



HFCL Limited

8, Commercial Complex, Masjid Moth, Greater Kailash - II,
New Delhi - 110048, India
Tel : (+91 11) 3520 9400, 3520 9500 Fax : (+91 11) 3520 9525
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HFCL/SEC/26-27
May 14, 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 Defence Manufacturing Facility

Time of Commencement: 10:30 a.m.

Time of Conclusion : 10:50 a.m.

Dear Sir/Madam,

In continuation to our earlier announcement dated September 11, 2025 and pursuant to Regulation 30 read with Part A of Schedule III to the SEBI Listing Regulations, we wish to inform you that the Board of Directors of the Company, at its meeting held today i.e. May 14, 2026, has, **approved the establishment of a Defence Manufacturing Facility for manufacture of Multi-Mode Hand Grenade (MMHG)** and similar other products in **Sri Satya Sai District** of the State of Andhra Pradesh (“**Defence Facility**”) at a total initial capital outlay of ~₹230 crore .

This initiative forms part of HFCL’s long-term strategic expansion into high-value defence manufacturing, aligned with India’s national objective of achieving self-reliance (“*Aatmanirbharta*”) in defence production.

The domestic and global defence sectors are witnessing unprecedented growth, driven by heightened geopolitical uncertainties, enhanced focus on national security, and increasing investments by governments worldwide in advanced defence technologies.

India, in particular, is witnessing a strong policy push under import substitution, indigenisation and long-term defence procurement programs, resulting in significant opportunities for domestic manufacturers with strong engineering and manufacturing capabilities.

In this backdrop, the establishment of the Defence Facility will enable HFCL to design, develop and manufacture advanced defence systems, significantly strengthening its defence product portfolio and long-term growth prospects in this strategic sector.

A snapshot of the proposed Defence Facility and capital outlay, together with the requisite details in accordance with SEBI Master Circular No. HO/49/14/14(7)2025-CFD-POD2/1/3762/2026 dated January 30, 2026, is set out below:

Product	Existing Capacity & Utilization	Capacity Addition	Estimated Investment/ Capex
Multi-Mode Hand Grenade (MMHG) and similar other products	N.A.	~40 lakh units	~₹230 crore



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- a. **Period within which the Capacity is to be added:** Expected to be completed by December 2027.
- b. **Mode of financing:** Internal accruals / debt financing / proceeds from preferential issue of convertible warrants and/or combination thereof.
- c. **Strategic Rationale:**

The proposed investment is expected to significantly enhance HFCL's capabilities in defence manufacturing and create a strong platform for future growth in defence sector.

This initiative also positions the Company to leverage emerging opportunities arising from increased defence indigenisation, global supply chain realignment, and long-term defence procurement programs.

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