HFCL GROUP

HFCL Limited
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HFCL/SEC/26-27 September 14, 2026

The BSE Ltd. 1st 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, 5th Floor, C – 1, Block G Bandra – Kurla Complex, Bandra (E) Mumbai – 400051 cmlist@nse.co.in **Security Code No.: HFCL**

Re: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Subject: Outcome of the Meeting of the Board of Directors held on September 14, 2026: Approval of Additional Investment of Approximately ₹820 crore for expansion of Optical Fiber, Optical Fiber Cable and Preform manufacturing capacities

Time of commencement: 05:30 p.m.
Time of conclusion: 06:30 p.m.

Dear Sir/Madam,

This is in continuation to our earlier letters dated March 25, 2026 and August 04, 2026 on the subject cited above.

We are pleased to inform all our stakeholders that in view of the Company's strong order book for Optical Fiber Cable (**"OFC"**) and optical connectivity products, a strong pipeline of additional business opportunities expected to materialise over the near to medium term, and the favourable long-term demand outlook globally, the Board of Directors of the Company, at its meeting held today, approved additional capacity expansion of 4.60 Mn Fiber Kms per annum for Optical Fiber, 5.64 Mn Fiber Kms per annum for Optical Fiber Cable and 300 MT per annum for Preform.

The additional capital expenditure for the proposed capacity expansions is estimated at approximately ₹820 crore. The investment will be funded through an appropriate mix of internal accruals, proceeds from the preferential issue of warrants already issued to the Promoter, Promoter Group entity, borrowings from financial institutions/banks and/or other suitable financing arrangements, as may be required. The above capacity expansion is in addition to the aggregate capital expenditure of approximately ₹980 crore already approved by the Board for Optical Fiber, Optical Fiber Cable and Preform manufacturing projects, taking the total planned capital expenditure for these capacity enhancement initiatives to approximately ₹1,800 crore.

Upon completion of the capacity expansions, HFCL's manufacturing capacities will increase to 43.10 million fiber kilometres per annum for Optical Fiber, 62.00 million fiber kilometres per annum for Optical Fiber Cable, and 600 MT per annum for Preform.

The above investment is 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.

The enhanced capacities are strategically aligned with the Company's growing order book, expanding business pipeline and increasing opportunities in domestic and international markets. They will position HFCL to address the anticipated growth in demand for optical communications infrastructure

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arising from AI-enabled digital infrastructure, hyperscale data centres, cloud computing, high-performance computing, telecom network expansion, increased adoption of fiber-to-the-home, enterprise fiberisation, rural connectivity initiatives, and telecom network modernisation programmes.

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, are set out below:

Particulars	**Preform**	**Optical Fiber**	**Optical Fiber Cable**
Existing capacity -	N.A.	28.0 Mn fkm p.a.	39.0 Mn fkm p.a.
Existing capacity utilisation -	N.A.	28.0 Mn fkm p.a	39.0 Mn fkm p.a
Current ongoing expansion resulting in capacity of -	~300 Metric Tonnes (MT) per annm	38.50 Mn fkm/p.a	56.36 Mn fkm/p.a.
Proposed capacity addition -	~300 Metric Tonnes (MT) per annum	4.60 Mn fkm p.a.	5.64 Mn fkm p.a.
Capacity after current ongoing and proposed expansion	**~600 Metric Tonnes (MT) per annum**	**43.10 Mn fkm p.a.**	**62.00 Mn fkm p.a.**
Investments Required	₹670 crore	₹150 crore	

(The above capital expenditure of approximately ₹820 crore is in addition to the aggregate capital expenditure of approximately ₹980 crore approved earlier, taking the total planned capital expenditure for these capacity expansion projects to approximately ₹1,800 crore.)

a. **Period within which the capacity is to be added**: The OF and OFC capacity expansion projects are expected to be completed by July 2028, while the Preform Manufacturing Facility is expected to be established by October 2028.

b. **Mode of financing: OF & OFC**: Appropriate mix of internal accruals and/or debt financing. **Preform:** Appropriate mix of internal accruals/debts/proceeds from the preferential issue of warrants already issued to the Promoter and Promoter Group entity, or combination thereof.

c. **Strategic Rationale**:

The proposed enhancement in Optical Fiber and Optical Fiber Cable manufacturing capacities, together with the establishment of a Preform Manufacturing Facility, is aligned with HFCL's long-term growth strategy and is intended to strengthen the Company's position as a leading integrated manufacturer of optical communication products.

The OF and OFC capacity expansion will enable the Company to cater to the increasing demand for optical connectivity solutions across domestic and international markets and meet requirements arising from its existing customer commitments, healthy order book and expanding business pipeline. The Company continues to witness sustained demand for OFC and connectivity products, providing strong visibility for future growth.

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The proposed Preform Manufacturing Facility will further strengthen the Company's backward integration capabilities by securing reliable access to a critical raw material for optical fiber production, enhancing supply chain resilience and reducing dependence on external suppliers. The facility is expected to support the Company's ongoing and future capacity expansion plans of OF and OFC while contributing to improved cost efficiencies and margin enhancement.

Collectively, these investments will augment HFCL's manufacturing capabilities, improve operational efficiencies and economies of scale, strengthen supply chain security, enhance export competitiveness and enable greater value creation through an integrated manufacturing platform. The proposed expansion is expected to support the Company's sustainable long-term growth objectives and further reinforce its leadership position in the domestic market while strengthening its presence in international markets.

Please also find enclosed herewith the Press Release in this regard.

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

Digitally signed by MANOJ BAID
Date: 2026.09.14 20:55:42 +05'30'

(Manoj Baid)
President & Company Secretary

Encl: Press Release

Press Release
For Immediate Release

HFCL Approves Additional Investment of Approximately ₹820 Crore, Taking Total Planned Capex to ₹1,800 Crore for Expansion of Optical Fiber, Optical Fiber Cable and Preform Manufacturing Capacities

Integrated expansion to increase HFCL's Optical Fiber capacity to 43.10 Mn fkm, Optical Fiber Cable capacity to 62.00 Mn fkm and establish 600 MT annual Preform Manufacturing Capacity

Investment aimed at meeting growing domestic and international demand driven by Hyperscale data centres, AI infrastructure, cloud computing, telecom expansion and fiberisation

New Delhi, September 14, 2026: HFCL Limited (**"HFCL"** or the **"Company"**), a leading technology enterprise and integrated manufacturer of optical fiber, optical fiber cables, connectivity solutions and telecom & networking equipment, today announced that its Board of Directors has approved a significant enhancement in the Company's Optical Fiber (**"OF"**), Optical Fiber Cable (**"OFC"**) and Preform manufacturing capacities.

The Board today approved additional capacity expansion of 4.60 Mn Fiber Kms per annum for Optical Fiber, 5.64 Mn Fiber Kms per annum for Optical Fiber Cable and 300 MT per annum for Preform. The Preform manufacturing facility will be implemented in its wholly owned subsidiary HFCL Technologies Private Limited.

The total Capex for these additional capacity expansions will be ₹820 Crore. The above capacity expansion is in addition to the aggregate capital expenditure of approximately ₹980 crore already approved by the Board for Optical Fiber, Optical Fiber Cable and Preform manufacturing projects, taking the total planned capital expenditure for these capacity enhancement initiatives to approximately ₹1,800 crore.

Upon completion of the capacity expansions, HFCL's manufacturing capacities will increase to 43.10 million fiber kilometres per annum for Optical Fiber, 62.00 million fiber kilometres per annum for Optical Fiber Cable, and 600 MT per annum for Preform.

The investment is proposed to be funded through an appropriate mix of internal accruals, proceeds from the preferential issue of warrants already issued to Promoter and Promoter Group entity, borrowings from financial institutions and banks, and/or other suitable financing arrangements, as may be required.

The proposed expansion is driven by HFCL's strong order book for Optical Fiber Cable and optical connectivity products, a robust pipeline of business opportunities and a favourable long-term demand outlook for optical communication infrastructure across domestic and international markets. As on date, HFCL's combined order book for Optical Fiber Cable and connectivity solutions stood at approximately ₹19000 Crore.

Significant Expansion Across the Optical Communications Value Chain to Cater to Growing Demand for High-Capacity Digital Infrastructure

The rapid expansion of hyper scale data centres with artificial intelligence, cloud computing and high-performance computing is resulting in the development of increasingly large and data-intensive digital infrastructure. AI workloads require the movement of substantial volumes of data within and between the data centres, increasing the need for high capacity, reliable and low latency optical connectivity. Optical Fiber and Optical Fiber Cable are therefore becoming increasingly critical to the development of next-generation digital infrastructure.

Beyond data centres, telecom network modernisaton, deeper fiberisation, FTTH deployments and enterprise connectivity are expected to provide additional demand for optical connectivity. Government-led digital infrastructure and rural connectivity programmes are also contributing to the broader deployment of fiber networks across underserved geographies.

The growing adoption of digital infrastructure globally is creating opportunities across international markets, particularly for manufacturers with the scale, technology capabilities and quality credentials to address evolving requirements. The proposed capacity expansion will strengthen HFCL's ability to cater to these high-growth opportunities, with a particular focus on emerging requirements from data centres and other high-capacity digital infrastructure applications, across domestic and international markets.

Creating an Integrated and Resilient Manufacturing Platform

The proposed 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. The expansion is strategically aligned with the Company's healthy order book, expanding business pipeline and increasing opportunities across domestic and international markets.

The enhanced Optical Fiber and Optical Fiber Cable capacities will enable HFCL to address growing customer requirements, execute its existing customer commitments and pursue additional opportunities arising from the continued expansion of optical communication infrastructure. The larger manufacturing base is also expected to provide HFCL with greater operational flexibility and the ability to respond more effectively to evolving market requirements.

Strengthening Backward Integration and Supply Chain Resilience

Preform is a critical raw material used in the manufacture of Optical Fiber. The proposed Preform manufacturing facility represents an important step in strengthening HFCL's backward integration capabilities by providing reliable access to this essential input.

The facility is expected to reduce the Company's dependence on external suppliers, strengthen supply chain resilience and support its current and future Optical Fiber and Optical Fiber Cable capacity expansion plans. Greater integration across the manufacturing value chain is also expected to contribute to cost efficiencies, operational control and margin enhancement.

Collectively, the proposed investments will augment HFCL's manufacturing capabilities, improve operational efficiencies and economies of scale, strengthen supply chain security and enhance the Company's export competitiveness. The integrated manufacturing platform will support HFCL's sustainable long-term growth objectives and strengthen its position across domestic and key international markets.

Commenting on the proposed expansion, **Mr. Mahendra Nahata, Managing Director** said:

"The proposed investment marks an important step in HFCL's journey towards building a larger and fully integrated optical communications manufacturing platform. The growing adoption of AI-enabled digital infrastructure, hyperscale data centres, cloud computing and advanced telecom networks is creating significant long-term opportunities for optical communication products globally.

By expanding our Optical Fiber and Optical Fiber Cable capacities and establishing a significantly larger Preform manufacturing facility, we intend to strengthen our ability to meet growing customer requirements, improve supply chain resilience and enhance operational efficiencies. This investment reflects our confidence in the long-term growth potential of the optical communications industry and reinforces our commitment to building globally competitive manufacturing capabilities."

With these proposed investments, HFCL is building a future-ready, integrated and globally competitive optical communications manufacturing platform. The expanded capacities, supported by enhanced backward integration, are expected to strengthen supply chain resilience, improve operational efficiencies and position the Company to capture emerging growth opportunities across domestic and international markets.

About HFCL

HFCL is a leading technology enterprise with operations in high end Optical Fiber and Optical Fiber Cables, Optical Connectivity Solutions, Telecom and Defence Equipment. The Company is also creating digital networks for Telcos, Enterprises and Defence Forces. Over the years, HFCL has emerged as a trusted partner offering sustainable high-tech solutions with a commitment to providing the latest technological products to its customers. Our strong R&D expertise coupled with our system integration services and decades of experience in Fiber optics enable us to deliver innovative digital network solutions required for the most advanced networks.

The Company's in-house R&D Centers located at Gurugram, Bengaluru and Hyderabad along with invested R&D houses and other R&D collaborators at different locations in India and abroad, innovate a futuristic range of technology products and solutions. HFCL has developed capabilities to provide premium quality Optical Fiber and Optical Fiber Cables, state-of-the-art Telecom Products including IP-MPLS Routers, Backhaul Radios, Wi-Fi Systems and Defence products viz. Thermal Weapon Sights, Electronic Fuzes, High-Capacity Radio Relay and Surveillance Radars of different variants. The Company is now establishing manufacturing facility to manufacture different ammunition products for Defence sector in Andhra Pradesh.

HFCL operates advanced manufacturing facilities in Hyderabad, Goa, Chennai (through its subsidiary HTL Ltd.) and Hosur for defence equipment.

HFCL is a partner of choice for its customers across India, Europe, Asia Pacific, Middle East, Africa and USA. HFCL's commitment to quality and environmental sustainability inspires it to innovate solutions for the ever-evolving customer needs.

Visit www.hfcl.com for more information.

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