centres and high-speed networks.
- Continued 5G rollout and future 6G readiness, requiring dense fiber backhaul infrastructure.
- Sustained domestic demand led by government initiatives such as BharatNet.
- Rising demand from defence, railways, smart cities, and enterprise networks.
- Global supply chain diversification, with India emerging as a preferred manufacturing hub.

The project is also eligible for central incentives, improving its overall financial viability.

A snapshot of the proposed facility and capital outlay, together with the requisite details in accordance with SEBI Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026, is set out below:

Product	Existing Capacity & Utilization	Capacity Addition	Estimated Investment/ Capex
Preform	N.A.	~300-310 Metric Tonnes (MT) per annum	~₹580 crore

- Period within which the Capacity is to be added:** Expected to be completed by July 2029.
- Mode of financing:** Internal accruals/Debts/fresh fund raise through proposed preferential issue or combination of these financing means.
- Strategic Rationale:**

This investment is aligned with HFCL's long-term strategy to:

- Achieve higher backward integration.
- Secure reliable access to critical raw materials.
- Optimize cost structures and improve margins.
- Support ongoing and future capacity expansion.

The initiative is expected to strengthen the Company's operational capabilities, enhance margins, support sustainable long-term growth, increase its presence in export market and further cement its leadership position in OFC manufacturing business in domestic market.

You are requested to take the above information on records and upload the same on your respective websites.

Thanking you.

Yours faithfully,
For **HFCL Limited**

(Manoj Baid)
President & Company Secretary