

**HFCL Limited**

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

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HFCL/SEC/25-26

March 25, 2026

<b>The BSE Ltd.</b> 1 <sup>st</sup> Floor, New Trading Wing, Rotunda Building Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai – 400001 <a href="mailto:corp.relations@bseindia.com">corp.relations@bseindia.com</a> <b>Security Code No.: 500183</b>	<b>The National Stock Exchange of India Ltd.</b> Exchange Plaza, 5 <sup>th</sup> Floor, C – 1, Block G Bandra – Kurla Complex, Bandra (E) Mumbai – 400051 <a href="mailto:cmlist@nse.co.in">cmlist@nse.co.in</a> <b>Security Code No.: HFCL</b>
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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 - Strategic Expansion and Consolidation of Defence, Aeronautics and Aerostructure Business**

**Time of Commencement: 3:00 p.m.**

**Time of Conclusion: 4:45 p.m.**

Dear Sir/Madam,

HFCL Limited (“**HFCL**”), pursuant to the approval of its Board of Directors at its meeting held today, has undertaken a major strategic initiative to expand and strengthen its Defence business, in line with its long-term growth strategy and evolving opportunities in the Defence sector including in Aeronautics and Aerostructure segments. The Board has also approved the delivery and performance of a memorandum of understanding (“**MOU**”) signed by and amongst HFCL, HFCL Advance Systems Private Limited (“**HASPL**”), a non-material wholly owned subsidiary of HFCL, Mr. Anant Nahata, Mr. Sushant Mohan Gupta, Mrs. Shubhra Gupta, Spiral EHL Engineering Private Limited (“**Spiral**”) and Defsys Solutions Private Limited (“**Defsys**”).

### **1. Transaction Overview**

HFCL as majority shareholder, along with Mr. Anant Nahata, Mr. Sushant Mohan Gupta, Mrs. Shubhra Gupta, and financial/strategic investor(s) (to be identified mutually by the parties) (“**Financial Investor/Strategic Investor(s)**”), will invest an amount not exceeding INR 175 crore or such other amount as may be determined under the transactional documents, into HASPL, in one or more tranches, in consideration of which HASPL will issue securities to each of the investors. Post completion, HASPL will remain a subsidiary of HFCL with the following shareholding:



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Name of the Shareholder	Shareholding Percentage
HFCL Limited	51.00
Mr. Anant Nahata	6.50
Mr. Sushant Mohan Gupta	4.75
Mrs. Shubhra Gupta	4.75
HFCL Advance Employee Trust (to be formed)	15.00
Financial/Strategic Investor(s)	18.00
<b>Total</b>	<b>100.00</b>

## 2. Business Consolidation

In terms of the MOU, HASPL will act as a platform for consolidation of the following businesses:

- (a) Acquisition of 100% shareholding of Spiral, a company incorporated under the Companies Act, 1956 on 18<sup>th</sup> January, 2006, by HASPL for cash consideration not exceeding INR 25 crore or such other amount as may be determined under the transactional documents, from Defsys. Spiral is an engineering and technology company with precision component manufacturing and product assembly capabilities, supported by a state-of-the-art manufacturing facility situated at Bangaluru.
- (b) Acquisition of 80% stake in Raddef Private Limited ("**Raddef**"), a company incorporated under the Companies Act, 2013 on 25<sup>th</sup> August, 2017, from HFCL for cash consideration not exceeding INR 75 crore or such other amount as may be determined under the transactional documents. Upon completion of the transaction, Raddef will continue to remain a subsidiary of HFCL through HASPL. Raddef is engaged in the design and development of fully indigenous radar systems catering to security and intelligence requirements. Its capabilities include the development of surveillance radars such as ground, airborne, coastal, drone-detection, foliage penetration radars, RF jammers, and related technologies.
- (c) Acquisition of Thermal Weapon Sight (TWS) business of HFCL on slump sale basis for cash consideration not exceeding INR 50 crore or such other amount as may be determined under the transactional documents, by HASPL. The TWS business of HFCL focuses on delivering advanced, mission-critical electro-optical solutions for defence and security applications.
- (d) Investment/loan to Spiral for acquisition of Aeronautics and Aerospace business of Defsys on slump sale basis. As part of the proposed arrangement, Spiral will acquire the existing Aeronautics and Aerospace business of Defsys on a slump sale and going concern basis for a cash consideration not exceeding INR 25 crore or such other amount as may be determined under the transactional documents. Defsys is one of the few homegrown companies forming an integral part of the global defence supply chain, with a state-of-the-art manufacturing facility located in the SEZ Gurugram. Upon completion of the transaction, the excess of



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liabilities over assets of the said business amounting to ~INR 292 crore (or such other amount as may be determined under the transactional documents) being taken over by Spiral from Defsys, shall be accounted for as Goodwill in its books in accordance with applicable accounting standards.

### 3. Business Profile

The consolidated platform will include:

- a) Aeronautics and Aerostructure manufacturing
- b) Radar and surveillance systems
- c) Thermal Weapon Sight (TWS)

The aeronautics and aerostructure business being acquired has confirmed export order book of approximately INR 1,570 crore.

### 4. Rationale

The proposed transaction is intended to establish a focused and scalable platform to strengthen HFCL's existing Defence business and to augment its presence in the Aeronautics and Aerostructure segment through HASPL. The key objectives are as follows:

- a) **Entry into high-entry-barrier aerospace manufacturing segment:** The transaction enables HFCL to enter the Aeronautics and Aerostructure segment, which has significant entry barriers due to stringent qualification requirements, long approval cycles and limited supplier ecosystems. The acquired business provides immediate access to established capabilities, certifications and customer relationships.
- b) **Immediate order book visibility with export orientation:** The proposed consolidation brings with it a confirmed export order book of approximately INR 1,570 crore and a domestic order book of approximately INR 110 crore. HFCL will continue to focus on both domestic and export markets by building on the existing demand base, scaling its capabilities, and pursuing future growth opportunities across geographies.
- c) **Creation of an integrated defence platform:** The transaction consolidates complementary capabilities across Aeronautics, Aerostructure manufacturing, Radar and surveillance systems, and Thermal Weapon Sight solutions. This enables HFCL to offer integrated, multi-domain solutions through HASPL and enhances its positioning in defence procurement programs and will contribute meaningfully to India's 'Make in India' program.
- d) **Capability enhancement across design, engineering and manufacturing:** This investment into HASPL allows HFCL to strengthen its capabilities in design, prototyping, precision manufacturing and system integration to move towards higher value-added offerings within the defence and aerospace value chain.



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### **5. Timeline**

The proposed arrangements are subject to execution of detailed transactional documents between the parties, fulfilment of agreed obligations, and receipt of necessary approvals from such authorities/persons, as may be required. The transactional agreements are expected to be executed on or before May 31, 2026, and closing under such transactional documents is expected to be completed in the current calendar year itself.

### **6. Regulatory Disclosure**

The detailed disclosure as required under SEBI Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026 will be submitted after execution of necessary transactional documents in this relation.

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)**

President & Company Secretary



Press Release  
For Immediate Release

## **HFCL Announces India's Ambitious Multi-Domain Defence Entity; Debuts with Rs.1,570 Crore Export Order Book**

- HFCL announces its subsidiary, **HFCL Advance Systems Private Limited**, as India's integrated private defence manufacturing company by unifying certified Aerostructure and Aeronautics manufacturing, Radars of various types, and Thermal Weapon Sights under one entity
- The new entity holds massive opportunities in fast-changing geopolitical scenario, with confirmed export order book of Rs.1,570 Crore
- This new entity will consolidate HFCL's Radar and Thermal Weapon Sight Business with acquisition of Spiral EHL Engineering Private Limited, which in turn will acquire Aerostructure and Aeronautics business of Defsys Solutions Private Limited on a slump sale basis. This makes it one of India's efficient and scalable platforms to drive long term growth

**New Delhi, India — March 25, 2026** — HFCL Limited (“HFCL”), a leading technology enterprise, today announced a major strategic expansion and consolidation of its defence business, establishing a scalable platform to drive long-term growth in high-value Aerostructure, Aeronautics and Defence manufacturing.

The initiative brings together complementary capabilities across Aerostructures, Aeronautics, Radar Systems, and Advanced Thermal Weapon Sight solutions under one unified platform, strengthening HFCL’s position in India’s rapidly evolving defence ecosystem. One of the key highlights of the expansion is a **confirmed export order book of approximately Rs.1,570 crore.**

### **Strategic Consolidation to Create Synergies**

HFCL will implement this consolidation through its subsidiary, HFCL Advance Systems Private Limited (“HASPL”), which will act as the vehicle for multiple defence and aerospace business.

As part of this initiative, HASPL will:

- Acquire 100% stake in an engineering and precision manufacturing company, Spiral EHL Engineering Limited (“Spiral”) which in turn will be acquiring the Aerostructure and Aeronautics business of Defsys Solutions Private Limited (“Defsys”) on a slump sale basis
- Acquire HFCL’s 80% stake in Raddef Private Limited, a Radar Technology Company, strengthening indigenous defence electronics capabilities
- Acquire HFCL’s existing Thermal Weapon Sight (TWS) business

These steps will create a vertically integrated platform spanning design, prototyping, precision manufacturing, and system integration capabilities with HFCL having majority equity.

### **Strategic Context Behind HASPL**

India’s defence procurement landscape is undergoing a structural transformation. With the Government’s push towards indigenisation under ‘Make in India’, with a rising share of the Rs.6.2 lakh crore defence budget

earmarked for domestic procurement, and Indian aerospace exports gaining global credibility, the window of opportunity for a capable, technology-first company to build scale is time-bound.

HFCL brings to this opportunity multiple years of complex manufacturing experience in mission-critical networks for defence services, built through telecom infrastructure deployments in the most demanding terrains; a disciplined capital allocation track record; and the organisational capability to execute at scale.

### Current Order Book

Category	Value (Rs. Crore)	Nature of Revenue Visibility
Confirmed Export Order Book	1,570	Firm, executable orders
Confirmed Domestic Orders	110	Firm, executable orders
Total Confirmed Order Book	1,680	

### HASPL: Three Pillars of Defence Technology

#### 1. Aerostructure & Aeronautics Manufacturing

HASPL with the integration of Spiral's manufacturing capability will encompass precision component manufacturing and product assembly for Aerostructure and Aeronautics programs. With certified facilities in Gurgaon and Bengaluru and a confirmed export order book of Rs.1,570 crore, this business operates at the intersection of advanced manufacturing and global aerospace supply chains, a domain characterised by years-long qualification cycles and high barriers to entry for new suppliers. Spiral has agreed renaming itself as HFCL Defence Systems Private Limited or any such other name with prefix HFCL, as may be approved by regulatory authorities. HFCL's Board has also approved an issuance of NOC for using the HFCL name as prefix.

#### 2. Radar & Surveillance Systems

Through Raddef Private Limited (an existing subsidiary of HFCL), **HASPL** brings fully indigenous radar technology capability to the Indian defence ecosystem. These systems span Ground Surveillance, Coastal and Maritime Surveillance, Drone Detection, Foliage Penetration Radars, and RF Jamming Technologies — addressing the highest-priority intelligence and security requirements of India's armed forces. Indigenous Radar Capability is a strategic national asset.

#### 3. Thermal Weapon Sight (TWS) Solutions

HFCL's TWS business delivers Advanced Electro-Optical and Infrared Targeting Solutions for Defence and Security Applications. Mission-critical, night-capable, and field-proven, TWS systems are a recurring requirement across infantry, armoured, and special forces platforms globally. The transfer of this business to HASPL creates a natural multi-sensor systems integration opportunity with the Radar and Aeronautics capabilities on the same platform.

**HASPL's** emphasis on sovereign control over critical technologies positions the new "Made in India" platform as strategic addition to the company's existing defence business. The existing portfolio of defence communications spans across Electronic Fuses, Radio Communication Equipment of different types, Tethered Drone, and modernization of the BMP2 project wherein HFCL is one of five shortlisted players.

**Speaking on this announcement, Mahendra Nahata, Managing Director, HFCL, said, "The creation of HFCL Advance Systems Private Limited represents HFCL's most significant move with strategic commitment to building a sovereign, technology-led defence capability for India. We are starting with a confirmed export order book, proven businesses, indigenous technology and manufacturing assets, and the organisational capability to execute. India's defence indigenisation agenda requires private sector partners who combine technology depth with program execution credibility. HASPL is our commitment to this national priority, and to long-term value creation for our shareholders."**

The company will have manufacturing facilities in **Gurgaon and Bengaluru**, leveraging two of India's most established defence and aerospace talent hubs.

The transactional agreements are targeted for execution on or before May 31, 2026, with financial closing expected within the current calendar year itself.

### **About HFCL**

HFCL is a leading technology enterprise with operations in high end Telecom and Defence Equipment, Optical Fiber and Optical Fiber Cables and 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 global 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 Gurgaon, 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 types.

HFCL operates advanced manufacturing facilities in Hyderabad, Goa, Chennai (through its subsidiary HTL Ltd.) and Manesar for telecom and networking products, 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](http://www.hfcl.com) for more information.

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