(Please scan this QR Code to view the Draft Red Herring Prospectus)

DRAFT RED HERRING PROSPECTUS
Dated August 4, 2026
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

TONBO IMAGING INDIA LIMITED

CORPORATE IDENTITY NUMBER: U26700KA2003PLC033043

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	TELEPHONE AND E-MAIL	WEBSITE
No.3 Chikkayellappa Tower-II, 1st C Main, Sarjapur Main Road, Jakkasandra Extension, Chikkayellappa Industrial Layout, Bengaluru 560 034, Karnataka, India	No. 235, 18th Main, 6th Block, Koramangala, Bengaluru Urban, Bengaluru 560 095, Karnataka, India	Ankita Agarwalla *Company Secretary and Compliance Officer*	**Tel**: +91 63 64 926 273 **Email**: compliance@tonboimaging.com	www.tonboimaging.com

OUR PROMOTERS: ANKIT KUMAR, ARVIND KONDANGI LAKSHMIKUMAR AND CECILIA D'SOUZA

DETAILS OF THE OFFER TO PUBLIC

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND SHARE RESERVATION
Offer for Sale	Not applicable	Up to 18,085,246 Equity Shares of face value of ₹2 each aggregating to ₹[●] million	Up to 18,085,246 Equity Shares of face value of ₹2 each aggregating to ₹[●] million	The Offer is being made pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"). For further details, see "***Other Regulatory and Statutory Disclosures – Eligibility for the Offer***" and "***Offer Structure***" on pages 445 and 463 respectively. For details in relation to share allocation and reservation among Qualified Institutional Buyers ("**QIBs**"), Non-Institutional Investors ("**NIIs**"), Retail Individual Investors ("**RIIs**") and Eligible Employees, see "***Offer Structure***" on page 463.

DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND WEIGHTED AVERAGE COST OF ACQUISITION

NAME[#]	TYPE	NUMBER OF EQUITY SHARES OFFERED/ AMOUNT	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (₹)[(1)(2)]
Arvind Kondangi Lakshmikumar	Promoter Selling Shareholder	Up to 1,150,000 Equity Shares of face value of ₹2 each aggregating to ₹[●] million	Nil
Ankit Kumar	Promoter Selling Shareholder	Up to 580,000 Equity Shares of face value of ₹2 each aggregating to ₹[●] million	33.91
Cecilia D'Souza	Promoter Selling Shareholder	Up to 230,000 Equity Shares of face value of ₹2 each aggregating to ₹[●] million	33.91
Vinimaya Advisory LLP	Promoter Group Selling Shareholder	Up to 339,700 Equity Shares of face value of ₹2 each aggregating to ₹[●] million	197.06
CEAQ Technologies Private Limited	Investor Selling Shareholder	Up to 10,164,500 Equity Shares of face value of ₹2 each aggregating to ₹[●] million	4.83
CEAQ Technologies Pte. Ltd.	Investor Selling Shareholder	Up to 4,899,896 Equity Shares of face value of ₹2 each aggregating to ₹[●] million	9.13
Timothy Guy Mitchell	Investor Selling Shareholder	Up to 208,700 Equity Shares of face value of ₹2 each aggregating to ₹[●] million	Negligible
Artiman Partners LLC	Investor Selling Shareholder	Up to 197,350 Equity Shares of face value of ₹2 each aggregating to ₹[●] million	147.19
Amit Dilip Shah*	Investor Selling Shareholder	Up to 84,600 Equity Shares of face value of ₹2 each aggregating to ₹[●] million	172.73
Ramesh Radhakrishnan	Investor Selling Shareholder	Up to 80,000 Equity Shares of face value of ₹2 each aggregating to ₹[●] million	147.15

(1) As certified by our Statutory Auditor, by way of their certificate dated August 4, 2026.
(2) Adjusted for bonus issuance and sub-division of equity shares.
**Amit Dilip Shah is the registered owner and Amit Shah Family Trust is the beneficial owner of the Equity Shares.*

[#] *For the complete list of the Selling Shareholders and their details, see "**Capital Structure – Weighted average cost of acquisition of the Equity Shares held by our Promoters and Selling Shareholders**" and "**Other Regulatory and Statutory Disclosures – Authority for the Offer**" on pages 117 and 444 respectively.*

RISKS IN RELATION TO THE FIRST OFFER

This being the first public offering of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹2 each. The Floor Price, Cap Price and the Offer Price as determined by our Company, in consultation with the book running lead managers ("**BRLMs**"), on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process and in accordance with SEBI ICDR Regulations, and as stated in "***Basis for Offer Price***" on page 129, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does the SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" on page 21.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each of the Selling Shareholders, severally and not jointly, accept responsibility for and confirm only statements expressly made in this Draft Red Herring Prospectus solely in relation to such Selling Shareholder and their respective Offered Shares and confirm that such statements are true and correct in all material respects and are not misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, assume no responsibility for any other statements, disclosures and undertakings, including without limitation, any of the statements, disclosures and undertakings made by or in relation to our Company or its business or any other Selling Shareholders or any other person(s), in this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges, being BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). For the purposes of the Offer, [●] is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

NAME AND LOGO OF THE BOOK RUNNING LEAD MANAGERS		CONTACT PERSON(S)	TELEPHONE AND E-MAIL
JM Financial	JM Financial Limited	Prachee Dhuri	**Tel**: +91 22 6630 3030 **E-mail**: tonbo.ipo@jmfl.com
IIFL CAPITAL	IIFL Capital Services Limited *(formerly known as IIFL Securities Limited)*	Gaurav Mittal/ Pawan Kumar Jain	**Tel**: +91 22 4646 4728 **E-mail**: tonbo.ipo@iiflcap.com

REGISTRAR TO THE OFFER

NAME OF THE REGISTRAR	CONTACT PERSON	TELEPHONE AND E-MAIL
KFin Technologies Limited	M. Murali Krishna	**Tel:** +91 40 6716 2222/ 1800 309 4001 **E-mail:** tonbo.ipo@kfintech.com

BID/OFFER PERIOD

ANCHOR INVESTOR BIDDING DATE[(1)]	[●]	BID/OFFER OPENS ON[(1)]	[●]	BID/OFFER CLOSES ON[(2)(3)]	[●]

[(1)] Our Company, in consultation with the Book Running Lead Managers, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.

[(2)] Our Company, in consultation with the Book Running Lead Managers, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.

[(3)] UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

DRAFT RED HERRING PROSPECTUS
Dated August 4, 2026
Please read Section 32 of the Companies Act, 2013
(*This Draft Red Herring Prospectus will be updated upon filing with the RoC*)
100% Book Built Offer

TONBO IMAGING INDIA LIMITED

Our Company was originally incorporated as "Sarnoff Innovative Technologies Private Limited" as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated December 18, 2003, issued by the Registrar of Companies, Karnataka at Bengaluru ("**RoC**"). Subsequently, the name of our Company was changed to "Serial Innovations India Private Limited" pursuant to a certificate of incorporation dated August 14, 2008 issued by the RoC and thereafter, the name of our Company was changed to "Tonbo Imaging India Private Limited" pursuant to a certificate of incorporation dated May 13, 2016 issued by the RoC. Upon the conversion of our Company from a private limited company to a public limited company, pursuant to a resolution passed by the Board of Directors dated August 15, 2025, and a Shareholders' resolution dated August 15, 2025, the name of our Company was changed to "Tonbo Imaging India Limited", and a fresh certificate of incorporation dated September 11, 2025 was issued by the RoC. Subsequently, pursuant to an addition to the main objects clause of the Memorandum of Association of our Company, a fresh certificate of incorporation dated June 2, 2026 was issued by the RoC. For details of changes in the name and the Registered Office of our Company see "***History and Certain Corporate Matters***" on page 281.

Registered Office: No.3 Chikkayellappa Tower-II, 1st C Main, Sarjapur Main Road, Jakkasandra Extension, Chikkayellappa Industrial Layout, Bengaluru 560 034, Karnataka, India
Corporate Office: No. 235, 18th Main, 6th Block, Koramangala, Bengaluru Urban, Bengaluru 560 095, Karnataka, India
Contact Person: Ankita Agarwalla, Company Secretary and Compliance Officer; **Tel:** +91 63 64 926 273
E-mail: compliance@tonboimaging.com; **Website**: www.tonboimaging.com; **Corporate Identity Number**: U26700KA2003PLC033043

OUR PROMOTERS: ANKIT KUMAR, ARVIND KONDANGI LAKSHMIKUMAR AND CECILIA D'SOUZA

INITIAL PUBLIC OFFER OF UP TO 18,085,246 EQUITY SHARES OF FACE VALUE OF ₹2 EACH ("EQUITY SHARES") OF TONBO IMAGING INDIA LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING TO ₹[●] MILLION THROUGH AN OFFER FOR SALE (THE "OFFER" OR "OFFER FOR SALE") OF UP TO 1,150,000 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING TO ₹[●] MILLION BY ARVIND KONDANGI LAKSHMIKUMAR, UP TO 580,000 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING TO ₹[●] MILLION BY ANKIT KUMAR, UP TO 230,000 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING TO ₹[●] MILLION BY CECILIA D'SOUZA (COLLECTIVELY REFERRED TO AS THE "PROMOTER SELLING SHAREHOLDERS"), UP TO 339,700 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING TO ₹[●] MILLION BY VINIMAYA ADVISORY LLP (THE "PROMOTER GROUP SELLING SHAREHOLDER"), UP TO 10,164,500 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING TO ₹[●] MILLION BY CEAQ TECHNOLOGIES PRIVATE LIMITED, UP TO 4,899,896 EQUITY SHARES OF FACE VALUE OF ₹2 EACH BY CEAQ TECHNOLOGIES PTE. LTD., UP TO 208,700 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING TO ₹[●] MILLION BY TIMOTHY GUY MITCHELL, UP TO 197,350 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING TO ₹[●] MILLION BY ARTIMAN PARTNERS LLC, UP TO 84,600 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING TO ₹[●] MILLION BY AMIT DILIP SHAH*, UP TO 80,000 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING TO ₹[●] MILLION BY RAMESH RADHAKRISHNAN, UP TO 69,400 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING TO ₹[●] MILLION BY ARTIMAN VENTURES SELECT 2014 L.P., UP TO 1,100 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING TO ₹[●] MILLION BY ARTIMAN VENTURES SELECT 2014 PRINCIPALS FUND L.P., (COLLECTIVELY, "INVESTOR SELLING SHAREHOLDERS"), AND UP TO 80,000 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING TO ₹[●] MILLION BY TIRUVIDAIMARUDHUR SRIVATSAN SIVASHANKAR AND MEERA SIVASHANKAR ("OTHER SELLING SHAREHOLDERS" AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDERS, PROMOTER GROUP SELLING SHAREHOLDER AND INVESTOR SELLING SHAREHOLDERS, REFERRED TO AS THE "SELLING SHAREHOLDERS" AND SUCH EQUITY SHARES OF FACE VALUE OF ₹2 EACH OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES"). THE OFFER SHALL CONSTITUTE [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

****AMIT DILIP SHAH IS THE REGISTERED OWNER AND AMIT SHAH FAMILY TRUST IS THE BENEFICIAL OWNER OF THE EQUITY SHARES.***

THE OFFER MAY INCLUDE A RESERVATION OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH, AGGREGATING TO ₹[●] MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION"). OUR COMPANY, IN CONSULTATION WITH THE BRLMS MAY OFFER A DISCOUNT OF UP TO [●]% OF THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT"), SUBJECT TO NECESSARY APPROVALS AS MAY BE REQUIRED. THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY.

THE FACE VALUE OF THE EQUITY SHARE IS ₹2 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT SIZE AND THE EMPLOYEE DISCOUNT WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND BENGALURU EDITION OF [●] (A WIDELY CIRCULATED KANNADA DAILY NEWSPAPER, KANNADA BEING THE REGIONAL LANGUAGE OF KARNATAKA, INDIA, WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE AND NSE FOR UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

In case of any revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. In cases of *force majeure*, banking strike or similar unforeseen circumstances, our Company, may in consultation with the Book Running Lead Managers, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of one Working Day, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a public notice and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as applicable.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR**"), read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**"), provided that our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis by the Company, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("**Anchor Investor Allocation Price**"). In accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2025, of the Anchor Investor Portion, 40% shall be available for allocation as follows, (i) 33.33% shall be available for allocation to domestic Mutual Funds, and (ii) 6.67% for life insurance companies and pension funds, subject to valid Bids being received from domestic Mutual Funds, life insurance companies and pension funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in (ii) above, the allocation may be made to domestic Mutual Funds. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Category (excluding the Anchor Investor Portion). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, subject to valid Bids being received at or above the Offer Price, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Investors ("**Non-Institutional Category**" or "**Non-Institutional Portion**") of which one-third of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹0.20 million (net of Employee Discount, if any) and up to ₹1.00 million and two-thirds of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹1.00 million and under-subscription in either of these two sub-categories of Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Net Offer shall be available for allocation to Retail Individual Investors ("**Retail Category**" or "**Retail Portion**"), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the Application Supported by Blocked Amount ("**ASBA**") process and shall provide details of their respective bank account (including UPI ID (defined hereinafter)) in case of UPI Bidders (defined hereinafter) in which the Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or the Sponsor Bank(s), as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. For details, see "***Offer Procedure***" on page 468.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public offering of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹2. The Offer Price/Floor Price/Cap Price, as determined by our Company, in consultation with the Book Running Lead Managers on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process and in accordance with the SEBI ICDR Regulations and as stated in "***Basis for Offer Price***" on page 129, should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does the SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" on page 21.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only statements expressly made in this Draft Red Herring Prospectus solely in relation to such Selling Shareholder and their respective Offered Shares and confirm that such statements are true and correct in all material respects and are not misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, assume no responsibility for any other statements, disclosures and undertakings, including without limitation, any of the statements, disclosures and undertakings made by or in relation to our Company or its business or any other Selling Shareholders or any other person, in this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Offer, [●] shall be the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Section 26(4) of the Companies Act. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "***Material Contracts and Documents for Inspection***" on page 508.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
JM Financial Limited 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India **Tel:** +91 22 6630 3030 **E-mail:** tonbo.ipo@jmfl.com **Investor grievance e-mail:** grievance.ibd@jmfl.com **Website:** www.jmfl.com **Contact person:** Prachee Dhuri **SEBI registration no.:** INM000010361	**IIFL Capital Services Limited** (***formerly known as IIFL Securities Limited***) 24th Floor, One Lodha Place, Senapati Bapat Marg, Lower Parel (West) Mumbai 400 013 Maharashtra, India **Tel:** 91 22 4646 4728 **E-mail:** tonbo.ipo@iiflcap.com **Website:** www.iiflcapital.com **Investor grievance e-mail:** ig.ib@iiflcap.com **Contact person:** Gaurav Mittal / Pawan Kumar Jain **SEBI registration no.:** INM000010940	**KFin Technologies Limited** 301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West), Kurla, Mumbai, Maharashtra, India, 400 070 **Tel**: + 91 40 6716 2222/ 1800 309 4001 **E-mail:** tonbo.ipo@kfintech.com **Website**: www.kfintech.com **Investor grievance e-mail**: einward.ris2kfintech.com **Contact person**: M. Murali Krishna **SEBI registration no.**: INR000000221

BID/OFFER PROGRAMME

Anchor Investor Bidding Date[(1)]	[●]	**Bid/Offer opens on**	[●]	**Bid/Offer closes on**[(2)(3)]	[●]

(1) Our Company, in consultation with the Book Running Lead Managers, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.
(2) Our Company, in consultation with the Book Running Lead Managers, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.
(3) UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any statute, legislation, act, regulation, rule, guideline, policy, circular, notification or clarification shall be to such statute, legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision. The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, 2013 the SEBI ICDR Regulations, the SCRA, the SCRR, the Depositories Act or the respective rules and regulations made thereunder. Further, the Offer related terms used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document (as defined hereinafter). In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document, the definitions given below shall prevail.

*Unless the context otherwise indicates, all references to "**the Company**" or "**our Company**" or "**Issuer**", are references to Tonbo Imaging India Limited, a public limited company incorporated under the Companies Act, 1956, and having its Registered Office at No.3 Chikkayellappa Tower-II, 1st C Main, Sarjapur Main Road, Jakkasandra Extension, Chikkayellappa Industrial Layout, Bengaluru 560 034, Karnataka, India. Furthermore, unless the context otherwise indicates, all references to the terms, "**we**", "**us**" and "**our**" are to our Company and its Subsidiaries (as defined below) on a consolidated basis.*

*Notwithstanding the foregoing, terms used in "**Statement of Special Tax Benefits**", "**Industry Overview**", "**Key Regulations and Policies in India**", "**Restated Consolidated Financial Statements**", "**Other Financial Information**", "**Outstanding Litigation and Material Developments**"* and *"**Main Provisions of Articles of Association**", on pages 142, 149, 273, 312, 395, 434 and 491, respectively, will have the meaning ascribed to such terms in those respective sections.*

Company Related Terms

Term	Description
Articles of Association / AoA/ Articles	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Board, as described in "***Our Management – Corporate Governance – Board Committees – Audit Committee***" on page 297
Board / Board of Directors	The board of directors of our Company or a duly constituted committee thereof. For further details, see "***Our Management – Board of Directors***" on page 290
CCPS/ Preference Shares	Preference shares of face value of ₹10 each, preference shares of face value ₹ 913 each, preference shares of face value ₹ 100 each and preference shares of face value ₹ 10,171 each issued by our Company
CEAQ Technologies Private Limited/ CEAQ India	CEAQ Technologies Private Limited (*formerly known as Tonbo Imaging Private Limited*)
CEAQ Technologies Pte. Ltd./ CEAQ Singapore	CEAQ Technologies Pte. Ltd. (*formerly known as Tonbo Imaging Pte. Ltd.*)
Chief Financial Officer / CFO	Chief financial officer of our Company, being, Tiruvidaimarudhur Srivatsan Sivashankar. For further details, see "***Our Management – Key Managerial Personnel and Senior Management – Key Managerial Personnel***" on page 305
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, being Ankita Agarwalla. For further details, see "***Our Management – Key Managerial Personnel and Senior Management – Key Managerial Personnel***" on page 305
Corporate Office	The corporate office of our Company, situated at No. 235, 18th Main, 6th Block, Koramangala, Bengaluru Urban, Bengaluru 560 095, Karnataka, India
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board
Director(s)	Director(s) on our Board, as appointed from time to time. For further details, see "***Our Management – Board of Directors***" on page 290
ESOP Scheme	The Amended and Restated Employee Stock Options Scheme, 2025 which subsumes the employee stock option scheme, namely, Amended and Restated Employee Stock Option Regulations, 2024. For more details see "***Capital Structure – Employee stock option schemes***" on page 121
Equity Shares	Equity shares of our Company of face value of ₹2 each, unless otherwise stated

Term	Description
Group Companies	The companies identified as 'group companies' in accordance with Regulation 2(1)(t) of the SEBI ICDR Regulations including the Materiality Policy, as disclosed in the section titled "***Our Group Companies***" on page 442
HBL Engineering Limited	HBL Engineering Limited (*formerly known as HBL Power Systems Limited*)
Independent Director(s)	Non-executive independent director(s) of our Company as described in "***Our Management – Board of Directors***" on page 290
Investor Selling Shareholder(s)	Collectively, Artiman Partners LLC, Artiman Ventures Select 2014 L.P., Artiman Ventures Select 2014 Principals Fund L.P., Amit Dilip Shah*, CEAQ Singapore, CEAQ India, Ramesh Radhakrishnan and Timothy Guy Mitchell **Amit Dilip Shah is the registered owner and Amit Shah Family Trust is the beneficial owner of the Equity Shares.*
IPO Committee	The IPO committee of our Board
Key Managerial Personnel / KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, and as disclosed in "***Our Management – Key Managerial Personnel and Senior Management - Key Managerial Personnel***" on page 305
Managing Director and Chief Executive Officer	The managing director and chief executive officer of our Company, being Arvind Kondangi Lakshmikumar
Materiality Policy	The policy adopted by our Board in its meeting held on August 4, 2026 for identification of (a) Group Companies, (ii) outstanding material litigation proceedings, and (ii) outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations for the purposes of disclosure in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus
Memorandum of Association / MoA	Memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in "***Our Management – Corporate Governance – Board Committees – Nomination and Remuneration Committee***" on page 300
Non-executive Director(s)	Non-executive director(s) on our Board, as described in *"**Our Management – Board of Directors**"* on page 290
Other Selling Shareholder(s)	Tiruvidaimarudhur Srivatsan Sivashankar and Meera Sivashankar
Previous DRHP	Previous draft red herring prospectus dated December 22, 2025 filed by our Company with SEBI and the Stock Exchanges
Promoters	The Promoters of our Company, being, Ankit Kumar, Arvind Kondangi Lakshmikumar and Cecilia D'Souza. For further details, see "***Our Promoters and Promoter Group – Details of our Promoters***" on page 308
Promoter Group	The entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "***Our Promoters and Promoter Group – Promoter Group***" on page 310
Promoter Selling Shareholder(s)	Ankit Kumar, Arvind Kondangi Lakshmikumar and Cecilia D'Souza
Promoter Group Selling Shareholder	Vinimaya Advisory LLP
Registered Office	The registered office of our Company located at No.3 Chikkayellappa Tower-II, 1st C Main, Sarjapur Main Road, Jakkasandra Extension, Chikkayellappa Industrial Layout, Bengaluru 560 034, Karnataka, India
Registrar of Companies / RoC	Registrar of Companies, Karnataka at Bengaluru
Restated Consolidated Financial Statements	Restated consolidated financial information of our Company, comprising the restated consolidated statement of assets and liabilities as at March 31, 2026 and March 31, 2025, the restated consolidated statement of profit and loss (including other comprehensive income/ (loss)), the restated consolidated statement of changes in equity, the restated consolidated statement of cash flows for the financial years ended March 31, 2026 and March 31, 2025, the restated standalone statement of assets and liabilities as at March 31, 2024, the restated standalone statement of profit and loss (including other comprehensive income/ (loss)), the restated standalone statement of changes in equity, the restated standalone statement of cash flows for the financial year ended March 31, 2024, and the summary statement of material accounting policies, and other explanatory notes, based on audited financial statements as at and for the financial years ended March 31, 2026, March 31, 2025 and March 31, 2024, prepared in accordance with Ind AS and each restated in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013 the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.
Risk Management Committee	The risk management committee of our Board, as described in "***Our Management – Corporate Governance – Board Committees – Risk Management Committee***" on page 302

Term	Description
Selling Shareholder(s)	Collectively, Promoter Selling Shareholders, Promoter Group Selling Shareholder, Investor Selling Shareholders and Other Selling Shareholders
Senior Management	Senior management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, and as disclosed in "***Our Management – Key Managerial Personnel and Senior Management - Senior Management***" on page 305
Shareholder(s)	The holders of equity shares of our Company, from time to time
Shareholders' Agreement	Subscription and restated shareholders' agreement dated February 6, 2025 entered into between our Company, HBL Engineering Limited, our Promoters, CEAQ Singapore, CEAQ India, Timothy Guy Mitchell, Serial Innovations Employee Stock Option Trust, Artiman Partners LLC, Artiman Ventures Select 2014 L.P., Artiman Ventures Select 2014 Principals Fund L.P., Amit Dilip Shah (as registered owner for Amit Shah Family Trust as the beneficial owner), Ramesh Radhakrishnan, Meghaa Karnani (as registered owner for Palita Associates as the beneficial owner), SSV Advisory Services LLP, Vinimaya Advisory LLP, Tiruvidaimarudhur Srivatsan Sivashankar and Meera Sivashankar, Neville Manuel Fernandes and Mellita Fernandes, Nitin Agarwal (HUF), Anand Ladsariya, Shereen Bhan, Florintree Flowtech LLP, Yali Deeptech Fund I, Tenacity Ventures Fund – I, Export-Import Bank of India, Pranav Parikh, Paramjit Singh, Tonbo Imaging Inc and UAB Tonbo Imaging as amended by the amendment and waiver agreement dated December 20, 2025 read with the letter dated August 4, 2026 issued by our Company to the parties to the Shareholders' Agreement
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board, as described in "***Our Management – Corporate Governance – Board Committees – Stakeholders' Relationship Committee***" on page 301
Statutory Auditor	The statutory auditors of our Company, namely, Kalyanasundaram & Associates, Chartered Accountants
Subsidiaries	The subsidiaries of our Company, being Tonbo LLC and Tonbo Systems Pty Ltd. For further details, see section titled "***History and Certain Corporate Matters – Subsidiaries and joint ventures – Our Subsidiaries***" on page 287

Offer Related Terms

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to the Bidder as proof of registration of the Bid cum Application Form
Allot / Allotment / Allotted	Unless the context otherwise requires, the allotment of the Equity Shares of face value of ₹2 each pursuant to the transfer of the Offered Shares pursuant to the Offer for Sale to successful Bidders
Allotment Advice	The note or advice or intimation of Allotment sent to each successful Bidder who has been or is to be Allotted the Equity Shares of face value of ₹2 each after approval of the Basis of Allotment by the Designated Stock Exchange
Allottee(s)	A successful Bidder to whom the Equity Shares of face value of ₹ 2 each are Allotted
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus, and who has Bid for an amount of at least ₹100.00 million
Anchor Investor Allocation Price	The price at which Equity Shares of face value of ₹2 each will be allocated to Anchor Investors according to the terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company, in consultation with the Book Running Lead Managers
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion in accordance with the requirements specified under the SEBI ICDR Regulations and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Bidding Date	The date, one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which Book Running Lead Managers will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares of face value of ₹2 each will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price The Anchor Investor Offer Price will be decided by our Company, in consultation with the Book Running Lead Managers
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than

Term	Description
	one Working Day after the Bid/Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the BRLMs, to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2025, of the Anchor Investor Portion, 40% shall be available for allocation as follows, (i) 33.33%shall be available for allocation to domestic Mutual Funds, and (ii) 6.67% for life insurance companies and pension funds, subject to valid Bids being received from domestic Mutual Funds, life insurance companies and pension funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in (ii) above, the allocation may be made to domestic Mutual Funds.
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorising an SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a UPI Bidder which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidder using the UPI Mechanism
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), the Refund Bank(s), the Public Offer Account Bank(s) and the Sponsor Bank(s), as the case may be
Basis of Allotment	Basis on which the Equity Shares of face value of ₹2 each will be Allotted to successful Bidders under the Offer, described in "***Offer Procedure***" on page 468
Bid(s)	An indication by an ASBA Bidder to make an offer during the Bid/Offer Period pursuant to submission of the ASBA Form, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of the Anchor Investor Application Form, to subscribe to or purchase Equity Shares of face value of ₹2 each at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and the Bid cum Application Form. The term 'Bidding' shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form, and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer, as applicable. In the case of Retail Individual Bidders Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares of face value ₹2 each Bid for by such Retail Individual Bidders and mentioned in the Bid cum Application Form. Eligible Employees applying in the Employee Reservation Portion can apply at the Cut Off Price and the Bid amount shall be Cap Price, multiplied by the number of Equity Shares of face value ₹2 each Bid for such Eligible Employee and mentioned in the Bid cum Application Form. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹0.50 million. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹0.20 million (net of Employee Discount, if any). Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹0.20 million (net of Employee Discount, if any), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹0.20 million
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares of face value ₹2 each and in multiples of [●] Equity Shares of face value ₹2 each thereafter

Term	Description
Bid / Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and Bengaluru edition of [●] (a widely circulated Kannada daily newspaper, Kannada being the regional language of Karnataka, India where our Registered Office is located), and in case of any revision, the extended Bid/Offer Closing Date shall also be widely disseminated by notification to the Stock Exchanges by issuing a public notice and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as required under the SEBI ICDR Regulations. Our Company, in consultation with the Book Running Lead Managers, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.
Bid / Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of [●] (a widely circulated English national daily newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper) and Bengaluru edition of [●] (a widely circulated Kannada daily newspaper, Kannada being the regional language of Karnataka, India, where our Registered Office is located), and in case of any revision, the extended Bid/Offer Opening Date also be widely disseminated by notification to the Stock Exchanges by issuing a public notice and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as required under the SEBI ICDR Regulations
Bid / Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company, in consultation with the Book Running Lead Managers, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations
Bidder / Applicant	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder and an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers / BRLMs	The book running lead managers to the Offer, being JM Financial Limited and IIFL Capital Services Limited (*formerly known as IIFL Securities Limited*)
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares of face value of ₹2 each sent to Anchor Investors, who have been allocated the Equity Shares of face value of ₹2 each, on or after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price and shall be less than or equal to 120% of the Floor Price
Cash Escrow and Sponsor Bank Agreement	The agreement to be entered into amongst our Company, the Selling Shareholders, the Syndicate Members, the Registrar to the Offer, the Book Running Lead Managers, and the Banker(s) to the Offer for, among other things, collection of the Bid Amounts from the Anchor Investors, transfer of funds to the Public Offer Account(s), and where applicable, remitting refunds, if any, to such Bidders, on the terms and conditions thereof
CDP(s) / Collecting Depository Participant(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular

Term	Description
	no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and other applicable circulars issued by SEBI as per the lists available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Collecting Registrar and Share Transfer Agents	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the lists available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time
Cut-Off Price	Offer Price, which shall be any price within the Price Band, finalised by our Company, in consultation with the Book Running Lead Managers Only Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Cut-Off Time	For all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date
Demographic Details	The details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, bank account details and UPI ID, as applicable
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com as updated from time to time
Designated Date	The date on which the funds from the Escrow Account are transferred to the Public Offer Account(s) or the Refund Account, as appropriate, and the relevant amounts blocked in the ASBA Accounts are transferred to the Public Offer Account(s) and/or are unblocked, as applicable, in terms of the Red Herring Prospectus and the Prospectus, after finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Equity Shares of face value of ₹2 each will be Allotted in the Offer
Designated Intermediary(ies)	Collectively, the SCSBs, Syndicate, sub-Syndicate, Registered Brokers, CDPs and RTAs who are authorised to collect ASBA Forms from the ASBA Bidders, in relation to the Offer. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders, as the case may be, using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by RIBs and NIBs Bidding with an application size of up to ₹500,000 (not using the UPI Mechanism) authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Investors, Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, SCSBs, Registered Brokers, the CDPs and RTAs.
Designated RTA Locations	Such locations of the RTAs where ASBA Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (*i.e.,* www.bseindia.com and www.nseindia.com) as updated from time to time
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms used by the Bidders, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, updated from time to time, or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
Draft Abridged Prospectus	The memorandum dated August 4, 2026 containing such salient features of this Draft Red Herring Prospectus in accordance with the SEBI ICDR Regulations
Draft Red Herring Prospectus / DRHP	This draft red herring prospectus dated August 4, 2026 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares of face value of ₹2 each will be Allotted and the size of the Offer, including any addenda or corrigenda thereto

Term	Description
Employee Discount	Our Company, in consultation with the BRLMs, may offer a discount of [●]% on the Offer Price (equivalent of ₹[●] per Equity Share) to Eligible Employees which shall be announced at least two Working Days prior to the Bid / Offer Opening Date
Eligible Employee(s)	Permanent employees, working in India or outside India of our Company (excluding such employees who are not eligible to invest in the Offer under applicable laws); or a Director of our Company, whether whole-time or not who is eligible to apply under the Employee Reservation Portion under applicable law as on the date of filing of the Red Herring Prospectus with the RoC and who continues to be a Director of our Company, until the submission of the Bid cum Application Form, but not including (i) Promoters; (ii) persons belonging to the Promoter Group; or (iii) Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of face value of ₹2 each of our Company; and (iv) Independent Directors. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹0.50 million (net of Employee Discount, if any). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹0.20 million (net of Employee Discount, if any). Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹0.20 million (net of Employee Discount, if any), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹0.50 million (net of Employee Discount, if any)
Eligible FPI(s)	FPIs that are eligible to participate in this Offer in terms of applicable laws other than individuals, corporate bodies and family offices and from such jurisdictions outside India where it is not unlawful to make an offer/invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares of face value of ₹2 each offered thereby.
Eligible NRI	NRI(s) eligible to invest under Schedule 3 and Schedule 4 of the FEMA Rules from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid Cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares of face value of ₹2 each
Employee Reservation Portion	The portion of the Offer being up to [●] Equity Shares of face value of ₹2 each (comprising up to [●]% of our post Offer Equity Share capital) aggregating to ₹[●] million available for allocation to Eligible Employees, on a proportionate basis. Such portion shall not exceed 5% of the post offer Equity Share capital of our Company
Escrow Account(s)	The 'no-lien' and 'non-interest bearing' account(s) opened with the Escrow Collection Bank and in whose favour Anchor Investors will transfer the money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount while submitting a Bid
Escrow Collection Bank(s)	Bank which is a clearing member and registered with SEBI as a banker to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, and with whom the Escrow Account(s) in relation to the Offer for Bids by Anchor Investors will be opened, in this case being [●]
F&S Report	The industry report titled "*Assessment of Global and Indian Defence Electronics and Technology Industry*" dated August 2026, which is exclusively prepared for the purpose of the Offer and issued by Frost & Sullivan and is commissioned and paid for by our Company. Frost & Sullivan was appointed by our Company pursuant to engagement letter dated June 29, 2026. This report will be available on the website of our Company at https://tonboimaging.com/main/industry-report/ until the Bid / Offer Closing Date
First or sole Bidder	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, being not less than the face value of the Equity Shares at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document / GID	The General Information Document for investing in public offers, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 issued by SEBI and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the Book Running Lead Managers
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India

Term	Description
	(Mutual Funds) Regulations, 2026
Mutual Fund Portion	The portion of the Offer being 5% of the Net QIB Portion consisting of [●] Equity Shares of face value of ₹2 each which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Offer	The Offer, less the Employee Reservation Portion.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares of face value ₹[●] each Allotted to the Anchor Investors
Non-Institutional Category / Non-Institutional Portion	The portion of the Offer being not less than 15% of the Net Offer consisting of [●] Equity Shares of face value of ₹2 each, available for allocation to Non-Institutional Bidders, of which one-third shall be available for allocation to Bidders with an application size of more than ₹0.20 million (net of Employee Discount, if any) and up to ₹1.00 million and two-thirds shall be available for allocation to Bidders with an application size of more than ₹1.00 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders subject to valid Bids being received at or above the Offer Price
Non-Institutional Investors / NIIs / Non-Institutional Bidders/NIBs	Bidders that are not QIBs, RIBs or Eligible Employees and who have Bid for Equity Shares of face value of ₹2 each for an amount more than ₹0.20 million (but not including NRIs other than Eligible NRIs)
NPCI	National Payments Corporation of India
Offer / Offer for Sale	Initial public offering of up to [●] Equity Shares of face value of ₹2 each for cash at a price of ₹[●] per Equity Share aggregating to ₹[●] million being offered for sale by the Selling Shareholders in the Offer
Offer Agreement	The agreement dated August 4, 2026 among our Company, the Selling Shareholders and the Book Running Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer Price	The final price at which Equity Shares of face value of ₹2 each will be Allotted to successful ASBA Bidders in terms of the Red Herring Prospectus which will be decided by our Company, in consultation with the Book Running Lead Managers, on the Pricing Date, in accordance with the Book-Building Process and in terms of the Red Herring Prospectus. Equity Shares of face value of ₹2 each will be Allotted to Anchor Investors at the Anchor Investor Offer Price, which will be decided by our Company, in consultation with the Book Running Lead Managers, on the Pricing Date, in accordance with the Book-Building Process and in terms of the Red Herring Prospectus. A discount of up [●]% of the Offer Price (equivalent of ₹[●] per Equity Share of face value of ₹2 each) may be offered to Eligible Employees Bidding in the Employee Reservation Portion. The Employee Discount will be decided by our Company, in consultation with the BRLMs
Offered Shares	Up to 18,085,246 Equity Shares of face value of ₹2 each aggregating to ₹[●] million being offered for sale by the Selling Shareholders in the Offer
Price Band	The price band ranging from the Floor Price of ₹[●] per Equity Share of face value of ₹2 each to the Cap Price of ₹[●] per Equity Share of face value of ₹2 each, including any revisions thereto. The Price Band and minimum Bid Lot, as decided by our Company, in consultation with the Book Running Lead Managers, will be advertised in all editions of [●] (a widely circulated English national daily newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper) and Bengaluru edition of [●] (a widely circulated Kannada daily newspaper, Kannada being the regional language of Karnataka, India, where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company, in consultation with the Book Running Lead Managers, will finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations containing, inter alia, the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	The bank account opened with the Public Offer Account Bank under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
Public Offer Account Bank(s)	The banks with which the Public Offer Account(s) is opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, Date, in this case being [●]
QIB Portion	The portion of the Offer being not more than 50% of the Net Offer or [●] Equity Shares of face value of ₹2 each, available for allocation to QIBs (including Anchor Investors) on a

Term	Description
	proportionate basis (in which allocation to Anchor Investors shall be on a discretionary basis, as determined by our Company, in consultation with the Book Running Lead Managers), subject to valid Bids being received at or above the Offer Price
QIBs / Qualified Institutional Buyers	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Offer Price and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto.
Refund Account(s)	The The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors shall be made
Refund Bank(s)	The Banker to the Offer which are a clearing member registered with SEBI under the SEBI BTI Regulations with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012, and other applicable circulars issued by SEBI
Registrar Agreement	The agreement dated August 4, 2026 entered into between our Company, the Selling Shareholders and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar to the Offer / Registrar	KFin Technologies Limited
Retail Individual Investor(s) / RII(s) / Retail Individual Bidder(s) / RIB(s)	Individual Bidders, who have Bid for the Equity Shares of face value of ₹2 each for an amount which is not more than ₹0.20 million in any of the bidding options in the Offer (including HUFs applying through their *karta* and Eligible NRI Bidders) and does not include NRIs (other than Eligible NRIs)
Retail Portion / Retail Category	The portion of the Offer being not less than 35% of the Net Offer consisting of [●]Equity Shares of face value of ₹2 each, available for allocation to Retail Individual Bidders as per the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares of face value of ₹2 each or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date
RTAs / Registrar and Share Transfer Agents	The registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the list available on the websites of BSE and NSE, and the UPI Circulars
Self Certified Syndicate Bank(s) / SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or such other website as updated from time to time, and (ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is appearing in the "list of mobile applications for using UPI in Public Issues" displayed on SEBI website at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43. The said list shall be updated on SEBI website from time to time
Share Escrow Agent	The share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	The agreement to be entered into between our Company, the Selling Shareholders and the

Term	Description
	Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Equity Shares of face value of ₹2 each to the demat account of the Allottees in accordance with the Basis of Allotment
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Sponsor Bank(s)	[●], being Banker(s) to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and/or payment instructions of UPI Bidders using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars
Stock Exchanges	Together, BSE and NSE
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the Book Running Lead Managers and the Syndicate Members, to collect ASBA Forms and Revision Forms
Syndicate Agreement	The agreement to be entered into between our Company, the Registrar to the Offer, the Selling Shareholders, the Book Running Lead Managers and the Syndicate Members in relation to the procurement of Bids by the Syndicate
Syndicate Member(s)	Intermediaries (other than the BRLMs) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter, namely, [●]
Syndicate / Members of the Syndicate	Together, the Book Running Lead Managers and the Syndicate Member
Underwriters	[●]
Underwriting Agreement	The agreement to be entered into between the Underwriters, our Company and the Selling Shareholders, on or after the Pricing Date but prior to filing of the Red Herring Prospectus or the Prospectus, with the RoC as the case may be
UPI	Unified Payments Interface, which is an instant payment mechanism, developed by the NPCI
UPI Bidders	Collectively, individual investors applying as (i) Retail Individual Investors in Retail Portion; (ii) Eligible Employees Bidding in Employee Reservation Portion; and (iii) individuals applying as Non-Institutional Investors with a Bid Amount of up to ₹0.50 million in the Non-Institutional Portion, and Bidding under the UPI Mechanism Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹0.50 million shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognised stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, along with the circular issued by the NSE having reference number 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 (to the extent these circulars are not rescinded by the SEBI RTA Master Circular, to the extent applicable), SEBI ICDR Master Circular and any subsequent circulars or notifications issued by the SEBI or the Stock Exchanges in this regard
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI application, by way of a SMS directing the UPI Bidder to such UPI application) to the UPI Bidder initiated by the Sponsor Bank(s) to authorise blocking of funds in the relevant ASBA Account through the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that shall be used by a UPI Bidder to make an ASBA Bid in the Offer in accordance with the UPI Circulars
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or a fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day(s)	All days on which commercial banks in Mumbai, Maharashtra, India are open for business; provided, however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, the expression "Working Day" shall mean all days on which commercial banks in Mumbai, Maharashtra, India are open for business, excluding all Saturdays, Sundays or public holidays; and (c) with reference to the time period between the Bid/Offer Closing Date and the listing of the Equity Shares of face value of ₹2 each on the Stock Exchanges, the expression 'Working Day' shall mean all trading days of Stock Exchanges, excluding

Term	Description
	Sundays and bank holidays, in terms of the circulars issued by SEBI

Conventional and General Terms and Abbreviations

Term	Description
₹/ Rs. / Rupees/ INR	Indian Rupees
AIF(s)	Alternative Investment Funds as defined in and registered with SEBI under the SEBI AIF Regulations
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AMD	Armenian Dram
AUD	Australian Dollar
BSE	BSE Limited
CAGR	Compound annual growth rate
Category I AIF	AIFs registered as "Category I alternative investment funds" under the SEBI AIF Regulations.
Category I FPIs	FPIs registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations.
Category II AIF	AIFs registered as "Category II alternative investment funds" under the SEBI AIF Regulations.
Category II FPIs	FPIs registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations.
Category III AIF	AIFs registered as "Category III alternative investment funds" under the SEBI AIF Regulations.
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
CLRA	Contract Labour (Regulation and Abolition) Act, 1970
Companies Act, 1956	The erstwhile Companies Act, 1956 read with the rules, regulations, clarifications and modifications thereunder
Companies Act, 2013	Companies Act, 2013 read with rules, regulations, clarifications and modifications thereunder
Competition Act	The Competition Act, 2002
Consolidated FDI Policy	The Consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time
Consumer Protection Act	The Consumer Protection Act, 2019
CSR	Corporate social responsibility
CST	Central sales tax
Depositories Act	Depositories Act, 1996, read with the rules, regulations, clarifications and modifications thereunder
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DGFT	Director General of Foreign Trade, Ministry of Commerce
DIN	Director Identification Number
DP ID	Depository Participant's identity number
DP/Depository Participant	A depository participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India
EPS	Earnings per share
EU	European Union
Factories Act	Factories Act, 1948
FCNR	Foreign Currency Non-Resident
FDI	Foreign direct investment
FDI Circular	The Consolidated FDI Policy Circular dated October 15, 2020 issued by the DPIIT (formerly Department of Industrial Policy & Promotion)
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder.
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year/Fiscal/Fiscal Year	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	Foreign portfolio investor registered with SEBI pursuant to the SEBI FPI Regulations
FSS Act	The Food Safety and Standards Act, 2006
FSSAI	Food Safety and Standards Authority of India
FTA	Foreign Trade (Development and Regulation) Act, 1992 and the rules framed thereunder
FVCI	Foreign venture capital investors registered with SEBI pursuant to the SEBI FVCI Regulations
FVTPL	Fair value through profit or loss

Term	Description
GoI/Central Government	The Government of India
GST	The Goods and Services Tax
HUF(s)	Hindu undivided family(ies)
ICAI	Institute of Chartered Accountants of India
ICAI Guidance Note	Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as updated from time to time
IFRS	International Financial Reporting Standards issued by the International Accounting Standard Board
Income Tax Act	Income-tax Act, 1961
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013
Ind AS 24	Indian Accounting Standard 24, "Related Party Disclosures", notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015
Ind AS 37	Indian Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets", notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act, 2013 and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
IST	Indian Standard Time
IT Act	Information Technology Act, 2000
KPI	Key Performance Indicator
KYC	Know Your Customer
Life Insurance Companies	Entities registered with the Insurance Regulatory and Development Authority of India under the provisions of the Insurance Act, 1938
MCA/Ministry of Corporate Affairs	The Ministry of Corporate Affairs, Government of India
MSME	Micro, Small or a Medium Enterprise
NACH	National Automated Clearing House
NBFC-SI/ Systemically Important NBFCs	A systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
NCLT	National Company Law Tribunal
NRE	Non-Resident External
NRI	Non-Resident Indian
NRO	Non-Resident Ordinary
Non-GAAP	Non-generally accepted accounting principle
NR/Non-Resident	A person resident outside India, as defined under the FEMA and includes an NRI
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
Patents Act	Patents Act, 1970
Pension Funds	Funds registered with the Pension Fund Regulatory and Development Authority under the provisions of the Pension Fund Regulatory and Development Authority Act, 2013
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SCORES	Securities and Exchange Board of India Complaint Redress System
SEBI	Securities and Exchange Board of India, constituted under section 3 of the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI Master Circular for Depositories	Securities and Exchange Board of India Master Circular for Depositories dated December 3, 2024 (SEBI/HO/MRD/MRD-PoD-1/P/CIR/2024/168)
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019

Term	Description
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
SEBI ICDR Master Circular	SEBI master circular number SEBI/HO/ 49/14/14(2)2026-CFD-POD2/I/4518/2026 dated February 9, 2026
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI RTA Master Circular	SEBI master circular bearing number SEBI/HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated February 6, 2026
SEBI SBEB & SE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
STT	Securities Transaction Tax
TAN	Tax deduction account number
Trade Marks Act	Trade Marks Act, 1999
U.S. Securities Act	U.S. Securities Act of 1933, as amended
US$/USD/US Dollar	United States Dollar
USA/U.S./US	United States of America
VAT	Value added tax
VCF	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 (*now repealed*) or the SEBI AIF Regulations, as the case may be

Technical, Industry Related Terms or Abbreviations

Term	Description
AI	Artificial Intelligence
ATAK	Android Team Awareness Kit, a geospatial application developed in the U.S. military for android devices. It enables users to view shared maps, navigate, coordinate, and share data in real-time, functioning for situational awareness in defence, disaster relief, and tactical operations
ATGM	Anti-Tank Guided Missile is a precision-guided munition designed to engage and destroy heavily armoured military vehicles, including tanks and armoured personnel carriers. These missiles utilize advanced guidance systems such as infrared, laser, or wire-guidance to ensure high accuracy, often featuring "fire-and-forget" technology
ATR	Automatic Target Recognition is a technology, typically utilizing computer processing and artificial intelligence (AI), that automatically detects, classifies, and identifies targets of interest from sensor data (such as radar, infrared, or electro-optical imagery) without direct human intervention
C2	Command and Control in defence is the exercise of authority and direction by a designated commander over assigned forces to accomplish a mission. It integrates personnel, equipment, communications, and procedures to plan, direct, and coordinate operations. C2 enables effective decision-making, situational awareness, and the management of complex military systems
C4ISR	Command, Control, Communications, Computers, Intelligence, Surveillance & Reconnaissance, is an integrated, technology-driven framework used by military forces to gather, analyse, and disseminate battlefield information, enabling faster decision-making, enhanced situational awareness, and unified operational coordination
CAGR	Compound Annual Growth Rate
C-UAS	Counter-Uncrewed/Unmanned Aerial Systems, often called anti-drone systems, are technologies, processes, and strategies designed to detect, identify, track, and mitigate or neutralize unauthorized or hostile unmanned aerial vehicles (UAS). These systems protect sensitive airspace, critical infrastructure, and public events from risks posed by small, low-flying drones
DAP 2020	India's Defence Acquisition Procedure 2020
DEW/DES	Directed Energy Weapon/ Directed Energy Systems are advanced systems that use highly concentrated electromagnetic energy, including lasers, microwaves, and particle beams—rather than kinetic projectiles to disable, damage, or destroy enemy equipment, facilities,

Term	Description
	and personnel. These weapons provide precise, rapid, and cost-effective engagement for defence against drones, missiles, and electronics
DRDO	Defence Research & Development Organisation (India)
EBIT	Earnings before interest and tax
EMS	Electronics manufacturing services
EO	Electro-Optical refers to the interaction between electric fields and light, specifically describing materials or devices that use electrical signals to modify, modulate, or generate light. This field covers technology like lasers, sensors, and modulators that change a material's refractive index via voltage, crucial for high-speed telecommunications and surveillance
EO/IR	Electro-Optical/Infrared systems are imaging systems used for military or law enforcement applications which include both visible and infrared sensors. Because they span both visible and infrared wavelengths, EO/IR systems provide total situational awareness during day and night and in low light conditions
FSO	Free-Space Optical (communications) is a wireless, line-of-sight technology that transmits data, voice, and video at high speeds using laser or LED light beams through the atmosphere or vacuum. It operates similarly to fibre optics but without physical cables, offering high-security and rapid deployment for, for example, connecting buildings, space-to-ground, or satellite-to-satellite links
GPU	Graphics Processing Unit is a specialized electronic circuit designed to rapidly manipulate and alter memory to accelerate the creation of images, videos, and 3D graphics. A GPU features a massively parallel architecture, consisting of thousands of smaller, efficient cores designed to handle multiple tasks simultaneously, making it ideal for gaming, video editing and machine learning
GPS	Global Positioning System
GVA	Gross Value Added
HPM	High-Power Microwave are coherent electromagnetic radiation often generated in pulsed mode via relativistic electron beams. They are used in specialized applications like directed energy weapons, electronic warfare, and high-intensity material processing, distinct from low-power consumer microwave
IDDM	Indigenously-Designed, Developed and Manufactured
iDEX	Innovations for Defence Excellence
IR	Infrared is a type of invisible electromagnetic radiation with wavelengths longer than visible red light but shorter than microwaves, typically ranging from 780 nm to 1 mm. Commonly perceived as radiant heat, it is emitted by all objects with a temperature above approximately 5 Kelvin
ISR	Intelligence, Surveillance & Reconnaissance combines data collection (surveillance), tracking (reconnaissance), and analysis (intelligence). It is a coordinated, integrated system for acquiring, processing, and providing timely information—such as sensor data or aerial surveillance to support military commanders
ITAR	International Traffic in Arms Regulations (U.S.)
LWIR/MWIR/ SWIR	Long-/Mid-/Short-Wave Infrared are infrared spectral bands used in imaging based on wavelength.
MCLR	Marginal cost of funds based lending rate
NATO	North Atlantic Treaty Organization
NAV	Net asset value
NIR	Near-Infrared is a region of the electromagnetic spectrum located just beyond visible red light, with wavelengths typically ranging from 700 nano meter to 2,500 nano meter
OEM	Original Equipment Manufacturer
OLED	Organic light emitting diode
PSU	Public Sector Undertaking (India)
PWGS	Precision Weapon Guiding Systems is an advanced, integrated technology in missiles, bombs, or artillery that uses sensors, such as GPS, laser, or infrared, and steering mechanisms to track and hit a specific, predetermined target with high accuracy while minimizing collateral damage
R&D	Research & Development
RoNW	Return on net worth
SAM	Serviceable addressable market
SCOMET	Special Chemicals, Organisms, Materials, Equipment & Technologies
SoC	System-on-Chip is an integrated circuit (IC) that combines all or most components of a computer or electronic system, including CPU, memory, GPU, and input/output controllers, onto a single, compact, and highly efficient chip
SWaP/SWaP-C	Size, Weight & Power/-Cost is an engineering framework used in Defence to optimize technology development by minimising physical and economic constraints while

Term	Description
	maximising performance. It balances the need for compact, light-weight, energy efficient systems with the financial cost of production
TAM	Total addressable market
TDS	Tax deducted at source
UAS/UAV	Unmanned Aerial Vehicle is an unmanned aircraft with no human pilot on board which is controlled remotely or autonomously. Unmanned Aerial System is the entire system comprising of the UAV, ground controller, communication links and the operator
XBRL	eXtensible business reporting language
Listed Peers	Indian listed peers of our Company; Paras Defence and Space Technologies Limited, Data Patterns Limited, Astra Microwave Products Limited, Zen Technologies Limited and Bharat Electronics Limited

Key Performance Indicators

Key performance Indicator ("KPI")	Explanation
Revenue from Operations	Income earned from the Company's core business activities, excluding other income
Revenue growth	Year-on-year percentage increase in revenue from operations
Gross Profit	Gross Profit is the profit after deduction of direct cost of goods sold from Revenues.
Gross Profit Margin	Gross Profit Margin is an indicator of the profitability of our products and is a measure of how we price our products relative to costs of manufacturing.
EBITDA	EBITDA is the operational profit after meeting direct cost of goods sold, employee costs and other operating expenses but before financing costs and depreciation & amortization, excluding other income
EBITDA Margin	EBITDA margin is an indicator of the operational profitability of our business.
PAT	Net profit earned after deducting all expenses and taxes
PAT Margin	PAT Margin is an indicator of the overall profitability of the business and is a function of scale, operational efficiency and financial efficiency.
ROCE %	ROCE measures the profits generated from capital employed and is a measure of capital efficiency (whether debt or equity)
ROE %	ROE measures the profits attributable to shareholders
Net Tangible Fixed Asset Turnover (x)	Net tangible fixed asset turnover is a measure of capital intensity of the business.
Working Capital Days	Measure of working capital used in the business such as inventory and trade receivables net of trade payables.
Export Share % in Revenue	Revenue generated from export as a percentage of total revenue from operations
Revenue Split by Products Categories (Tactical, Platforms and Others)	Revenue from Operations is broken down into platform, tactical and other product types 1) Tactical Systems – Our tactical systems are electro-optical sights offering dismounted soldiers' observation and targeting capabilities. 2) Our platform systems are designed to be integrated into surveillance, reconnaissance and targeting platforms. 3) Others include OEM component sales
Confirmed Order Book	Represents the total value of confirmed customer orders yet to be fulfilled
Orderbook Split – By Region	Represents the total value of confirmed customer orders yet to be fulfilled broken down into domestic and export
Orderbook Split – By Product Categories (Tactical, Platforms and Others)	Represents the total value of confirmed customer orders yet to be fulfilled broken down into platform, tactical and other product types

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the 'State Government' are to the Government of India, central or state, as applicable. All references in this Draft Red Herring Prospectus to the "U.S.", "USA" or "United States" are to the United States of America.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the corresponding page numbers of this Draft Red Herring Prospectus.

Currency and units of presentation

All references to:

1. "Rupee(s)", "Rs." or "₹" or "INR" are to Indian Rupees, the official currency of the Republic of India;
2. "US$" or "U.S. Dollars" or "USD" are to United States Dollars, the official currency of the United States of America.
3. "AUD" is to Australian Dollar, the official currency of Australia; and
4. "AMD" is to Armenian Dram, the official currency of Armenia.

Exchange rates

This Draft Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

Unless otherwise stated, the exchange rates referred to for the purpose of conversion of foreign currency amounts into Rupee amounts, are as follows:

(*in ₹*)

Currency	Exchange rate as on*		
	March 31, 2026	March 31, 2025	March 31, 2024
USD[(1)]	94.65	85.58	83.37
AUD[(1)]	64.58	53.67	54.34
AMD[(1)]	0.25	0.22	0.21

[(1)] Source: www.rbi.org.in, www.xe.com

** In the event that any of the aforementioned date is a public holiday, the previous calendar day not being a public holiday has been considered. The exchange rate is rounded off to two decimal places.*

Financial and other data

Our Company's financial year ("**Fiscal**", "**Financial Year**" or "**Fiscal Year**") commences on April 1 and ends on March 31 of the immediately subsequent year. Accordingly, all references in this Draft Red Herring Prospectus to a particular Financial Year or Fiscal Year or Fiscal, unless stated otherwise, are to the 12-month period ended on March 31 of that particular calendar year.

Unless stated otherwise or the context otherwise requires, the financial data and financial ratios in this Draft Red Herring Prospectus are derived from the Restated Consolidated Financial Statements of our Company.

Except otherwise specified, our Company has presented certain numerical information in this Draft Red Herring Prospectus in "lakh", "million", "crores" "billion" and "trillion" units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000. One lakh represents 100,000 and

one crore represents 10,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

The Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus under "***Financial Information***" on page 312 have been prepared basis the restated consolidated financial information of our Company, comprising the restated consolidated statement of assets and liabilities as at March 31, 2026 and March 31, 2025, the restated consolidated statement of profit and loss (including other comprehensive income/ (loss)), the restated consolidated statement of changes in equity, the restated consolidated statement of cash flows for the financial year ended March 31, 2026 and March 31, 2025, the restated standalone statement of assets and liabilities as at March 31, 2024, the restated standalone statement of profit and loss (including other comprehensive income/ (loss)), the restated standalone statement of changes in equity, the restated standalone statement of cash flows for the financial years ended March 31, 2024, and the summary statement of material accounting policies, and other explanatory notes, based on audited financial statements as at and for the financial years ended March 31, 2026, March 31, 2025 and March 31, 2024, prepared in accordance with Ind AS and each restated in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013 the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time. For further information, see "***Restated Consolidated Financial Statements***" on page 312.

There are significant differences between Ind AS, the International Financial Reporting Standards issued by the International Accounting Standard Board (the "**IFRS**") and the Generally Accepted Accounting Principles in the United States of America (the "**U.S. GAAP**"). Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS see "***Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition***" on page 70.

Prospective investors should consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar, and the impact on our financial data. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal points. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded off to such number of decimal points as provided in such respective sources. In this Draft Red Herring Prospectus, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Unless the context otherwise requires, any percentage, amounts, as set in "***Risk Factors***", "***Basis for Offer Price***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 21, 129, 239 and 396, respectively and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Consolidated Financial Statements.

Non-Generally Accepted Accounting Principles Financial Measures

Certain non-generally accepted accounting principles ("**Non-GAAP**") measures included in this Draft Red Herring Prospectus, and certain other statistical information relating to our operations and financial performance, such as Gross Profit, Gross Profit Margin (%), EBITDA, EBITDA Margin (%), PAT Margin (%), Return on Equity (%), Return on Capital employed (%), Net Tangible Fixed Asset Turnover and Working Capital Days (**"Non-GAAP Measures"**), presented in this Draft Red Herring Prospectus are supplemental measures of our

performance and liquidity that are not required by, or presented in accordance with Ind AS, IFRS or U.S. GAAP. These Non-GAAP Measures and other statistical and other information relating to operations and financial performance should not be considered in isolation or construed as an alternative to cash flows, profit for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP. In addition, these Non-GAAP Measures and other statistical and other information relating to operations and financial performance, are not standardised terms and may not be computed on the basis of any standard methodology that is applicable across the industry and therefore, may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. Further, they may have limited utility as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. For further details, see "***Management's Discussion and Analysis of Financial Position and Results of Operations – Non-GAAP Measures***" and "***Risk Factors – Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable***" on pages 396 and 63, respectively.

Industry and market data

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. Accordingly, no investment decision should be made solely on the basis of such information. The extent to which industry and market data set forth in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "***Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from the industry report titled "Assessment of Global and Indian Defence Electronics and Technology Industry" which is a paid report and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks***" on page 62.

Unless otherwise indicated, industry and market data used in this Draft Red Herring Prospectus is derived from the report titled, "*Assessment of Global and Indian Defence Electronics and Technology Industry"* dated August 2026 ("**F&S Report**") commissioned by and paid for by our Company, pursuant to an engagement letter dated June 29, 2026. The F&S Report has been prepared and issued by Frost & Sullivan (India) Private Limited ("**Frost & Sullivan**") for the purpose of understanding the industry exclusively in connection with the Offer. Frost & Sullivan has, pursuant to their consent letter dated August 4, 2026 has also confirmed that they are an independent agency and confirmed that they are not related to our Company, our Directors, our Promoters, our Key Managerial Personnel, our Senior Management or the Book Running Lead Managers. The F&S Report is available on the website of our Company at https://tonboimaging.com/main/industry-report/.

The F&S Report is subject to the following disclaimer:

*"Frost & Sullivan has taken due care and caution in preparing this report ("**F&S Report**") based on the information obtained by Frost & Sullivan from sources which it considers reliable ("**Data**"). This F&S Report is not a recommendation to invest / disinvest in any entity covered in the F&S Report and no part of this F&S Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Without limiting the generality of the foregoing, nothing in the F&S Report is to be construed as Frost & Sullivan providing or intending to provide any services in jurisdictions where Frost & Sullivan does not have the necessary permission and/or registration to carry out its business activities in this regard. Tonbo Imaging India Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the F&S Report or part thereof outside India. No part of this F&S Report may be published/reproduced in any form without Frost & Sullivan's prior written approval."*

In accordance with the SEBI ICDR Regulations, disclosures have been included in the section titled "***Basis for Offer Price***" on page 129, which include information relating to our peer group companies and industry averages.

Such information has been derived from publicly available sources. Such public sources and publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base this information on estimates and assumptions that may prove to be incorrect.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". All statements regarding our expected financial and results of operations, business, objectives, plans, and prospects are forward-looking statements, which include statements with respect to our business strategy, objectives, plans or goals, prospects, our expected revenue and profitability and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. These forward-looking statements generally can be identified by words or phrases such as "*aim", "anticipate", "estimate", "likely",* "*believe*", "*expect*", "*intend*", "*plan*", "*project*", "*will*", "*seek to"*, "*strive to*", "*continue*", "*achieve*", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All forward-looking statements whether made by us or any third parties in this Draft Red Herring Prospectus are based on our current plans, estimates, presumptions and expectations, which in turn are based on currently available information and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as the statements based on them could prove to be inaccurate.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with expectations relating to, and including, regulatory changes pertaining to the industry in India and abroad, specifically in jurisdictions in which we operate and our ability to respond to them; our ability to successfully implement our strategy, growth and expansion plans, technological changes; our exposure to market risks; general economic and political conditions in India or abroad which have an impact on our business activities or investments; the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices; the performance of the financial markets in India and globally; changes in domestic laws, regulations and taxes; changes in the incidence of any natural calamities and/or violence; and changes in competition in the industry in which we operate.

For a further discussion of factors that could cause our actual results to differ, see "***Risk Factors***", "***Our Business***", "***Industry Overview***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 21, 239, 149 and 396, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Neither our Company, our Promoters, any of the Selling Shareholders, Directors, nor the BRLMs, or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with requirements of SEBI and as prescribed under applicable law, our Company will ensure that investors in India are informed of material developments pertaining to our Company and the Equity Shares of face value of ₹2 each forming part of the Offer from the date of this Draft Red Herring Prospectus until the date of Allotment. In accordance with the requirements of SEBI and as prescribed under the applicable law, our Selling Shareholders, severally and not jointly, in respect of statements made by them in this Draft Red Herring Prospectus, shall ensure (through our Company and the Book Running Lead Managers) that the investors are informed of material developments in relation to statements specifically confirmed or undertaken by them in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus until the date of Allotment, with respect to their Offered Shares.

SECTION II – RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below before making an investment in our Equity Shares.

*We have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only risks relevant to us, our Equity Shares, or the industry in which we currently operate or propose to operate. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks mentioned in this section. If any or a combination of the following risks actually occur, or if any of the risks that are currently not known or deemed to be not relevant or material now actually occur or become material in the future, our business, cash flows, prospects, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. In order to obtain an understanding of our Company and our business, prospective investors should read this section in conjunction with "**Our Business**", "**Industry Overview**", "**Key Regulations and Policies in India**", "**Restated Consolidated Financial Statements**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 239, 149, 273, 312 and 396, respectively, as well as other financial information included elsewhere in this Draft Red Herring Prospectus. In making an investment decision, you must rely on your own examination of our Company and the terms of the Offer, including the merits and risks involved, and you should consult your tax, financial and legal advisors about the particular consequences of investing in the Offer. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.*

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to the considerations described below and elsewhere in this Draft Red Herring Prospectus.

*Our fiscal year ends on March 31 of each year, and references to a particular Fiscal are to the 12 months ended March 31 of that year. Unless otherwise indicated, or if the context requires otherwise, the financial information included herein is based on our Restated Consolidated Financial Statements for the Fiscals 2026, 2025 and 2024 included in this Draft Red Herring Prospectus. For further information, see "**Restated Consolidated Financial Statements**" on page 312. The manner of calculation and presentation of some of the operational and financial performance metrics, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions.*

Unless otherwise indicated, or if the context otherwise requires, in this section, references to "the Company" or "our Company" are to Tonbo Imaging India Limited on a standalone basis, and references to "we", "us", "our", are to Tonbo Imaging India Limited and its Subsidiaries, on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section has been derived or extracted from the report titled 'Assessment of Global and Indian Defence Electronics and Technology Industry' dated August 2026 prepared and issued by Frost and Sullivan (India) Private Limited, which has been commissioned and paid for by us and prepared, only for the purposes of understanding the industry exclusively in connection with the Offer (the "**F&S Report**"). The F&S Report will be made available on the website of our Company at https://tonboimaging.com/main/industry-report/ from the date of this Draft Red Herring Prospectus until the Bid/Offer Closing Date. Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year, refers to such information for the relevant year. For further details, see "**Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from the industry report titled "Assessment of Global and Indian Defence Electronics and Technology Industry" which is a paid report and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks**", "**Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation - Industry and Market Data**" and "**Industry Overview**" on pages 62, 18 and 149, respectively.*

Internal Risk Factors

1. Our business is cyclical in nature on account of it being geopolitically driven and subject to government budget cycles. Further, tender-based procurement cycle results in poor revenue visibility, which may have an adverse impact on our business, financial stability, results of operations, investor confidence, and the ability to secure financing for growth or innovation.

Our Company operates in the defence electronics sector, which is exposed to the complexities of government procurement processes. These processes are typically characterised by extended timelines, multiple layers of scrutiny, and dependence on government budget cycles. Funding for defence projects is subject to annual or multi-year government budgets, which can be delayed or reprioritised due to shifting political or economic circumstances. Further, defence procurement is governed by strict regulatory frameworks, requiring extensive documentation, technical evaluations, and compliance checks. Additionally, multiple government agencies and oversight bodies are often involved, each with their own review and approval processes, further extending procurement cycles. This results in protracted decision-making and contract award timelines which lead to uncertainty in order inflows and revenue volatility.

As per the F&S Report, in recent years, geopolitical instability, such as border conflicts, rising regional tensions, and emerging non-state threats, has led to accelerated procurement through emergency purchase mechanisms and fast-track acquisitions. These mechanisms are designed to address immediate operational needs, leading to sudden spikes in demand for defence electronics. While this has created short-term demand spikes, such procurement cycles are episodic and may not be sustained if geopolitical tensions subside or governments revert to conventional, multi-year acquisition programs. The episodic nature of emergency procurement leads to fluctuations in order volumes and revenue, making it difficult for companies to forecast and plan long-term investments or resource allocation. Consequently, revenue visibility can be inconsistent, and conversion of opportunities from the broader Total Addressable Market ("**TAM**") and Serviceable Addressable Market ("**SAM**") often remains a prolonged, resource-intensive process in the absence of conflict-driven urgency. While our Company has generally benefitted in such events, there is no guarantee that future conflict-driven demand spikes will result in orders for our Company. Such developments may also adversely affect procurement timelines, execution of orders and revenue recognition, as experienced in Fiscal 2026, when revenue from operations declined primarily due to delays in the execution of certain international orders arising from the West Asia conflict and the deferment of certain anticipated orders from Fiscal 2026 to Fiscal 2027. The outcome of such procurement will depend on factors including tender timelines, product suitability, competition, and available capacity. For further details, see "***Industry Overview***" on page 149.

The need to maintain readiness for both episodic surges and prolonged procurement cycles can strain resources, as we must balance the costs of maintaining capacity with the uncertainty of future demand. The unpredictability of procurement cycles complicates strategic planning, investment decisions, and supply chain management. We may face challenges in maintaining a competitive edge if we are unable to adapt quickly to shifts between emergency and conventional procurement modes.

Our revenue from operations increased from ₹4,281.89 million in Fiscal 2024 to ₹4,690.80 million in Fiscal 2025, before decreasing to ₹3,626.48 million in Fiscal 2026. This is because while there has been an increase in domestic procurement between Fiscal 2024 and Fiscal 2026, as well as the subsequent rise in enquiries and orders in the financial year ended March 31, 2026, due to heightened geo-political uncertainties globally, however, as indicated above, our revenue from operations have also decreased in Fiscal 2026 due to delays in execution of certain international orders arising from the West Asia conflict which impacted revenue recognition during the year. Accordingly, the conversion of such demands into orders is on-going and it is difficult to predict the pace of conversion with accuracy, which might have an impact on our future business, financial stability, results of operations etc.

The table below sets out details of number of bids submitted, bids won, bids lost and bid to win ratio in the Fiscals 2026, 2025 and 2024, respectively:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024	Total
Number of bids submitted#	131	64	66	261
Bids Won*	41	23	27	91
Bids Lost	44	23	33	100
Bid to win ratio	**31.30%**	**35.94%**	**40.91%**	**34.87%**

[*]Comprises bids for which purchase orders were awarded to our Company during the relevant year end and includes bids where (i) our Company was the lowest bidder as at the relevant year end and the corresponding purchase orders for such bids were placed with our Company subsequent to such year end; and (ii) our Company had submitted bids as at the relevant year end, thereafter it was declared the lowest bidder and the corresponding purchase orders for such bids were placed with our Company subsequent to such year end.
[#]No. of bids submitted also include active bids which are still not assigned.

There can be no assurance that a sudden demand spike followed by demand drop will not occur in the future. The lack of consistent revenue visibility can impact financial stability, business, results of operations, investor confidence, and the ability to secure financing for growth or innovation.

2. While we are not dependent on a single customer and we typically have short term, non recurring contracts with a majority of our customers which are based on tenders, some of our customers have contributed significantly to our revenue from operations in the last three Fiscals. If our customers choose not to source their requirements from us or to terminate our contracts or purchase orders or tenders, our business, cash flows, financial condition and results of operations may be adversely affected.

Our customers include global militaries, system integrators who supply to global militaries and procurements by NATO countries, law enforcement and homeland security agencies and other global defence OEMs and our customer base as on March 31, 2026, comprises of multinational and Indian customers in over 24 countries which includes customers in Israel, Armenia, Spain, the Philippines and the United States of America.

We typically enter into contracts with our customers via a competitive bidding process in which we compete for tenders based on, among other factors, pricing, technical capabilities and performance, as well as reputation for quality, experience, past track record, and financing capabilities. The growth of our business and ability to gain customers depends on our ability to win tenders in a competitive bidding process. We do not have annuity revenues since these contracts are typically short term and non-recurring in nature. Our pricing terms, payment cycles and permitted adjustments are generally set out in advance and we may not be able to renegotiate/reset prices set out, in the event of significant unanticipated changes in our material procurement expenses. Accordingly, our relationship with our customers are short term and typically for the manufacture of a specific product. However, some of our tenders garner us customers who contribute significantly towards revenue from operations for particular periods. For instance, one of our customers contributed significantly towards our revenue from operations and was our largest customer for Fiscal 2024 and 2025, however they are not our largest customer in Fiscal 2026. Leveraging this relationship and the trust reposed through the showcase of our technical capabilities could provide us with an edge over other competitors participating in future bids. The table set forth below provides the revenue contribution and revenue contribution as a percentage of our revenue from operations of our largest customer, our top 5 customers, our top 10 customers and our top 20 customers, for the Fiscals 2026, 2025 and 2024, respectively:

Particulars[*]	**Fiscal 2026**		**Fiscal 2025**		**Fiscal 2024**	
	Amount (*₹ million*)	**As a percentage of revenue from operations** (%)	**Amount** (*₹ million*)	**As a percentage of revenue from operations** (%)	**Amount** (*₹ million*)	**As a percentage of revenue from operations** (%)
Largest customer[#]	499.80	13.78	2,676.93	57.07	1,888.81	44.11
Top 5 customers	1,923.17	53.03	4,051.01	86.36	3,090.90	72.19
Top 10 customers	2,822.25	77.83	4,479.25	95.49	3,618.10	84.50
Top 20 customers	3,483.20	96.05	4,628.17	98.66	3,827.80	89.39

** Due to confidentiality requirements applicable to defence and government procurement contracts, the names of the customers have not been disclosed.*
[#]The same customer was the largest customer in both Fiscal 2025 and Fiscal 2024 but not in Fiscal 2026.

Further, our current order book is significantly concentrated among a few large defense customers, primarily in global militaries, law enforcement, homeland security agencies and other global defence OEMs. While such deals have demonstrated our ability to win complex, high-value contracts, they introduce risk due to customer dependence.

Additionally, we primarily operate in a procurement ecosystem driven by individual, competitive tenders issued by defence and security agencies. Each tender typically corresponds to a specific requirement, with limited scope for repeat or follow-on orders. Unlike commercial sectors that benefit from annual contracts or recurring orders, the defence sector's reliance on standalone procurement events leads to uneven revenue flow and limited visibility

beyond the current order book. This necessitates constant pursuit of new tenders and customer programs to sustain and grow revenue, increasing our dependence on winning fresh opportunities in a highly competitive and budget-constrained environment. Further, on account of the sensitivity of the sector in which we operate and the nature of the contracts we execute, *inter alia,* certain contracts entered into with the Government of India and its agencies, containing classified information. While material rights and obligations have been factored for the purposes of the disclosures in this Draft Red Herring Prospectus, under the terms of such contracts and the applicable laws, we are restricted from disclosing sensitive information to third parties. The limitations described above are not unique to our Company and are characteristic of the sector that we operate in.

Many of our government customers are subject to budgetary constraints and our continued performance under the contracts, or award of additional contracts from these government agencies, could be jeopardized by budget restrictions of the state or central governments. A significant decline in government expenditures generally could adversely affect our business and products. Our operating results may also be negatively impacted by other developments that affect these government programs generally, including the following:

- changes in government programs that are related to our products and services;
- changes in various economic policies including in relation to shifts in domestic spending and tax policy, and general economic conditions and developments;
- adoption of new laws or regulations relating to government contracting or changes to existing laws or regulations;
- changes in political or public support for security and defence programs;
- uncertainties associated with the war on terror and other geo-political matters;
- decline or reprioritisation of the country's defence budget; and
- delays in the payment of our invoices by government payment offices.

These developments and other factors could cause government entities and public sector undertakings to reduce their purchases under existing tenders, to exercise their rights to terminate tenders at their will, any of which would cause our revenue to decline and could otherwise harm our business, financial condition, and results of operations.

3. Our top ten suppliers contributed to a significant portion of our total expenses; 68.77 %, 35.46%, and 67.49% of our total expenses in the Fiscals 2026, 2025 and 2024, respectively. We are dependent on our top ten suppliers and failure to maintain our relationship with our suppliers could adversely affect our business, financial condition, results of operations and prospects.

A significant portion of our total expenses are towards our ten largest suppliers, and thus we are heavily dependent on them. We have not entered into long-term contracts with our raw material suppliers and all our procurements and supplies are by way of purchase orders which govern the commercial terms, including but not limited to the minimum product standards, quantity, price etc. In the absence of long-term contracts establishing formal exclusive relationships between us and such parties, we cannot assure that such business relationships shall last for long or at all and we may lose a significant portion of our revenues to our competitors. Our current arrangements with our suppliers may not remain in effect, or on similar terms, or at all. Our business is dependent on our ability to maintain and strengthen our relationships and arrangements with our existing key suppliers. The loss of one or more of key suppliers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. While we have not faced any such instances of termination of contracts by our key suppliers, which materially and adversely affected our results of operations for the Fiscals 2026, 2025 and 2024, we cannot assure you that we will be able to maintain historic levels of business and/or negotiate and enter into contracts on terms that are commercially viable with our key suppliers in the future.

The following table sets forth expense towards our largest suppliers as a percentage of total expense for the periods indicated:

Suppliers	For the Fiscals					
	2026		2025		2024	
	(₹ in million)	*(% of total expense)*	*(₹ in million)*	*(% of total expense)*	*(₹ in million)*	*(% of total expense)*
Three largest suppliers	1,671.50	55.72	897.60	23.98	1,532.05	45.47
Five largest suppliers	1,851.47	61.72	1,058.19	28.27	1,922.50	57.06
Ten largest suppliers*	2,062.72	68.77	1,327.42	35.46	2,273.93	67.49

**Our ten largest suppliers include CEAQ Singapore, Lynred, Prakash Engineering Works, Kaynes Technology India Limited, Syratron Technologies Pte. Ltd, Syratron Technologies Private Limited, Jai Ganesha Precision Engineering, Ryan Technology, SCD, RP Optical Lab Ltd., Avalon Technology and Services Private Limited, Toolfit, Marvel CNC Technologies and Bisen Aerospace Pvt. Ltd. These suppliers may not be our ten largest suppliers in each of the above Fiscals and the disclosure of names has only been made for such suppliers who have consented to being named as ten largest suppliers. Remaining names from our ten largest suppliers are not mentioned in this Draft Red Herring Prospectus due to non-receipt of consents for naming them as our supplier.*

Our inability to renegotiate our contractual arrangements with them will be adversely affected and may lead to a decline in our revenue from operations. Further, we cannot assure you that our suppliers will not make our raw materials unavailable to us and enter into exclusive arrangements with our competitors due to a more attractive offer being advanced. Our suppliers could also potentially shut down or cease their business operations due to factors beyond our control. Any adverse change in our relationships with our major suppliers, including the complete withdrawal of our critical components by them or their inability to fulfil payment obligations to us in a timely manner, or inability to renew our contract on favourable terms could have an adverse effect on our business and results of operations.

4. We are dependent on limited global suppliers for critical components and other raw materials. The scarcity and cost of such critical components and raw materials could adversely affect our business, financial condition, results of operations and prospects.

Our advanced electro-optics systems rely on a narrow supplier base for critical components such as uncooled and cooled infrared focal plane arrays, OLED micro displays, high-performance optics, and specialized coatings. Globally, these components are manufactured by a limited number of suppliers, often concentrated in specific geographies such as Europe, South East Asia and China with export controls or subject to geopolitical risks.

The table below sets out the cost incurred in purchase of the critical components from domestic and international suppliers as a percentage of our total cost of goods sold and revenue from operations for the Fiscals 2026, 2025 and 2024, respectively.

Particulars	Fiscal 2026			Fiscal 2025			Fiscal 2024		
	Amount (*₹ million*)	**As a percentage of total cost of goods sold** (%)	**As a percentage of revenue from operations** (%)	**Amount** (*₹ million*)	**As a percentage of total cost of goods sold** (%)	**As a percentage of revenue from operations(%)**	**Amount** (*₹ million*)	**As a percentage of total cost of goods sold** (%)	**As a percentage of revenue from operations (%)**
Cost of critical components procured from domestic suppliers	211.83	11.93	5.84	401.26	19.61	8.55	882.23	40.11	20.60
Cost of critical components procured from international suppliers	970.54	54.67	26.76	1,073.36	52.46	22.88	906.74	41.23	21.18

Further, the production and procurement of critical components for our products are dependent on our suppliers being able to procure raw materials, such as Germanium, Silicon and Carbon. As per the F&S Report, Germanium

is a scarce and expensive raw material and is subject to government licensing/export restrictions in certain geographies like China. As per the F&S Report, raw materials like Germanium and rare earth elements used in infrared optics are mined in only a few countries, such as China and Russia and face increasing scarcity and price volatility affecting the supply chain. Such dependencies pose a significant risk to our production continuity and cost structure. For further details, see "***Industry Overview – Business and competitive risks***" on page 208. Where technically feasible and commercially viable, our in-house intellectual property and vertically integrated design capabilities enables us to re-engineer systems to accommodate alternate components when necessary. However, such re-engineering may result in increased costs, extended development timelines and potential changes in product specifications. We are also actively investing in R&D for development of Germanium-free lenses. These lenses will use Chalcogenide and other polymer materials which have both transmissivity and refractive index that will support better imaging in long wave infrared. While a successful development of an alternative would reduce long-term reliance on constrained resources, like Germanium and enhance supply chain resilience, there is no certainty that we will succeed in developing alternatives that are both technologically and commercially viable.

Our success depends on the uninterrupted supply of critical components which are subject to various uncertainties and risks. We have had difficulties sourcing critical components in Fiscal 2023 when supply chains for semi-conductors were globally disrupted following the COVID -19 pandemic. Although the underlying supply chain disruption occurred in Fiscal 2023, its operational impact manifested in the subsequent years. This led to execution delays in Fiscal 2024 and Fiscal 2025 resulting in liquidated damages being paid to some of our customers amounting to ₹ 218.20 million and ₹ 189.27 million, respectively. While the disruptions arising from the COVID-19 pandemic have since subsided and our supply chain has stabilised on account of the various measures undertaken by us following such execution delays, any global instability including geo-political conflicts could adversely impact timely availability of components and materials needed by our business, for instance in Fiscal 2026, our revenue from operations have decreased due to delays in execution of certain international orders arising from the West Asia conflict. We cannot assure you that there won't be a failure to supply or any delay in the future, which may have an impact on the business and the profitability of our Company. Further, most of our procurement of critical components is done by paying cash upfront rather than by suppliers credit, which exposes us to the risk of credit worthiness of our suppliers. While we have not experienced such an instance where the cash has been unrecoverable in the last three Fiscals, we cannot assure you such an instance will not occur in the future.

5. As a global defence electronics OEM, our business is dependent on exports and the performance of geographies where we supply our products. In Fiscal 2025 and 2024, 65.52% and 48.61% of our revenue from operations was from exports and in particular from exports to Europe. Any adverse changes in the geographies where we supply our products could have an adverse impact on our business, cash flows, results of operations and financial condition.

We have supplied our products to customers across 24 countries as of March 31, 2026.

The table below sets forth details of the customers served outside India and revenue generated from such customers in the Fiscals 2026, 2025 and 2024, respectively:

Particulars	**For the year ended March 31,**		
	2026	**2025**	**2024**
Revenue from customers located outside India (*₹ million*)	202.13	3,073.38	2,081.46
Revenue from customers located outside India as a percentage of the revenue from operations (%)	5.57	65.52	48.61

The following table sets out our revenue from operations by geographical spread for the Fiscals 2026, 2025 and 2024, respectively:

Geography	**Fiscal 2026**		**Fiscal 2025**		**Fiscal 2024**	
	Amount (*₹ million*)	**Percentage of revenue from operations** (%)	**Amount** (*₹ million*)	**Percentage of revenue from operations** (%)	**Amount** (*₹ million*)	**Percentage of revenue from operations** (%)
India	3,374.65	93.06	1,570.44	33.49	1,748.62	40.84
Europe	4.71	0.13	3,065.18	65.34	1,888.81	44.11
Asia - Pacific	32.93	0.91	7.69	0.16	13.88	0.32
United States of America	3.17	0.09	0.51	0.01	-	NA
Rest of the world (Middle	161.32	4.44	-	NA	178.77	4.18

Geography	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ *million*)	Percentage of revenue from operations (%)	Amount (₹ *million*)	Percentage of revenue from operations (%)	Amount (₹ *million*)	Percentage of revenue from operations (%)
East/Africa)						
Total sale of products and solutions	**3,576.78**	**98.63**	**4,643.82**	**99.00**	**3,830.08**	**89.45**
Revenue from operations*	**3,626.48**	**100.00**	**4,690.80**	**100.00**	**4,281.89**	**100.00**

** Our Revenue from operations is a sum of total sale of products and solutions and other operating revenue*

As put forth above, while we have realised substantial international revenues from three export markets in Europe, in Fiscals 2025 and 2024, substantial revenues from many of the other international markets are yet to materialize. Our revenue from customers located outside India has significantly decreased in Fiscal 2026 from Fiscal 2025 primarily on account of deferment of certain anticipated orders from Fiscal 2026 to Fiscal 2027 due to the West Asia conflict, which resulted in an impact on revenue recognition for Fiscal 2026. As per the F&S Report, the defence procurement regulations favour domestic OEMs and system integrators in many countries. For further details, see "***Industry Overview – Core technologies and product portfolio***" on page 225. Thus, winning sizeable orders often requires strong local references, proven operational performance, and strategic endorsements. Our approach so far has been focused on building these critical references, even if it meant securing smaller initial orders or technology demonstrations. While these efforts are strategic and aimed at long-term market penetration and we have secured large scale orders in three countries of Europe, they have not yet translated into significant repeat or volume-based business from most of the other overseas regions we have set forth in. If we are unable to realise revenue from our international market despite our global footprint, our business may be adversely affected.

We are also exposed to fluctuations in the performance of the defence electronics sector, in the aforementioned geographies. Any change in law, regulations, defence budgets and policies in foreign jurisdictions, like potential sanctions, trade embargoes, increase in the tariffs where we sell our products or plan to sell our products may have an adverse impact on our business, financial condition, cash flows and results of operations. Further, foraying into the international markets would be subject to numerous political and economic factors, legal requirements such as obtaining necessary licenses or approvals, like SCOMET, and other risks associated with doing business globally. Therefore, we may not be able to expand our export business, which could have an adverse effect on our business, financial condition and results of operations. The defence electronics sector may perform differently in India and be subject to market and regulatory developments that are dissimilar to the markets in other parts of the world. Further, as other countries prioritize domestic defense production through mandates for domestic suppliers and offset obligations, the appetite for imported solutions may shrink or require deeper local partnerships. A shift in revenue mix away from exports towards Indian orders, particularly under increased domestic procurement mandates, could result in margin compression and impact our overall profitability profile.

Further, since we do not have established offices and dedicated sales presence overseas, we may from time to time engage third parties to represent us and enable our participation in tenders issued in overseas jurisdictions. Since such engagements are typically on an ad-hoc and non-exclusive basis, there is no assurance that such representatives will enable our effective participation in and/or our securing of award of such tenders. If we are unsuccessful in securing such tenders, our exports, and thereby our business, financial condition and results of operations may be adversely impacted. While we have not experienced any of the above stated instances, we cannot assure you that any such instance will not occur in the future.

6. We operate in an industry which is highly regulated and are subject to stringent government regulations. If we fail to comply with the applicable regulations and rules prescribed by the Government of India and the relevant statutory or regulatory bodies or fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required for our business, our results of operations and cash flows may be adversely affected.

We operate in an industry which is highly regulated and our operations, including manufacturing are subject to stringent laws and regulations. We are required to obtain and maintain a number of statutory and regulatory licences, registrations, permits and approvals under central, state and local government rules in India, generally for carrying out our business. Obtaining licenses, registrations, permits and approvals or their renewals are time consuming processes and subject to frequent delays. We have obtained a number of licenses, registrations, permits and approvals from the relevant authorities and are renewing such statutory approvals periodically for the existing facility, however, if we fail to obtain some or all of these approvals or licenses, or renewals thereof, in a timely

manner or at all, or if we fail to comply with applicable conditions or it is claimed that we have breached any such conditions, our license or permission for carrying on a particular activity may be suspended or cancelled and we may not be able to carry on such activity, which could adversely affect our business, results of operations, cash flows and financial condition.

For further information on the nature of approvals and licenses required for our business and for information on the material approvals applied for, see "***Key Regulations and Policies in India***" and "***Government and Other Approvals***" on page 273 and 439, respectively.

Further, we are an Indian private sector company engaged in designing, developing and manufacturing a wide range of defence products and solutions. In order to manufacture/sell/export some of our products, our products must be approved by government agencies like the Department for Promotion of Industry and Internal Trade ("**DPIIT**") and Department of Defence Production, Ministry of Defence, or Directorate General of Foreign Trade in India and by the government agencies in the countries in which we do business. We are also required to obtain SCOMET licences from the Directorate General of Foreign Trade or Ministry of Defense, as applicable, individually for each and every export order prior to shipment of goods. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, it may reduce our revenue, increase costs, adversely affect our business, financial condition and results of operations. While there have been no instances in the last three Fiscals, where we failed to obtain regulatory approvals or had our license suspended or cancelled by any regulatory authority, which adversely impacted our operations, we cannot assure you that such instances will not arise in the future.

Further, our Company's supplies are categorised as an "*Indigenously-Designed, Developed and Manufactured*" ("**IDDM"**) under India's Defence Acquisition Procedure 2020 ("**DAP 2020**"). In order to supply as an IDDM under DAP 2020, our Company must be owned and controlled by resident Indian citizens and must comply with the conditions that the final product be indigenously designed, developed and manufactured with a minimum of 50% indigenous content on cost basis of the base contract price i.e. total contract price less taxes and duties. Failure to adhere to these requirements under the DAP 2020 not only exposes our Company as a vendor to disqualification, liquidated damages, and forfeiture of performance guarantees but may also trigger blacklisting and debarment under the MoD's Guidelines for Putting on Hold, Suspension and Debarment of entities dealing with the Ministry, thereby materially affecting our eligibility for future government procurements. We are pursuing certain programmes under IDDM, and thus are subject to the adverse impacts of failure to adhere to these requirements.

Further, any variation in any policies of the Government of India in the defence sector may have an adverse impact on our business, results of operations, financial condition and cash flows.

7. We are measured against high quality standards and stringent performance requirements by our customers. Any failure by us to comply with these standards or performance requirements may lead to the cancellation of existing and future orders, recalls, liquidated damages or warranty and indemnity or liability claims, which could adversely affect our reputation, business, results from operations, financial conditions and cash flows.

We are a global defence electronics OEM that designs and develops advanced imaging, processing, and communication systems for surveillance, reconnaissance, targeting, and control. Our full-stack capabilities, ranging from core sensor technology to fully integrated autonomous platforms focused on battlefield applications across land, air, and sea through advanced imaging, situational awareness, and combat systems tailored for modern warfare which is driven by technology and autonomous systems. Given the nature of our products, and the sector in which we operate, our customers typically have high standards for product quality and delivery schedules and our products are measured against stringent specifications of our customers. Adherence to quality standards is a critical factor as a defect in products delivered by us or failure to make timely deliveries of products and solutions as per our customers' requirements and specifications and/or if our customers are dissatisfied with the quality of our products in any manner may lead to cancellation of supply orders by our customers or invocation of warranty These customer specifications or requirements are provided by our customers through tender documents circulated by them as part of the competitive bidding process. Our customers provide a varying range of specifications which include, *inter alia*, specifications in connection with the design and manufacturing of the product, technical clearance testing and inspection, safety, quality, adherence and compliance with environmental, health and safety laws. The failure by us to achieve or maintain compliance with these requirements or quality standards may disrupt our ability to supply products to our customers until compliance with such requirements or standards is achieved. Further, given our products find use in combat situations, any failure or defect or lapse in quality standards of our

products could have significantly adverse outcomes including injury and/or the death of the end-user. While there have been no injuries or deaths attributed to failure, defect or lapse in quality standards of our products, there can be no assurance that such an instance will not take place in the future.

We have put in place internal quality assurance control systems to ensure that our products will be able to satisfy our customers' quality standards. Our internal quality test is conducted on the pilot engineering unit manufactured by us in our research centre prior to dispatch to our contract manufacturing facilities for mass production. Our quality test includes a visual inspection, mechanical tests, electrical tests, followed by checks on *inter alia* in built satellite based position system, digital magnetic compass, display, dioptre adjustment, power supply, recording and data transmission, service life and environment and durability test. However, our procedures, tests and processes may fail to test for all possible conditions of use or identify all defects in the design, engineering or specifications in our products. Certain of our customers also conduct a pre-delivery inspection of the finished products through third parties at their facilities. If the products that we deliver fail to meet the quality standards at pre-delivery inspection, the customer will reject the shipment, and we will not receive payment. Further, the products may also be subjected to a third level of quality check in certain instances where the finished product delivered by us is validated by our customers upon delivery. As a part of acceptance process, our products undergo testing and if rejected, the customer has the right to raise a warranty claim within the warranty period (typically 1-2 years but can go up to 5 years) and we may have to replace the entire batch or a large portion of such batch of products. While we have not experienced cancellation of agreements due to failure to meet quality requirements in the last three Fiscals, we cannot assure you that such instances will not arise in the future. Further these quality tests incur substantial costs and our products are required to undergo multiple such quality tests. Failure of our products in passing these tests and thereby leading to loss of the contract would result in significant impact on our reputation, business, results from operations, financial conditions and cash flows. While no such instance has occurred in the last three Fiscals, we cannot guarantee such an instance would not occur in the future.

In order to check compliance with the technical specifications and quality standards, certain of our customers have audited our research centre and manufacturing processes in the past and may undertake similar audits periodically in the future. These audits play a critical role in customer retention and any adverse issues that arise in the course of these audits may lead to the relevant customer cancelling their orders with us, until we successfully address any concerns or issues leading to a loss of business from such customer.

Our contracts typically require us to indemnify our customers against any liabilities and expenses incurred as a result of failure of performance of the products. Customers can enforce such indemnities against us, unless such defect, damage or delay is caused due to the customer's wilful misconduct, fraud, gross negligence or wilful misrepresentation. Under our agreements with our customers, we are liable to pay liquidated damages for any delay in the supply of products. These liquidated damages typically range from 1/100 of delay percentage per week and are capped at 10% of delayed value. There have been certain instances in the last three Fiscals where inability to meet schedule timelines have resulted in the payment of liquidated damages by our Company to indemnify our customers. We cannot assure you such instances will not take place in the future.

The table below sets forth the expense incurred in payment of liquidated damages in the Fiscals 2026, 2025 and 2024, respectively:

Particulars	**Fiscal 2026**		**Fiscal 2025**		**Fiscal 2024**	
	Amount (*₹ million*)	**As a percentage of total expenses** (%)	**Amount** (*₹ million*)	**As a percentage of total expenses** (%)	**Amount** (*₹ million*)	**As a percentage of total expenses** (%)
Liquidated damages	38.01	1.27	189.27	5.06	218.20	6.48

Depending on the terms under which we supply products, if we supply products that do not comply with the specifications provided by our customers, our customers may hold us responsible for some or all of the repair or replacement of faulty products and may raise warranty claims during the warranty period. Such instances could adversely affect our reputation and business and, to the extent not covered by insurance, our results of operations, financial condition and cash flows. Certain of our contracts also mandate that any (i) downtime exceeding 10% of the warranty period or (ii) common defect in more than 5% of items/components, requires full replacement of equipment with upgraded design across all units supplied and yet to be supplied by us. Further, most of our contracts obligate our Company to provide free changes/upgrades (including technical details, drawings, test techniques) within 45 days of such alteration. Additionally, our Company is also required to provide product

support/spares for 10 years and to give 2 years' notice prior to closure of production line. This creates long-term obligations and potential cost burden. Our customers are also endowed with unilateral rights to terminate the contracts, any termination due to quality defects, may adversely affect our reputation and business. To ensure minimal defects, we may be required to incur significant expenses to maintain our quality assurance and quality control systems and incur additional costs in order for us to satisfy our obligations towards indemnification or payment of liquidated damages or our obligations enforced during the warranty period which may adversely affect our business, financial condition, results of operations and prospects.

8. We may be required to issue performance bank guarantees for quality defects or delay in delivery, which could adversely affect our reputation, business, results from operations, financial conditions and cash flows.

Our customers require us to issue performance bank guarantees for such quality and delivery related obligations which can be enforced against us in case of defective or damaged products or delay in delivery of the products or services supplied by us. The performance bank guarantees which we are required to furnish to our customers typically range from 3% to 5% of the total contract value of the order. These performance bank guarantees furnished by us to our customers are time bound and the expiry period of such guarantees are subject to the commercial terms entered into with each customer. If there is a performance breach by our Company, the bank guarantee may be invoked by the customer. Performance bank guarantees are released upon satisfactory completion of the work, such guarantees typically range from 1-5 years, depending on the execution period of the contract as well as the warranty period.

There has been one instance in Fiscal 2025 where inability to meet scheduled timeline for an R&D project resulted in the invocation of performance bank guarantees by a customer. The table below sets forth the expense incurred due to invocation of performance bank guarantee in Fiscals 2026, 2025 and 2024, respectively:

Particulars	**Fiscal 2026**		**Fiscal 2025**		**Fiscal 2024**	
	Amount (₹ million)	**As a percentage of total expenses** (%)	**Amount** (₹ million)	**As a percentage of total expenses** (%)	**Amount** (₹ million)	**As a percentage of total expenses** (%)
Expense incurred in payment of performance bank guarantee	-	-	7.52	0.20	-	-

We cannot assure you such instances will not take place in the future. Any such future instance could adversely affect our reputation, business, results from operations, financial conditions and cash flows.

9. Any failure to protect or enforce our rights to own or use trademarks and brand name and identity could have an adverse effect on our business, goodwill and competitive position.

Our core strength lies in complete ownership of a large portfolio of unrestricted intellectual property with respect to infrared imaging, night vision, computer vision and deep learning, precision stabilization, autonomous fire control, directed energy, option communications, high altitude surveillance, missile seekers etc. We focus on design, creation and ownership of intellectual property. We own the brand and intellectual property for all of our designs and control the supply chain. Our Company has been issued five patents from the US Patent and Trademark Office which were assigned from CEAQ Singapore to our Company pursuant to an assignment agreement dated April 25, 2025. Further, our Company has five assignment agreements with CEAQ Singapore by way of which multiple intangible assets have been assigned to our Company pursuant to deeds of assignment each dated March 11, 2024. Our Company also made royalty payments to CEAQ Singapore till Fiscal 2024. However, following the purchase of Intellectual Property in March 2024, no further royalty payments have been made. For further details on our IP portfolio, see "***Our Business – Intellectual Property Rights***" and "***Government***

and Other Approvals – Intellectual Property" on pages 268 and 441. Further, as of the date of this Draft Red Herring Prospectus, we have one trademark under class 9 which was transferred to us from CEAQ Singapore by way of an assignment agreement dated July 26, 2024 and an application for transfer of this trademark from CEAQ Singapore to our Company has been submitted to the Registrar of Trademarks under the Trademarks Act, 1999, and one application for registration of a new trademark under Class 9, which are currently pending approval. Additionally, we have made four patent applications which are currently pending approval from the Indian Patent Office and the United States Patent and Trademark Office. There can be no assurance that such trademark and patents will get transferred or registered to us. Further, we possess technical knowledge about our products and manufacturing know-how. We have gained such technical knowledge through our own experiences, R&D initiatives undertaken by us, over the years. Our technical knowledge is a significant independent asset. Our technical knowledge i.e., knowledge of our manufacturing processes and related aspects, is an asset that may not be sufficiently protected by intellectual property rights. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run.

Our future success depends, in part, on our ability to protect these intellectual property and other proprietary rights that we may develop. We rely primarily on patents, trademarks, designs and technical knowledge, as well as other contractual provisions, to protect our intellectual property and other proprietary rights. A significant number of our employees have access to confidential design and product information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. While our employees are subject to strict confidentiality, non-disclosure, non-solicitation and non-compete obligations under the respective agreements entered with them, we cannot assure you that we will be able to successfully enforce such provisions. We also enter into confidentiality and non-disclosure agreements with our suppliers and business partners, however, we cannot assure you that parties will not breach their confidentiality obligations under such arrangements. The potential damage from such breach of any confidentiality obligations is heightened if such designs and products are not patented, and thus we may have no recourse against copies of our products and designs that enter the market subsequent to such leakages. Even if all reasonable precautions, whether contractual or otherwise, are taken to protect our confidential technical knowledge of our products and business, there is a risk that certain proprietary knowledge may be leaked, either inadvertently or willfully, at various stages of the production process. We operate in highly sensitive areas and such leakage could adversely affect such critical programmes and our goodwill as well as future prospects with key agencies in the sector.

In the event the confidential technical information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in the sectors we operate in could be harmed. If a competitor is able to reproduce or otherwise capitalise on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Any leakage of confidential technical information could have an adverse effect on our business, goodwill results of operations, financial condition and future prospects. While we have not encountered any instances of confidential information, including technical knowledge, regarding our manufacturing operations, products, or customers being leaked in the last three Fiscals, we cannot assure you that such instances will not arise in the future.

Further, any failure to register or renew the registration of our registered trademark or patents may affect our right to use such trademark in future. Our efforts to protect our intellectual property in India and abroad may not be adequate and any third party claim on any of our unprotected intellectual property may lead to erosion of our business value, goodwill and our reputation, which could adversely affect our operations. Third parties may also infringe or copy our registered brand name in India and abroad which has been registered by us in India. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual properties in India and abroad. Moreover, our ability to protect, enforce or utilize our brand name is subject to risks, including general litigation risks. Furthermore, we cannot assure you that such brand name will not be adversely affected in the future by actions that are beyond our control, including customer complaints or adverse publicity from any other source in India and abroad. Any damage to our brand name, if not immediately and sufficiently remedied, could have an adverse effect on our business and competitive position in India and abroad. While we have not experienced any such instance in the last three Fiscals, there can be no assurance that such an instance will not take place in the future.

Finally, while we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights, which may force us to alter our product offerings or modify our manufacturing processes established in our production facilities. We may also be susceptible to claims from third parties asserting infringement and other related claims in India and abroad. Any claims, with or without merit, could be time consuming and expensive, and could divert our management's attention away from the execution of our business plan. While we have not experienced any

such instance in the last three Fiscals, there can be no assurance that such an instance will not take place in the future.

10. We have in the past entered into related party transactions, inter alia, sale of goods, purchase of project materials, technical support services – payables, remuneration paid to directors, reimbursement of expenses, etc and may continue to do so in the future.

We have entered into transactions with related parties in the past and from, time to time, we may enter into related party transactions in the future. These transactions include, among other things, remuneration paid to directors, sale of goods, reimbursement of expenses, purchase of project materials, technical support services – payables etc. Our Company has entered into transactions with CEAQ Singapore in the past for the procurement of raw materials, typically including components and other raw material sourced by CEAQ Singapore from global suppliers with whom it has long standing relationships. Our Company also made royalty payments to CEAQ Singapore till Fiscal 2024. However, following the purchase of Intellectual Property in March 2024, no further royalty payments have been made. The table below sets the sales made by us to our related parties in Fiscals 2026, 2025 and 2024, respectively:

Name of the related parties	**Fiscal 2026**		**Fiscal 2025**		**Fiscal 2024**	
	Amount (₹ million)	**As a percentage of revenue from operations** (%)	**Amount** (₹ million)	**As a percentage of revenue from operations** (%)	**Amount** (₹ million)	**As a percentage of revenue from operations** (%)
CEAQ Technologies Pte Ltd	0.42	0.01	0.25	0.01	NIL	NIL
CEAQ Technologies Private Limited	NIL	NIL	NIL	NIL	5.31	0.12
HBL Engineering Limited	NIL	NIL	NIL	NIL	416.78	9.73

For further details in regard to such transactions, see "***Summary of Related Party Transactions***" and "***Restated Consolidated Financial Statements – Note 46 - Related Party Disclosures***" on pages 87 and 384, respectively.

While all such transactions have been conducted on an arm's length basis and in accordance with the Companies Act, 2013, we cannot assure you that we might not have obtained more favourable terms had such transactions been entered into with unrelated parties. While we shall endeavour to conduct all related party transactions post listing of the Equity Shares subject to the Board's or Shareholders' approval, as applicable, and in compliance with the applicable accounting standards, provisions of Companies Act, 2013, provisions of the SEBI Listing Regulations and other applicable law, such future related party transactions may potentially involve conflicts of interest. Although our Company will endeavour to duly address such conflicts of interest as and when they may arise, we cannot assure you that these arrangements in the future, or any future related party transactions that we may enter into, individually or in the aggregate, would provide us with the anticipated benefits and/or will not have an adverse effect on our business, financial condition and results of operations.

11. We have a history of negative cash flows from operating activities. We had negative net cash flow (used in) operating activities of ₹(632.16) million and ₹(1,361.19) million in Fiscals 2026 and 2025, respectively. If we are unable to generate adequate revenue and manage our cash flows and expenses, it may have an impact on our results of operations, business and cash flows.

We have reported negative cash flows from operating activities in Fiscals 2026 primarily due to increase in inventories, increase in other current assets and decrease in provisions (non current) and in Fiscal 2025 primarily due to the decrease in other current liabilities (on account of the one-time intellectual property acquisition in Fiscal

2024) , the increase in trade receivables and other financial assets (non-current). The table below provides a summary of our net cash flow for the years indicated:

(*₹ million*)

Particulars	Fiscal		
	2026	2025	2024
Net Profit before tax	699.59	992.65	945.50
Cash generated from operating activities	(480.16)	(1,029.03)	837.28
Net cash flow from operating activities	(632.16)	(1,361.19)	783.33

If we incur significant negative cash flows for extended periods going forward, it could adversely affect our business, financial condition, results of operations and cash flows. For more details, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 396.

12. Our operations are dependent on research and development ("R&D"), thus our inability to introduce new products and respond to changing customer preferences in a timely and effective manner, may have an adverse effect on our business, results of operations and financial condition.

As per the F&S Report, global defense modernization landscape is evolving in response to mounting geopolitical uncertainty, supply chain disruption, and the urgent need for capability renewal. For further details, see "***Industry Overview – Global Defence Modernization – Opportunity Size and Trends***" on page 161. We must continuously invest in R&D to maintain competitiveness across product categories like thermal sights, gimbals, targeting systems, and directed energy systems. We design and develop products and technologies that incorporate advanced technologies. The business environment in many of our principal operating activities requires extensive design and development expenses. We devote substantial resources to our design and engineering functions and also make investments in R&D, in particular, to create new products and technologies which are further customised to meet customer expectations and end-user preferences, considering factors such as terrain adaptability, user comfort, reduced size, weight, power and cost of systems that can image in the infrared spectrum at the same time maintaining the image quality performance of more expensive, larger systems which allows us to develop new and differentiated products and respond to evolving industry trends and sector and customer's preferences and to also improve our production processes and quality of our existing products and solutions, which we believe are factors crucial for our future growth and prospects. Our technology advancements in computational imaging, diffractive optics, optical materials and consumer electronics chipsets driven system on chip platforms has allowed us to build high performance defence electronics systems that are non-ITAR and as per the F&S report, we design our products baselining our technology with developed markets and pricing them competitively for developing markets. For further details, see "***Industry Overview – Tonbo Imaging's Position in the Ecosystem***" on page 224. Our ongoing technology development and R&D focuses on creating a reduction in expenses to support larger industrials and commercial applications across safety, security and efficiency through anchoring our technology roadmap in four critical vectors that we believe are fundamental to redefining the state of the art in defence electro-optics; advancements in sensor technology and optical architectures (Better data), generation of actionable, metric-rich analytics and understanding through embedded AI (Better information), development of scalable, high-performance free-space optical ("**FSO**") communication systems (Better communication), integration of the above into rugged, deployable systems across soldier, vehicle, and aerial domains (Better platforms). Our focus on R&D has been critical to our success and has helped us develop an extensive range of products. Certain key technologies developed through R&D include, micro-scanned optics, scene-based non-uniformity correction, thermal stereo vision systems for depth perception in low-light conditions, 3D imaging using single-detector thermal imagers, sub-5 µrad inertial stabilization and high accuracy pointing systems, fast steering mirror assemblies for dynamic beam alignment etc.

The table below sets forth the R&D expense incurred and R&D expense as a percentage of the total expenses in the Fiscals 2026, 2025 and 2024, respectively:

Products	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (*₹ million*)	As a percentage of total expenses (%)	Amount (*₹ million*)	As a percentage of total expenses (%)	Amount (*₹ million*)	As a percentage of total expenses (%)
R&D cost	258.56	8.62	90.95	2.43	42.41	1.26

As on March 31, 2026 our R&D team comprise of 133 engineers with an average experience of 9 years. As part of our efforts towards R&D, we have set up an R&D centre at Bengaluru, Karnataka to undertake research, develop and experiment with new designs, technologies and equipment. Our R&D centre is ISO certified; it has

the ISO 9001:2015 (quality management systems), ISO 14001:2015 (environmental management system) and ISO/IEC 27001:2022 (information security management system) and ISO 28000:2022 (security and resilience-security management systems requirements) for design, development, manufacture and servicing of electro optical systems and imaging cores in the areas of infrared imaging for use in defence, commercial, security and industrial applications. Our R&D expenditure as a percentage of revenue from operations was 1.94% for Fiscal 2025, while the global industry average of R&D expenditure as a percentage of revenue was 4.03%.*

**As per the F&S Report, the global industry average has been calculated as the average of R&D expenditure as a % of revenue of the Indian and global peers, based on the latest publicly available information. This has been calculated based on said expenditure and revenue in FY 2025 for Indian peers and calendar year 2025 for global peers.*

Our ability to realize the anticipated benefits of our R&D capabilities depends on a variety of factors, including meeting development, production, certification and regulatory approval schedules, execution of internal and external performances plans, availability of supplier and internally - produced parts and materials, performance of suppliers and sub-contractors, hiring and training of qualified personnel, achieving cost and production efficiencies, identification of emerging technological trends in our target end markets, validation of technologies, level of customer interest in new technologies and products, and customer acceptance of our products and products that incorporate technologies we develop. In addition, due to the design complexity of our products, we may experience delays in completing the development and introduction of new products.

If we are unable to continuously develop new products or optimise our processes, to innovate or respond to emerging technologies, such as AI-enabled surveillance, SWaP-C miniaturization, or counter-drone electronic warfare, it could erode our market share. Further, rapid product lifecycles and shifting customer preferences could also render existing platforms less attractive and adversely impact our business, results of operations, financial condition and cash flows. Further, delays in any part of the process, our inability to obtain necessary regulatory approvals for our products or failure of a product to be successful at any stage of its development will result in our inability to timely offer products that satisfy the market, which might allow competing products to emerge during the development and certification process and could adversely affect our business. Delays in introducing new products and enhancements, the failure to choose correctly among technical alternatives or the failure to offer innovative products or enhancements at competitive prices may cause existing and prospective customers to purchase our competitors' products. While there have been no such instances in the last three Fiscals, there can be no assurance such an instance will not occur in the future.

Though we strive to align our solutions with requirements of our customers, there can be no assurance that we will be able to secure the necessary knowledge through our own in-house product development that will allow us to continue to develop our offerings in accordance with the requirements of our customers and industry trends. Furthermore, there is no assurance that our newly developed or improvised products and solutions will yield desired results, can be used for commercial operations or will generate any revenue. Our ongoing investments in various R&D initiatives could result in higher costs without a proportionate increase in revenues. If we fail to design, develop and manufacture customised products and solutions for our customers at competitive price, this may affect our ability to win bids and/or contracts and our business profitability and financial condition may be materially and adversely affected. For instance, one of the key focus of our work is to look at synthesized alternatives to Germanium, which is a primary raw material used in manufacturing infrared optics, to reduce any dependence on geopolitics-based scarcity, reduce weight and size of the optical system, reduce cost of larger optical systems and reduce dependence on manufacturing infrastructure to fabricate the lenses. We have had some success with synthesised polymers that show a moderately high refractive index comparable to Germanium and good transmissivity, however, the study on synthesized polymer is in an early phase and it may not be an appropriate substitute of Germanium, consequently we may not be able to derive benefits of the cost and effort put it its R&D works. Further, if any of our competitors offer an inexpensive and/or readily available substitute for Germanium before us, it could have a significant impact on our business, financial condition and results of operations. Further, the synthesized polymer is still in its early phase of development, there is no assurance that it will be an adequate substitute for Germanium. If we are unable to achieve the anticipated returns in such new growth areas, it could have a material adverse effect on our business, results of operations and financial condition. Further, products can take 3-5 years to stabilise in terms of technology readiness and customer adoption of platform systems which have a high per unit cost can be slow even when the need is established.

We are also subject to the risks generally associated with new technologies and product introductions, including lack of market acceptance, delays in product development and failure of products to operate properly. Our failure to successfully deduce the industry trends, or invest our resources and capital incorrectly, could have a material adverse effect on our business, financial condition, results of operations and future prospects. While we have not

experienced any such instance in the last three Fiscals, we cannot assure you that we will be successfully able to anticipate future industry trends and customer requirements.

13. We derive a significant portion of our revenues from the sale of tactical systems, which represented 58.37, 77.24%, 83.90%of our revenue from operations for the Fiscals 2026, 2025, 2024, respectively. Any decline in the demand for our tactical systems would have an adverse effect on our business, financial condition, results of operations and cash flows.

We derive a significant portion of our revenues from the sale of tactical systems. Our tactical systems include Arjun, Spartan and Bloodhound etc., for armed and police forces in combat situations including counter insurgency and anti-terror operations. The table below sets forth details of our revenue from our products in the Fiscals 2026, 2025, 2024, respectively:

Products	**Fiscal 2026**		**Fiscal 2025**		**Fiscal 2024**	
	Amount (₹ million)	**As a percentage of revenue from operations** (%)	**Amount** (₹ million)	**As a percentage of revenue from operations** (%)	**Amount** (₹ million)	**As a percentage of revenue from operations** (%)
Tactical systems[(1)]	2,116.75	58.37	3,622.96	77.24	3,592.69	83.90
Platform systems[(2)]	1,448.08	39.93	1,010.53	21.54	127.00	2.97
Others[*]	11.95	0.33	10.33	0.22	110.39	2.58
Total sale of products and solutions	**3,576.78**	**98.63**	**4,643.82**	**99.00**	**3,830.08**	**89.45**
Other Operating Revenue[$]	**49.70**	**1.37**	**46.98**	**1.00**	**451.81**	**10.55**
Revenue from operations[#]	**3,626.48**	**100.00**	**4,690.80**	**100.00**	**4,281.89**	**100.00**

Note: We are yet to book revenue for our directed energy systems which are currently in the development stage.
**Comprise certain OEM component sales.*
Our Revenue from operations is a sum of total sale of products and solutions and other operating revenue.
[$]Other Operating Revenue includes revenue from other ancillary services such as technical / post-sales support on products, component sales and foreign exchange gains
*[(1)]Our tactical optronics portfolio comprises a family of electro-optical sights engineered to provide dismounted soldiers with observation, target acquisition, and engagement capabilities in all light and weather conditions. These lightweight handheld, weapon-mounted, and helmet-mounted systems are built with a strong focus on modularity and optimized Size, Weight, and Power ("**SWaP**"), enabling soldiers to operate for longer durations with minimal load burden. Their applications span reconnaissance, patrol, and close-quarters engagement to long-range surveillance and anti-ambush operations, giving frontline soldiers a decisive sensing and targeting advantage across diverse mission environments.*
[(2)]Our platform-grade optronics encompass a broad suite of stabilized multi-sensor gimbals and electro-optical/infrared (EO/IR) payloads designed for integration with ground vehicles, airborne platforms, naval assets, and weapon-station turrets. By offering a versatile, modular, multi-sensor architecture with robust stabilization, high-definition imaging, laser ranging/designating, and sensor-fusion capabilities, our platform optronics are suited for modern combined-arms operations — from over-the-horizon surveillance and ISR to real-time targeting for remote-weapon stations, armoured vehicles, C-UAS defense, border security, and maritime patrol. Our end effector platforms are designed for neutralization of aerial and ground threats. These comprise of advanced RF-based directed-energy systems and high-speed, jet-powered loitering-munition platforms equipped with state-of-the-art infrared seekers.

For further details, see "***Our Business – Our Products***" on page 254. The sale of tactical systems may decline as a result of, amongst other factors, lower demand for products from our customers, increase in competition, change in our own strategies for growth and macro-economic conditions in India or outside India. Our failure to identify and understand evolving industry trends and preferences and a decline in our production of tactical systems would have an adverse impact on our business, results of operations, financial conditions and cash flows. We cannot assure you that any decrease in demand for tactical systems could potentially be off-set by sales of platform products.

14. Any shutdown of our existing research centre or other production problems caused by unforeseen events may reduce sales and adversely affect our business, cash flows, results of operations and financial condition.

As of the date of this Draft Red Herring Prospectus, while our large scale manufacturing is outsourced, we design our pilot engineering units at our research centre in Bengaluru, Karnataka. For details with respect to our contract

manufacturing, see "***Our Business – Contract Manufacturing***" on page 263. Any significant social, political or economic disruption, or natural calamities or civil disruptions in Karnataka or changes in the policies of the state or local governments of Karnataka or the Government of India, could result in the damage or destruction of a significant portion of our manufacturing abilities, require us to incur significant capital expenditure and change our business strategy. The occurrence of, or our inability to effectively respond to any such event, could have an adverse effect on our business, results of operations, financial condition and cash flows.

Our research centre is subject to operating risks and we may encounter manufacturing problems or experience difficulties or delays in production as a result of occurrence of the following events or any other events beyond our control:

- forced or voluntary closure of the research centre, including as a result of regulatory actions or natural and man-made disasters;
- problems with supply chain continuity, including as a result of any pandemic, natural or man-made disasters at our research centre;
- breakdown or failure of equipment, equipment performance below expected levels of efficiency, obsolescence of our equipment and production facilities, industrial accidents and the need to comply with the directives of relevant government authorities;
- labour disputes, strikes, lock-outs that may result in temporary shutdowns or production disruptions; and
- any changes in the availability of power or water availability which impacts the entire region;

While we have not experienced any of the aforementioned instances resulting in disruption of our operations at our research centre in the last three Fiscals, we cannot assure you that such instance will not arise in the future. Disruption in our production operations may impede our ability to meet the production schedules and requirements of our customers according to their detailed specifications within demanding delivery time frames. Any failure by third parties, like utility providers, to deliver their services could have an adverse impact on our business, results of operations, financial condition and cash flows.

15. Our business works on a longer gestation period wherein, there is considerable time gap between the receipt of order and the payment, thereby affecting our working capital requirements and profitability of the business. Any failure in arranging adequate working capital for our operations or furnishing performance bank guarantees may adversely affect our business, results of operations, cash flows and financial condition.

We require working capital to finance the purchase of critical components and materials, furnish bid or performance guarantees and for the contract manufacturing and other related expenses before payment is received from customers. Working capital is required for financing (a) raw materials just prior to production; (b) long lead item inventory; (c) finished goods inventory prior to customer acceptance; and (d) customer receivables post delivery of goods and customer acceptance.

We currently meet our working capital requirements through a mix of internal accruals and working capital facilities from banks. The table below sets forth the working capital requirements of our Company for the Fiscal 2026, 2025 and 2024.

(₹ million)

Particulars	**As at and for the year ended March 31, 2026**	**As at and for the year ended March 31, 2025**	**As at and for the year ended March 31, 2024**
Inventory (A)	2,194.85	1,111.44	1,116.86
Trade Receivables (B)	2,116.63	2,103.12	936.43
Other Current Assets (C)	331.25	214.31	409.34
Total Current Assets (D=A+B+C)	**4,642.73**	**3,428.87**	**2,462.63**
Trade Payables (E)	334.43	211.45	203.44
Other Current Liabilities[#](F)	237.18	710.31	1,688.57
Short Term Provisions*(G)	135.55	104.75	13.61
Total Current Liabilities (H= E+F+G)	**707.16**	**1,026.52**	**1,905.63**
Working Capital (**I = D-H**)	3,935.57	2,402.35	557.00
Current Borrowings	1,160.64	781.35	810.86

Particulars	As at and for the year ended March 31, 2026	As at and for the year ended March 31, 2025	As at and for the year ended March 31, 2024
Internal Accruals	2,774.93	1,621.00	-

**Short Term Provisions includes provision for gratuity, compensated absences and warranties*

#In Fiscal 2024, our Company purchased intellectual property from CEAQ Singapore for a consideration of ₹1,831.91 million. The amount was paid in tranches, and the amount unpaid to CEAQ Singapore as of March 31, 2024, was classified as part of Other Current Liabilities. In Fiscal 2024, this amount was ₹1,320.94 million and is NIL in Fiscal 2026. The intellectual property purchase of ₹1,831.91 million, however, was a one-time transaction.

Our Company is also required to furnish performance bank guarantees in the ordinary course of business in relation to the fulfilment of purchase orders, as and when required. Our performance guarantee typically range from 3% to 5% of the contract value and have a tenor of 1-5 years covering the execution period and the warranty period. The table below sets forth the performance guarantees outstanding as on March 31, 2026, March 31, 2025 and March 31, 2024, respectively:

(*in ₹ million*)

Particulars	As of March 31, 2026	As of March 31, 2025	As of March 31, 2024
Performance Guarantees	258.72	194.51	153.90

Any delays in our billing and settlement process, or delays or defaults in our trade receivables or an increase in inventory and work in progress and/or accelerated payments to suppliers, an increase in performance bank guarantees requirements could adversely affect our working capital, lower our cash flows and materially increase the amount of working capital requirements. The actual amount and timing of our future working capital requirements may differ from estimates as a result of, among other factors, unforeseen events beyond our control, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, technological changes, revisions to business terms by customers and suppliers and additional market developments and new opportunities in the industries we operate. Further, our future success depends on our ability to continue to secure and successfully manage sufficient amounts of working capital. Our inability to obtain adequate amount of working capital at such terms which are favourable to us and in a timely manner or at all may also have an adverse effect on our results of operations, cash flows and financial condition. Continued increases in our working capital requirements may have an adverse effect on our results of operations, cash flows and financial condition.

Our business model is characterized by a lengthy order-to-cash cycle. From the receipt of purchase orders to the manufacture of the final product typically spans six to 24 months depending on product complexity. Post-production, product delivery and customer acceptance can take an additional two to eight weeks. This extended cycle significantly impacts our working capital requirements and overall cash flow.

Our business operates with a longer gestation period, characterized by a significant time gap between the receipt of orders and the subsequent payment. This extended timeline can substantially impact our working capital requirements and profitability. During the period between order receipt and payment collection, we are required to invest in raw materials, production, and other operational expenses without corresponding immediate revenue inflows. This mismatch can strain our liquidity and necessitate additional funding to meet our working capital needs, potentially increasing our financing costs and impacting our financial stability.

Moreover, the prolonged payment cycle can affect our overall profitability. Delays in payment receipts may lead to increased reliance on short-term borrowings, incurring higher interest expenses and reducing our net profit margins. Additionally, any disruptions or delays in the payment process, whether due to customer-related issues or external economic factors, can exacerbate these challenges, further affecting our cash flow and operational efficiency. As a result, the extended gestation period inherent in our business model poses a material risk to our financial performance and necessitates careful management of our working capital to ensure sustained profitability and business continuity. While such an instance has not occurred in the last three Fiscals that impacted our business, results of operations, cash flows and financial condition, there cannot be any assurance that such an instance will not occur in the future.

16. We are dependent on our contract manufacturers for the large scale manufacturing of most of our products and this subjects us to risk which, if realized, could materially and adversely affect our business, results of operations and financial condition. Further, any delays, quality issues, or disruptions can adversely impact our business.

We operate our business and operations on a contract manufacturing model. We manufacture pilot engineering units of our products and outsource the manufacturing of these products to contract manufacturers, primarily under non-exclusive manufacturing agreements. We are dependent on Kaynes Technology India Limited ("**Kaynes**"), Avalon Technology and Services Private Limited ("**Avalon**") for manufacturing most of our products. The table below sets out the number of units by each of the EMS partner sold as a percentage of total units sold in the Fiscals 2026, 2025 and 2024, respectively:

Particulars	Fiscal, 2026				Fiscal 2025				Fiscal 2024			
	Number of units sold	% of total number of units sold	Revenue generated from units sold (₹ million)	% of revenue from operations	Number of units sold	% of total number of units sold	Revenue generated from units sold (₹ million)	% of revenue from operations	Number of units sold	% of total number of units sold	Revenue generated from units sold (₹ million)	% of revenue from operations
Kaynes	4,163	45.26	1,212.78	33.44	4,669	52.52	2,261.44	48.21	3,586	50.52	2,272.96	53.08
Avalon	2,544	27.66	765.31	21.10	2,946	33.14	1,084.21	23.11	-	NA	NA	NA
Partner 3*	-	NA	NA	NA	-	NA	NA	NA	2,153	30.33	794.73	18.56

**Due to confidentiality requirements applicable to such contracts, the name of such partner has not been disclosed.*

Our reliance on contract manufacturers subjects us to various risks, including:

- dependence on relationships with contract manufacturers, particularly for continuity of supply of products to us;
- dependence on quality control systems of our contract-manufacturers, resulting in increased onus on us to supervise and monitor consistency in quality, characteristics, design specifications of our contract manufacturers' finished products and their use of raw materials;
- leakage of intellectual property or technical know-how;
- dependence on contract manufacturing facilities, which are subject to customary operational risks such as the breakdown or failure of equipment, power supply disruption, performance below expected levels of output or efficiency, and spare parts for machinery, labor disputes, natural or man-made disasters, accidents, planned or unplanned shutdowns, and non-compliance with relevant government regulations; and
- adverse changes in the financial or business conditions of our contract manufacturers.

While there has been no such instance in the last three Fiscals where the operations of our contract manufacturers were disrupted or faced any issues due to the aforementioned factors, we cannot assure you that such instances will not arise in the future.

If we are required to replace any of our contract manufacturers, it could expose us to risk of supply chain disruption and we cannot assure you that we will be able to find suitable replacements at the same price, on terms favorable to us or within our expected timelines. Any loss of our contract manufacturers, if not adequately replaced, or other form of supply disruption, could materially and adversely affect our business, results of operations and financial condition. While there has been no such instance in the last three Fiscals where our agreement with contract manufacturers was terminated, we cannot assure you that such instances will not arise in the future.

While we have relationships involving definite term-agreements with our contract manufacturers, we cannot assure you that our contract manufacturers will perform their obligations in a timely manner or at all in the future, which could result in delays in supply of products and ultimately affect our brand image and relationships with our customers.

Our reliance on a select group of contract manufacturers could adversely affect our ability to procure an uninterrupted supply of products which are critical for our operations. Any disruptions in the operations of such contract manufacturers could materially affect the manufacture and supply of our products and exposes us to manufacturer concentration risk wherein a majority of our designs and products are manufactured by a limited set of contract manufacturers.

17. We may not qualify for or win bids to further expand our business, which may have an adverse effect on our business, financial condition, results of operations and prospects. Further, the number of orders we have received in the past, our current order book and our growth rate may not be indicative of the number of orders we will receive in future. Any delays in execution of our orders expose us to revenue volatilities adversely impacting our revenue from operations, cash flows and financial conditions.

Our business and growth depend on our ability to qualify for and win bids for awarding contracts. There can be no assurance that our current or potential competitors will not offer products and solutions comparable or superior to those that we offer at the same or lower prices, adapt more quickly to industry challenges, or expand their operations at a faster pace than we do. Increased competition may result in price reductions, reduced profit margins and loss of market share, thereby causing an adverse effect on our operations, prospects and financial condition.

As of June 30, 2026, we had an order book of ₹ 3,141.35 million. Set out below is the details of our order book from our customers:

Particulars	**Number of orders***	**Value (*₹ million*)**
Domestic customers	30	2,317.67
Overseas customers	6	823.68
Total	36	3,141.35

** Comprises only firm orders, which represent orders that have been contractually confirmed by customers, formally accepted by the Company, and are supported by binding documentation such as executed contracts or purchase orders.*

Our order book may be materially impacted if the time taken or amount payable for completion of any ongoing order of our Company exceeds the contractual estimate. The growth of our order book is a cumulative indication of the revenues that we expect to recognise in future periods with respect to our existing contracts. We cannot assure you that the income anticipated in our order book will be realised or if realised, will be realised on time or result in profits.

In Fiscal 2025 and 2026, we have had two contract cancellation for ₹280.83 million due to delay in developing a product with a sizeable R&D component for a customer within the specified time by our Company. While we have had only two cancellation (as stated above) in the last three Fiscals, there can be no assurance that the orders will not be cancelled or terminated prematurely in the future, and our Company will receive any applicable termination payments in time or at all or that the amount paid will be adequate to enable our Company to recover its investments in respect of the prematurely cancelled order. In such events, we may have to bear the actual costs for such production incurred by us which may exceed the agreed work as a result of which, our future earnings may be lower from the amount of the order book and if any of the forgoing risks materialize, our cash flow position, revenues and earnings may be adversely affected. For instance, in Fiscal 2026, our inventory levels were higher primarily due to the deferment of execution of a significant export order to Fiscal 2027 on account of logistical disruptions arising from the West Asia crisis, which also impacted revenue recognition during Fiscal 2026.

Further, the tenders awarded in the past and the tenders that have been awarded but not yet executed, may not be indicative of the number of tenders we will be awarded in future.

The tenders awarded to us but not yet executed are subject to, among other things, cancellation due to any breach of our contractual obligations, non-payment by our customers, delays in the initiation of our production, unanticipated variations or adjustments in the scope and schedule of our obligations for reasons outside our control or change in budget appropriations particularly affecting our customers across the globe connected with the government bodies. We cannot guarantee that the income anticipated from these tenders will be realised, or, if realised, will be realised on time or result in profits. Further, even if our bids are successful, there may be delays in the awarding process.

If we fail to accurately estimate our product cost or if we are unable to design, import or develop the products as per the required specifications, we may lose contracts or may be barred by the authorities to participate in the future bids. While there have been no instances in the past where we had been barred by any authority to participate in the bids, there can be no assurance that in the future we would not be barred by any authority to participate in bids. In addition to meeting bid capacity requirements, we may also be required to pre-qualify for certain orders such as in relation to background checks and prior experience of the bidders. However, we cannot assure that we shall always maintain our bid capacity and our pre-qualification capabilities, and that we shall be able to continually secure tenders so as to enhance our business operations, financial performance and results of operations. For instance, certain customers overseas might require our presence in their respective countries for a minimum period as a pre-qualification requirement, which we might not be able to meet and fail such requirements. Further, such pre-qualification criteria may also change from time to time. Our inability to fulfil and maintain the bid and pre-qualification capabilities may materially impact our operating revenue and profitability. While there has been no such instance in the last three Fiscals, we cannot assure you that such an instance will not occur in the future.

18. We depend on our Promoters, Key Managerial Personnel, and other senior management and skilled and qualified personnel with technical expertise, and if we are unable to recruit and retain them, our business and our ability to operate or grow our business may be adversely affected.

Our success depends significantly on our Promoters, Key Management Personnel and other senior management and skilled and qualified personnel. Over the last 10 years, we have built a 339 member team which includes members with deep expertise in infrared imaging, optics, lasers, sensor fusion, and machine learning. The management team has worked together for over 21 years, overseeing multi-year global defence programs and pioneering next-generation military technologies. The loss of their services may have a material adverse effect on our business, financial condition and results of operations.

We believe that their inputs and experience in the fields of, *inter alia*, imaging and computer vision, R&D in defence, surveillance and automative safety, optics, machine learning, etc. along with their past experience in the defence sector are valuable for the development of business and operations and the strategic steps taken by our Company. Our Promoter, Managing Director and Chief Executive Officer, Arvind Kondangi Lakshmikumar has over 21 years of experience in raising capital, running our product engineering teams globally and managing government and enterprise sales at our Company. Further, our Promoter, Executive Director and Chief Business and Revenue Officer, Ankit Kumar, has over 21 years of experience running our research and development programs in defence, surveillance and automotive safety globally and is a domain expert in optics, computer vision and machine learning automotive. Further, our Promoter, Executive Director and Chief Commercial Officer, Cecilia D'Souza has over 21 years of experience in finance, accounting and management of our multi-location international business and has a strong background in international accounting, mergers and acquisitions, procurement and operational logistics. We are highly dependent on our Promoters to manage our current operations and to meet future business challenges. The active involvement of our Promoters in our operations, including the strategy, direction and customer relationships have been integral to our development and business. We cannot assure you that their services will continue to be available to us, or that we will be able to find a suitable replacement if required.

The following table sets forth the attrition rate in the Fiscals 2026, 2025 and 2024, respectively:

Particulars	As of/for the year ended March 31, 2026	As of/ for the year ended March 31, 2025	As of/ for the year ended March 31, 2024
Number of permanent Employees	339	258	167
Number of Employees Exited	23	20	7
Attrition Rate*	7.71	9.41	6.09

Particulars	As of/for the year ended March 31, 2026	As of/ for the year ended March 31, 2025	As of/ for the year ended March 31, 2024
Number of Key Managerial Personnel	5	3	3
Key Managerial Personnel attrition rate	Nil	Nil	Nil
Number of Senior Management	4	4	4
Senior Management attrition rate	Nil	Nil	Nil
Number of skilled/unskilled employees	330	251	160
Skilled/Unskilled employees attrition rate	7.92	9.73	6.31

[^] *Attrition rate is calculated as number of exits divided by average number of employees in the relevant year.*

For further details regarding the employees, see "***Our Business – Human Resources***" on page 267.

Further, the successful completion of our contracts, the day-to-day operations and the planning and execution of our business strategy depends significantly on our Key Management Personnel and other senior management and skilled and qualified personnel. We are also heavily dependent on our engineering talent. The availability of such specialized talent is limited, and the defence electronics sector competes with civilian tech firms. Although, the production, engineering and finance teams have increased in number from ~170 to ~350 personnel over the past three years, we cannot assure you that we will be able to retain them or that we will be able to adequately replace such skilled and experienced personnel, if they choose to leave us. This may lead to a lack of domain expertise for key positions in our Company which may adversely affect our business. Loss of key personnel or inability to attract new talent due to compensation or regulatory barriers could hamper execution.

Moreover, our ability to execute tenders depends on our ability to attract, train, motivate and retain senior management and highly skilled and qualified personnel due to the complex nature of our products. We cannot assure you that we will be able to retain these professionals or find adequate replacements in a timely manner, or at all. To the extent we lose such skilled and qualified personnel, we will be required to find ways to successfully manage the transfer of confidential information from them to their replacements. Furthermore, the loss of any of the members of our Key Management Personnel and other senior management and skilled and qualified personnel or an inability on our part to manage the attrition levels, may lead to loss of technical knowledge which may materially and adversely impact our business, results of operations, and financial condition.

19. Failure to compete effectively against our competitors and new entrants to the industry may adversely affect our business, financial condition and results of operations.

As per the F&S Report, to assess our Company's positioning within both the Indian and global defence electro-optics (EO/IR) landscape, it is essential to benchmark against companies that operate in closely related domains and demonstrate comparable technological relevance. For details on our competitors, see "***Our Business – Competition****" and* "***Industry Overview***" on pages 271 and 149, respectively. We compete on the basis of our ability to fulfil our contractual obligations including the quality of products and the timely delivery of the products. Our competitors may have substantially greater financial, management, research and marketing resources than we have as a result of which they may be able to utilise their resources and economies of scale to develop improved products, sell products at a lower cost which may be attributed to the use of cheaper raw material alternatives, divert sales away from us by winning broader contracts or hire our employees by offering more lucrative compensation packages. Our competitors may be able to provide our customers, with different or greater capabilities or benefits than we can provide in areas such as technology, technical qualifications, post contract performance, price and availability of key professional personnel. Further, our overseas customers might prefer vendors based in their geography or region. Our failure to compete effectively with respect to any of these or other factors could have an adverse effect on our business, prospects, financial condition or operating results.

The liberalisation of the Indian defence sector to allow private and/or foreign companies to participate in defence contracts has increased our competition by manifolds. In addition, the introduction of the Draft Defence Production and Export Promotion Policy, 2020 ("**Draft DPEPP**"), as an overarching guiding document of Ministry of Defence to provide a focused, structured and significant thrust to defence production capabilities of the country for self - reliance and exports, while providing opportunities for our Company, have also increased competition within Indian companies and OEMs.

Further, the competitive bidding process entails managerial time to prepare bids and proposals for contracts and may require us to resort to price cuts in order to win tenders which may not be otherwise awarded to us. Following an award, we may encounter significant expenses, delays or contract modifications. Once the prospective bidders satisfy the qualification requirements of the tender, the tender is usually awarded based on the quote submitted by

the prospective bidder. We prepare our quotes through estimations based on our budget and bid for the proposals. Once the bids are evaluated by the customer, the bidder offering a competitive price and meeting other criteria, including a successful field trial, is awarded the project. We spend considerable time and resources in the preparation and submission of bids and we still cannot assure you that our bids, when submitted would be accepted. We have lost certain bids during the last three Fiscals on account of tenders where specifications were loosely defined, we cannot assure you that we will be able to compete successfully against our competitors as well as new entrants in our industry in the future.

To remain competitive, we must consistently provide products with good performance and capability to our customers, advanced technology solutions at an affordable cost and with the agility that our customers require to satisfy their objectives. Our inability to successfully do so could have a material adverse effect on our business, prospects, financial condition and/ or operating results. Moreover, if we are not able to further develop our proximity to our customers and make our vendor-supplier ecosystem more efficient or as efficient as our competitors, there can be no assurance that we will be able to grow or effectively compete in the industry.

20. Our products are complex and technologically advanced and could have unknown defects or errors which could lead to accidents and injury of other aerial or ground objects, including living beings, which in turn may have an adverse effect on our business, financial condition and results of operations.

We design and manufacture sophisticated electro-optical systems that integrate multiple sensors, embedded processors, power electronics, optical assemblies, and software modules, often customized for mission-critical applications in harsh field conditions. Given the complexity of these systems and their use in dynamic operational environments, there remains an inherent risk of undetected defects or performance degradation during field deployment, despite rigorous internal testing and validation protocols. Leveraging modern computer vision and deep learning algorithms on low-resolution infrared data remains a technically complex task due to several interlinked challenges across physics, hardware, and algorithmic domains. Computer vision on low-resolution infrared data is fundamentally hard because it pushes against the limits of signal quality, semantic content, and computational resources. Solving this requires specialised deep learning models trained on domain-specific infrared datasets, sensor-aware pre-processing, and innovations in low- size, low-weight and low power artificial intelligence hardware. As per the F&S Report, AI is transforming Electro-Optical/Infrared and multispectral imaging into autonomous "intelligent surveillance" assets capable of detecting, classifying, and tracking threats in real time. For further details, see "***Industry Overview – Developments in AI***" on page 218. However, any error on the part of advanced technology or applications would not only lead to the breach of regulatory compliances but may also lead to accidents and injury of other aerial or ground objects, including living beings. Further, any unknown error in technology could deter the clarity of video and display blurred or incorrect images which could impact the mapping and surveillance applications of the products. The success of our products is dependent on the level of data accuracy provided by them and any kind of unknown error in technology might lead to incorrect mapping in terms of measurements thereby causing an adverse impact on our business. While there have been no such instances in the last three Fiscals, failure of a system in the field can lead to customer dissatisfaction, loss of credibility, warranty claims, or disqualification from future tenders. Integrating new features or components as necessitated by customer-specific needs or supply constraints introduces additional engineering and quality assurance challenges. Although, we have put in place internal quality assurance and quality control systems to ensure that our products will be able to satisfy our customers' quality standards, we cannot assure you that errors of any kind would not be detected or reported in the future.

21. We could incur losses under our fixed price contracts as a result of cost overruns, delays in delivery or failures to meet contract specifications which may have an adverse effect on our business, financial condition and results of operations.

Once awarded, all of our contracts are fixed-price contracts. All costs including labour and raw materials costs are forecasted by us when we enter such fixed-price contracts. In case of cost variances from such estimates, we are permitted to retain all cost savings on completed contracts but are liable for the full amount of all cost overruns. The actual costs incurred on a fixed-price contract may vary from our estimates due to factors such as:

- unanticipated variations in labour and equipment productivity over the term of a contract;
- unanticipated increase in labour, raw material and overhead costs;
- increase in cost of imported raw materials due to adverse foreign exchange rate movement;

- delivery delays and corrective measures for poor workmanship;
- equipment failures;
- changes in the specifications provided by our customers;
- obsolescence of any components; and
- changes in testing requirements.

We cannot assure you that these contracts can be completed profitably. Significant cost overruns on our fixed price contracts could have a material adverse effect on our business, financial condition, results of operations and prospects. Depending on the size of the project, variations from estimated contract performance could significantly reduce our earnings, and could result in losses, during any quarter of a fiscal or entire fiscal.

Further, our contracts also have certain onerous clauses, which requires refund of the difference if our Company supplies a similar system at a lower price to another GoI ministry/department, and clauses under which during extension periods attributable to our Company, any increase in statutory duties, foreign exchange rate movements, variations in component prices is to our Company's account. If any such onerous clause of the customer contracts gets triggered, our profitability may get adversely affected.

There can be no assurance that our customers in future will not rescind their contracts with us if there is a delay in delivery beyond the time stipulated in the contract or we may need to renegotiate some of our contracts. This may have an impact on our reputation, which could have a material adverse effect on our financial condition, results of operations and prospects. While such an instance has not occurred in the last three Fiscals, we cannot assure you that such instances will not occur in the future.

22. Post the filing of the Previous DRHP, certain complaints have been made against our Company by certain persons including anonymous person/ person using pseudonym to, inter alia, SEBI, the BRLMs, Stock Exchanges, the Ministry of Defence, Government of India and the Department for Promotion of Industry and Internal Trade, as applicable. Such complaints may adversely affect our reputation, business and if they result in legal claims against us, it could require us to incur expenditure and management attention in defending such legal claims. There is no assurance that there will not be further complaints against our Company which might divert the time, attention and resources of our management.

Post the filing of the Previous DRHP with SEBI and the Stock Exchanges, certain complaints have been made against our Company by certain person including anonymous person/ person using pseudonym, to inter alia, SEBI, Stock Exchanges and BRLMs ("**Complaints**"). One of the anonymous complainant has additionally sent the complaints to the Ministry of Defence, Government of India and the Department for Promotion of Industry and Internal Trade.

The table sets the allegations raised in the Complaints and the responses sent and their status:

Name of the Complainant	Date of Complaint	Date of response by Company/ BRLMs	Allegations and Responses	Addressee	Status of the Complaints
Anonymous	March 15, 2026 and March 16, 2026	May 25, 2026	**Allegations** 1. Certain allegations were made in relation to the conduct and operation of our Company's business including its process of alleged import of critical components from Chinese OEMs through CEAQ Technologies Pte. Ltd., supply chain, etc. and alleged concerns of national security in alleged procurement from Chinese OEMs. 2. Allegations were made with respect to misrepresentations having been made in the Previous DRHP inter alia in relation to the following: (i) total dependence on external technology partners;	Company, BRLMs, SEBI, Stock Exchanges, the Ministry of Defence, Government of India and the Department for Promotion of Industry	Responded by Company to the complainant

Name of the Complainant	Date of Complaint	Date of response by Company/ BRLMs	Allegations and Responses	Addressee	Status of the Complaints
			(ii) the IDDM status of our Company - 50% IC threshold claimed in MoD tenders alleged to be false.; (iii) alleged omissions in disclosures of CEAQ Technologies Pte. Ltd as sole supplier and value of annual purchases from them; (iv) alleged non-inclusion of names and details of the suppliers of critical components in the risk factors, as per SEBI requirements; (v) alleged non-disclosures in relation to acquisition of intellectual property from CEAQ Technologies Pte. Ltd. including whether it was at an arm's length. **Responses** 1. All allegations in relation to conduct and operation of our business were denied in entirety and concerns of national security were refuted. 2. The allegations under paragraph 2 above were denied and it was submitted that there were no misrepresentations in the Previous DRHP and that all the disclosures were true, fair and adequate, and in accordance with SEBI ICDR Regulations. In this regard, our Company has clarified that: (i) it is not dependent on external technology partners, but is dependent on global suppliers, as disclosed in the Previous DRHP, (ii) our Company has complied with the applicable indigenisation requirements under DAP 2020 for sale under IDDM, (iii) it has disclosed the nature and value of the related party transactions with CEAQ Technologies Pte. Ltd. for three months ended June 30, 2025 and Fiscal 2025, 2024 and 2023 in "**Summary of Related Party Transactions**" and "**Restated Consolidated Financial Statements – Note 45 – Related Party Transactions"** of the Previous DRHP**.** (iv) it has disclosed names of the top ten suppliers (to the extent of receipt of consent) in the Previous DRHP, as per disclosure requirements, and (v) it has made disclosures in relation to the acquired intellectual property in accordance with the requirements under the SEBI ICDR Regulations under the sections "**Our Business – Intellectual Property Rights**" and "**History and Certain Corporate Matters – Other material agreements - Assignment agreements each dated March 11, 2024 entered into between CEAQ Singapore and our Company"** of the Previous DRHP.	and Internal Trade	
Muthuram Jayaraman	March 30, 2026*	May 31, 2026^	**Allegations** 1. Certain allegations were made in relation to material non-disclosures regarding our Company's business model sustainability and operational liabilities in the Previous DRHP.	SEBI	Responded by BRLMs to SEBI

Name of the Complainant	Date of Complaint	Date of response by Company/ BRLMs	Allegations and Responses	Addressee	Status of the Complaints
			2. Allegations were made in relation to revenue sustainability and "order book" optics, inter alia, in relation to the following: (i) our Company's recent contract wins feature unit prices allegedly below the cost of raw materials, constituting predatory pricing to inflate order book optics ahead of the proposed initial public offer; (ii) the sustainability of our Company's margins and the long-term viability of its business model. 3. Allegations were made in relation to concealment of material operational liabilities, inter alia, in relation to the following: (i) alleged persistent trend of industrial scale repairs for our Company's field-deployed systems as evidenced by Government e-Marketplace (GeM) tender records; (ii) alleged non-disclosure of frequency of product failures and potential for large-scale product recalls or blacklisting by the Ministry of Defence as "Material Risks" in the Previous DRHP. 4. Allegations were made in relation to potential regulatory and operational blowback, claiming that any adverse finding by the Ministry of Defence could lead to the immediate cessation of our Company's primary revenue stream. 5. Complainant requested SEBI to inter alia direct an independent technical-financial audit, verify Previous DRHP disclosures and cross-verify with MoD. **Responses** 1. All allegations inter alia in relation to non-disclosures of material risks in Previous DRHP, revenue sustainability risks, and concealment of material operational liabilities in the Previous DRHP were denied in their entirety. It was submitted that the allegation was vague, and that disclosures as required to be made in the Previous DRHP in accordance with the SEBI ICDR Regulations and other applicable laws have been made by our Company. 2. The allegation of predatory pricing to inflate the order book optics ahead of proposed initial public offer was denied and we demonstrated that for the referred tender the per unit price offered by our Company as L1 bidder was within a close range of the prices offered by L2 and L3 bidders. Also, the pricing of similar thermal imaging sights supplied by our competitors pursuant to tenders won by them falls within a similar range of the prices offered by our Company. Further, the growth in revenue from operations, EBITDA, PAT and gross profit margin demonstrates that the assertions of predatory pricing are unfounded and without basis. 3. The allegation of concealment of material operational liabilities was denied, and it was submitted that out of the total number of units supplied by our Company to		

Name of the Complainant	Date of Complaint	Date of response by Company/ BRLMs	Allegations and Responses	Addressee	Status of the Complaints
			its Indian customers from Fiscal 2022 to 2026, less than 2% of the total units supplied were sent back for major repairs. Further, requests for such repairs were raised after the end of the warranty period, or were raised for repairs beyond the scope of warranty, and there are no operational liabilities on our Company on account of these repairs or required the Company to undertake the required rectification pursuant to the purchase orders entered. It was pointed out that our Company's contingent liabilities have been disclosed in the Previous DRHP in accordance with the SEBI ICDR Regulations and applicable laws. Also, our Company has disclosed an appropriate risk factor on potential product recalls and its effect on its business and results of operations in the Previous DRHP. **4.** The allegation in relation to potential regulatory and operational blowback was denied and it was submitted that the Previous DRHP contains relevant disclosures with respect to the highly regulated industry in which our Company operates under the section "**Risk Factors**", which highlight the risks associated with non-compliance with specifications of MoD as well as their right to audit. 5. The Company submitted that the Complaint is false, frivolous, vague, misleading, and therefore does not merit any action from SEBI including the reliefs that the Complainant has prayed for.		

^ Since no address or contact details of the complainant were provided in the Complaint, the BRLMs provided a response to SEBI in relation to such Complaint pursuant to response provided by our Company.
** The BRLMs received the Complaint from SEBI on May 14, 2026.*

We have denied all allegations levied against us under such Complaints and responded accordingly, however, we cannot assure you that no further complaints will be raised, on the same subject matters or other matters, or that such complainants will not seek to initiate legal action(s) against us and/ or the BRLMs and/ or any regulatory or statutory authority. Any legal action initiated by any of the complainants may have an adverse impact on our reputation, business, could require us to incur expenditure and management attention in defending such legal claim and may divert the time, resources and attention of the management of our Company.

23. If we are unable to maintain our relationships with our system integrators or if any of them change the terms of their arrangements with us, our business could be adversely affected.

We sold our products through our network of system integrators. The table below sets forth contribution of system integrators to our revenue from operations in the Fiscals 2026, 2025 and 2024, respectively:

Particulars	As of/for the year ended March 31, 2026	As of/ for the year ended March 31, 2025	As of/ for the year ended March 31, 2024
Revenue generated from system aggregators (*in ₹ million*)	874.12	451.79	307.57
Revenue generated from system aggregators as percentage of revenue from operations(%)	24.10	9.63	7.18

Accordingly, our sales are subject to demand variability from our system integrators. We do not enter into long-term agreements with our system integrators for purchase of our products, we typically execute purchase orders and memorandum of understandings (indicative in nature) with these system integrators, Since, our system integrators are generally not obliged to continue purchasing products from us, or otherwise retain their business relationships with us, there is no assurance that their purchase orders or engagements will remain constant or increase or that we will be able to maintain or add to our existing customer base. While the level and timing of

orders we receive vary for multiple reasons, general economic conditions, we may also witness reduced orders owing to system integrators receiving better prices, terms and conditions from our competitors. System integrators submitting a tender may cancel, reduce or delay their orders. If we are unable to anticipate and respond to the demands of our system integrators, we may lose customers because we have an inadequate supply of products to cater to their particular requirements. If there is a consolidation in the system integrators landscape, or system integrators wish to change the terms of their typical contracts with us, we may not be able to re-negotiate terms which are beneficial to us or which are financially viable. If we are unable to negotiate mutually agreeable terms with such parties, we may lose our system integrators. We may be unable to maintain or grow the size of our system integrators base or the level of engagement of our system integrators. This could adversely affect our business, financial condition, cash flows and results of operations. While we have not faced any instances of loss of system integrators that materially impacted our operations in the last three Fiscals, we cannot assure you that such an instance will not occur in the future.

24. We have significant employee benefit expenses, such as salaries and bonus, gratuity, staff welfare expenses, expense on ESOP and contribution to provident and other funds. In case we face an increase in employee benefit expenses that we are unable to pass on to our customers, we may be prevented from maintaining our competitive advantage and our profitability may be impacted.

As of March 31, 2026, we had 339 employees. We are subject to labour legislations that protect the interests of workers, including legislations that set forth detailed procedures for dispute resolution and employee removal and impose certain financial obligations on employers upon retrenchment of employees, as well as laws and regulations relating to employee welfare and benefits such as minimum wage and maximum working hours, overtime, working conditions, non-discrimination, employee compensation, employee insurance, bonus, gratuity, provident fund, leave benefits and other such employee benefits. These legislations require compliance, from time to time, which may among others, involve payments to be made depending upon their period of employment. If we fail to comply with labour welfare legislations, we may be exposed to fines and we may also face the risk of our licenses under applicable legislations being cancelled or suspended. While such an instance has not occurred in the last three Fiscals, we cannot assure you such an instance will not take place in the future. For further details on the labour laws and other regulations applicable to us, please refer to "***Key Regulations and Policies***" on page 273.

We also incur various employee costs, including salaries and bonus, gratuity, staff welfare expenses, expense on ESOP and contribution to provident and other funds. Employee benefit expenses constituted one of the largest component of our total expenses in the Fiscal 2026, the table below sets forth the details of employee benefit expenses incurred in Fiscals 2026, 2025 and 2024, respectively:

Particulars	As of/for the year ended March 31, 2026	As of/ for the year ended March 31, 2025	As of/ for the year ended March 31, 2024
Employee benefit expenses (*in ₹ million*)	495.83	444.35	130.55
Employee benefit expenses as percentage of total expenses (%)	16.53	11.87	3.87

In the event the welfare requirements under labour regulations applicable to us are changed, which leads to an increase in employee benefits payable by us, there can be no assurance that we will be able to recover such increased amounts from our customers in a timely manner, or at all. Our profit margins may get adversely impacted if we are unable to pass on such cost increases to our customers.

25. Our Company will not receive any proceeds from the Offer for Sale. Our Selling Shareholders will receive the proceeds from the Offer for Sale.

The Offer comprises of an Offer for Sale by the Selling Shareholders. Our Selling Shareholders shall be entitled to the entire proceeds from the Offer for Sale (net of their portion of the Offer-related expenses), in accordance with SEBI ICDR Regulations, and we will not receive any proceeds from the Offer for Sale. For further information, see "***The Offer***" on page 78. Since our Company is not raising any primary capital, the initial public offering will not strengthen its balance sheet or provide funds for its business operations, expansion, or any other corporate purposes. The proceeds from the Offer for Sale will be transferred to each of the Selling Shareholders, in proportion to its respective portion of the Offered Shares transferred by each of them in the Offer for Sale (after deducting applicable Offer-related expenses and taxes).

26. Security breach in classified government systems could adversely affect our business.

A significant number of designs we develop, and products we manufacture and maintain involve managing and protecting information involved in intelligence, national security and other classified government functions. While we have programmes designed to comply with relevant security laws, regulations and restrictions, a security breach in one of these systems could cause serious harm to our business, damage our reputation and prevent us from being eligible for further work on such critical classified designs for the various customers across the globe that we associate with. Further, most of our manufacturing is outsourced to third parties who will also have access to such intelligence and classified government information, if any of these third party manufacturers misuse or mishandle such information, we may face adverse consequences and it could result in damage to reputation and consequent loss in revenue and business.

Damage to our reputation or limitations on our eligibility for additional work resulting from such security breach, could materially reduce our revenue. We may experience cyber security threats, threats to our information technology infrastructure and attempts to gain access to our Company's sensitive information. We have installed anti-virus software to prevent our systems and infrastructure from being infected and crippled by computer viruses. All our internet facing servers installed at all our data centres as well as at all our offices are also secured with firewalls and intrusion preventions systems to prevent hacking.

The threats we may face, may vary from attacks common to most industries to more advanced and persistent, highly organised adversaries who could target us because we design and manufacture products which contribute to national security. If we are unable to protect sensitive information, our customers or governmental authorities could question the adequacy of our threat mitigation and detection processes and procedures. Due to the evolving nature of these security threats, however, the impact of any future incident cannot be predicted. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. Occurrence of any of these events could adversely affect our internal operations, the services we provide to our customers, loss of competitive advantages derived from our research, design and development efforts or other intellectual property, early obsolescence of our products and services, our future financial results, our reputation or our stock price. While such an instance has not occurred in the last three Fiscals, we cannot assure you that such an instance will not take place in the future.

27. Our operations involve activities and materials which are hazardous in nature and could result in a suspension of operations, injury to our personnel, emission of pollutants and/or the imposition of civil or criminal liabilities which could adversely affect our business, results of operations, cash flow and financial condition.

Certain operations at our research centre can cause accidents during the manufacturing process resulting in serious injuries or death of employees or other persons, if improperly handled, and cause damage to our properties or equipment and the properties of others or to the environment. Our operations are subject to significant hazards, including explosions, fires, mechanical failures and other operational problems, inclement weather and natural disasters, discharges or releases of hazardous substances and other environmental risks. While we have not experienced any such instance in the last three Fiscals, we cannot assure you that such accidents will not occur in the future.

The occurrence of any of these hazards could result in a suspension of operations and/or the imposition of civil or criminal liabilities. We may also face claims and litigation, filed on behalf of persons alleging injury predominantly as a result of occupational exposure to hazards at our facilities. If these claims and lawsuits, individually or in the aggregate, are resolved against us, our business, results of operations, cash flows and financial condition could be adversely affected. Further, our customers may require us to invest in additional safety protocols which impose incremental expenses and may impact our ability to operate at optimum efficiencies. Any such action by any of our customers may adversely impact our business, results of operations, cash flows and financial condition.

28. An inability to effectively manage our growth, implement our strategies and expansion plan may have an adverse effect on our business prospects and future financial performance.

We cannot assure you that our growth strategy will be successful in the future, or that our revenue from operations will grow at a consistent rate. The success of our business will depend greatly on our ability to effectively implement our business and growth strategies. These include, continued investment in R&D to achieve defence modernization through development of new products; continued diversification of product portfolio; pursue strategic partnerships with OEMs; and increasing our customer base through expansion into new geographies. For

details in relation to our strategies, see "***Our Business – Our Strategies***" on page 252. The table below sets forth details of our revenue from operations and profit in the Fiscals 2026, 2025 and 2024, respectively:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal. 2024
	(*in ₹ million*)		
Revenue from operations	3,626.48	4,690.80	4,281.89
Restated profit for the year	508.80	727.57	685.43

We expect our strategies to place significant demands on our management and other resources and require us to continue developing and improving our operational, financial and other internal controls. We may not be successful in implementing our growth strategies due to various factors, including failure to adapt to rapidly evolving technological changes, changing customer preferences, change in business and spending plans of our customers, anticipate and accurately assess potential growth opportunities and new markets and effectively allocate resources and capital investment in a timely and cost-effective manner to capitalize on such opportunities, attract new customers, obtain sufficient financing for our expected capital expenditures, control input costs, effectively manage our internal supply chain, manufacturing processes and operations and costs related to R&D and maintain sufficient operational and financial controls. Many of these factors are beyond our control and we cannot assure you that we will succeed in implementing our strategies. Our inability to effectively manage the expansion of our business and execute our strategies effectively, could adversely affect our business, results of operations and financial condition.

29. We are dependent on third party transportation and logistics service providers. Any increase in the charges of these entities or any defect, damage or destruction caused to our products during the process of delivery could adversely affect our business, financial condition and results of operations.

Pursuant to our arrangements with certain customers, based on customer preferences, we are typically required to pay the freight costs for the products we sell to such customers. In addition, we may have to pay for transportation costs in relation to the delivery of some of the raw materials and other inputs to our contract manufacturing facilities. We do not own any vehicles for the transportation of our products and/or raw materials, we therefore rely on third party transportation and logistics providers for delivery of our raw materials and products.

As on March 31, 2026, we engaged certain vendors who provide transportation and logistics services. We do not have any long-term contractual arrangements with such third-party transportation and logistics providers, we make payments based on monthly invoices submitted by them. Disruptions of logistics could impair our ability to procure raw materials and/or deliver our products on time, which could materially and adversely affect our business, financial condition and results of operations.

The table below sets out our freight and forwarding expenses (net of recovery) and our freight and forwarding expenses (net of recovery) as a percentage of our total expenses and our revenue from operations in the Fiscals 2026, 2025 and 2024, respectively:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
	(*₹ million, except percentages*)		
Freight and forwarding expenses (net of recovery)	11.84	37.83	15.16
Freight and forwarding expenses (net of recovery) as a percentage of total expenses	0.39	1.01	0.45
Freight and forwarding expenses (net of recovery) as a percentage of revenue from operations	0.33	0.81	0.35

We may be responsible for the transport of our products and accordingly be exposed to the risk of theft, accidents, defect, damage and/or loss of our products in transit. While there have been no material instances of theft, accident or loss in the last three Fiscals, we cannot assure you that such incidents will not occur in future. Any such acts could result in serious liability claims (for which we may not be adequately insured) which could have an adverse effect on our business, financial condition and results of operations.

30. Our Company is involved in certain outstanding legal and regulatory proceedings. Further, one of our Directors is involved in certain outstanding legal proceedings. Any adverse decision in such proceedings may have an adverse effect on our business, financial condition, cash flows and results of operations.

There are outstanding legal and regulatory proceedings involving our Company which are pending at different levels of adjudication before various courts, tribunals and other authorities, as well as an outstanding legal proceeding against one of our Directors. Such proceedings could divert the management's time and attention and consume financial resources in their defence or prosecution. The amounts claimed in these proceedings have been disclosed to the extent that such amounts are ascertainable and quantifiable and include amounts claimed jointly and severally, as applicable. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, continuity of our management, business, cash flows, financial condition and results of operations. The summary of such outstanding material legal and regulatory proceedings as on the date of this Draft Red Herring Prospectus is set out below:

Category of individuals/ entities	Criminal proceedings	Tax proceedings	Statutory or regulatory actions	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding action	Material civil litigations as per the Materiality Policy	Aggregate amount involved* (in ₹ million)
Company						
Against our Company	Nil	5	Nil	N.A.	Nil	35.54
By our Company	Nil	N.A.	N.A.	N.A.	Nil	Nil
Subsidiaries						
Against our Subsidiaries	Nil	Nil	Nil	N.A.	Nil	Nil
By our Subsidiaries	Nil	Nil	N.A.	N.A.	Nil	Nil
Directors (*other than our Promoters*)						
Against our Directors	1	Nil	Nil	N.A.	Nil	Nil
By our Directors	Nil	Nil	N.A.	N.A.	Nil	Nil
Promoters						
Against our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
By our Promoters	Nil	Nil	N.A.	N.A.	Nil	Nil
Key Managerial Personnel						
Against our Key Managerial Personnel	Nil	Nil	Nil	N.A.	N.A.	Nil
By our Key Managerial Personnel	Nil	N.A.	N.A.	N.A.	N.A.	Nil
Senior Management						
Against our Senior Management	Nil	N.A.	Nil	N.A.	N.A.	Nil
By our Senior Management	Nil	N.A.	N.A.	N.A.	N.A.	Nil

** To the extent quantifiable.*

Further, as on the date of this Draft Red Herring Prospectus, there are no pending litigation proceedings involving any of our Group Companies which will have a material impact on our Company.

We cannot assure you that any of these matters will be settled in favour of our Company or that no additional liability will arise out of these proceedings. Further, we cannot assure you that there will be no new legal and regulatory proceedings involving our Company, Subsidiary, Promoters, Directors, Group Company, Key Managerial Personnel or Senior Management in the future. For instance, an individual investor who is a minority shareholder of CEAQ Singapore but not a shareholder in our Company, issued legal notices, seeking certain disclosures and documents relating to our proposed Offer and alleging that he should have been given an opportunity to participate in the preference share issuance in 2024. CEAQ Singapore is an investor in our Company. Our Company and CEAQ Singapore have responded to the legal notices, denying the allegations and confirming the absence of any direct contractual relationship between the individual and our Company. There can

be no assurance that further action will not be taken in relation to such legal notices received, and any such action, even if not ultimately successful, could result in delay, increased costs, reputational harm or other adverse effects on our Company. An adverse outcome in any of these proceedings may have an adverse effect on our business, financial position, prospects, cash flows, results of operations and our reputation.

Additionally, there may be proceedings/ matters involving our Company before various legal/ judicial bodies including criminal, civil or tax matters in relation to which we have not received any notice or summons or any other form of communication, or such proceedings may not have been admitted before the respective courts or adjudicating authority and accordingly such matters have not been disclosed in this Draft Red Herring Prospectus. For further information, see "***Outstanding Litigation and Material Developments***" on page 434.

31. We have incurred indebtedness and an inability to obtain further financing or to comply with repayment and other covenants in our financing agreements could adversely affect our business, results of operations, cash flows and financial condition.

We have entered into financing arrangements with various lenders to fund our working capital requirements. As of June 30, 2026, we had fund based working facilities of ₹ 1,490.00 million and non-fund based working capital facilities of ₹ 955.00 million. Our ability to obtain financing is subject to a variety of uncertainties, including our financial condition, results of operations, cash flows and liquidity of global capital and lending markets. Further, financing may not be available in a timely manner or in amounts or on terms acceptable to us, or at all. Further, if we are required to raise equity financing, this could result in dilution to our Shareholders. Our ability to pay interest and repay the principal for our indebtedness is dependent upon our ability to generate sufficient cash flows to service such debt. Any additional indebtedness we incur may have consequences, including, requiring us to use a significant portion of our cash flow from operations and other available cash to service our indebtedness, thereby reducing the funds available for other purposes, including capital expenditure and reducing our flexibility in planning for or reacting to changes in our business, competition pressures and market conditions.

Our financing arrangements include conditions that require us to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions including altering our capital structure change in our shareholding pattern, changing the management of the Company, and alteration in the constitutional documents. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. As of the date of this Draft Red Herring Prospectus, we have received all consents required from our lenders in connection with the Offer.

In terms of security, we have provided security by way of, *inter alia*, first *pari passu* charge on all present and future stocks and book debts and 20% cash margin in the form of fixed deposits with certain banks and personal guarantee provided by the Promoters, namely, Arvind Kondangi Lakshmikumar, Ankit Kumar and Cecilia D'Souza. We may also be required to furnish additional security if required by our lenders. Further, our Promoters have executed a non-disposal undertaking with EXIM Bank for the Equity Shares held by them. Additionally, these financing agreements also require us to maintain certain financial ratios. While there has been no breach of such covenants in the last three Fiscals, we cannot assure you that we will be able to comply with these financial or other covenants at all times or that we will be able to obtain the consent necessary to take the actions that we believe are required to operate and grow our business. Further, there has been no re-scheduling/ re-structuring in relation to borrowings availed by us from any financial institutions or banks in the last three Fiscals.

Further, we are susceptible to changes in interest rates and the risks arising therefrom. The interest rates of the working capital facilities of our Company are primarily linked to the benchmark rates, such as the marginal cost of lending rate (MCLR). For further information on the interest charged under our financing agreements, see "***Financial Indebtedness – Key terms of the borrowings availed by our Company***" on page 432.

32. The industry in which we operate is subject to significant technical, competitive, operational and regulatory challenges globally and in India, which could adversely affect our business, results of operations, financial condition and cash flows.

We operate in the EO/IR systems segment of the defence electronics industry, which is subject to a number of threats and challenges both globally and in India. These challenges may individually or collectively have an adverse effect on our business, results of operations, financial condition and cash flows.

The EO/IR industry involves inherent technical complexities, including: (a) trade-offs between SWaP and system performance, wherein higher resolution and range requirements increase the size, weight and cost of systems,

conflicting with the growing demand for compact, low-SWaP solutions; (b) significant costs associated with ruggedisation of systems to military-grade reliability standards for extreme environments, including high temperatures, vibration and shock, which add complexity and expense to our manufacturing processes; (c) specialised manufacturing requirements for thermal detectors, optical coatings and gimbal assemblies that require precision fabrication, where defects in production could cause delays and cost overruns; and (d) integration complexity arising from multi-sensor, AI-enabled EO/IR systems that must integrate seamlessly with platforms, mission computers and network architectures. Any failure to effectively manage these technical challenges could result in delays in product delivery, increased costs and loss of customer confidence, which could adversely affect our business, results of operations, financial condition and cash flows. While we have not experienced any material instance in the last three Fiscals where such technical challenges adversely impacted our results of operations, we cannot assure you that such instances will not arise in the future.

The EO/IR industry is characterised by: (a) high entry barriers, including significant R&D costs, long product qualification cycles and stringent defence certifications, which, while providing incumbent advantages, also constrain our ability to rapidly scale or pivot to new market segments; (b) market concentration, with the global EO/IR market being dominated by large OEMs, and smaller firms facing challenges in competing without niche specialisation or partnerships; and (c) supply chain vulnerabilities arising from dependence on suppliers located in a limited number of countries, where geopolitical tensions or export control regimes such as the ITAR and the Export Administration Regulations ("**EAR**") can restrict component flow. Any adverse change in the competitive landscape, loss of niche positioning or inability to secure strategic partnerships could adversely affect our ability to compete effectively and could have a material adverse effect on our business, results of operations, financial condition and cash flows.

The production of critical components for our products is dependent on suppliers being able to procure raw materials, such as Germanium, Silicon and Carbon. Germanium is a scarce and expensive raw material and is subject to government licensing and export restrictions in certain geographies, particularly China. Raw materials such as Germanium and rare earth elements used in infrared optics are mined in only a few countries, including China and Russia, and face increasing scarcity and price volatility. Any disruption in the supply of such raw materials, whether due to geopolitical tensions, export restrictions, supply shortages or price increases, could materially affect our supply chain, increase our production costs and delay the delivery of our products. While we have not experienced any material disruption in the supply of such raw materials in the last three Fiscals, we cannot assure you that such instances will not arise in the future.

Our operations are also exposed to the following risks: (a) the evolution of countermeasures by adversaries, including camouflage, thermal masking, laser dazzlers and decoys, which necessitates constant innovation and investment in research and development to maintain the effectiveness of our products; (b) volatility in defence Intelligence, Surveillance and Reconnaissance ("**ISR**") budgets, which may be subject to cuts or delays due to economic downturns or shifting strategic priorities of our customers; and (c) increasing return on investment pressure, whereby programmes increasingly require clear mission-impact justification for funding approval, which may result in delays or cancellation of orders. Any reduction or delay in defence spending on EO/IR systems could adversely affect our order book, revenue from operations and overall financial performance.

In India, the EO/IR sector faces a unique set of challenges as it endeavours to build indigenous capacity and reduce reliance on imports, including:

(a) Dependency and supply risks: Core technologies, including InSb/MCT detectors, thermal camera cores and gimbals, are still partially sourced from abroad, exposing Indian industry participants, including our Company, to supply delays, restrictions and technology denial. While indigenous capability is maturing, there remains an interim reliance on imports for certain critical components under a hybrid sourcing model.

(b) Procurement and policy barriers: Bureaucratic procurement cycles with long timelines and procedural complexities have historically favoured established foreign OEMs over domestic innovators. While the "Make in India" initiative and the Defence Acquisition Procedure 2020 ("**DAP 2020**") provide preferential policies for indigenous suppliers, contract awards and upgrade continuity remain inconsistent in practice, which could affect our ability to secure and execute orders in a timely manner.

(c) Funding and market size constraints: The development of advanced EO/IR capabilities, including detector fabrication, cooled infrared technology and space-based sensors, requires sustained capital investment. Our Company may face challenges in accessing adequate capital for such intensive R&D. Further, the domestic market

remains smaller than that of global peers, making exports necessary for achieving scale, but the international market is highly competitive.

(d) Industrial base and skills gap: There exist gaps in specialised manufacturing capabilities in India, including in precision optics, vacuum semiconductor processing, cryocoolers and quality control. Additionally, there is a shortfall in testing infrastructure, including calibrated ranges and environmental test facilities required for EO/IR certification, which could affect the pace of product development and qualification.

(e) Operational and environmental factors: Systems deployed in India must withstand extreme heat, dust and humidity without performance degradation, requiring additional ruggedisation that adds to development costs and timelines.

Any of the foregoing challenges, individually or collectively, could have a material adverse effect on our business, results of operations, financial condition, cash flows and prospects. While we have not experienced any material adverse impact on our results of operations on account of the above challenges in the last three Fiscals, we cannot assure you that such instances will not arise in the future. For further information, see "***Our Business***" and "***Industry Overview***" on pages 239 and 149, respectively.

33. Our Registered Office (which is also our research centre) and Corporate Office are not located on land owned by us and we have only leasehold rights. In the event we lose or are unable to renew such leasehold rights, our business, financial condition and results of operations may be adversely affected.

Our Registered Office (which is also our research centre) and Corporate Office is not located on land owned by us and we have only leasehold rights. Further, we manufacture our products through third party manufacturers, we have no control over their land possession. The table below sets forth details of the properties which are held by us on leasehold basis as on the date of this DRHP:

S No.	Description	Location	Date of expiry of the lease/leave and license deed
1.	Registered Office#	No.3 Chikkayellappa Tower-II, 1st C Main, Chikkayellappa Industrial Layout, Jakkasandra Extension, Sarjapura Main Road, Bengaluru -560 034, Karnataka	August 31, 2030
2.	Corporate Office*	No.235, 18th Main, 6th Block, Koramangala, Bengaluru, Bengaluru Urban 560 095, Karnataka	September 30, 2026
3.	Engineering	Ground Floor and cafeteria space, No.9, 1st C Main, Koramangala 1st Block, Sarjapura Main Road, Bengaluru 560 034 Karnataka	October 31, 2028
4.	Stores	No 6 (old no 97/1-A), 1st C-Main, Sarjapura Main Road, Jakkasandra Extension, Bengaluru 560 034, Karnataka	February 14, 2029
5.	Engineering and Operations	No 1, 1st Main Road, 1st Block, Koramangala, Bengaluru 560 034, Karnataka	October 31, 2029
6.	Tech Support	Third Floor, No.306B, ABW Tower, MG Road, Gurugram 122 002, Haryana	April 30, 2029
7.	Car parking	1st C Main Jakkasandra Village, Begur Hobli, Bengaluru, South Taluk, 560034, Karnataka	February 18, 2028
8.	Car parking	Site no. 8, 1st C Main Road, Chikkayellappa Industrial Layout, Jakkasandra Extension, Bengaluru - 560034, Karnataka	August 31, 2030

*****Except our Corporate Office, which has been leased by our Company on arm's length basis from our Promoter, Managing Director and Chief Executive Officer, Arvind Kondangi Lakshmikumar, a related party of our Company, none of our properties have been leased from related parties of our Company. For further details, see "**Our Promoters and Promoter Group – Interest of Promoters - Interest in land and property**" and "**Our Management – Interest of Directors – Interest in land and property**" on pages 309 and 296 respectively.*
Also our research centre.

For further details, see "***Our Business– Properties***" on page 269.

However, in the event that our landlords do not have or fail to maintain good title to the land and properties in which our premises are situated or fail to comply with requirements of applicable law with respect to ownership and use of such land, or if such land is, or becomes subject to, any dispute, we may be required to terminate our leases with such landlords. Additionally, upon expiration of the relevant agreement for such premises, we will be required to negotiate the terms and conditions on which the lease agreement may be renewed. We cannot assure you that we will be able to renew these agreements on commercially reasonable terms in a timely manner, or at all. We cannot assure you that we will be able to compel our landlords to act in accordance with the provisions of our lease agreements. Any defect in title or ownership of the land or buildings leased from our landlords, non-compliance of applicable laws by landlords with respect to our premises or legal proceedings between our landlords and us may have an adverse effect on our business, cash flows, financial condition and results of operations.

While all our leases can be terminated unilaterally by us, our landlords may terminate the lease upon the occurrence of certain breaches, *inter alia*, a petition or application for winding up, or liquidation by either party, material default in relation to the provisions of the lease deed, any inaccuracy, misrepresentation, deviation or failure of representations and warranties, etc. We cannot assure you that upon such occurrence we will be able to make alternative arrangements on short notice and we cannot assure you that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, prospects, results of operations and financial condition. If we are unable to renew these leases or relocate on commercially suitable terms, it may have an adverse effect on our business, results of operation and financial condition. While we have not experienced any such instance in the last three Fiscals, we cannot assure you that such an instance will not occur in the future. In addition, lease agreements are required to be duly registered and adequately stamped under Indian law and if any of our lease agreements are not duly registered and adequately stamped, we may face challenges in enforcing them. Further, such stamp duty may not be accepted as evidence in a court of law and we may be required to pay penalties for inadequate stamp duty.

34. If we are unable to establish and maintain an effective internal controls and compliance system, our business and reputation could be adversely affected.

We are responsible for establishing and maintaining adequate internal control measures commensurate with the size and complexity of operations. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that our operations adhere to our policies, compliance requirements and internal guidelines. We periodically test and update our internal processes and systems and there have been no instances of failure to maintain effective internal controls and compliance system in the last three Fiscals. However, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances.

We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error. Any lapses in judgment or failures that result from human error can affect the accuracy of our financial reporting, resulting in a loss of investor confidence and a decline in the price of our equity shares.

35. Technology failures could disrupt our operations and adversely affect our business operations and financial performance.

Our IT systems are vital to our business and we have adopted IT policies to assist us in our operations. Our privacy policy deals with our treatment of personally identifiable information that we gather when customers are availing, accessing or using our website or by using our services and/or products in any manner. We are subject to various kinds of cyber threats, which vary from attacks common to most industries to more advanced and persistent, highly organised adversaries who target us because we protect national security information. If we are unable to protect sensitive information, our customers or governmental authorities could question the adequacy of our threat mitigation and detection processes and procedures. Due to the evolving nature of these security threats, however, the impact of any future incident cannot be predicted.

Although we have a privacy policy in place and we work cooperatively with our customers, suppliers to seek to minimise the impact of cyber threats, other security threats or business disruptions, we must rely on the safeguards

put in place by these entities, which may affect the security of our information. These entities have varying levels of cyber security expertise and safeguards and their relationships with government contractors may increase the likelihood that they are targeted by the same cyber threats we face.

The key functions of our IT team include establishing and maintaining enterprise information systems and infrastructure services to support our business requirements, maintaining secure enterprise operations through, among others, risk assessment and incident management policies. We have implemented security measures intended to prevent unauthorised access to our information technology system, such measures may not detect or prevent all attempts to compromise our systems, including viruses, malicious software, break-ins, phishing attacks, security breaches or other attacks and similar disruptions that may jeopardize the security of information stored in. Breaches of our cybersecurity measures could result in unauthorized access to our systems, misappropriation of information or data, deletion or modification of users information, or a denial of service or other interruption to our business operations. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. Given the nature of our business, occurrence of any of these events could adversely affect our internal operations, the services we provide to our customers, loss of competitive advantages derived from our research, design and development efforts or other intellectual property, early obsolescence of our products and services, our future financial results, our reputation or our stock price. While we have not experienced any instances of security breaches in the last three Fiscals, we cannot assure you that such instance will not arise in the future.

36. There have been certain instances of delays in payment of statutory dues by us in the past. Any delay in payment of statutory dues by us in future, may result in the imposition of penalties and in turn may have an adverse effect on our business, financial condition, results of operation and cash flows.

We are required to pay certain statutory dues including provident fund contributions under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, employee state insurance contributions under the Employees' State Insurance Act, 1948, professional tax, tax deduction at source ("**TDS**"), labour welfare fund, GST, withholding tax and income tax. The table below sets forth the details of the delays in statutory dues payable by us:

Particulars	**Fiscal 2026**		**Fiscal 2025**		**Fiscal 2024**	
	Number of instances	**Amount delayed (₹ *in Million*)**	**Number of instances**	**Amount delayed (₹ *in Million*)**	**Number of instances**	**Amount delayed (₹ *in Million*)**
The Employees Provident Fund and Miscellaneous Provisions Act, 1952	2	0.18	1	0.02	1	0.02
Employee State Insurance Act, 1948	NA	NA	NA	NA	NA	NA
Professional Taxes	Nil	Nil	Nil	Nil	Nil	Nil
Income Tax Act, 1961 (TDS on Salary)	Nil	Nil	1	3.40	Nil	Nil
Tax deducted at source on other than salaries	Nil	Nil	1	1.98	Nil	Nil
Gratuity	Nil	Nil	Nil	Nil	Nil	Nil
Value added tax	Nil	Nil	Nil	Nil	Nil	Nil
Goods and service tax	Nil	Nil	Nil	Nil	Nil	Nil
Total	**2**	**0.18**	**3**	**5.40**	**1**	**0.02**

Note: These delays were primarily due to technical issues on the portal / unavailability of adequate funds on the respective dates.
As certified by Kalyanasundaram & Associates, Chartered Accountants, by their certificate dated August 4, 2026.

In order to address such liquidity constraints, our Company may, from time to time, undertake additional financing arrangements, including by way of debt or equity. For instance, in March, 2025, our Company undertook a private placement to augment working capital and improve liquidity. We cannot assure you that we will not be subject to such penalties and fines in the future for delays in payment of statutory dues, which may have an adverse impact on our business, results of operations, financial condition and cash flows.

37. We have delayed in making certain regulatory filings required to be made with the RoC under applicable law in Fiscals 2026, 2025 and 2024. Any delay in regulatory filings by us in the future, may result in the imposition of penalties and in turn may have an adverse effect on our business, financial condition, results of operation and cash flows.

Our Company has experienced delays in filing certain forms with the RoC in Fiscals 2026, 2025 and 2024. Please see table below for the details of the delay in filing of forms with the RoC in the Fiscals 2026, 2025 and 2024:

S No.	Fiscal	Particulars of the form	Due date	Date of filing	Reason for delay
1.	Fiscal 2026	MGT-14 (For appointment of internal auditors)	March 4, 2026	March 31, 2026	Inadvertent delay which was rectified upon internal review of regulatory compliance.
		MGT 14 (To approve the alteration of Articles of Association to record the provisions of the revised Share Subscription cum Shareholder Agreement)	May 23, 2025	July 7, 2025	Technical glitches in the MCA form and auto-fill of wrong data
		AOC-4 for FY 2024-25	July 13, 2025	September 5, 2025	Delay in finalization of XBRL due to validation errors
		SH-11 (Return in respect of buy-back of securities)	July 26, 2025	August 20,2025	Delay in approval of the Buy-back offer letter in Form SH-8 by the Registrar of Companies due to autofill errors in Form SH-8
		SH-7 (Increase of Authorised Share Capital of the Company and amend the Capital Clause of the Memorandum of Association)	July 30, 2025	August 22, 2025	Technical glitches in the MCA form and autofill of wrong data
		PAS-3 (Allotment of Bonus Shares to the existing Shareholders)	July 30, 2025	August 26, 2025	Incorrect details of share capital were prefilled in the form. Form was filed after the issue was resolved by MCA
		MGT-7 for FY 2024-25	August 12, 2025	September 3, 2025	Delay in mobilization of documents
		INC-27 (conversion of the Company from a Private Limited Company to a Public Limited Company and alteration of the Memorandum of Association)	August 30, 2025	September 9, 2025	Delay in approval of Form MGT-14 by the Registrar of Companies
		DIR 12 (Change in Designation of Directors of the Company)	August 31, 2025	December 22, 2025	The resolution passed on December 20, 2025, for Change in Designation was with effect from 01st August 2025 and hence the form considers this as

S No.	Fiscal	Particulars of the form	Due date	Date of filing	Reason for delay
					a delay, though there is no delay in filing
		MR 1 (Return of appointment of Ankit Kumar as Key Managerial Personnel)	September 30, 2025	December 22, 2025	The appointment as Whole-time Director was approved at the Board Meeting held on December 20, 2025 with effect from August 1, 2025. Since the effective date of appointment precedes the date of approval, the system has treated the filing as delayed, though there is no delay in filing
		MR 1 (Return of appointment of Cecilia D'souza as Key Managerial Personnel)	September 30, 2025	December 22, 2025	The appointment as Whole-time Director was approved at the Board Meeting held on December 20, 2025 with effect from August 1, 2025. Since the effective date of appointment precedes the date of approval, the system has treated the filing as delayed, though there is no delay in filing
		SH-7 (Sub-division (Stock Split) of Equity Shares of the Company)	October 16, 2025	November 10, 2025	Form was filed within the due date i.e. 03rd October 2025. However, there was glitch in the form w.r.t. the details of preference share capital and hence the form was resubmitted due to which there was a delay.
		DIR-12 (Appointment of Additional Independent Directors of the Company)	October 29, 2025	November 18, 2025	There was a technical issue while associating DSC with MCA Portal, hence the delay.
		DIR-12 (Appointment of Additional Independent Directors of the Company)	October 29, 2025	November 26, 2025	There was a technical issue while associating DSC with MCA Portal, hence the delay.
		DIR-12 (Change in Designation from Additional Independent Directors to Independent Directors of the Company)	November 16, 2025	November 27, 2025	There was a technical issue while associating DSC with MCA Portal for the Form DIR-12, hence the delay.
		PAS-6 (Reconciliation of Share Capital Audit	November 29, 2025	December 3, 2025	There was delay in collating the information.

S No.	Fiscal	Particulars of the form	Due date	Date of filing	Reason for delay
		Report for period of April 2025 to September 2025)			
2.	Fiscal 2025	CHG-1 (modification of charge)	May 22, 2024	June 3, 2024	Delay in mobilisation of documents
		AOC-4 for FY 2024-25	August 14, 2025	September 5, 2025	Delay in finalisation of XBRL due to validation errors
		MGT-7 for FY 2024-25	August 14, 2025	September 3, 2025	Technical glitches in the MCA form
		MGT-14 (Resolution for adoption of Amended and Restated ESOP 2024 Regulations)	August 17, 2024	August 27, 2025	Inadvertent delay which was rectified upon internal review of regulatory compliance
3.	Fiscal 2024	DIR-12 (appointment of additional director)	July 28, 2023	December 11, 2023	Technical glitch in registering digital signature certificate on the MCA portal
		DIR-12(regularisation of director)	October 28, 2023	December 16, 2023	Technical issue
		CHG-9	March 1, 2024	March 7, 2024	Delay in mobilisation of documents
		AOC-4 for FY 2022-23	August 6, 2024	August 26, 2024	Delay in finalisation of XBRL due to errors in validation

While the relevant additional fees have been paid/to be paid, there can be no assurance that similar delays will not occur in the future or that no penalties or adverse actions will be imposed. Any actions, including legal proceedings initiated by regulatory or statutory authorities, may have an adverse effect on our financial condition or reputation.

38. The loss of certain independent certification and accreditation of our products and the manufacturing practices that we have adopted could harm our business.

We obtain and maintain quality certifications and accreditations from independent certification entities in connection with the products we manufacture. For instance, we have the ISO 9001:2015 (quality management systems), ISO 14001:2015 (environmental management system) and ISO/IEC 27001:2022 (information security management system) and ISO 28000:2022 (security and resilience-security management systems requirements) for design, development, manufacture and servicing of electro optical systems and imaging cores in the areas of infrared imaging for use in defence, commercial, security and industrial applications. Obtaining and maintaining these accreditations are critical to our products to be eligible for certain customers. Further, if we fail to comply with applicable quality standards or if the relevant accreditation institute or agency declines to certify our products and manufacturing practices, or if we are otherwise unable to obtain such quality accreditations in the future, in a timely manner or at all, our business prospects and financial performance will be adversely affected. While we have not experienced any instances where we failed to obtain quality certifications and accreditations which had an adverse impact on our business, results of operations, financial condition or cash flows, we cannot assure you that such instances will not arise in the future.

39. Exchange rate fluctuations may adversely affect our business, financial conditions, cash flows and results of operations.

Our financial statements are presented in Indian Rupees. However, our revenue is influenced by the currencies that we export in as well as by currencies of countries from where we procure our raw materials. Our foreign currency exposures, exchange rate fluctuations between the Indian Rupee and foreign currencies, especially USD, EURO, etc., may have an adverse impact on our results of operations, cash flows and financial condition. Failure to hedge effectively against exchange rate fluctuations may adversely affect our business operations, financial conditions, results of operations and cash flows. While we have not experienced any instance in the last three Fiscals wherein our failure of hedging foreign exchange risks had a material adverse impact on our results of

operations, financial condition and cash flows, we cannot assure you that such instance will not arise in the future.

40. We have certain contingent liabilities that have been disclosed in our financial statements, which if they materialize, may adversely affect our results of operations, cash flows and financial condition.

As of March 31, 2026, our contingent liabilities that have been disclosed in our Restated Consolidated Financial Statements, were as follows:

S. No.	Particulars	Amount (*₹ million*)*
1.	Bank guarantee	687.12
Total		687.12

**Notes*
Our Company has not provided for the following contingent liabilities:

Name of the statute	*Amount (₹ million)*	*Nature of dues*	*Period to which it relates*	*Forum where dispute is pending*
Goods and Services Tax Act, 2017	*5.78*	*Goods and Services Tax*	*2018-19*	*J&K State High Court*
Goods and Services Tax Act, 2017	*2.54*	*Goods and Services Tax*	*FY 2017 - FY 2022*	*Commissioner of CGST Appeal*

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, cash flows, financial condition and results of operations. Furthermore, we cannot assure you that we will not incur similar or increased levels of contingent liabilities in the current Fiscal or in the future. For further information of contingent liability as at March 31, 2026 as per Ind AS 37, see "***Restated Consolidated Financial Statements – Note 40 - Contingent Liabilities and Capital Commitments***" on page 376.

41. We may be unable to detect, deter and prevent all instances of fraud or negligence or other misconduct committed by our employees, customers or other third parties, which may have a material adverse effect on our business, results of operations and financial condition.

Many of our contracts involve tenders that are critical to the operations of our customer's business. Further, as our operations are linked to the defence sector of various governments across the globe, certain documents and information are confidential because of national security related concerns. Any instances of fraud, theft or other misconduct in our Company can be difficult to detect, deter and prevent, and could subject us to financial losses and harm our reputation. We have established internal controls and mechanisms to address instances of fraud, theft, or other misconduct. These include defined policies on ethical conduct, internal audit procedures, and a framework to enable confidential reporting and investigation of concerns. Further, our Company has implemented appropriate safety and security measures across all its premises, such as deployment of security personnel, installation of surveillance / CCTV cameras, and biometric access controls to ensure secure entry. These measures collectively help mitigate risks and safeguard the Company's assets, information, and operations. Although we have controls in place with respect to the handling of such cases, we may be unable to prevent, detect or deter all such instances of misconduct. Further, we may not be able to identify non-compliance and/or suspicious transactions in a timely manner or at all. Any such misconduct committed against our interests, which may include past acts that have gone undetected or future acts, may have a material adverse effect on our business, results of operations and financial condition. While we have not experienced any such instance in the last three Fiscals, we cannot assure you that such an instance will not take place in the future.

42. Our insurance coverage may not be adequate or we may incur uninsured losses or losses in excess of our insurance coverage which may impact our financial condition, cash flows and results in operations.

We maintain insurance cover for terrorism, marine cargo, standard fire and special perils, fire floater, etc. We have also obtained insurance for our employees, directors, and KMPs, *inter alia*, directors and officers liability, keyman (sampoorna raksha promise), group personal accident, group mediclaim, group term life (Sampoorna suraksha) etc. For further information on the insurance policies availed by us, see "***Our Business – Insurance***" on page 271. These insurance policies are generally valid for one year and are renewed yearly. We cannot assure you that the renewal of our insurance policies in the future will be granted in a timely manner, at acceptable cost or at all.

We could face liabilities or otherwise suffer losses should any unforeseen incident such as malfunction or failure

of manufacturing equipment, natural disaster, fire, flood, and accidents affect our research centre or Registered Office and Corporate Office. Notwithstanding the insurance coverage that we carry, we may not be fully insured against certain types of risks. We cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part, on time, or at all. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, cash flows, financial condition and results of operations could be adversely affected. Any damage suffered by us in excess of such limited coverage amounts, or in respect of uninsured events, not covered by such insurance policies will have to be borne by us.

The following table sets forth details of coverage of our insurance policies against the total insurable assets as at March 31,2026, March 31, 2025 and March 31, 2024, respectively:

Particulars	**As at March 31, 2026**		**As at March 31, 2025**		**As atMarch 31, 2024**	
	Amount (*₹ million*)	**Percentage of the Total Insurable Assets** (%)	**Amount** (*₹ million*)	**Percentage of the Total Insurable Assets** (%)	**Amount** (*₹ million*)	**Percentage of the Total Insurable Assets** (%)
Coverage of Insurance Policies	2,156.98	100	1,320.00	100	1,057.90	100
Insurance coverage ratio	-	0.88	-	0.97	-	0.91
Total tangible assets	2,442.88		1,356.28	-	1,164.73	-
Insurance coverage as a percentage of total tangible assets	-	88.30	-	97.33	-	90.83

The table below sets forth the further break down of insured and uninsured assets and the amount of insurance coverage granted to each for the following periods:

Particulars	Particulars/details of the Asset	As at March 31, 2026				As at March 31, 2025				As at March 31, 2024			
		Amount (₹ in million) of asset^	% of total assets * (in %)	Total Insurance cover (₹ in million)	Percentage of insurance coverage (in %)	Amount (₹ in million) of asset^	% of total assets * (in %)	Total Insurance cover (₹ in million)	Percentage of insurance coverage (in %)	Amount (₹ in million) of asset^	% of total assets * (in %)	Total Insurance cover (₹ in million)	Percentage of insurance coverage (in %)
Insured Assets[(1)]	Property, Plant & Equipment	248.03	3.17	156.98	63.29	244.84	3.37	120.00	49.01	47.87	0.83	57.90	120.96
	Tangible assets - Inventory	2,194.85	28.05	2000.00	91.12	1,111.44	15.30	1,200.00	107.97	1,116.86	19.43	1,000.00	89.54
Uninsured Assets[(2)]	Total assets excluding those mentioned above	5,382.10	68.78	-	-	5,907.30	81.33	-	-	4,582.08	79.73	-	
Total		**7,824.98**	**100.00**	**2156.98**	**88.30**	**7,263.58**	**100.00**	**1,320.00**	**97.33**	**5,746.81**	**100.00**	**1,057.90**	**90.83**

**Based on Restated Consolidated Financial Statements*.

[(1)] Insured Assets comprises of property, plant & equipment (net block) and inventories.

[(2)] Uninsured assets comprises right-of-use assets, intangible assets, capital work-in-progress, financial assets, investments, other financial assets, other non-current assets, trade receivables, cash and bank balances, other bank balances, loans and other current assets

While we have not experienced any loss or damage that is not covered by insurance or exceeds our insurance in the last three Fiscals, we cannot assure you that such an instance will not occur in the future.

43. Certain sections of this Draft Red Herring Prospectus disclose information from the industry report titled "Assessment of Global and Indian Defence Electronics and Technology Industry" which is a paid report and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.

We have availed the services of an independent third-party research agency, Frost and Sullivan (India) Private Limited appointed by our Company pursuant to an engagement letter dated June 29, 2026, to prepare an industry report titled "*Assessment of Global and Indian Defence Electronics and Technology Industry*" dated August 2026 ("**F&S Report**"), for purposes of inclusion of such information in this Draft Red Herring Prospectus to understand the industry in which we operate. Our Company, our Promoters, our Directors, our Key Managerial personnel, our Senior Management and our Book Running Lead Managers are not related to F&S. The F&S Report has been commissioned by our Company exclusively in connection with the Offer for a fee.

The F&S Report uses certain methodologies for market sizing and forecasting and may include numbers relating to us that differ from those we record internally. There are no standard data gathering methodologies in the markets in which we operate, and methodologies and assumptions vary widely among different industry sources. Furthermore, industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Industry sources do not guarantee the accuracy, adequacy or completeness of the data. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus. Furthermore, the F&S Report is not a recommendation to invest/ disinvest in any company covered in the F&S Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Offer pursuant to reliance on the information in this Draft Red Herring Prospectus based on, or derived from, the F&S Report. You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the F&S Report before making any investment decision regarding the Offer. See "***Industry Overview***" on page 149.

44. Our Promoters, our Directors and, certain Key Managerial Personnel and Senior Management may have interests in our Company in addition to their remuneration and reimbursement of expenses.

Our Promoters, Directors, and certain Key Managerial Personnel and Senior Management may be regarded as having an interest in our Company other than the reimbursement of expenses incurred and normal remuneration or benefits. For further details, see "***Our Management – Interest of Directors***" and "***Our Management – Interest of Key Managerial Personnel and Senior Management***" on page 296 and 306. Our Promoters and Chief Financial Officer are also interested to the extent of Equity Shares held by them and the transactions entered into by our Promoters, Chief Financial Officer and our Company. We cannot assure you that our Promoters, Directors and Key Managerial Personnel will exercise their rights as shareholders to the benefit and best interest of our Company under all circumstances. For further details, see "***Capital Structure***" and "***Our Promoter and Promoter Group – Interests of Promoters***" on pages 99 and 309, respectively.

45. Most of our Directors do not have prior experience of holding a directorship in a company listed on the Stock Exchanges which may subject us to adverse regulatory actions if we are not able to comply with applicable laws, resulting in an impact on the price of our Equity Shares.

Most of our Directors do not have prior experience of being on the board of a company listed on the Stock Exchanges, or experience working at a listed company. Upon listing of the Equity Shares, our Company will be subject to the applicable regulatory requirements, including the regulations prescribed under SEBI Listing Regulations and the Companies Act. Any non-compliance with such regulatory framework, whether due to lack of such experience or otherwise, could subject us to adverse regulatory actions, and have an impact on the price of our Equity Shares.

46. Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like Gross Profit, Gross Profit Margin (%), EBITDA, EBITDA Margin (%), PAT Margin (%), Return on Equity (%), Return on Capital employed (%), Net Tangible Fixed Asset Turnover and Working Capital Days have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance.

These Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, these are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

47. Non-availability of credit ratings or our inability to obtain such credit rating in a timely manner or a poor credit rating may restrict our access to capital and thereby adversely affect our business, financial conditions, cash flows and results of operations.

The cost and availability of capital depends on a company's credit ratings. Credit ratings reflect the opinion of the rating agency on our management, track record, diversified clientele, increase in scale and operations and margins, medium term revenue visibility and operating cycle.

While we have not received any credit ratings as on the date of this DRHP, we could receive a poor credit rating in the future. Further, we may not be able to attract customers due to non-availability of credit ratings or certain customers may require us to obtain credit ratings to adjudge our ability to access capital. For instance, a couple of tenders have specified credit ratings as a pre – requisite, accordingly, we are in the process of getting rated by a credit rating agency for our borrowings. Inability to attract customers due to non-availability of credit ratings or our inability to obtain such credit rating in a timely manner or poor credit rating in the future, could increase borrowing costs, will give the right to our lenders to review the facilities availed by us under our financing arrangements and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business, results of operations, financial condition and cash flows.

48. Our Company has recently undertaken a bonus issue and a sub-division of the face value of the Equity Shares. There may be historical per-share financial metrics not adjusted for these corporate actions, which will not be comparable with the data presented in this DRHP and should not be relied upon.

Pursuant to resolutions passed by our Board and our Shareholders in their respective meetings held on September 16, 2025, each, the face value of the equity shares of our Company was sub-divided from ₹10 each to ₹2 each. Accordingly, issued, subscribed and paid-up equity share capital of our Company comprising 11,456,420 equity shares of ₹10 each were sub-divided into 57,282,100 Equity Shares of face value ₹2 each. The authorised share capital of our Company was reclassified to reflect the sub-division of the face value of the equity shares of our Company from equity shares of ₹10 each to Equity Shares of ₹2 each. The authorised share capital was changed from ₹11,497,500 divided into 57,487,500 equity shares of face value of ₹10 each and ₹2 each, respectively. Further, on June 30, 2025, our Company issued a bonus of 10,883,599 Equity Shares in the ratio of 19:1 to all its Shareholders.

For details, see "***Capital Structure – Notes to Capital Structure –Share capital history of our Company – Equity Share Capital of our Company"*** and ***"History and Certain Corporate Matters - Amendments to the Memorandum of Association in the last 10 years***" on pages 100 and 282, respectively.

There may be historical per-share financial metrics that have not been adjusted for these corporate actions, such

metrics will not be comparable with the data presented in this DRHP and should not be relied upon for any investment decision.

49. Certain rights granted to our investors under the Shareholders' Agreement may affect our operations post-listing, and certain provisions of the Shareholders' Agreement will continue to survive the listing of the Equity Shares.

Our Company, our Promoters, CEAQ Singapore, CEAQ India, Timothy Guy Mitchell, Serial Innovations Employee Stock Option Trust (together referred to as the "**Existing Investors**"), Artiman Partners LLC ("**Artiman Partners**"), Artiman Ventures Select 2014 L.P. ("**Artiman Select**"), Artiman Ventures Select 2014 Principals Fund L.P. ("**Artiman Select Principals**"), Amit Dilip Shah (registered owner for Amit Shah Family Trust as the beneficial owner) ("**Amit Shah**"), Ramesh Radhakrishnan, Meghaa Karnani (registered owner for Palita Associates as the beneficial owner), SSV Advisory Services LLP, Vinimaya Advisory LLP ("**Vinimaya**"), Tiruvidaimarudhur Srivatsan Sivashankar and Meera Sivashankar (together, "**Sivashankar TS**"), Neville Manuel Fernandes and Mellita Fernandes, Nitin Agarwal (HUF), Anand Ladsariya, Shereen Bhan (collectively referred to as "**C1 Investors**"), Florintree Flowtech LLP ("**Florintree**"), Yali Deeptech Fund I, Tenacity Ventures Fund – I, Export-Import Bank of India, Pranav Parikh, Paramjit Singh (together with Artiman Select, Artiman Select Principals, Amit Shah, Vinimaya and Sivashankar TS, "**New Investors**"), and HBL Engineering Limited ("**HBL**"), Tonbo Imaging Inc. and UAB Tonbo Imaging ("**Confirming Parties**") (collectively referred to as the "**Parties**") have entered into a subscription and restated shareholders' agreement dated February 6, 2025 as amended by the amendment and waiver agreement dated December 20, 2025 read with the letter dated August 4, 2026 issued by our Company to the parties to the Shareholders' Agreement ("**Shareholders' Agreement**") to record certain rights and obligations with respect to the management and operations of our Company.

In terms of the Shareholders' Agreement, the Parties have certain rights and obligations, including, among others: (a) each of our Promoters shall be nominated as executive directors on our Board; (b) each of Florintree, HBL and CEAQ Singapore shall have a right to nominate one director on our Board, for so long as each of them hold 5.00% of the total shareholding of our Company on a fully diluted basis; (c) the quorum for a meeting of the Shareholders of our Company shall consist of four shareholders, provided that one representative of our Promoters, one representative of HBL, one representative of CEAQ Singapore and one representative of Florintree shall be present to constitute a quorum; (d) each of Florintree, HBL, Celesta Capital II LP, Edelweiss Value and Growth Fund and Artiman Ventures shall have the right to appoint an observer on our Board; (e) our Company is required to provide to the New Investors (other than Vinimaya and Sivashankar TS), C1 Investors (other than Vinimaya), HBL and CEAQ Singapore certain information and related rights, including (i) unaudited quarterly standalone and consolidated financial statements of our Company; (ii) annual budget and operating plans; (iii) information regarding any event which may entitle a customer of our Company to initiate liquidation damages under its contract; and (iv) any other information which is reasonably required by such investors (other than Vinimaya and Sivashankar TS), C1 Investors (other than Vinimaya), HBL or CEAQ Singapore; (f) our Company and its Shareholders are required to undertake certain actions only with the prior written consent of each of Florintree, HBL and CEAQ Singapore, for so long as each of them hold 5.00% of the total shareholding of our Company on a fully diluted basis; (g) transfers by any shareholder other than the New Investors (other than Vinimaya and Sivashankar TS), C1 Investors (other than Vinimaya), HBL, CEAQ Singapore and CEAQ India, as identified in the Shareholders' Agreement (the "ROFR Holders"), of the Equity Shares held by them (other than certain exempted transfers) shall be subject to a right of first refusal in favour of the ROFR Holders; and (h) in the event any of our Promoters proposes to transfer any or all of their respective Equity Shares to a third party, the New Investors, C1 Investors (other than Vinimaya), HBL and CEAQ Singapore, as identified in the Shareholders' Agreement (the "Tag Holders"), shall have a right to sell such number of their shares as may be determined in accordance with the Shareholders' Agreement to such third party along with our Promoters.

For facilitating the Offer, the parties have provided certain waivers from provisions of the Shareholders' Agreement and consents, including, inter alia: (i) right to receive reports, information and inspection; (ii) right of first refusal and tag-along rights; and (iii) right to appoint observers.

The Shareholders' Agreement shall terminate in its entirety, without any further act required by any party, automatically upon receipt of final listing and trading approvals from the Stock Exchanges for the listing and trading of the Equity Shares of our Company pursuant to the Offer. Further, all provisions of Part B of the Articles of Association of our Company shall automatically, and without any further action by our Company or by the Shareholders, terminate and cease to have any force and effect upon the listing and trading of the Equity Shares of our Company pursuant to the Offer. However, certain clauses, including board composition rights and confidentiality, that will continue to survive the termination of the Shareholders' Agreement. In terms of the

Shareholders' Agreement, on and after the date of receipt of final listing and trading approvals by our Company from the Stock Exchanges pursuant to the Offer, the nomination rights as set out above shall become effective only upon receipt of the approval of the Shareholders by way of a special resolution at the first general meeting held by our Company post the listing of Equity Shares on the Stock Exchanges pursuant to the Offer, as soon as practically possible. Such nomination rights, post receipt of the approval of the Shareholders at the first shareholders meeting, will be incorporated in the Articles of Association of our Company.

We cannot assure you that the interests of such investors will always be aligned with the interests of the other Shareholders of our Company or that such investors will act in a manner that is in the best interests of our Company at all times. The rights available to such investors under the Shareholders' Agreement, to the extent they survive the listing of the Equity Shares, including the right to nominate directors, could influence the decisions of our Board and may potentially conflict with the interests of our other Shareholders. Further, there can be no assurance that the special resolution required for the nomination rights to become effective post-listing will be obtained, and any failure to obtain such approval may lead to disputes among the parties to the Shareholders' Agreement. Any disagreements or disputes among the parties to the Shareholders' Agreement could divert the time, attention and resources of our management, which could adversely affect our business, results of operations, financial condition and cash flows. For further information, see "***History and Certain Corporate Matters – Subscription and restated shareholders' agreement dated February 6, 2025 entered into between our Company, HBL Engineering Limited, our Promoters, CEAQ Singapore, CEAQ India, Timothy Guy Mitchell, Serial Innovations Employee Stock Option Trust, Artiman Partners LLC, Artiman Ventures Select 2014 L.P., Artiman Ventures Select 2014 Principals Fund L.P., Amit Dilip Shah (as registered owner for Amit Shah Family Trust as the beneficial owner), Ramesh Radhakrishnan, Meghaa Karnani (as registered owner for Palita Associates as the beneficial owner), SSV Advisory Services LLP, Vinimaya Advisory LLP, Tiruvidaimarudhur Srivatsan Sivashankar and Meera Sivashankar, Neville Manuel Fernandes and Mellita Fernandes, Nitin Agarwal (HUF), Anand Ladsariya, Shereen Bhan, Florintree Flowtech LLP, Yali Deeptech Fund I, Tenacity Ventures Fund – I, Export-Import Bank of India, Pranav Parikh, Paramjit Singh, Tonbo Imaging Inc and UAB Tonbo Imaging as amended by the amendment and waiver agreement dated December 20, 2025 read with the letter dated August 4, 2026 issued by our Company to the parties to the shareholders' Agreement***" on page 285.

External Risk Factors

50. Our international operations expose us to complex management, legal, tax and economic risks. Our purchase and supply arrangements may be governed by the laws of foreign jurisdictions and disputes arising from such arrangements may be subject to the exclusive jurisdiction of foreign courts.

We have entered, and we may in the future enter, into purchase and supply agreements that are governed by laws outside India. Accordingly, we are subject to risks inherent in operating abroad, such as exposure to foreign currencies and the attendant risks, including exchange rate volatility and translation risk arising from foreign currency transactions being translated into Indian rupees for the purposes of our Restated Consolidated Financial Statements.

We will also be subject to laws of any other country in which we may operate in future, which may differ in various respects from similar Indian laws and may require us to expend additional resources and engage advisors in the relevant jurisdictions to ensure compliance with applicable laws and the regulatory regime at all times. We may not be familiar with the tax regime in the relevant countries, and may not be able to procure expert advice in a timely manner, or at all. We may be exposed to the risk of penalties for non-compliance with legal requirements in our day to day operations. In addition, to the extent our purchase and supply arrangements are governed by laws of territories outside India, disputes arising from such arrangements are subject to the exclusive jurisdiction of courts situated in such territories. There can be no assurance that we will be able to contest such disputes effectively, or that such courts will determine disputes in accordance with Indian legal precedents which we may be more familiar with. We may also undertake transactions in countries or with persons that are subject to international sanctions. This may in turn open us to regulatory action. As a consequence, our international operations may expose us to adverse effects on our financial condition and results of operations.

51. We are subject to anti-corruption and anti-money laundering laws and regulations. We may face criminal liability and other serious consequences for violations if occur in the future, which can harm our business.

Our operations are subject to anti-corruption laws that generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We are, therefore, exposed to the risk that our employees may engage in fraudulent or other illegal activity in violation of these laws. It is not always possible to identify

and deter misconduct by our employees and other third parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations.

Enforcement of anti-corruption laws has increased substantially in recent years, with more frequent voluntary self-disclosures by companies, aggressive investigations and enforcement proceedings by governmental agencies, and assessment of significant fines and penalties against companies and individuals. We cannot predict the nature, scope or effect of future regulatory requirements to which our operations might be subject or the manner in which existing laws might be administered or interpreted. Any alleged or actual violations of these regulations may subject us to government scrutiny, severe criminal or civil sanctions, and could adversely affect our business, reputation, operating results, cash flows and financial condition.

While we have not experienced any such instance in the last three Fiscals, we cannot assure you such an instance will not occur in the future.

52. Changing laws, rules and regulations in India could lead to new compliance requirements that are uncertain.

Our business, financial performance, cash flow and results of operations could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Our business, cash flows, results of operations and prospects may be adversely impacted, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. The regulatory and policy environment in which we operate are evolving and are subject to change. The Government of India may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements.

We are subject to laws and government regulations, including in relation to safety, health, environmental protection and labour. These laws and regulations impose controls on air and water discharge, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, laws and regulations may limit the amount of hazardous and pollutant discharge that our research centre may release into the air and water. The discharge of materials that are hazardous into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing could subject us to litigation, which could lower our profits in the event we were found liable and could also adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shut down our research centre, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

Further, under India's Defence Acquisition Procedure 2020, our Company's supplies are categorised as "*Indigenously-Designed, Developed and Manufactured*" ("**IDDM"**) and must comply with the IDDM cap, which limits the permissible foreign or non-indigenous content in the final product to a maximum of 50% of the overall contract value. Once a vendor elects—or is mandated—to bid under this category, it becomes legally bound to demonstrate, at every stipulated milestone, that at least half of the ex-factory cost originates from Indian design, development, production or value-addition, supported by detailed cost sheets, certification from statutory auditors, and audit rights in favour of the Ministry of Defence. Further, our Company is also required to ensure that the control of the Company is with Indian citizens. Failure to adhere to the cap not only exposes the vendor to disqualification, liquidated damages, and forfeiture of performance guarantees under the Defence Procurement Contract but may also trigger blacklisting and debarment under the MoD's Guidelines on Penalties and Debarment, thereby materially affecting the vendor's eligibility for future government procurements. We are pursuing certain programmes under IDDM, and thus are subject to the adverse impacts of failure to adhere to its cap and any change in such caps.

Additionally, the Government of India announced the Union Budget for the Fiscal 2027 on February 1, 2026. Following this, the Finance Bill 2026 ("**Finance Bill**") was introduced, proposing certain changes including a reduction in the rate of minimum alternate tax, a shift from the old to the new regime for minimum alternate tax, a reduction in the rates of tax collected at source and taxation of consideration received on buy-back of shares as capital gains. The Finance Bill has received the assent from the President of India on March 30, 2026, and has been enacted as the Finance Act, 2026 ("**Finance Act**") with effect from April 1, 2026. We have not fully determined the effects of these recent and proposed laws and regulations on our business. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in the Equity Shares. We cannot predict whether any amendments made pursuant to the Finance Act would

have an adverse effect on our business, results of operations, financial condition and cash flows. Further, the Union Cabinet, Government of India has recently approved the Income Tax Act, 2025 which among others, amends the income tax regime and replace the Income Tax Act, 1961 with effect from April 1, 2026. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. There is no certainty on the impact of the Income Tax Act, 2025, on tax laws or other regulations, which may adversely affect our business, financial condition, cash flows, results of operations or on the industry in which we operate.

For instance, the Digital Personal Data Protection Act, 2023 ("**DPDP Act**") which has received the assent of the President on August 11, 2023, provides for personal data protection and privacy of individuals, regulates cross border data transfer, and provides for the processing of digital personal data in a manner that recognises both the rights of individuals to protect their personal data and the need to process personal data for lawful purposes and matters incidental thereto. It also provides for the establishment of a Data Protection Board of India for taking remedial actions and imposing penalties for breach of the provisions of the DPDP Act. It imposes restrictions and obligations on data fiduciaries, resulting from dealing with personal data and further, provides for levy of penalties for breach of obligations prescribed under the DPDP Act. The enactment of the DPDP Act introduces stricter data protection norms for companies in India, which may result in additional costs incurred to ensure compliance. Additionally, the GoI has published the Draft Digital Personal Data Protection Rules, 2025 which aim to provide the operational framework for implementing India's new general personal data protection regime.

The Government introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020, which consolidate, subsume and replace numerous existing central labor legislations. The draft rules for implementation under such codes were notified on December 30, 2025, and have come into effect between May 8, 2026 and May 9, 2026.

The Parliament of India has passed the Bharatiya Nyaya Sanhita, 2023, the Bharatiya Nagarik Suraksha Sanhita, 2023 and the Bharatiya Sakshya Adhiniyam, 2023, which have repealed the Indian Penal Code, 1860, the Code of Criminal Procedure, 1973 and the Indian Evidence Act, 1872, respectively, with effect from July 1, 2024. The effect of the provisions of these on us and the litigations involving us cannot be predicted with certainty at this stage.

Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. Uncertainty in the applicability, interpretation, or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current businesses or restrict our ability to grow our businesses in the future.

We cannot predict whether any tax laws or other regulations affecting it will be enacted or predict the nature and effects of any such laws or regulations or whether, if at all, any laws or regulations would have an adverse effect on our business, prospects and results of operations.

53. Any failure to comply with sanctions administered by the United States or other governments could adversely affect our business and reputation.

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the OFAC or other U.S. government agencies. Other governments and international or regional organizations also administer similar economic sanctions. Although we endeavour to conduct our activities in compliance with applicable laws and regulations, we cannot assure you that persons and/or entities with whom we may engage in future transactions will not become the subject of sanctions-related prohibitions or restrictions, or that sanctions will not be imposed on the persons with whom we currently engage or countries in which we currently conduct business. The imposition of such sanctions on countries or persons with whom we transact may adversely affect our business and results of operations. Our failure to successfully comply with applicable sanctions may expose us to adverse legal and business consequences, including civil or criminal penalties, government investigations, and reputational harm.

54. Changes in trade policies may affect us.

Any change in policies by India or by the other countries, in terms of tariff and non-tariff barriers, from which our suppliers import their raw materials, components and/or countries to which we export our products, may increase our operating costs, reduce our margins and make it more difficult for us to compete in the Indian and overseas markets, and our business, financial condition and results of operation could be severally impacted. For instance, US has recently introduced high tariffs on all Indian goods, which will have an adverse impact on our opportunities in the US.

55. Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics and man-made disasters, including acts of war, terrorist attacks and other events such as political instability, including strikes, demonstrations, protests, marches or other types of civil disorder, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition, cash flows and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and the COVID-19. As a result, any future outbreak of a contagious disease could have an adverse effect on our business and the trading price of the Equity Shares.

56. A downgrade in sovereign credit and debt ratings of India and other jurisdictions we operate in may affect the trading price of the Equity Shares.

Our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. Any further adverse revisions to credit ratings for India and other jurisdictions we operate in by domestic or international rating agencies may adversely impact our ability to raise additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

57. We may be affected by competition laws in India, the adverse application or interpretation of which could adversely affect our business.

The Competition Act, 2002, of India, as amended ("**Competition Act**"), was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India ("**CCI**") to prevent such practices. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition ("**AAEC**") is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of consumers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished.

Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. In the event we pursue an acquisition in the future, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects. The manner in which the Competition Act and the CCI affect the business environment in India may also adversely affect our business, financial condition, cash flows and results

of operations.

The Competition (Amendment) Act, 2023 ("**Competition Amendment Act**") was notified on April 11, 2023, which amends the Competition Act and give the CCI additional powers to prevent practices that harm competition and the interests of consumers. The Competition Amendment Act, *inter alia*, modifies the scope of certain factors used to determine AAEC, reduces the overall time limit for the assessment of combinations by the CCI from 210 days to 150 days and empowers the CCI to impose penalties based on the global turnover of entities, for anti-competitive agreements and abuse of dominant position. We have not experienced any instances wherein we were subject to any penalty or received any notice from the CCI in the last three Fiscals, however, we cannot assure you such instances will not arise in the future.

58. Financial and political instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States of America, Europe and certain emerging economies in Asia. In particular, the ongoing military conflicts between Russia and Ukraine, India and Pakistan and in West Asia, Israel-Gaza conflict, US-Iran-Israel conflict and Middle East conflicts, as well as other events, many of which are beyond our control, could result in increased volatility in, or damage to, the worldwide financial markets and economy. Increased economic volatility and trade restrictions could result in increased volatility in the markets for certain securities and commodities and may cause inflation. Any worldwide financial instability including possibility of default in the US debt market may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilising effects.

These developments, or the perception that any of them could occur, have had and may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have an adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

59. The Indian tax regime has undergone substantial changes which could adversely affect our business and the trading price of the Equity Shares.

Any change in Indian tax laws could have an effect on our operations. The Government of India has implemented two major reforms in Indian tax laws, namely the Goods and Services Tax ("**GST**"), and provisions relating to general anti-avoidance rules ("**GAAR**"). The indirect tax regime in India has undergone a complete overhaul. The indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise have been replaced by GST with effect from July 1, 2017. The GST regime continues to be subject to amendments and its interpretation by the relevant regulatory authorities is constantly evolving. GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in, among others, a denial of tax benefit to us and our business. In the absence of any substantial precedents on the subject, the application of these provisions is subjective. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us. Further, if the tax costs associated with certain of our transactions are greater than anticipated because of a particular tax risk materializing on account of new tax regulations and policies, it could affect our profitability from such transactions.

Additionally, the Government of India announced the Union Budget for the Fiscal 2027 on February 1, 2026. Following this, the Finance Bill 2026 ("**Finance Bill**") was introduced, proposing certain changes including a

reduction in the rate of minimum alternate tax, a shift from the old to the new regime for minimum alternate tax, a reduction in the rates of tax collected at source and taxation of consideration received on buy-back of shares as capital gains. The Finance Bill has received the assent from the President of India on March 30, 2026, and has been enacted as the Finance Act, 2026 ("**Finance Act**") with effect from April 1, 2026. We have not fully determined the effects of these recent and proposed laws and regulations on our business. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in the Equity Shares. We cannot predict whether any amendments made pursuant to the Finance Act would have an adverse effect on our business, results of operations, financial condition and cash flows. Further, the Union Cabinet, Government of India has recently approved the Income Tax Act, 2025 which among others, amends the income tax regime and replace the Income Tax Act, 1961 with effect from April 1, 2026. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. There is no certainty on the impact of the Income Tax Act, 2025, on tax laws or other regulations, which may adversely affect our business, financial condition, cash flows, results of operations or on the industry in which we operate.

Unfavourable changes in or interpretations of existing laws, rules and regulations, or the promulgation of new laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether if at all, any laws or regulations would have an adverse effect on our business. Further, any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability. In addition, we are subject to tax related inquiries and claims.

60. If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our customers thereby reducing our margins.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of wages and other expenses.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business, results of operations, cash flows and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

61. Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.

Our Restated Consolidated Financial Statements, derived from our audited financial statements which are prepared in accordance with Ind AS for financial statements as at and for the years ended March 31, 2026, 2025 and 2024, included in this Draft Red Herring Prospectus are restated in accordance with the requirements of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on "*Reports in Company Prospectus (Revised 2019)*" issued by the ICAI. We have not attempted to quantify the effects of U.S. GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our Restated Consolidated Financial Statements to those of U.S. GAAP or IFRS. Accordingly, the degree to which the Ind AS

and Indian GAAP financial statements, which are restated as per the SEBI ICDR Regulations included in this Draft Red Herring Prospectus, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly. Ind AS differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

62. Pursuant to the listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measure (ASM) and Graded Surveillance Measures (GSM) by Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.

SEBI and the Stock Exchanges, in the past, have introduced various pre-emptive surveillance measures with respect to the shares of listed companies in India (the "Listed Securities") in order to enhance market integrity, safeguard the interests of investors and potential market abuses. In addition to various surveillance measures already implemented, and in order to further safeguard the interest of investors, the SEBI and the Stock Exchanges have introduced additional surveillance measures ("**ASM**") and graded surveillance measures ("**GSM**"). ASM is conducted by the Stock Exchanges on Listed Securities with surveillance concerns based on certain objective parameters such as price-to-earnings ratio, percentage of delivery, variation in volume of shares and volatility of shares, among other things. GSM is conducted by the Stock Exchanges on Listed Securities where their price quoted on the Stock Exchanges is not commensurate with, among other things, the financial performance and financial condition measures such as earnings, book value, fixed assets, net worth, other measures such as price-to-earnings multiple and market capitalization.

Upon listing, the trading of our Equity Shares would be subject to differing market conditions as well as other factors which may result in high volatility in price, and low trading volumes as a percentage of combined trading volume of our Equity Shares. The occurrence of any of the abovementioned factors or other circumstances may trigger any of the parameters prescribed by SEBI and the Stock Exchanges for placing our securities under the GSM and/or ASM framework or any other surveillance measures, which could result in significant restrictions on trading of our Equity Shares being imposed by SEBI and the Stock Exchanges. These restrictions may include requiring higher margin requirements, limiting trading frequency or freezing of price on the upper side of trading, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchanges. The imposition of these restrictions and curbs on trading may have an adverse effect on the market price, trading and liquidity of our Equity Shares and on the reputation and conditions of our Company. Any such instance may result in a loss of our reputation and diversion of our management's attention and may also decrease the market price of our Equity Shares which could cause you to lose some or all of your investment.

63. Our Company may not be able to pay dividends in the future. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, profit after tax available for distribution, cash flows, working capital requirements and capital expenditure and the terms of our financing arrangements.

Any dividends to be declared and paid in the future are required to be recommended by our Company's Board of Directors and approved by its Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Any future determination as to the declaration and payment of dividends, if any, will be at the discretion of the Board and will depend on a number of factors, including but not limited to, internal factors such as earning stability, past dividend trends, cashflow, organic growth and expansion, profitability of our Company during the period under consideration and external factors, including but not limited to the macro-economic environment, market conditions, regulatory changes and technological changes or statutory and contractual restrictions. our Company operates. Additionally, we may retain all our future earnings, if any, for any proposed or ongoing or planned business expansion or for any other purposes which may be considered by the Board subject to compliance with the provisions of the Companies Act. We cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to our Company's shareholders in future consistent with our past practices, or at all. We have not declared any dividends on the Equity Shares in the last three Fiscals, until the date of this Draft Red Herring

Prospectus. For information pertaining to dividend policy, see "***Dividend Policy***" on page 311.

64. The Equity Shares have never been publicly traded and the Offer may not result in an active or liquid market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and the investors may be unable to resell the Equity Shares at or above the Offer Price, or at all.

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the stock exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Our Equity Shares are expected to trade on NSE and BSE after the Offer, but there can be no assurance that active trading in our Equity Shares will develop after the Offer, or if such trading develops that it will continue. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the defence industry we operate in, developments relating to India, announcements by third parties or governmental entities of significant claims or proceedings against us, volatility in the securities markets in India and other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. As a result, we cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing. Further, the market price of the Equity Shares may decline below the Offer Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Offer Price.

Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares. There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after the Offer could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Draft Red Herring Prospectus. The market price of our Equity Shares may be influenced by many factors, some of which are beyond our control, including, among others:

- the failure of analysts to cover the Equity Shares after the Offer, or changes in the estimates of our performance by analysts;
- the activities of competitors and suppliers;
- future sales of the Equity Shares by us or our Shareholders;
- investor perception of us and the industry in which we operate;
- changes in accounting standards, policies, guidance, interpretations of principles;
- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations; and
- the public's reaction to our press releases and adverse media reports.

A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

65. Investors may be subject to Indian taxes arising out of income arising on the sale and dividend on the Equity Shares.

Under current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any capital gain exceeding ₹125,000, realized on the sale of listed equity shares on a recognized stock exchange, held for more than 12 months immediately preceding the date of transfer, will be subject to long term capital gains in India, at the rate of 12.5% (plus applicable surcharge and cess). This beneficial rate is, inter alia, subject to payment of Securities Transaction Tax ("**STT**"). Further, any gain realized on the sale of equity shares in an Indian company held for more than 12 months, which are sold using any platform other than a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India at 12.5%. Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. Such gains will be subject to tax at the rate of 20% (plus applicable

surcharge and cess), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. Similarly, any business income realized from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller.

66. The determination of the Price Band is based on various factors and assumptions and the Offer Price, price to earnings ratio and market capitalization to revenue multiple based on the Offer Price of our Company, may not be indicative of the market price of the Company on listing subsequent to the Offer or thereafter.

Our revenue from operations for the financial year ended March 31, 2026 was ₹ 3,626.48 million. Further, restated profit for the year for the financial year ended March 31, 2026 was ₹ 508.80 million. The table below sets forth details of our price to earnings ratio and market capitalization to revenue from operations at the upper end of the Price Band:

Particulars	Price to Earnings Ratio	Market Capitalization to Revenue
For Fiscal 2026	[●]	[●]

[*]*To be populated at Prospectus stage.*

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company in consultation with the BRLMs. The relevant financial parameters based on which the Price Band will be determined shall be disclosed in the advertisement that will be issued for the publication of the Price Band. Further, the Offer Price of the Equity Shares is proposed to be determined on the basis of assessment of market demand for the Equity Shares offered through the book-building process prescribed under the SEBI ICDR Regulations, and certain quantitative and qualitative factors as set out in the section "***Basis for Offer Price***" on page 129 and the Offer Price, multiples and ratios may not be indicative of the market price of the Company on listing or thereafter.

67. Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The transfer of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately two Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within three Working Days of the Bid Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

68. Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sales of Equity Shares by our major shareholders may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. Any disposal of Equity Shares by our Promoters or major shareholders or the perception that such issuance or sales may occur, including to comply

with the minimum public shareholding norms applicable to listed companies in India, as applicable, may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

69. Any restrictions under the Consolidated FDI Policy or delay in receiving approvals would adversely affect our business, operations and financial conditions.

Under the Consolidated FDI Policy, infusion of fresh foreign investment up to 49%, in a company engaged in the defence sector (as prescribed) not seeking industrial license or which already has government approval for FDI, will need to submit a declaration with the Ministry of Defence in cases of: (a) change in equity/shareholding pattern; or (b) transfer of stake by existing investor to new foreign investor, within a period of 30 days of such change. Any proposal for raising FDI beyond 49% from such companies can be made through the government approval route. In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-Debt Instrument Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates. Any delay or denial of approval to increase the sectoral cap in the future would create an adverse impact on our business, operations and financial conditions. Further, these approvals granted to us may be revoked at any point of time due to circumstances which may or may not be within our control and this could have an adverse impact on our business and operations. Moreover, any further restrictions of the Consolidated FDI policy impacting our industry would also restrict our foreign investment opportunities thereby creating an adverse impact on our business, operations and financial conditions.

70. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, the transfer of shares between non–residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. However, certain sectors of the Indian economy are subject to FDI restrictions or require prior government approval. In the event we invest or propose to invest in such restricted sectors, we may be required to obtain approvals from relevant government authorities, including the RBI and concerned ministries. There can be no assurance that such approvals will be granted on terms acceptable to us, or at all. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no–objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any necessary approvals from the RBI or any other governmental agency can be obtained on any particular terms, or at all.

In addition, pursuant to the Consolidated FDI Policy read with the Press Note No. 2 (2026 Series), dated March 15, 2026, issued by the Department for Promotion of Industry and Internal Trade, Government of India, a person resident outside India may make investments in India, subject to certain terms and conditions, and further provides that an entity of a country, which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, can invest only under the GoI approval route, as prescribed in the Consolidated FDI Policy and FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction and/or purview, such subsequent change in the beneficial ownership will also require approval of the GoI. Furthermore, on April 22, 2020, the Ministry of Finance, GoI has also made similar amendments to the FEMA (Non-debt Instruments) Rules, 2019. Further, in accordance with the amendment to the Companies (Share Capital and Debentures) Rules, 2014 vide notification dated May 4, 2022 issued by Ministry of Corporate Affairs, a declaration shall be inserted in the share transfer form stipulating

whether government approval shall be required to be obtained under Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to transfer of shares, as applicable.. For further information, see "***Restrictions on Foreign Ownership of Indian Securities***" beginning on page 490.

71. Qualified Institutional Buyers and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the submission of their Bid, and Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion are not permitted to withdraw their Bids after closure of the Bid/ Offer Closing Date.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within three Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Investors' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

72. Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution. However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offer document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced and they may suffer future dilution of their ownership.

73. Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, results of operations, financial condition and cash flows.

74. Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and wide-spread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder of our Company than as a shareholder of an entity in another jurisdiction.

75. Compliance with provisions of Foreign Account Tax Compliance Act may affect payments on the Equity Shares.

The U.S. "Foreign Account Tax Compliance Act" (or "**FATCA**") imposes a new reporting regime and potentially, imposes a 30% withholding tax on certain "foreign passthru payments" made by certain non-U.S. financial institutions (including intermediaries).

If payments on the Equity Shares are made by such non-U.S. financial institutions (including intermediaries), this withholding may be imposed on such payments if made to any non-U.S. financial institution (including an intermediary) that is not otherwise exempt from FATCA or other holders who do not provide sufficient identifying information to the payer, to the extent such payments are considered "foreign passthru payments". Under current guidance, the term "foreign passthru payment" is not defined and it is therefore not clear whether and to what extent payments on the Equity Shares would be considered "foreign passthru payments". The United States has entered into intergovernmental agreements with many jurisdictions (including India) that modify the FATCA withholding regime described above. It is not yet clear how the intergovernmental agreements between the United States and these jurisdictions will address "foreign passthru payments" and whether such agreements will require us or other financial institutions to withhold or report on payments on the Equity Shares to the extent they are treated as "foreign passthru payments". Prospective investors should consult their tax advisors regarding the consequences of FATCA, or any intergovernmental agreement or non-U.S. legislation implementing FATCA, to their investment in Equity Shares.

76. The requirements of being a publicly listed company may strain our resources.

We are not a publicly listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI Listing Regulations, which will, among other things, require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. Further, as a publicly listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, results of operations and financial condition. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

77. There is no guarantee that our Equity Shares will be listed on the stock exchanges in a timely manner or at all.

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until Allotment of Equity Shares pursuant to this Offer. In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the BSE and NSE within such time as mandated under law, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

78. A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the Takeover Regulations in India, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even

if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the Takeover Regulations.

79. Investors may have difficulty enforcing foreign judgments against us or our management.

Most of our Directors and executive officers are residents of India, and a substantial portion of our assets are located in India. As a result, it may be difficult for investors to effect service of process or enforce judgments obtained outside India against us or such persons.

Recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A of the Code of Civil Procedure, 1908, as amended (the "**Civil Procedure Code**"). While India is not a party to the Convention on the Recognition and Enforcement of Foreign Judgments in Civil and Criminal matters, India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, such as the United Kingdom, the United Arab Emirates, Singapore, and Hong Kong. To be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Civil Procedure Code. India recognizes and enforces foreign judgments only from jurisdictions that are notified as reciprocating territories under the Civil Procedure Code, 1908, which does not currently include the United States. Judgments from non-reciprocating territories require the filing of a new suit in India, and their enforcement is subject to several procedural and substantive conditions under Indian law.

Even if such a suit is successful, Indian courts may not award damages equivalent to those granted by foreign courts, particularly if considered excessive or contrary to Indian public policy. Enforcement may also require prior approval from the RBI to repatriate amounts recovered and could be subject to Indian taxation. Additionally, there may be delays or uncertainties in obtaining enforceable relief in Indian courts, making the recovery of any amounts under a foreign judgment uncertain and time-consuming.

Consequently, it may not be possible to enforce in an Indian court any judgment obtained in a foreign court, or effect service of process outside of India, against Indian companies, entities, their directors and executive officers and any other parties resident in India. Additionally, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner.

80. A slowdown in economic growth in India and in other countries and jurisdictions, such as the United States and Europe could cause our business to suffer.

The Indian financial markets and economy are influenced by market and economic conditions in other countries, including conditions in the United States, Europe, and certain emerging economies in Asia. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and us. Furthermore, concerns relating to trade wars between large economies such as the United States of America and China may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. For instance, the recent surge in US and retaliatory tariffs in 2025, for example, has already led to slower global trade growth, delayed investment decisions, and increased uncertainty for businesses worldwide. Prolonged or escalating trade wars can significantly dampen global economic activity.

SECTION III – INTRODUCTION

THE OFFER

The following table summarises details of the Offer:

Offer[(1)(2)]	
The Offer comprises:	
Offer for Sale [(2)]	Up to 18,085,246 Equity Shares of face value of ₹2 each, aggregating to ₹[●] million
which includes:	
Employee Reservation Portion[(6)]	Up to [●] Equity Shares of face value of ₹2 each, aggregating to ₹ [●] million
Net Offer	Up to [●] Equity Shares of face value of ₹2 each, aggregating to ₹ [●] million
The Net Offer comprises of:	
A) QIB Portion[(3)(5)(7)]	Not more than [●] Equity Shares bearing face value ₹2 each
of which:	
1. Anchor Investor Portion	Up to [●] Equity Shares of face value of ₹2 each
2. Net QIB Portion available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares of face value of ₹2 each
of which:	
1. Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares of face value of ₹2 each
Balance of QIB Portion for all QIBs, including Mutual Funds	[●] Equity Shares of face value of ₹2 each
B) Non-Institutional Portion [(4)(7)]	Not less than [●] Equity Shares bearing face value ₹2 each
of which:	
One-third is available for allocation to Bidders with an application size more than ₹0.20 million and up to ₹1.00 million	[●] Equity Shares of face value of ₹2 each
Two-third is available for allocation to Bidders with an application size of more than ₹1.00 million	[●] Equity Shares of face value of ₹2 each
C) Retail Portion[(7)]	Not less than [●] Equity Shares of face value of ₹2 each
Pre-Offer and Post-Offer Equity Shares	
Equity Shares outstanding prior to and after the Offer (as at the date of this Draft Red Herring Prospectus)	57,282,100 Equity Shares bearing face value ₹2 each
Use of proceeds of the Offer	Our Company will not receive any portion of the proceeds from the Offer. For further information, see "***Objects of the Offer***" on page 126

1. *Our Board has authorised the Offer pursuant to a resolution passed at their meeting dated December 20, 2025.*
2. *Our Board has taken on record the consent of each of the Selling Shareholders to participate in the Offer for Sale pursuant to a resolution passed at their meeting dated December 20, 2025. Each Selling Shareholder, severally and not jointly, confirms that its/their respective portion of the Offered Shares are eligible for being offered for sale in the Offer in accordance with Regulation 8 of the SEBI ICDR Regulations. Each of the Selling Shareholders, severally and not jointly, has confirmed their participation of their respective portion of Offered Shares in the Offer for Sale. For details on authorisation of the Selling Shareholders in relation to their respective portion of the Offered Shares, see "**Other Regulatory and Statutory Disclosures – Authority for the Offer**" on page 444.*
3. *Our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors, which price shall be determined by the Company in consultation with the BRLMs. In accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2025, of the Anchor Investor Portion, 40% shall be available for allocation as follows, (i) 33.33% shall be available for allocation to domestic Mutual Funds, and (ii) 6.67% for life insurance companies and pension funds, subject to valid Bids being received from domestic Mutual Funds, life insurance companies and pension funds at or above the Anchor Investor Allocation Price. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "**Offer Structure**" and "**Offer Procedure**" on pages 463 and 468 respectively.*
4. *Not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders of which one-third will be available for allocation to Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million and two-thirds will be available for allocation to Bidders with an application size of more than ₹1.00 million and under-subscription in either of these two sub-categories*

of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. The allocation to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.

5. *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, as applicable, at the discretion of our Company, in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable law. Under-subscription, if any, in the QIB Portion (excluding the Anchor Investor Portion) will not be allowed to be met with spill-over from other categories or a combination of categories.*

6. *Eligible Employees Bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹0.20 million (net of Employee Discount, if any). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹0.20 million (net of Employee Discount, if any). In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹0.20 million (net of Employee Discount, if any), subject to the maximum value of Allotment made to such Eligible Employees not exceeding ₹0.50 million (net of Employee Discount, if any). The unsubscribed portion, if any, in the Employee Reservation Portion after allocation of up to ₹0.50 million (net of Employee Discount, if any), shall be added to the Net Offer. For further details, see "**Offer Structure**" and "**Offer Procedure**" on pages 463 and 468 respectively.*

7. *Allocation to QIB Bidders (except Anchor Investor Portion) shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.*

For further information, see "***Terms of the Offer***", "***Offer Structure***" and "***Offer Procedure***" on pages 456, 463 and 468, respectively.

SUMMARY FINANCIAL INFORMATION

The summary financial information presented below have been derived from our Restated Consolidated Financial Statements and should be read in conjunction with *"**Restated Consolidated Financial Statements**"* and *"**Management's Discussion and Analysis of Financial Condition and Results of Operations**"* on pages 312 and 396, respectively.

[*The remainder of this page has been intentionally left blank*]

Summary of restated consolidated statement of assets and liabilities

(in ₹ million)

Particulars	As at March 31,		
	2026	2025	2024
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	248.03	244.84	47.87
Right of Use Assets	75.74	90.68	85.76
Intangible Assets	1,627.01	1,651.92	1,838.81
Capital Work-In-Progress	123.96	7.21	-
Financial Assets			
-Investments	-	0.03	0.03
-Other Financial Assets	605.92	792.97	142.08
Other Non-Current Assets	28.80	17.98	1.05
Total Non-Current Assets	**2,709.46**	**2,805.63**	**2,115.60**
Current assets			
Inventories	2,194.85	1,111.44	1,116.86
Financial Assets			
-Trade Receivables	2,116.63	2,103.12	936.43
-Cash and Bank Balances	161.79	1,009.72	856.74
-Other Bank Balances	224.53	9.52	299.99
-Loans	7.26	4.34	5.45
-Other Financial Assets	79.21	5.50	6.40
Other Current Assets	331.25	214.31	409.34
Total Current Assets	**5,115.52**	**4,457.95**	**3,631.21**
Total Assets	**7,824.98**	**7,263.58**	**5,746.81**
EQUITY AND LIABILITIES			
Equity			
-Equity Share Capital	114.56	7.33	2.99
-Other Equity - attributable to owners of the Company	5,417.03	4,894.05	1,689.87
-Instruments entirely equity in nature	-	-	608.44
Total Equity	**5,531.59**	**4,901.38**	**2,301.30**
Liabilities			
Non-Current liabilities			
-Financial Liabilities			
-Long Term Borrowings	-	-	152.72
-Long Term Lease Liabilities	68.54	87.83	83.75
-Deferred Tax Liabilities (net)	99.97	80.47	33.89
-Provisions	187.70	338.79	301.08
-Other Financial Liabilities	-	-	-
Total Non-Current Liabilities	**356.21**	**507.09**	**571.44**
Current liabilities			
Financial Liabilities			
-Short Term Borrowings	1,160.64	781.35	810.86
-Short Term Lease Liabilities	18.50	11.33	7.03
-Trade Payables			
- Total outstanding dues of micro enterprises and small enterprises	61.06	22.74	29.59
- Total outstanding dues of creditors other than micro and small enterprises	273.37	188.71	173.86
-Other Financial Liabilities	0.90	0.90	1.50
Short Term Provisions	185.53	139.77	162.66
Deferred Income	-	-	-
Other Current Liabilities	237.18	710.31	1,688.57

Particulars	As at March 31,		
	2026	2025	2024
Total Current Liabilities	**1,937.18**	**1,855.11**	**2,874.07**
Total Liabilities	**2,293.39**	**2,362.20**	**3,445.51**
Total Equity and Liabilities	**7,824.98**	**7,263.58**	**5,746.81**

Summary of restated consolidated statement of profit and loss

(in ₹ million, unless otherwise stated)

Particulars	As at March 31,		
	2026	2025	2024
Revenue from Operations	3,626.48	4,690.80	4,281.89
Other Income	72.91	53.10	37.07
Total Income	**3,699.39**	**4,743.90**	**4,318.96**
Expenses			
Cost of Materials Consumed	1,655.54	2,153.09	2,132.75
Changes in Inventories of Finished Goods	119.69	(106.98)	66.55
Employee Benefits Expenses	495.83	444.35	130.55
Finance Costs	106.16	177.42	76.81
Depreciation and Amortisation Expenses	313.35	265.91	133.95
Other expenses	309.24	809.70	828.80
Total expenses	**2,999.80**	**3,743.49**	**3,369.41**
Profit / (Loss) before exceptional and extraordinary items and tax	**699.59**	**1,000.41**	**949.55**
Exceptional items	-	7.76	4.05
Restated Profit before tax	**699.59**	**992.65**	**945.50**
Tax expense			
Current tax	170.62	218.50	211.50
MAT Credit	-	-	15.02
Deferred tax	20.16	46.58	33.55
Restated Profit for the year, net of Tax	**508.80**	**727.57**	**685.43**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
-Remeasurement of the Gain /(Loss) of defined benefit plans	(2.59)	(0.38)	1.37
(ii) Income tax relating to items that will not be reclassified to profit or loss			
- Tax relating to re-measurement of defined benefit plans	0.65	0.10	(0.36)
(iii) Items that will be reclassified to profit or loss			
- Exchange Difference on Translation of Foreign Operations	2.16	0.37	-
Total Other Comprehensive Income	**0.22**	**0.08**	**1.01**
Total Comprehensive Income for the period	**509.02**	**727.65**	**686.45**
Basic earnings per share (face value of ₹ 2 each) (in ₹)	**9.19**	**13.38**	**62.61**
Diluted earnings per share (face value of ₹ 2 each) (in ₹)	**8.88**	**12.70**	**13.63**

Summary of restated consolidated statement of cash flows

(in ₹ million)

Particulars	As at March 31,		
	2026	2025	2024
Cash flow from Operating Activities			
Net Profit Before Tax	699.59	992.65	945.50
Adjustments for:			
Depreciation and amortisation expense	313.35	265.91	133.95
Finance costs	43.66	125.61	53.96
Interest income	(70.80)	(41.30)	(33.39)
Net loss on sale/discarding of Investment	0.03	-	0.05
Transfer to/ (from) Share Options Outstanding account	122.80	102.40	(7.30)
Other comprehensive income for the year	(2.59)	(0.28)	1.01
Translation reserve	2.16	0.37	-
Operating Profit before Working Capital changes	**1,108.20**	**1,445.36**	**1,093.78**
Adjustments for changes in Working Capital			
- (Increase)/decrease in other financial assets (non-current)	187.05	(650.89)	(32.47)
- (Increase)/decrease in other non-current assets	(10.82)	(16.93)	0.24
- (Increase)/decrease in inventories	(1,083.41)	5.42	(721.00)
- (Increase)/decrease in trade receivables	(13.51)	(1,166.70)	(524.83)
- (Increase)/decrease in other current assets	(116.94)	195.03	(215.10)
- (Increase)/decrease in other financial assets (current)	(73.71)	0.90	(3.13)
- (Increase)/decrease in loans	(2.92)	1.12	(2.26)
- Increase/(decrease) in trade payables	122.98	8.01	(82.63)
- Increase/(decrease) in other financial liabilities	-	(0.60)	(1.29)
- Increase/(decrease) in provisions (non-current)	(151.09)	37.71	213.94
- Increase/(decrease) in current provisions	27.14	90.80	11.77
- Increase/(decrease) in Deferred Income	-	-	(0.18)
- Increase/(decrease) in other current liabilities	(473.13)	(978.26)	1,100.45
Cash generated from Operating Activities	**(480.16)**	**(1,029.03)**	**837.28**
- Income taxes paid (net)	(152.00)	(332.17)	(53.95)
Net Cash from Operating Activities (A) = i+ii+iii	**(632.16)**	**(1361.19)**	**783.33**
Cash flow from Investing Activities:			
Payments for purchase of property, plant and equipment	(47.88)	(216.10)	(26.85)
Payments for purchase of intangible assets and capital work in progress	(341.70)	(50.63)	(1,845.86)
Payments for purchase of Right of use of assets	(3.87)	(21.44)	(62.34)
Payments for purchase of investments	0.00	-	-
Proceeds from sale of property, plant and equipment	-	-	-
Interest received	70.80	41.30	33.39
Net Cash from / (used in) Investing Activities (B)	**(322.65)**	**(246.86)**	**(1,901.66)**
Cash flow from Financing Activities:			
Proceeds / (repayment) from short term borrowings	537.18	(29.51)	427.84
Proceeds / (Repayment) of long-term borrowings	(157.89)	(152.72)	125.54
Principal repayment of lease liabilities	(12.13)	8.38	55.64
Finance cost paid	(43.66)	(125.61)	(53.96)
Issue of Equity shares	-	1,750.00	-
Issue of Cumulative Preference Shares	-	20.01	1,322.99
Buyback of Equity shares	(1.60)	-	-
Net Cash from / (used in) Financing Activities (C)	**321.90**	**1,470.56**	**1,878.06**
Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	**(632.91)**	**(137.49)**	**759.73**
Cash and cash equivalents at the beginning of the year/period	**1,019.24**	**1,156.73**	**397.00**

Particulars	As at March 31,		
	2026	2025	2024
Cash and cash equivalents at the end of the year/period	**386.32**	**1,019.24**	**1,156.73**

SUMMARY OF CONTINGENT LIABILITIES

A summary of our contingent liabilities as at March 31, 2026, as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, derived from our Restated Financial Information is set forth below:

(in ₹ millions)

Particulars	Amount as on March 31, 2026
Bank Guarantee	687.12
Total	**687.12**

Notes:
Our Company has not provided for the following contingent liabilities:

Name of the statute	Amount (₹ million)	Nature of dues	Period to which it relates	Forum where dispute is pending
Goods and Services Tax Act, 2017	*5.78*	*Goods and Services Tax*	*2018-19*	*J&K State High Court*
Goods and Services Tax Act, 2017	*2.54*	*Goods and Services Tax*	*2017-2022*	*Commissioner of CGST Appeal*

Further, as of March 31, 2026, our commitments that have been disclosed in the Restated Consolidated Financial Statements are as follows:

(in ₹ millions)

S. No.	Particulars	Amount
1.	Capital commitments	23.70
2.	Other commitments (expenditure related contractual commitments apart from capital commitments)	1,597.16

For further details, see "***Restated Consolidated Financial Statements – Note 40 - Contingent liabilities and capital commitments***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 376 and 396 respectively.

For details on risks in relation to our contingent liabilities, see *"**Risk Factors – We have certain contingent liabilities that have been disclosed in our financial statements, which if they materialize, may adversely affect our results of operations, cash flows and financial condition**"* on page 59.

SUMMARY OF RELATED PARTY TRANSACTIONS

A summary of related party transactions as per the requirements under Ind AS 24 – Related Party Disclosures read with the SEBI ICDR Regulations entered into by our Company for the Fiscals 2026, 2025 and 2024, derived from our Restated Consolidated Financial Statements are as set out in the table below:

[*The remainder of this page has been intentionally left blank*]

(in ₹ millions, unless otherwise stated)

Name of related party	Relationship	Nature of transaction	Fiscal 2026		Fiscal 2025		Fiscal 2024	
			Amount	Percentage contribution to the total expenses (%)	Amount	Percentage contribution to the total expenses (%)	Amount	Percentage contribution to the total expenses(%)
CEAQ India	Subsidiary of enterprise having substantial interest	Sales	Nil	Nil	Nil	Nil	5.31	0.16
		Reimbursement of expenses (utilities) – receivable	Nil	Nil	Nil	Nil	2.21	0.07
		Reimbursement of expenses (travel, freight and utilities) – payable	Nil	Nil	16.00	0.43	0.55	0.02
		Purchases of Project Material / Equipment	Nil	Nil	Nil	Nil	41.78	1.24
		Software Services	2.72	0.09	28.57	0.76	Nil	Nil
		Technical support services	3.53	0.12	78.25	2.09	103.42	3.07
		Sublease rentals – Receivable	1.43	0.05	1.80	0.05	3.15	0.09
		Balances outstanding at the year/ period end – Receivables	0.04	0.00	Nil	Nil	108.07	3.21
		Balances outstanding at the year/ period end - Payable	Nil	Nil	76.99	2.06	Nil	Nil
CEAQ Singapore	Enterprise having substantial interest	Sales	0.42	0.01	0.25	0.01	Nil	Nil
		Purchases of Project Material / Equipment	789.80	26.33	439.79	11.75	488.23	14.49
		Purchases of Intangible Assets	70.98	2.37	Nil	Nil	1,831.91	54.37
		Services (Sales and marketing services/royalty) – Payable	0.21	0.01	80.00	2.14	105.13	3.12
		Reimbursement of expenses (sales and marketing services) – payable	11.30	0.38	Nil	Nil	Nil	Nil
		Loan	9.01	0.30	12.83	0.34	Nil	Nil
		Balances outstanding at the year/ period end Payable	101.51	3.38	425.20	11.36	1,246.30	36.99
UAB Tonbo Imaging, Lithuania	Subsidiary of enterprise having substantial interest	Purchases of Project Material / Equipment	Nil	Nil	Nil	Nil	153.06	4.54
		Balances outstanding at the year/ period end payable	Nil	Nil	Nil	Nil	0.38	0.01
HBL Engineering Limited	Investing company	Sales	Nil	Nil	Nil	Nil	416.78	12.37
		Reimbursement of expenses (sales and marketing services/royalty – payable	Nil	Nil	Nil	Nil	2.53	0.08
		Purchases of Project Material / Equipment	Nil	Nil	Nil	Nil	684.16	20.30
		Services – Payable (Interest on delayed payment against invoices)	Nil	Nil	Nil	Nil	1.80	0.05
		Balances outstanding at the year/ period end Receivable	Nil	Nil	0.41	0.01	0.41	0.01
Arvind Kondangi Lakshmikumar	Key Management Personnel	Lease rentals payable	2.10	0.07	2.10	0.06	1.75	0.05
		Managerial Remuneration	10.04	0.33	Nil	Nil	Nil	Nil
Cecilia D'Souza		Managerial Remuneration	13.89	0.46	13.87	0.37	1.22	0.04
Ankit Kumar		Managerial Remuneration	28.14	0.94	Nil	Nil	Nil	Nil

Name of related party	Relationship	Nature of transaction	Fiscal 2026		Fiscal 2025		Fiscal 2024	
			Amount	Percentage contribution to the total expenses (%)	Amount	Percentage contribution to the total expenses (%)	Amount	Percentage contribution to the total expenses(%)
Aram Dolkhanyan	Director of Tonbo LLC	Managerial Remuneration	1.36	0.05	1.13	0.03	Nil	Nil

For details of the related party transactions, see "***Restated Consolidated Financial Statements – Note 46 - Related Party Disclosures***", on page 384.

GENERAL INFORMATION

Registered Office

No.3 Chikkayellappa Tower-II
1st C Main, Sarjapur Main Road
Jakkasandra Extension, Chikkayellappa Industrial Layout
Bengaluru 560 034
Karnataka, India

For details relating to changes in the Registered Office of our Company, see "***History and Certain Corporate Matters - Changes in the Registered Office of our Company***" on page 281.

Corporate Office

No. 235, 18th Main
6th Block, Koramangala
Bengaluru Urban
Bengaluru 560 095
Karnataka, India

Corporate identity number and registration number

Corporate Identity Number: U26700KA2003PLC033043

Registration Number: 033043

Address of the RoC

Our Company is registered with the RoC which is situated at the following address:

Registrar of Companies, Karnataka at Bengaluru

'E' Wing, 2nd Floor, Kendriya Sadana
Koramangala
Bengaluru 560 034
Karnataka, India

Board of Directors

Our Board comprises the following Directors, as on the date of filing of this Draft Red Herring Prospectus:

Name	Designation	DIN	Address
Sonal Shrivastava	Chairperson and Independent Director	06497446	D302, Oberoi Splendor, JVLR, Opposite Majas Bus Depot, Jogeshwari East, Mumbai 400 060, Maharashtra, India
Arvind Kondangi Lakshmikumar	Managing Director and Chief Executive Officer	02261469	235, 18th Main 6th Block, Koramangala Club, Koramangala, Bangalore South, Bengaluru 560 095, Karnataka, India
Ankit Kumar	Executive Director and Chief Business and Revenue Officer	02953852	#124, Concorde Cuppertino, Neeladri Road, Opp Wipro Gate No.16, Electronic City Phase 1, Bangalore South, Electronics City, Bengaluru 560 100, Karnataka, India
Cecilia D'Souza	Executive Director and Chief Commercial Officer	06380429	#48 Marcelle Ville, Netaji Road, Near Coles Park, Bangalore North, Bengaluru 560 005, Karnataka, India
Amit Dilip Shah	Nominee Director*	00994870	13818, La Paloma Road, Los Altos Hills, CA 94022, California, United States
Sai Ram Edara	Nominee Director#	00538026	2-2-647/284/A, Dwarakamayee Flat no. 2A, C E Colony, Bagh Amberpet, Opp Ayappa Temple, Hyderabad 500 013, Telangana, India
Mathew Cyriac	Nominee Director^	01903606	Flat No. 1908, The Imperial, B B Nakashe Marg, AC Market Tardeo, Tulsiwadi, Mumbai 400 034, Maharashtra, India

Name	Designation	DIN	Address
Rishikesha Thiruvenkata Krishnan	Independent Director	00064067	302, Lost in the Greens, 7/10 Crescent Road, High Grounds, Bangalore North, Bengaluru 560 001, Karnataka, India
Lakshminarayana R Kollengode	Independent Director	06365409	#68/1, Rainbow Drive Sarjapur Road, Doddakannelli, Chikkabellandur, Carmelaram, South Bangalore, Bangalore 560 035, Karnataka India

[*]Appointed as a Nominee Director of CEAQ Singapore.
[#]Appointed as a Nominee Director of HBL Engineering Limited.
[^]Appointed as a Nominee Director of Florintree Flowtech LLP.

For brief profiles and further details in relation to our Board, see "***Our Management***" on page 290.

Company Secretary and Compliance Officer

Ankita Agarwalla
No.3 Chikkayellappa Tower-II
1st C Main, Sarjapur Main Road
Jakkasandra Extension, Chikkayellappa Industrial Layout
Bengaluru 560 034
Karnataka, India
Tel: +91 63 64 926 273
E-mail: compliance@tonboimaging.com

Investor grievances

Investors may contact our Company Secretary and Compliance Officer, the Book Running Lead Managers or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer-related queries and for redressal of complaints, investors may also write to the Book Running Lead Managers.

All Offer related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, UPI ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary(ies) where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than the UPI Bidders) in which the amount equivalent to the Bid Amount was blocked or the UPI ID, in case of UPI Bidders.

Further, the Bidder shall also enclose the Acknowledgment Slip or provide the application number received from the Designated Intermediary in addition to the document or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Managers where the Anchor Investor Application Form was submitted by the Anchor Investor.

Book Running Lead Managers

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025
Maharashtra, India
Tel: + 91 22 6630 3030

IIFL Capital Services Limited (*formerly known as IIFL Securities Limited*)
24th Floor, One Lodha Place
Senapati Bapat Marg
Lower Parel (West)
Mumbai 400 013
Maharashtra, India

E-mail: tonbo.ipo@jmfl.com
Website: www.jmfl.com
Investor grievance e-mail: grievance.ibd@jmfl.com
Contact person: Prachee Dhuri
SEBI registration no.: INM000010361

Tel: +91 22 4646 4728
Email: tonbo.ipo@iiflcap.com
Investor grievance email: ig.ib@iiflcap.com
Website: www.iiflcapital.com
SEBI registration number: INM000010940

Statement of inter-se allocation of responsibilities among the Book Running Lead Managers

The responsibilities and co-ordination by the Book Running Lead Managers for various activities in this Offer are as follows:

S.No	Activity	Responsibility	Co-ordinator
1.	Due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, and Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of RHP, Prospectus and RoC filing. Capital structuring with the relative components and formalities such as type of instruments, allocation between primary and secondary, etc.	BRLMs	JM Financial Limited
2.	Drafting and approval of statutory advertisements including audio video presentation.	BRLMs	JM Financial Limited
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, abridged prospectus, application forms etc. and filing of media compliance report.	BRLMs	IIFL Capital Services Limited
4.	Appointment of Registrar, Advertising agency and printer to the Offer including coordinating all agreements to be entered with such parties.	BRLMs	JM Financial Limited
5.	Appointment of all other intermediaries (e.g. Monitoring Agency, Banker(s) to the Issue and Sponsor Banker to the Issue etc.) including coordinating all agreements to be entered with such parties.	BRLMs	IIFL Capital Services Limited
6.	Preparation of road show presentation and frequently asked questions.	BRLMs	IIFL Capital Services Limited
7.	International Institutional Marketing of the Issue, which will cover, inter alia: • Marketing strategy; • Finalising the list and division of international investors for one-to-one meetings; and • Finalizing road show and investor meeting schedules.	BRLMs	IIFL Capital Services Limited
8.	Domestic Institutional Marketing of the Issue, which will cover, inter alia: • Finalising the list and division of domestic investors for one-to-one meetings; and • Finalizing domestic road show schedules and investor meeting schedules.	BRLMs	JM Financial Limited
9.	Non-institutional marketing of the Offer, which will cover, inter-alia: • Finalising media, marketing, public relations strategy; and • Formulating strategies for marketing to Non – Institutional Investors.	BRLMs	IIFL Capital Services Limited
10.	Retail Marketing of the Issue, which will cover, inter alia, • Formulating marketing strategies, preparation of publicity budget; • Finalizing Media and PR strategy; • Finalizing centres for holding conferences for brokers, etc.; • Finalizing collection centres; and • Follow-up on distribution of publicity and Issue material including application form, prospectus and deciding on the quantum of the Issue material.	BRLMs	JM Financial Limited

S.No	Activity	Responsibility	Co-ordinator
11.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading.	BRLMs	IIFL Capital Services Limited
12.	Preparation of CAN for Anchor Investors, Managing Anchor book related activities and submission of letters to regulators post completion of anchor allocation.	BRLMs	IIFL Capital Services Limited
13.	Managing the book and finalization of pricing in consultation with the Company.	BRLMs	JM Financial Limited
14.	Post-Offer activities, which shall involve essential follow-up with Bankers to the Issue and SCSBs to get quick estimates of collection and advising Company about the closure of the Issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, unblocking of application monies, listing of instruments, dispatch of certificates or demat credit and refunds, payment of applicable Securities Transaction Tax on behalf of the Promoter Selling Shareholders and coordination with various agencies connected with the post-Offer activity such as Registrar to the Issue, Bankers to the Issue, Sponsor Banks, SCSBs including responsibility for underwriting arrangements, as applicable. Coordinating with Stock Exchanges and SEBI for submission of all post-Issue reports including the initial and final post-Issue report to SEBI.	BRLMs	IIFL Capital Services Limited

Syndicate Member

[●]

Legal Counsel to our Company as to Indian law

Shardul Amarchand Mangaldas & Co
24th Floor, Express Towers
Nariman Point
Mumbai 400 021
Maharashtra, India
Email: cm.partners@amsshardul.com
Tel: + 91 22 4933 5555

Statutory Auditor of our Company

Kalyanasundaram & Associates
#36, Ground Floor, 5th Cross, 6th Main
KSRTC (E) Layout, JP Nagar – 2nd Phase
Bengaluru 560 078
Karnataka, India
Email: kmranjith@ksaca.com
Tel: +91 97 4038 2534
Firm registration number: 005455S
Peer review number: 020879

Changes in the auditors

There has been no change in the Statutory Auditors of our Company in the last three years preceding the date of this Draft Red Herring Prospectus.

Registrar to the Offer

KFin Technologies Limited
Selenium Tower B, Plot No. 31 and 32
Financial District, Nanakramguda
Serilingampally, Hyderabad
Rangareddi 500 032
Telangana, India
Telephone: + 91 40 6716 2222/1800 309 4001
E-mail: tonbo.ipo@kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact person: M. Murali Krishna
SEBI registration no.: INR000000221

Bankers to the Offer

Escrow Collection Bank(s)

[●]

Public Offer Account Bank(s)

[●]

Refund Bank(s)

[●]

Sponsor Bank(s)

[●]

Bankers to our Company

HDFC Bank Limited
BBG Department, 4th Floor
Rashtrotthana Bhavan
Municipal No. 03/01, Ward No. 77
Nrupathunga Road
Bangalore 560 001
Karnataka, India
Tel: 9439881451
Contact person: Piyush Nayak
E-mail: piyush.nayak@hdfcbank.com
Website: www.hdfcbank.com

Axis Bank Limited
Level 3, Nitesh Timesquare
M.G. Road
Bangalore 560 001
Karnataka, India
Tel: 080 68047325
Contact person: B. Sreenivasa Babu
E-mail: CBBBangalore.Branchhead@axisbank.com

Website: www.axisbank.com

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time.

A list of the Designated SCSB Branches with which an ASBA Bidder (other than UPI Bidders), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and UPI Bidders) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time or any other website as may be prescribed by SEBI from time to time or such other website as may be prescribed by SEBI from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI Mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and Is also available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 for SCSBs and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 for mobile applications or at such other websites as may be prescribed by SEBI from time to time.

Self-Certified Syndicate Banks and mobile applications enabled for UPI Mechanism

In accordance with the SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and the SEBI ICDR Master Circular, UPI Bidders may only apply through the SCSBs and mobile applications whose names appear on the website of the SEBI which may be updated from time to time. A list of SCSBs and mobile applications, using the UPI handles and which are live for applying in public issues using UPI mechanism is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, respectively, as updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stockbroker network of the Stock Exchanges, *i.e.,* through the Registered Brokers at the Broker Centres. The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the respective Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as their name and contact details, is provided on the websites of the Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures respectively, as updated from time to time.

Experts to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated August 4, 2026 from our Statutory Auditors, Kalyanasundaram & Associates, Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act, 2013 read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity our Statutory Auditor, and in respect of (i) their examination report dated August 3, 2026 on our Restated Consolidated Financial Statements; (ii) their report dated August 3, 2026 on the statement of special tax benefits available to our Company; and (iii) other certificates included or otherwise referred to in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Monitoring agency

As the Offer is an offer for sale of Equity Shares of face value of ₹2 each by the Selling Shareholders, our Company is not required to appoint a monitoring agency in relation to the Offer.

Credit rating

As the Offer is an offer for sale of Equity Shares, credit rating is not required for the Offer.

IPO grading

No credit agency registered with SEBI is required to be appointed in respect of obtaining grading for the Offer.

Debenture trustees

As the Offer is an offer for sale of Equity Shares, no debenture trustee has been appointed for the Offer.

Green shoe option

No green shoe option is contemplated under the Offer.

Appraising entity

As the Offer is an offer for sale of Equity Shares of face value of ₹2 each by the Selling Shareholders, our Company will not receive any proceeds from the Offer. Accordingly, no appraising entity has been appointed for the Offer.

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus will be filed electronically with SEBI through the SEBI intermediary portal at https://siportal.sebi.gov.in, in accordance with Regulation 25(8) of the SEBI ICDR Regulations and the SEBI ICDR Master Circular and at cfddil@sebi.gov.in , in accordance with the instructions issued by SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing - CFD" and will also be filed with SEBI at the following address:

Securities and Exchange Board of India
Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, 'G' Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Maharashtra, India

Filing of the Red Herring Prospectus and the Prospectus

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013, would be filed with the RoC and a copy of the Prospectus as required to be filed under Section 26 of the Companies Act, 2013, would be filed with the RoC at its office and through the

electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do. For details of the address of the RoC, see "***- Address of the RoC***" on page 90.

Book Building Process

The Book Building Process, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and minimum Bid Lot will be decided by our Company and the Book Running Lead Managers, and will be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and Bengaluru edition of [●] (a widely circulated Kannada daily newspaper, Kannada being the regional language of Karnataka, where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. Pursuant to the Book Building Process, the Offer Price shall be determined by our Company, in consultation with the Book Running Lead Managers after the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. For further details, see "***Offer Procedure***" on page 468.

All Bidders, other than Anchor Investors, shall mandatorily participate in the Offer through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or in the case of UPI Bidders, by using the UPI Mechanism. UPI Bidders shall participate through the ASBA process either by (i) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (ii) using the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process. In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower the size of their Bid(s) (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until Bid/Offer Closing Date. Non-Institutional Investors with an application size of up to ₹ 0.50 million shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. One-third of the Non-Institutional Portion shall be reserved for Bidders with application size of more than ₹0.20 million and up to ₹1.00 million, two-thirds of the Non-Institutional Portion shall be reserved for Bidders with an application size of more than ₹1.00 million and the unsubscribed portion in either of such sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Investors. The allocation of Equity Shares to each Non-Institutional Investors shall not be less than the minimum application size (*i.e.*, ₹0.20 million), subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to QIBs (other than Anchor Investors) will be on a proportionate basis, while allocation to Anchor Investors will be on a discretionary basis. For further details on the method and procedure for Bidding and the Book Building Process, see "***Terms of the Offer***", "***Offer Structure***" and "***Offer Procedure***" on pages 456, 463 and 468 respectively.

The Book Building Process and the Bidding process are subject to change from time to time, and the Bidders are advised to make their own judgment about investment through the aforesaid processes prior to submitting a Bid in the Offer.

Bidders should note that the Offer is also subject to (i) filing of the Prospectus by our Company with the RoC; and (ii) our Company obtaining final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment as per the prescribed timelines in compliance with the SEBI ICDR Regulations.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares of face value ₹2 each, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The extent of underwriting obligations and the Bids to be underwritten by each Underwriter shall be as per the Underwriting Agreement. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing of the Prospectus with the RoC.)

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares of face value ₹2 each to be Underwritten	Amount underwritten (in ₹ million)
[●]	[●]	[●]

The abovementioned amounts are provided for indicative purposes only and would be finalised after the pricing and actual allocation and subject to the provisions of Regulation 40(3) of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered as merchant bankers with SEBI or registered as brokers with the Stock Exchange(s). Our Board/IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company. Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them in accordance with the Underwriting Agreement.

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus, with the RoC.

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Draft Red Herring Prospectus, is set forth below:

(in ₹, except share data)

S. No.	Particulars	Aggregate nominal value	Aggregate value at Offer Price*
A)	**AUTHORISED SHARE CAPITAL**(1)		
1.	57,487,500 Equity Shares of face value of ₹2 each	114,975,000.00	-
2.	125,000 preference shares of face value of ₹10 each;	1,250,000.00	
3.	160,000 preference shares of face value ₹ 913 each;	146,080,000.00	
4.	200,000 preference shares of face value ₹ 100 each;	20,000,000.00	
5.	45,000 preference shares of face value ₹ 10,171 each	457,695,000.00	
	Total	**740,000,000.00**	
B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
1.	57,282,100 Equity Shares of face value of ₹2 each	114,564,200.00	-
	Total	**114,564,200.00**	
C)	**PRESENT OFFER**(2)		
1.	Offer for Sale of 18,085,246 Equity Shares of face value of ₹2 each aggregating up to ₹ [●] million by the Selling Shareholders(2)	36,170,492	[●]
2.	*The Offer includes:*		
3.	Employee Reservation Portion of up to [●] Equity Shares of face value of ₹2 each(3)	[●]	[●]
	Net Offer of [●] Equity Shares of face value of ₹2 each	[●]	[●]
E)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER***		
1.	57,282,100 Equity Shares of face value of ₹2 each	114,564,200.00	-
F)	**SECURITIES PREMIUM ACCOUNT**		
1.	Before the Offer	3,240,883,137.00	
	After the Offer*		

**To be updated upon finalisation of the Offer Price and subject to finalisation of Basis of Allotment.*

1. *For details in relation to the changes in the authorised share capital of our Company since incorporation, see, '**History and Certain Corporate Matters – Amendments to the Memorandum of Association in the last 10 years**' on page 282.*
2. *Our Board has taken on record the consent of each of the Selling Shareholders to participate in the Offer for Sale pursuant to a resolution passed at their meeting dated December 20, 2025. Each Selling Shareholder, severally and not jointly, confirms that its/his/her respective portion of the Offered Shares are eligible for being offered for sale in the Offer in accordance with Regulation 8 of the SEBI ICDR Regulations. Each of the Selling Shareholders, severally and not jointly, has confirmed their participation of their respective portion of Offered Shares in the Offer for Sale. For details on authorisation of the Selling Shareholders in relation to their respective portion of the Offered Shares, see "**Other Regulatory and Statutory Disclosures – Authority for the Offer**" on page 444.*
3. *Eligible Employees Bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹0.20 million (net of Employee Discount, if any). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹0.20 million (net of Employee Discount, if any). In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹0.20 million (net of Employee Discount, if any), subject to the maximum value of Allotment made to such Eligible Employees not exceeding ₹0.50 million (net of Employee Discount, if any). The unsubscribed portion, if any, in the Employee Reservation Portion after allocation of up to ₹0.50 million (net of Employee Discount, if any), shall be added to the Net Offer. For further details, see "**Offer Structure**" and "**Offer Procedure**" on pages 463 and 468 respectively.*

Notes to capital structure

Equity Share capital history of our Company

The following table sets forth the history of the Equity Share capital of our Company:

Date of allotment	Nature of allotment	Name(s) of allottee(s) and details of equity shares allotted	Number of Equity Shares allotted	Cumulative number of Equity Shares	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Cumulative paid-up equity share capital (₹)	Number of allottees	Nature of consideration
January 7, 2004[#]	Initial subscription to the Memorandum of Association	9,999 equity shares were allotted to William J. Burke and 1 equity shares were allotted to James S. Crofton	10,000	10,000	10.00	10.00	100,000.00	2	Cash
July 11, 2008	Bonus issue in the ratio of 9:1	62,100 equity shares were allotted to Magistri Inc. and 27,900 equity shares were allotted to Sarnoff Corporation	90,000	100,000	10.00	N.A.	1,000,000.00	2	N.A.
March 26, 2009	Further issue	41,420 equity shares were allotted to Serial Innovations Employee Stock Option Trust (represented by its trustees, Timothy Guy Mitchell, Stephen Mathias and Cecilia D'Souza)	41,420	141,420	10.00	10.00	1,414,200.00	1	Cash
November 8, 2010	Further issue	200,000 equity shares were allotted to Serial Innovations Employee Stock Option Trust (represented by its trustees, Timothy Guy Mitchell, Stephen Mathias and Cecilia D'Souza)	200,000	341,420	10.00	10.00	3,414,200.00	1	Cash
June 6, 2011	Further issue	492 equity shares were allotted to Ajit Kumar Surana (HUF), 110 equity shares were allotted to Akshay Chudasama, 218 equity shares were allotted to Alok Agarwal, 110 equity shares were allotted to Amar Deb, 492 equity shares were allotted to Anand Ladsariya, 110 equity shares were allotted to Ashok Kumar Tibrewala, 273 equity shares were allotted to Aurum Ventures Private Limited, 110 equity shares were allotted to Capt. Darryl Pais, 110 equity shares were allotted to Cheryl Lawrence, 110 equity shares were allotted to Gautam Sheth, 110 equity shares were allotted to Gautam Shewakramani, 218	5,690	347,110	10.00	183.00	3,471,100.00	33	Cash

Date of allotment	Nature of allotment	Name(s) of allottee(s) and details of equity shares allotted	Number of Equity Shares allotted	Cumulative number of Equity Shares	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Cumulative paid-up equity share capital (₹)	Number of allottees	Nature of consideration
		equity shares were allotted to Harshad Lahoti, 218 equity shares were allotted to Hemant Kanakia, 110 equity shares were allotted to Karan Maheswari, 300 equity shares were allotted to N Gautam, 218 equity shares were allotted to Nitin Agarwal (HUF), 164 equity shares were allotted to Parthiv Kilachand, 110 equity shares were allotted to Bhuvantray Investments and Trading Company Private Limited, 246 equity shares were allotted to Mecheri Smart Capital Private Limited, 27 equity shares were allotted to Anil Joshi, 110 equity shares were allotted to Praveen Gupta, 110 equity shares were allotted to Rafique Malik, 300 equity shares were allotted to Rajendra Sah, 82 equity shares were allotted to RRA Media and Entertainment Private Limited, 110 equity shares were allotted to Avnish Bajaj, 218 equity shares were allotted to Rajiv Dadlani, 110 equity shares were allotted to Aargus Endeavours LLP, 110 equity shares were allotted to Sanjay Kamlani, 110 equity shares were allotted to Sanjay Nath, 273 equity shares were allotted to Sasha Mirchandani, 110 equity shares were allotted to Vikas Choudhury, 55 equity shares were allotted to Ramesh Shah and 136 equity shares were allotted to Tiruvidaimarudhur Srivatsan Sivashankar							
February 14, 2013	Conversion into equity shares	4,918 equity shares were allotted to Anand Ladsariya, 2,186 equity shares were allotted to M/s Excelman Ventures LLP, 4,154 equity shares were allotted to Nitin Agarwal (HUF) and 546 equity shares were allotted to Vikas Choudhury	11,804	358,914	10.00	N.A.[%]	3,589,140.00	4	N.A.
March 27, 2023	Buyback of equity shares	Serial Innovations Employee Stock Option Trust	(60,000)	298,914	10.00	10.00	2,989,140.00	1	Cash

Date of allotment	Nature of allotment	Name(s) of allottee(s) and details of equity shares allotted	Number of Equity Shares allotted	Cumulative number of Equity Shares	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Cumulative paid-up equity share capital (₹)	Number of allottees	Nature of consideration
March 27, 2025	Private placement	29,600 equity shares were allotted to Florintree Flowtech LLP, 24,000 equity shares were allotted to Yali Deeptech Fund I, 6,400 equity shares were allotted to Tenacity Ventures Fund – I, 4,000 equity shares were allotted to Export-Import Bank of India, 394 equity shares were allotted to Artiman Ventures Select 2014 L.P., 6 equity shares were allotted to Artiman Ventures Select 2014 Principals Fund L.P., 560 equity shares were allotted to Amit Dilip Shah*, 640 equity shares were allotted to Pranav Parikh, 3,200 equity shares were allotted to Vinimaya Advisory LLP, 400 equity shares were allotted to Paramjit Singh and 800 equity shares were allotted to Tiruvidaimarudhur Srivatsan Sivashankar and Meera Sivashankar@	70,000	368,914	10.00	25,000.00	3,689,140.00	11	Cash
March 27, 2025	Conversion into equity shares	96,173 equity shares were allotted to CEAQ India, 153,350 equity shares were allotted to CEAQ Singapore, 1,103 equity shares were allotted to Blacksoil India Credit Fund, 1,103 equity shares were allotted to Blacksoil Capital Private Limited, 81,630 equity shares were allotted to HBL Engineering Limited, 3,947 equity shares were allotted to Artiman Partners LLC, 1,388 equity shares were allotted to Artiman Ventures Select 2014 L.P., 22 equity shares were allotted to Artiman Ventures Select 2014 Principals Fund L.P., 1,692 equity shares were allotted to Amit Dilip Shah*, 2,039 equity shares were allotted to Ramesh Radhakrishnan, 6,454 equity shares were allotted to Meghaa Karnani$, 8,153 equity shares were allotted to SSV Advisory Services LLP, 3,397 equity shares were allotted to Vinimaya Advisory LLP, 1,699 equity shares were	364,358	733,272	10.00	N.A.^	7,332,720.00	18	N.A.

Date of allotment	Nature of allotment	Name(s) of allottee(s) and details of equity shares allotted	Number of Equity Shares allotted	Cumulative number of Equity Shares	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Cumulative paid-up equity share capital (₹)	Number of allottees	Nature of consideration
		allotted to Tiruvidaimarudhur Srivatsan Sivashankar and Meera Sivashankar[@], 1,019 equity shares were allotted to Neville Manuel Fernandes and Mellita Fernandes, 510 equity shares were allotted to Nitin Agarwal (HUF), 510 equity shares were allotted to Anand Ladsariya and 169 equity shares were allotted to Shereen Bhan.							
June 26, 2025	Buyback of equity shares	Serial Innovations Employee Stock Option Trust	(160,451)	572,821	10.00	10.00	5,728,210.00	1	Cash
June 30, 2025	Bonus issue in the ratio of 19:1	79,306 equity shares were allotted to Timothy Guy Mitchell, 550,829 equity shares were allotted to Serial Innovations Employee Stock Option Trust, 943,996 equity shares were allotted to Arvind Kondangi Lakshmikumar, 1,931,255 equity shares were allotted to CEAQ India, 576,973 equity shares were allotted to Ankit Kumar, 375,725 equity shares were allotted to Cecilia D'Souza, 2,913,650 equity shares were allotted to CEAQ Singapore, 20,957 equity shares were allotted to Blacksoil India Credit Fund, 20,957 equity shares were allotted to Blacksoil Capital Private Limited, 1,550,970 equity shares were allotted to HBL Engineering Limited, 74,993 equity shares were allotted to Artiman Partners LLC, 33,858 equity shares were allotted to Artiman Ventures Select 2014 L.P., 532 equity shares were allotted to Artiman Ventures Select 2014 Principals Fund L.P, 42,788 equity share were allotted to Amit Dilip Shah*, 38,741 equity shares were allotted to Ramesh Radhakrishnan, 122,626 equity shares were allotted to Meghaa Karnani[$], 154,907 equity shares were allotted to SSV Advisory Services LLP, 125,343 equity shares were allotted to	10,883,599	11,456,420	10.00	N.A.	114,564,200.00	29	N.A.

Date of allotment	Nature of allotment	Name(s) of allottee(s) and details of equity shares allotted	Number of Equity Shares allotted	Cumulative number of Equity Shares	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Cumulative paid-up equity share capital (₹)	Number of allottees	Nature of consideration
		Vinimaya Advisory LLP, 47,481 equity shares were allotted to Tiruvidaimarudhur Srivatsan Sivashankar and Meera Sivashankar[@], 19,361 equity shares were allotted to Neville Manuel Fernandes and Mellita Fernandes, 9,690 equity shares were allotted to Nitin Agarwal (HUF), 9,690 equity shares were allotted to Anand Ladsariya, 3,211 equity shares were allotted to Shereen Bhan, 562,400 equity shares were allotted to Florintree Flowtech LLP, 456,000 equity shares were allotted to Yali Deeptech Fund I, 121,600 equity shares were allotted to Tenacity Ventures Fund I, 76,000 equity shares were allotted to Export – Import Bank of India, 12,160 equity shares were allotted to Pranav Parikh and 7,600 equity shares were allotted to Paramjit Singh							
Pursuant to resolutions passed by our Board and our Shareholders in the meetings each held on September 16, 2025, our Company has sub-divided its equity shares, such that 11,456,420 equity shares of face value of ₹10.00 each aggregating to ₹114,564,200 were sub-divided as 57,282,100 Equity Shares of face value of ₹2 each aggregating to ₹114,564,200.									

[#] The subscription was pursuant to our Memorandum of Association dated December 17, 2003. However, our Company was incorporated on December 18, 2003 and the allotment of the equity shares was approved by way of a resolution dated January 7, 2004.

[*] Amit Dilip Shah is the registered owner and Amit Shah Family Trust is the beneficial owner of the Equity Shares.

[$] Meghaa Karnani is the registered owner and Palita Associates is the beneficial owner of the Equity Shares.

[@] Tiruvidaimurudhur Srivatsan Sivashankar holds 249,900 Equity Shares of face value of ₹2 each jointly with Meera Sivashankar and 353,500 Equity Shares of face value of ₹2 each in his individual capacity.

[%] Allotted pursuant to conversion of 11,804 Series A CCPS into equity shares in the ratio of 1:1 in accordance with terms of conversion agreements dated December 28, 2012 entered between our Company and each of Anand Ladsariya, Excelman Ventures LLP, Nitin Agarwal (HUF) and Vikas Choudhary. The consideration for such equity shares (issued pursuant to conversion of the preference shares) was paid at the time of issuance of such preference shares.

[^] Allotted pursuant to conversion of (a) 96,173 Series A CCPS into 96,173 equity shares in the ratio of 1:1; (b) 153,350 Series B CCPS into 153,350 equity shares in the ratio of 1:1; (c) 3,044 Series B1 CCPS into 2,206 equity shares in the ratio of 1:0.7244; (d) 112,156 Series C CCPS into 81,630 equity shares in the ratio of 1:0.7278 and (e) 44,858 Series C1 CCPS into 30,999 equity shares in the ratio of 1:0.6911 in accordance with the terms of the Shareholders' Agreement. The consideration for such equity shares (issued pursuant to conversion of the preference shares) was paid at the time of issuance of such preference shares.

Preference Share capital of our Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any outstanding Preference Shares.

Issue of shares pursuant to Sections 230 to 234 of the Companies Act, 2013 or Sections 391 to 394 of the Companies Act, 1956

Our Company has not issued any shares pursuant to Sections 230 to 234 of the Companies Act, 2013 or Sections 391 to 394 of the Companies Act, 1956.

Shares issued for consideration other than cash or pursuant to bonus issue

Except as disclosed below, our Company has not issued any shares for consideration other than cash or by way of bonus issue since its incorporation:

Date of allotment	Nature of allotment	Name(s) of allottee(s)	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Benefits accrued
July 11, 2008	Bonus issue in the ratio of 9:1	62,100 equity shares were allotted to Magistri Inc. and 27,900 equity shares were allotted to Sarnoff Corporation	90,000	10.00	N.A.	N.A.	N.A.
June 30, 2025	Bonus issue in the ratio of 19:1	79,306 equity shares were allotted to Timothy Guy Mitchell, 550,829 equity shares were allotted to Serial Innovations Employee Stock Option Trust, 943,996 equity shares were allotted to Arvind Kondangi Lakshmikumar, 1,931,255 equity shares were allotted to CEAQ India, 576,973 equity shares were allotted to Ankit Kumar, 375,725 equity shares were allotted to Cecilia D'Souza, 2,913,650 equity shares were allotted to CEAQ Singapore, 20,957 equity shares were allotted to Blacksoil India Credit Fund, 20,957 equity shares were allotted to Blacksoil Capital Private Limited, 1,550,970 equity shares were allotted to HBL Engineering Limited, 74,993 equity shares were allotted to Artiman Partners LLC, 33,858 equity shares were allotted to Artiman Ventures Select 2014 L.P., 532 equity shares were allotted to Artiman Ventures Select 2014	10,883,599	10.00	N.A	N.A.	N.A.

Date of allotment	Nature of allotment	Name(s) of allottee(s)	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Benefits accrued
		Principals Fund L.P, 42,788 equity share were allotted to Amit Dilip Shah*, 38,741 equity shares were allotted to Ramesh Radhakrishnan, 122,626 equity shares were allotted to Meghaa Karnani[$], 154,907 equity shares were allotted to SSV Advisory Services LLP, 125,343 equity shares were allotted to Vinimaya Advisory LLP, 47,481 equity shares were allotted to Tiruvidaimarudhur Srivatsan Sivashankar and Meera Sivashankar[@], 19,361 equity shares were allotted to Neville Manuel Fernandes and Mellita Fernandes, 9,690 equity shares were allotted to Nitin Agarwal (HUF), 9,690 equity shares were allotted to Anand Ladsariya, 3,211 equity shares were allotted to Shereen Bhan, 562,400 equity shares were allotted to Florintree Flowtech LLP, 456,000 equity shares were allotted to Yali Deeptech Fund I, 121,600 equity shares were allotted to Tenacity Ventures Fund I, 76,000 equity shares were allotted to Export – Import Bank of India, 12,160 equity shares were allotted to Pranav Parikh and 7,600 equity shares were allotted to Paramjit Singh					

[*]*Amit Dilip Shah is the registered owner and Amit Shah Family Trust is the beneficial owner of the Equity Shares.*
[$]*Meghaa Karnani is the registered owner and Palita Associates is the beneficial owner of the Equity Shares.*
[@]*Tiruvidaimurudhur Srivatsan Sivashankar holds 249,900 Equity Shares jointly with Meera Sivashankar and 353,500 Equity Shares in his individual capacity.*

Shares issued out of revaluation reserves

Our Company has not issued any shares out of revaluation reserves since its incorporation.

Issue of specified securities at a price lower than the Offer Price in the last year

Except as as disclosed in "**– *Equity share capital history of our Company***" on page 100, our Company has not issued any Equity Shares of face value of ₹2 each during a period of one year preceding the date of this Draft Red Herring Prospectus.

Issue of equity shares under employee stock option scheme

Except pursuant to the exercise of employee stock options granted pursuant to the ESOP Scheme, our Company has not issued any equity shares under employee stock option schemes. See ***"–Equity share capital history of our Company***" on page 100.

History of build-up of the Promoters' shareholding in our Company

As on the date of this Draft Red Herring Prospectus, our Promoters hold 9,982,600 Equity Shares, which constitutes 17.43% of the issued, subscribed and paid-up equity share capital of our Company (on a fully diluted basis). All the Equity Shares of face value of ₹2 each held by our Promoters are in dematerialised form. As of the date of this Draft Red Herring Prospectus, none of the Equity Shares or Preference Shares held by our Promoters are pledged or are otherwise encumbered.

Set forth below is the build-up of our Promoters' equity shareholding since the incorporation of our Company:

Date of allotment / transfer	Nature of allotment/ transfer	No. of equity shares transacted	Face value per equity share (₹)	Issue price / transfer price per equity share (₹)	Nature of consideration	Percentage of the pre-Offer share capital (%)	Percentage of the pre-Offer share capital (on a fully diluted basis)^ (%)	Percentage of the post-Offer share capital (%)
				Arvind Kondangi Lakshmikumar				
February 2, 2011	Transfer from Serial Innovations Employee Stock Option Trust	4,000	10.00	10.00	Cash	Negligible	Negligible	[●]
January 27, 2014	Transfer from Timothy Guy Mitchell*	85,000	10.00	N.A.	N.A.	Negligible	Negligible	[●]
March 31, 2024	Transfer to Ankit Kumar	(19,541)	10.00	3,391.15	Cash	Negligible	Negligible	[●]
March 31, 2024	Transfer to Cecilia D'Souza	(19,775)	10.00	3,391.13	Cash	Negligible	Negligible	[●]
June 30, 2025	Allotment pursuant to bonus issue in the ratio of 19:1	943,996	10.00	N.A.	N.A.	Negligible	Negligible	[●]
Pursuant to resolutions passed by our Board and our Shareholders in the meetings each held on September 16, 2025, our Company has sub-divided its equity shares, such that 11,456,420 equity shares of face value of ₹10 each aggregating to ₹114,564,200 were sub-divided as 57,282,100 Equity Shares of face value of ₹2 each aggregating to ₹114,564,200. Accordingly, 993,680 equity shares of face value of ₹10 each held by Arvind Kondangi Lakshmikumar were split into 4,968,400 Equity Shares of face value of ₹2 each.								
Total		**4,968,400**				**8.67**	**8.67**	[●]
				Cecilia D'Souza				
March 31, 2024	Transfer from Arvind Kondangi Lakshmikumar	19,775	10.00	3,391.13	Cash	Negligible	Negligible	[●]
June 30, 2025	Allotment pursuant to bonus issue in the ratio of 19:1	375,725	10.00	N.A.	N.A.	Negligible	Negligible	[●]
Pursuant to resolutions passed by our Board and our Shareholders in the meetings each held on September 16, 2025, our Company has sub-divided its equity shares, such that 11,456,420 equity shares of face value of ₹10 each aggregating to ₹114,564,200 were sub-divided as 57,282,100 Equity Shares of face value of ₹2 each aggregating to ₹114,564,200.								

Date of allotment / transfer	Nature of allotment/ transfer	No. of equity shares transacted	Face value per equity share (₹)	Issue price / transfer price per equity share (₹)	Nature of consideration	Percentage of the pre-Offer share capital (%)	Percentage of the pre-Offer share capital (on a fully diluted basis)^ (%)	Percentage of the post-Offer share capital (%)
Accordingly, 395,500 equity shares of face value of ₹10 each held by Cecila D'Souza were split into 1,977,500 Equity Shares of face value of ₹2 each.								
Total		**1,977,500**				**3.45**	**3.45**	[•]
				Ankit Kumar				
March 31, 2024	Transfer from Arvind Kondangi Lakshmikumar	19,541	10.00	3,391.15	Cash	Negligible	Negligible	[•]
March 31, 2024	Transfer from Timothy Guy Mitchell	10,826	10.00	3,391.14	Cash	Negligible	Negligible	[•]
June 30, 2025	Allotment pursuant to Bonus issue in the ratio of 19:1	576,973	10.00	N.A.	N.A.	Negligible	Negligible	[•]
Pursuant to resolutions passed by our Board and our Shareholders in the meetings each held on September 16, 2025, our Company has sub-divided its equity shares, such that 11,456,420 equity shares of face value of ₹10.00 each aggregating to ₹114,564,200 were sub-divided as 57,282,100 Equity Shares of face value of ₹2 each aggregating to ₹114,564,200. Accordingly, 607,340 equity shares of face value of ₹10 each held by Ankit Kumar were split into 3,036,700 Equity Shares of face value of ₹2 each.								
Total		**3,036,700**				**5.30**	**5.30**	**[•]**

^ *Calculated on the basis of total Equity Shares held and such number of Equity Shares on a fully diluted basis, including those which will result pursuant to exercise of all outstanding vested options under the ESOP Schemes.*

[*] *Transferred pursuant to a gift deed dated January 27, 2014.*

Shareholding of our Promoters, members of our Promoter Group, Directors, Key Managerial Personnel, Senior Management and Selling Shareholders

Set forth below is the shareholding of our Promoters, members of Promoter Group , Directors, Key Managerial Personnel, Senior Management and Selling Shareholders as on the date of this Draft Red Herring Prospectus:

Name of Shareholder	Pre-Offer			Post-Offer	
	Number of Equity Shares	Face value per Equity Share (₹)	Percentage of pre-Offer equity share capital (on a fully diluted basis) (%)	Number of Equity Shares	Percentage of post-Offer equity share capital (%)[*]
Promoters (A)					
Arvind Kondangi Lakshmikumar[^%]	4,968,400	2.00	8.67	[•]	[•]
Ankit Kumar[^%]	3,036,700	2.00	5.30	[•]	[•]
Cecilia D'Souza[^%]	1,977,500	2.00	3.45	[•]	[•]
Total (A)	**9,982,600**		17.43	[•]	[•]
Promoter Group (B)					
Vinimaya Advisory LLP[^]	659,700	2.00	1.15	[•]	[•]
Senior Management (C)					
Munjal Suresh Chheda	78,600	2.00	0.14	[•]	[•]
Prasanth Allada	58,500	2.00	0.10	[•]	[•]
Rajendra Kumar D	24,000	2.00	0.04	[•]	[•]
Shilpa Muthamma M.A	5,300	2.00	0.01	[•]	[•]
Total (C)	**166,400**		**0.29**	[•]	[•]
Selling Shareholders (D)					
CEAQ Singapore	15,335,000	2.00	26.77	[•]	[•]

Name of Shareholder	Pre-Offer			Post-Offer	
	Number of Equity Shares	Face value per Equity Share (₹)	Percentage of pre-Offer equity share capital (on a fully diluted basis) (%)	Number of Equity Shares	Percentage of post-Offer equity share capital (%)*
CEAQ India	10,164,500	2.00	17,74	[•]	[•]
Timothy Guy Mitchell	417,400	2.00	0.73	[•]	[•]
Artiman Partners LLC	394,700	2.00	0.69	[•]	[•]
Tiruvidaimarudhur Srivatsan Sivashankar and Meera Sivashankar@	603,400	2.00	1.05	[•]	[•]
Amit Dilip Shah$	225,200	2.00	0.39	[•]	[•]
Ramesh Radhakrishnan	203,900	2.00	0.36	[•]	[•]
Artiman Ventures Select 2014 L.P.	178,200	2.00	0.31	[•]	[•]
Artiman Ventures Select 2014 Principals Fund L.P.	2,800	2.00	0.00	[•]	[•]
Total (D)	**27,525,100**		**48.04**	[•]	[•]
Total (A+B+C+D)	**38,333,800**		**66.91**	[•]	[•]

**Subject to finalisation of Basis of Allotment.*
^Also a Selling Shareholder.
% Also a Director.
$Amit Dilip Shah is the registered owner and Amit Shah Family Trust is the beneficial owner of the Equity Shares.
@Also a Key Managerial Personnel. Tiruvidaimurudhur Srivatsan Sivashankar holds 249,900 Equity Shares of face value of ₹2 each jointly with Meera Sivashankar and 353,500 Equity Shares of face value of ₹2 each in his individual capacity.

Secondary transactions of equity shares

As on the date of this Draft Red Herring Prospectus, there have been no secondary transactions entered into by the members of our Promoter Group. The details of secondary transactions of Equity Shares by our Promoters and Selling Shareholders are set forth in the table below:

Date of transfer of Equity Shares	Number of Equity Shares transferred	Details of transferor	Details of transferee	Nature of transaction	Face value per equity share (₹)	Transaction price per equity share (₹)	Nature of consideration
Promoters#							
Arvind Kondangi Lakshmikumar							
February 2, 2011	4,000	Serial Innovations Employee Stock Option Trust	Arvind Kondangi Lakshmikumar	Transfer	10.00	10.00	Cash
January 27, 2014	85,000	Timothy Guy Mitchell	Arvind Kondangi Lakshmikumar	Gift*	10.00	N.A.	N.A.
March 31, 2024	(19,541)	Arvind Kondangi Lakshmikumar	Ankit Kumar	Transfer	10.00	3,391.15	Cash
March 31, 2024	(19,775)	Arvind Kondangi Lakshmikumar	Cecilia D'Souza	Transfer	10.00	3,391.13	Cash
Cecilia D'Souza							
March 31, 2024	19,775	Arvind Kondangi Lakshmikumar	Cecilia D'Souza	Transfer	10.00	3,391.13	Cash
Ankit Kumar							
March 31, 2024	19,541	Arvind Kondangi	Ankit Kumar	Transfer	10.00	3,391.15	Cash

Date of transfer of Equity Shares	Number of Equity Shares transferred	Details of transferor	Details of transferee	Nature of transaction	Face value per equity share (₹)	Transaction price per equity share (₹)	Nature of consideration
		Lakshmikumar					
March 31,2024	10,826	Timothy Guy Mitchell	Ankit Kumar	Transfer	10.00	3,391.14	Cash
			Selling Shareholders				
CEAQ Singapore							
August 08,2012	31,000	SRI International	CEAQ Singapore	Transfer	10.00	28.19	Cash
January 24, 2014	(31,000)	CEAQ Singapore	Timothy Guy Mitchell	Transfer	10.00	0.20	Cash
CEAQ India							
February 14, 2013	492	Ajit Kumar Surana (HUF)	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	110	Akshay Chudasama	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	218	Alok Agarwal	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	110	Amar Deb	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	492	Anand Ladsariya	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	110	Abhay Tibrewala	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	273	Aurum Ventures Private Limited	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	110	Capt. Darryl Pais	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	110	Cheryl Lawrence	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	110	Gautam Sheth	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	110	Gautam Shewakramani	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	218	Excelman Ventures LLP	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	218	Hemant Kanakia	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	110	Karan Maheshwari	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	300	N. Gautam	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	164	Parthiv Kilachand	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	110	Bhuvantray Investments and Trading Company Pvt Ltd	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	246	Mecheri Smart Capital	CEAQ India	Transfer	10.00	482.52	Cash

Date of transfer of Equity Shares	Number of Equity Shares transferred	Details of transferor	Details of transferee	Nature of transaction	Face value per equity share (₹)	Transaction price per equity share (₹)	Nature of consideration
		Private Limited					
February 14, 2013	27	Anil Joshi	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	110	Praveen Gupta	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	110	Rafique Malik	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	300	Rajendra Sah	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	82	RRA Media Entertainment Private Limited	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	110	Avnish Bajaj	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	218	Rajiv Dadlani	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	110	Aargus Endeavours LLP	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	110	Sanjay Kalmani	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	110	Sanjay Nath	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	273	Sasha Mirchandani	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	110	Vikas Choudhary	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	55	Ramesh Shah	CEAQ India	Transfer	10.00	482.52	Cash
February 14, 2013	136	Tiruvidaimurudhur Srivatsan Sivashankar	CEAQ India	Transfer	10.00	482.52	Cash
Timothy Guy Mitchell							
January 24, 2014	69,000	Magistri Inc.	Timothy Guy Mitchell	Transfer pursuant to dissolution of Magistri Inc.	10.00	N.A.	N.A.
January 24, 2014	31,000	CEAQ Singapore	Timothy Guy Mitchelll	Transfer	10.00	0.20	Cash
January 27, 2014	(85,000)	Timothy Guy Mitchell	Arvind Kondangi Lakshmikumar	Gift*	10.00	N.A.	N.A.
March 31, 2024	(10,826)	Timothy Guy Mitchell	Ankit Kumar	Transfer	10.00	3,391.14	Cash
Tiruvidaimurudhur Srivatsan Sivashankar and Meera Sivashankar@							
February 14, 2013	(136)	Tiruvidaimurudhur Srivatsan Sivashankar	CEAQ India	Transfer	10.00	482.52	Cash
November 28, 2025	353,500	Serial Innovations Employee	Tiruvidaimurudhur Srivatsan Sivashankar	Transfer	2.00	2.00	Cash

Date of transfer of Equity Shares	Number of Equity Shares transferred	Details of transferor	Details of transferee	Nature of transaction	Face value per equity share (₹)	Transaction price per equity share (₹)	Nature of consideration
		Stock Option Trust					

#Also Selling Shareholders.
** Transferred pursuant to a gift deed dated January 27, 2014.*
@Tiruvidaimurudhur Srivatsan Sivashankar holds 249,900 Equity Shares of face value of ₹2 each jointly with Meera Sivashankar and 353,500 Equity Shares of face value of ₹2 each in his individual capacity. However, the secondary transfers included have been undertaken by Tiruvidaimurudhur Srivatsan Sivashankar in his individual capacity.

Details of minimum Promoters' Contribution and lock-in of Equity Shares held by our Promoters

Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be considered as minimum promoters' contribution and locked-in for a period of eighteen months or any other period as may be prescribed under applicable law, from the date of Allotment ("**Promoters' Contribution**") and the Equity Shares held by our Promoters in excess of Promoters' Contribution, shall be locked in for a period of six months, from the date of Allotment.

As on the date of this Draft Red Herring Prospectus our Promoters hold in aggregate 9,982,600 Equity Shares which constitutes 17.43% of the subscribed and paid-up share capital of our Company on a fully diluted basis pre-Offer (including Equity Shares which will result upon exercise of vested options under the ESOP Scheme). Since, post-Offer, the shareholding of our Promoters will be less than 20% of the post-Offer Equity Share capital of our Company, which is less than the requisite shareholding required for complying with minimum promoters' contribution, therefore, in accordance with Regulation 14 of the SEBI ICDR Regulations CEAQ Singapore, one of our Shareholders which will hold at least 5% of post-Offer Equity Share capital of our Company shall contribute [●]^ Equity Shares ("**PC Shortfall Shares**") towards the shortfall in the Promoters' Contribution by way of their consent letter dated December 20, 2025. The PC Shortfall Shares constitute [●]% of the issued, subscribed and paid-up share capital of our Company, on a fully diluted basis post-Offer subject to a maximum aggregate contribution of 10% of the post-Offer paid-up equity share capital of our Company.

^ *Number has been intentionally left blank and will be filled in once the Offer Price is finalised in the Prospectus to be filed with the RoC.*

CEAQ Singapore, is not, and has not been at any time, identified as a Promoter of our Company. CEAQ Singapore shall not be identified as our Promoter, pursuant to its contribution towards the PC Shortfall Shares.

Our Promoters and CEAQ Singapore have given their consent to include such number of Equity Shares held by them, as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoters' Contribution. Our Promoters and CEAQ Singapore have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

The details of Equity Shares held by our Promoters and CEAQ Singapore, which will be locked-in for minimum promoters' contribution for a period of 18 months, from the date of Allotment as Promoters' Contribution are as set forth below:

Name of the Promoter	Number of Equity Shares held	Number of Equity Shares locked-in*	Date of allotment/ transfer#	Face value per Equity Share (₹)	Allotment/ Acquisition price per Equity Share (₹)	Nature of transaction	% of the post-Offer paid-up capital (on a fully diluted basis) *
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Note: To be updated at the Prospectus stage.
Equity Shares were fully paid-up on the date of allotment/acquisition.
** Subject to finalisation of Basis of Allotment.*

The Equity Shares being locked-in are not and will not be ineligible for computation of Promoters' Contribution under Regulation 15 of the SEBI ICDR Regulations. See "***– Notes to capital structure – History of build-up of Promoters' shareholding in our Company***" on page 107.

In this connection, we confirm the following:

(a) Equity Shares offered for Promoters' Contribution do not include Equity Shares acquired during the three years preceding the date of this Draft Red Herring Prospectus: (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets; or (b) as a result of bonus shares issued by utilization of revaluation reserves or unrealised profits or from bonus issue against Equity Shares which are otherwise in-eligible for computation of Promoters' Contribution;

(b) the Promoters' Contribution does not include any Equity Shares acquired during the one year preceding the date of this Draft Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

(c) our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm into a Company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm or limited liability partnership; and

(d) the Equity Shares forming part of the Promoters' Contribution are not subject to any pledge or any other form of encumbrance.

Further, all the Equity Shares held by the Promoters are held in dematerialized form.

Details of share capital locked-in for six months

In terms of Regulation 17 of the SEBI ICDR Regulations, except for:

- the Promoters' Contribution and any Equity Shares held by our Promoters in excess of Promoters' Contribution, which shall be locked in as above for a period of six months;

- Equity Shares allotted by our Company to Eligible Employees (or such persons as permitted under the SEBI SBEB & SE Regulations), whether currently an employee or not and including the legal heirs or nominees of any deceased employees or ex-employees, under an employee stock option prior to the Offer; and

- the Offered Shares successfully transferred by the Selling Shareholders pursuant to the Offer for Sale;

The entire pre-Offer Equity Share capital of our Company held by persons other than our Promoters, shall, unless otherwise permitted under the SEBI ICDR Regulations, be locked in for a period of six months from the date of Allotment in the Offer, other than the Equity Shares held by Yali Deeptech Fund I, and Tenacity Ventures Fund – I all of which are SEBI registered AIFs in accordance with Regulation 17(c) of the SEBI ICDR Regulations.

In the event where lock-in of such pre-Offer Equity Share capital of our Company cannot be created, the relevant Depositories, upon instructions from our Company, shall record such Equity Shares as 'non-transferable' for such duration of six months from the date of Allotment in the Offer.

Other Requirements in respect of Lock-in

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

In terms of Regulation 21 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in as per Regulation 16 of the SEBI ICDR Regulations: (a) as Promoters' Contribution, may be pledged only with scheduled commercial banks or public financial institutions or systemically important non-banking finance companies or deposit taking housing finance companies as collateral security for loans granted by such entity, provided that such loan has been granted for the purpose of financing one or more of the objects of the Offer, and pledge of the Equity Shares is one of the terms of the sanctioned loan; and (b) in excess of the Promoters' Contribution, may be pledged only with scheduled commercial banks or public financial institutions or systemically important non-banking finance companies or deposit taking housing finance companies as

collateral security for loans granted by such entity, provided that pledge of the Equity Shares is one of the terms of the sanctioned loan. However, such lock-in will continue pursuant to any invocation of the pledge and the transferee of the Equity Shares pursuant to such invocation shall not be eligible to transfer the Equity Shares until the expiry of the lock-in period stipulated above.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters which are locked-in, may be transferred to members of the Promoter Group or to any new promoter, subject to continuation of lock-in in the hands of the transferees for the remaining period and compliance with provisions of the SEBI Takeover Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired. The Equity Shares held by persons other than our Promoters and locked-in for a period of six months from the date of Allotment in the Offer or any other period as may be prescribed under applicable law, may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in the hands of the transferee for the remaining period and compliance with the provisions of the SEBI Takeover Regulations.

Lock-in of Equity Shares Allotted to Anchor Investors

50% of the Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period 90 days from the date of Allotment and the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

Sales or purchases of Equity Shares of face value of ₹2 each or other specified securities of our Company by our Promoters, the members of our Promoter Group and/or our Directors and their relatives during the last six months

Except as disclosed in "***Notes to Capital Structure – History of build-up of Promoters' shareholding in our Company***" on page 107, none of our Promoters, members of our Promoter Group, our Directors or their relatives have sold or purchased any Equity Shares of face value of ₹2 each of our Company during the six months preceding the date of this Draft Red Herring Prospectus.

Details of price at which specified securities were acquired by our Promoters, Selling Shareholders and members of the Promoter Group and Shareholders with the right to nominate Directors or any other rights in the three years preceding the date of this Draft Red Herring Prospectus

Except as stated below, there have been no specified securities that were acquired in the last three years preceding the date of this Draft Red Herring Prospectus, by our Promoters, Selling Shareholders, members of the Promoter Group and Shareholders with a right to nominate directors or any other rights in our Company.

A. ***Equity Shares***

Sr. No	Name of the acquirer/ Shareholder	Date of acquisition of securities	Number of Equity Shares	Face value per Equity Share (in ₹)	Acquisition price per security (in ₹)
		Promoters			
1.	Arvind Kondangi Lakshmikumar	June 30, 2025	943,996	10.00	-**
2.	Ankit Kumar	June 30, 2025	576,973	10.00	-**
		March 31, 2024	19,541	10.00	3,391.15
		March 31, 2024	10,826	10.00	3,391.14
3.	Cecilia D'Souza	June 30, 2025	375,725	10.00	-**
		March 31, 2024	19,775	10.00	3,391.13
		Promoter Group			
4.	Vinimaya Advisory LLP	June 30, 2025	125,343	10.00	-**
		March 27, 2025	3,200	10.00	25,000.00
		March 27, 2025	3,397	10.00	N.A.^
		Selling Shareholders			
5.	CEAQ India	June 30, 2025	1,931,255	10.00	-**
		March 27,2025	96,173	10.00	N.A.^
6.	CEAQ Singapore	June 30, 2025	2,913,650	10.00	-**
		March 27,2025	153,350	10.00	N.A.^
7.	Artiman Partners LLC	June 30, 2025	74,993	10.00	-**
		March 27, 2025	3,947	10.00	N.A.^
8.	Artiman Ventures Select	June 30, 2025	33,858	10.00	-**

Sr. No	Name of the acquirer/ Shareholder	Date of acquisition of securities	Number of Equity Shares	Face value per Equity Share (in ₹)	Acquisition price per security (in ₹)
	2014 L.P.	March 27, 2025	1,388	10.00	N.A.^
		March 27, 2025	394	10.00	25,000.00
9.	Artiman Ventures Select 2014 Principals Fund L.P.	June 30, 2025	532	10.00	-**
		March 27, 2025	22	10.00	N.A.^
		March 27, 2025	6	10.00	25,000.00
10.	Amit Dilip Shah*	June 30, 2025	42,788	10.00	-**
		March 27, 2025	1,692	10.00	N.A.^
		March 27, 2025	560	10.00	25,000.00
11.	Ramesh Radhakrishnan	June 30, 2025	38,741	10.00	-**
		March 27, 2025	2,039	10.00	N.A.^
12.	Tiruvidaimarudhur Srivatsan Sivashankar and Meera Sivashankar@	November 28, 2025	353,500	2.00	2.00
		June 30, 2025	47,481	10.00	-**
		March 27, 2025	1,699	10.00	N.A.^
		March 27, 2025	800	10.00	25,000.00
13.	Timothy Guy Mitchell	June 30, 2025	79,306	10.00	-**
Shareholders with a right to nominate directors on the Board or any other rights (other than Selling Shareholders)#					
14.	HBL Engineering Limited	June 30, 2025	1,550,970	10.00	-**
		March 27, 2025	81,630	10.00	N.A.^
15.	Florintree Flowtech LLP	June 30, 2025	562,400	10.00	-**
		March 27, 2025	29,600	10.00	25,000.00

** Amit Dilip Shah is the registered owner and Amit Shah Family Trust is the beneficial owner of the Equity Shares.*

*# For further details, see "**History and Certain Corporate Matters – Summary of key agreements and shareholders' agreements - Subscription and restated shareholders' agreement dated February 6, 2025 entered into between our Company, HBL Engineering Limited, our Promoters, CEAQ Singapore, CEAQ India, Timothy Guy Mitchell, Serial Innovations Employee Stock Option Trust, Artiman Partners LLC, Artiman Ventures Select 2014 L.P., Artiman Ventures Select 2014 Principals Fund L.P., Amit Dilip Shah (as registered owner for Amit Shah Family Trust as the beneficial owner), Ramesh Radhakrishnan, Meghaa Karnani (as registered owner for Palita Associates as the beneficial owner), SSV Advisory Services LLP, Vinimaya Advisory LLP, Tiruvidaimarudhur Srivatsan Sivashankar and Meera Sivashankar, Neville Manuel Fernandes and Mellita Fernandes, Nitin Agarwal (HUF), Anand Ladsariya, Shereen Bhan, Florintree Flowtech LLP, Yali Deeptech Fund I, Tenacity Ventures Fund – I, Export-Import Bank of India, Pranav Parikh, Paramjit Singh, Tonbo Imaging Inc and UAB Tonbo Imaging as amended by the amendment and waiver agreement dated December 20, 2025 read with the letter dated August 4, 2026 issued by our Company to the parties to the Shareholders' Agreement" on page 285.*

@Tiruvidaimurudhur Srivatsan Sivashankar acquired 249,900 Equity Shares of face value of ₹2 each jointly with Meera Sivashankar and 353,500 Equity Shares of face value of ₹2 each in his individual capacity.

^ Allotted pursuant to conversion of (a) 96,173 Series A CCPS into 96,173 equity shares in the ratio of 1:1; (b) 153,350 Series B CCPS into 153,350 equity shares in the ratio of 1:1; (c) 3,044 Series B1 CCPS into 2,206 equity shares in the ratio of 1:0.7244; (d) 112,156 Series C CCPS into 81,630 equity shares in the ratio of 1:0.7278 and (e) 44,858 Series C1 CCPS into 30,999 equity shares in the ratio of 1:0.6911 in accordance with the terms of the Shareholders' Agreement. The consideration for such equity shares (issued pursuant to conversion of the preference shares) was paid at the time of issuance of such preference shares.

*** Nil price corresponds to bonus issuance made by the Company pursuant to the Board and Shareholders' resolutions, each dated June 30, 2025.*

B. Preference Shares

Sr. No	Name of the acquirer/ Shareholder	Date of acquisition of securities	Number of Preference Shares	Face value per Preference Share (in ₹)	Acquisition price per security (in ₹)
Selling Shareholders					
1.	Vinimaya Advisory LLP	March 31, 2024	4,916	10,171.00	10,171.00
2.	Artiman Partners LLC	March 31, 2024	5,712	10,171.00	10,171.00
3.	Artiman Ventures Select 2014 L.P.	March 31, 2024	2,008	10,171.00	10,171.00
4.	Artiman Ventures Select 2014 Principals Fund L.P.	March 31, 2024	32	10,171.00	10,171.00
5.	Amit Dilip Shah*	March 31, 2024	2,448	10,171.00	10,171.00
6.	Ramesh Radhakrishnan	March 31, 2024	2,950	10,171.00	10,171.00
7.	Tiruvidaimarudhur Srivatsan Sivashankar and Meera Sivashankar@	March 31, 2024	2,458	10,171.00	10,171.00

**Amit Dilip Shah is the registered owner and Amit Shah Family Trust is the beneficial owner of the Equity Shares.*

@Tiruvidaimurudhur Srivatsan Sivashankar holds 249,900 Equity Shares jointly with Meera Sivashankar and 353,500 Equity Shares in his individual capacity.

Note: As on the date of this Draft Red Herring Prospectus, all the preference shares issued by our Company have been converted into equity shares.

Our shareholding pattern

The shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus is as set forth below:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares of face value of ₹2 each held (IV)	Number of partly paid-up Equity Shares of face value of ₹2 each held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V) + (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)				Number of Equity Shares of face value of ₹2 each underlying outstanding convertible securities (including Warrants) (X)	Total number of Equity Shares of face value of ₹2 each on a fully diluted basis (including warrants, employee stock options, convertible securities) (XI)+(VII + X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XII)= (VIII)+(X) As a % of (A+B+C2)	Number of locked in Equity Shares of face value of ₹2 each (XIII)		Number of Equity Shares of face value of ₹2 each pledged or otherwise encumbered (XIV)		Number of Equity Shares held in dematerialized form (XV)
								Number of voting rights			Total as a % of (A+B + C)					Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class eg: Equity Shares	Class eg: Others	Total									
(A)	Promoters and Promoter Group	4	1,06,42,300	-	-	1,06,42,300	18.57	1,06,42,300	-	1,06,42,300	18.57	-	10,642,300	18.57	-	-	-	-	1,06,42,300
(B)	Public	157	4,47,35,100	-	-	4,47,35,100	78.10	4,47,35,100	-	4,47,35,100	78.10	-	44,735,100	78.10	-	-	-	-	4,47,35,100
(C)	Non Promoter-Non Public	-	-	-	-	-	0.00	-	-	-	0.00	-	-	0.00	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	0.00	-	-	-	0.00	-	-	0.00	-	-	-	-	-
(C2)	Shares held by Employee Trusts	1	19,04,700	-	-	19,04,700	3.33	19,04,700	-	19,04,700	3.33	-	1,904,700	3.33	-	-	-	-	19,04,700
	Total	**162**	**5,72,82,100**	**-**	**-**	**5,72,82,100**	**100.00**	**5,72,82,100**	**-**	**5,72,82,100**	**100.00**	**-**	**57,282,100**	**100.00**	**-**	**-**	**-**	**-**	**5,72,82,100**

As on the date of this Draft Red Herring Prospectus, our Company has 162 Shareholders.

Shareholding of our Directors, Key Managerial Personnel and members of Senior Management in our Company

Except as set forth below, none of our Directors or Key Managerial Personnel or members of Senior Management hold any Equity Shares as on the date of this Draft Red Herring Prospectus:

Name	Number of Equity Shares of face value ₹2 each	Percentage of pre-Offer share capital (%)
***Directors*[#]**		
Ankit Kumar	3,036,700	5.30
Cecilia D'Souza	1,977,500	3.45
Arvind Kondangi Lakshmikumar	4,968,400	8.67
Key Managerial Personnel		
Tiruvidaimarudhur Srivatsan Sivashankar[*@]	603,400	1.05
Senior Management		
Munjal Suresh Chheda	78,600	0.14
Prasanth Allada	58,500	0.10
Rajendra Kumar D	24,000	0.04
Shilpa Muthamma M.A	5,300	0.01

[#] Also Key Managerial Personnel.
[*] Also a member of the Senior Management.
[@] Tiruvidaimurudhur Srivatsan Sivashankar holds 249,900 Equity Shares of face value of ₹2 each jointly with Meera Sivashankar and 353,500 Equity Shares of face value of ₹2 each in his individual capacity.

Weighted average cost of acquisition of the Equity Shares of our Promoters and Selling Shareholders

The weighted average cost of acquisition per Equity Share held by our Promoters and each of the Selling Shareholders, as on the date of this Draft Red Herring Prospectus and the weighted average cost of acquisition per Equity Share of all Equity Shares acquired by our Promoters and Selling Shareholders in the last one year preceding the date of this Draft red Herring Prospectus is as set forth below:

S. No.	Name	Number of Equity Shares of face value of ₹2 each held as on the date of this Draft Red Herring Prospectus	Weighted average cost of acquisition per Equity Share[^^#] (in ₹)	Number of Equity Shares of face value of ₹2 acquired in the last one year	Weighted average cost of acquisition per Equity Share acquired in the last one year[^^] (in ₹)
***Promoters*[^]**					
1.	Arvind Kondangi Lakshmikumar	4,968,400	Nil	N.A.	N.A.
2.	Ankit Kumar	3,036,700	33.91	N.A.	N.A.
3.	Cecilia D'Souza	1,977,500	33.91	N.A.	N.A.
Selling Shareholders					
4.	Vinimaya Advisory LLP	659,700	197.06	N.A.	N.A.
5.	Timothy Guy Mitchell	417,400	Negligible	N.A.	N.A.
6.	CEAQ India	10,164,500	4.83	N.A.	N.A.
7.	CEAQ Singapore	15,335,000	9.13	N.A.	N.A.
8.	Artiman Partners LLC	394,700	147.19	N.A.	N.A.
9.	Artiman Ventures Select 2014 L.P.	178,200	169.88	N.A.	N.A.
10.	Artiman Ventures Select 2014 Principals Fund L.P.	2,800	169.81	N.A.	N.A.
11.	Amit Dilip Shah[*]	225,200	172.73	N.A.	N.A.
12.	Ramesh Radhakrishnan	203,900	147.15	N.A.	N.A.
13.	Tiruvidaimarudhur Srivatsan Sivashankar and Meera Sivashankar[@]	603,400	75.75	353,500	2.00

[*] Amit Dilip Shah is the registered owner and Amit Shah Family Trust is the beneficial owner of the Equity Shares.
[@] Tiruvidaimurudhur Srivatsan Sivashankar holds 249,900 Equity Shares of face value of ₹2 each jointly with Meera Sivashankar and 353,500 Equity Shares of face value of ₹2 each in his individual capacity.
[^^] As certified by our Statutory Auditor, by way of the certificate dated August 4, 2026.
[^] Also the Selling Shareholders.

[#] The Company has pursuant to the Board and Shareholders' resolutions, each dated June 30, 2025 approved the issuance of 10,883,599 bonus Equity Shares of face value of ₹10 each at a ratio of 19 Equity Shares for one Equity Share held by its Shareholders. Further, pursuant to resolutions passed by our Board and our Shareholders in the meetings each held on September 16, 2025, our Company has sub-divided its Equity Shares from face value of ₹10 each aggregating to face value of ₹2 each. Cost of acquisition has been adjusted for bonus issuance and sub-division of equity shares.

Weighted average cost of acquisition of all shares transacted in last one year, eighteen months and three years preceding the date of this Draft Red Herring Prospectus

The weighted average cost of acquisition of all shares transacted in last one year and three years preceding the date of this Draft Red Herring Prospectus is mentioned below:

(a) Equity Shares

The weighted average cost of acquisition of all Equity Shares transacted in last one year, eighteen months and three years preceding the date of this Draft Red Herring Prospectus is mentioned below:

Period	Weighted average cost of Acquisition (in ₹)[^]	Cap Price is 'X' times the weighted average cost of acquisition[**]	Range of acquisition price per Equity Shares: lowest price - highest price (in ₹)
Last one year preceding the date of this Draft Red Herring Prospectus	2.00	[●]	0[*]-250[^]
Last eighteen months preceding the date of this Draft Red Herring Prospectus	56.98	[●]	0*-250[^]
Last three years preceding the date of this Draft Red Herring Prospectus	59.68	[●]	0[*]-250[^]

The above details have been certified by our Statutory Auditor, by way of certificate dated August 4, 2026.
** Nil price corresponds to bonus issuance made by the Company pursuant to the Board and Shareholders' resolutions, each dated June 30, 2025.*
***To be updated upon finalisation of the Price Band.*
^The Company has pursuant to the Board and Shareholders' resolutions, each dated June 30, 2025 approved the issuance of 10,883,599 bonus equity shares of face value of ₹10 each at a ratio of 19 equity shares for one equity share held by its Shareholders. Further, pursuant to resolutions passed by our Board and our Shareholders in the meetings each held on September 16, 2025, our Company has sub-divided its equity shares from face value of ₹10 each aggregating to face value of ₹2 each. Cost of acquisition and price has been adjusted for bonus issuance and sub-division of equity shares.

(a) Preference Shares

The weighted average cost of acquisition of all Preference Shares transacted in last one year, eighteen months and three years preceding the date of this Draft Red Herring Prospectus is mentioned below:

Period	Weighted average cost of Acquisition (in ₹)	Cap Price is 'X' times the weighted average cost of acquisition	Range of acquisition price per Preference Shares: lowest price - highest price (in ₹)
Last one year preceding the date of this Draft Red Herring Prospectus	NA	[●]	NA
Last eighteen months preceding the date of this Draft Red Herring Prospectus	NA	[●]	NA
Last three years preceding the date of this Draft Red Herring Prospectus	10,171.00	[●]	10,171.00-10,171.00

Note: As on the date of this Draft Red Herring Prospectus, all preference shares issued by our Company have been converted into equity shares.

Details of shareholding of the major shareholders of our Company

Set forth below are details of Shareholders holding 1% or more of the issued, subscribed and paid-up share capital of our Company as on the date of this Draft Red Herring Prospectus:

S. No.	Name of Shareholder	Number of Equity Shares of face value ₹2 each	Percentage of pre-Offer share capital (%)
1.	Serial Innovations Employee Stock Option Trust	1,904,700	3.33
2.	Arvind Kondangi Lakshmikumar	4,968,400	8.67

S. No.	Name of Shareholder	Number of Equity Shares of face value ₹2 each	Percentage of pre-Offer share capital (%)
3.	Ankit Kumar	3,036,700	5.30
4.	Cecilia D'Souza	1,977,500	3.45
5.	CEAQ India	10,164,500	17.74
6.	CEAQ Singapore	15,335,000	26.77
7.	HBL Engineering Limited	8,163,000	14.25
8.	Meghaa Karnani ^	645,400	1.13
9.	SSV Advisory Services LLP	815,300	1.42
10.	Vinimaya Advisory LLP	659,700	1.15
11.	Florintree Flowtech LLP	2,960,000	5.17
12.	Yali Deeptech Fund I	2,400,000	4.19
13.	Tenacity Ventures Fund - I	640,000	1.12
14.	Tiruvidaimurudhur Srivatsan Sivashankar and Meera Sivashankar@	603,400	1.05
	Total	**54,273,600**	**94.75**

^*Meghaa Karnani is the registered owner and Palita Associates is the beneficial owner of the Equity Shares.*
@*Tiruvidaimurudhur Srivatsan Sivashankar holds 249,900 Equity Shares of face value of ₹2 each jointly with Meera Sivashankar and 353,500 Equity Shares of face value of ₹2 each in his individual capacity.*

Set forth below are details of Shareholders holding 1% or more of the issued, subscribed and paid-up share capital of our Company as of 10 days prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of Shareholder	Number of Equity Shares of face value ₹2 each	Percentage of pre-Offer share capital (%)
1.	Serial Innovations Employee Stock Option Trust	1,904,700	3.33
2.	Arvind Kondangi Lakshmikumar	4,968,400	8.67
3.	Ankit Kumar	3,036,700	5.30
4.	Cecilia D'Souza	1,977,500	3.45
5.	CEAQ India	10,164,500	17.74
6.	CEAQ Singapore	15,335,000	26.77
7.	HBL Engineering Limited	8,163,000	14.25
8.	Meghaa Karnani^	645,400	1.13
9.	SSV Advisory Services LLP	815,300	1.42
10.	Vinimaya Advisory LLP	659,700	1.15
11.	Florintree Flowtech LLP	2,960,000	5.17
12.	Yali Deeptech Fund I	2,400,000	4.19
13.	Tenacity Ventures Fund - I	640,000	1.12
14.	Tiruvidaimurudhur Srivatsan Sivashankar and Meera Sivashankar@	603,400	1.05
	Total	**54,273,600**	**94.75**

^*Meghaa Karnani is the registered owner and Palita Associates is the beneficial owner of the Equity Shares.*
@*Tiruvidaimurudhur Srivatsan Sivashankar holds 249,900 Equity Shares of face value of ₹2 each jointly with Meera Sivashankar and 353,500 Equity Shares of face value of ₹2 each in his individual capacity.*

Set forth below are details of Shareholders holding 1% or more of the issued, subscribed and paid-up share capital of our Company as of one year prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Pre-Offer			
		Number of equity shares of face value of ₹10 each	Percentage of equity share capital (%)	Number of preference shares	Percentage of equity share capital on a fully diluted basis (%)^
1.	Serial Innovations Employee Stock Option Trust	579,820	5.06	-	5.06
2.	Arvind Kondangi Lakshmikumar	993,680	8.67	-	8.67
3.	Ankit Kumar	607,340	5.30	-	5.30
4.	Cecilia D'Souza	395,500	3.45	-	3.45
5.	CEAQ India	2,032,900	17.74	-	17.74
6.	CEAQ Singapore	3,067,000	26.77	-	26.77
7.	HBL Engineering Limited	1,632,600	14.25	-	14.25

Sr. No.	Name of the Shareholder	Pre-Offer			
		Number of equity shares of face value of ₹10 each	Percentage of equity share capital (%)	Number of preference shares	Percentage of equity share capital on a fully diluted basis (%)^
8.	Meghaa Karnani*	129,080	1.13	-	1.13
9.	SSV Advisory Services LLP	163,060	1.42	-	1.42
10.	Florintree Flowtech LLP	592,000	5.17	-	5.17
11.	Yali Deeptech Fund I	480,000	4.19	-	4.19
12.	Vinimaya Advisory LLP	131,940	1.15	-	1.15
13.	Tenacity Ventures Fund - I	128,000	1.12	-	1.12
	Total	**10,932,920**	**95.43**	**-**	**95.43**

^ Calculated on the basis of total equity shares of face value of ₹10 each held and such number of equity shares of face value of ₹10 each on a fully diluted basis, including those resulting upon (a) exercise of outstanding vested options under the ESOP Scheme; and (b) conversion of preference shares held as of one year prior to the date of this Draft Red Herring Prospectus.

**Meghaa Karnani is the registered owner and Palita Associates is the beneficial owner of the Equity Shares.*

Set forth below are details of Shareholders holding 1% or more of the issued, subscribed and paid-up share capital of our Company as of two years prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Pre-Offer			
		Number of equity shares of face value of ₹10 each	Percentage of equity share capital (%)	Number of preference shares	Percentage of equity share capital on a fully diluted basis (%)^
1.	Ankit Kumar	30,367	10.16	-	4.29
2.	Serial Innovations Employee Stock Option Trust	1,89,442	63.38	-	26.74
3.	Arvind Kondangi Lakshmikumar	49,684	16.62	-	7.01
4.	CEAQ India	5,472	1.83	96,173	14.35
5.	CEAQ Singapore	-	-	153,350	21.64
6.	HBL Engineering Limited	-	-	112,156	15.83
7.	Cecilia D'Souza	19,775	6.62	-	2.79
8.	SSV Advisory Services LLP	-	-	11,798	1.67
9.	Meghaa Karnani*	-	-	9,340	1.32
	Total	**294,740**	**98.60**	**382,817**	**95.63**

^ Calculated on the basis of total equity shares of face value of ₹10 each held and such number of equity shares of face value ₹10 each on a fully diluted basis, including those which resulting upon (a)exercise of outstanding vested options under the ESOP Scheme.; and (b) conversion of preference shares held as of two years prior to the date of this Draft Red Herring Prospectus.

**Meghaa Karnani is the registered owner and Palita Associates is the beneficial owner of the Equity Shares.*

Shareholding of our Promoters, members of the Promoter Group and other Shareholders of our Company

S. No.	Pre-Offer shareholding as on the date of this Draft Red Herring Prospectus			Post-Offer shareholding as at Allotment*#			
	Name of the Shareholder	Number of Equity Shares of face value ₹2 each @	Pre-Offer Shareholding on a fully diluted basis (in %)@	At the lower end of the price band (₹[●])		At the upper end of the price band (₹[●])	
				Number of Equity Shares of face value ₹2 each*@	Post-Offer paid-up Equity Share capital (in %) *@	Number of Equity Shares of face value ₹2 each *@	Post-Offer Shareholding (in %) *@
	Promoters (A)						
1.	Ankit Kumar	3,036,700	5.30	[●]	[●]	[●]	[●]
2.	Cecilia D'Souza	1,977,500	3.45	[●]	[●]	[●]	[●]
3.	Arvind Kondangi Lakshmikumar	4,968,400	8.67	[●]	[●]	[●]	[●]
	Promoter Group (B)						
4.	Vinimaya Advisory LLP	659,700	1.15	[●]	[●]	[●]	[●]

S. No.	Pre-Offer shareholding as on the date of this Draft Red Herring Prospectus			Post-Offer shareholding as at Allotment*#			
	Name of the Shareholder	Number of Equity Shares of face value ₹2 each @	Pre-Offer Shareholding on a fully diluted basis (in %)@	At the lower end of the price band (₹[●])		At the upper end of the price band (₹[●])	
				Number of Equity Shares of face value ₹2 each*@	Post-Offer paid-up Equity Share capital (in %) *@	Number of Equity Shares of face value ₹2 each *@	Post-Offer Shareholding (in %) *@
	Public Shareholders (top 10 Shareholders including certain Selling Shareholders) (C)						
5.	CEAQ Singapore	15,335,000	26.77	[●]	[●]	[●]	[●]
6.	CEAQ India	10.164,500	17.74	[●]	[●]	[●]	[●]
7.	HBL Engineering Limited	8,163,000	14.25	[●]	[●]	[●]	[●]
8.	Florintree Flowtech LLP	2,960,000	5.17	[●]	[●]	[●]	[●]
9.	Yali Deeptech Fund I	2,400,000	4.19	[●]	[●]	[●]	[●]
10.	SSV Advisory Services LLP	815,300	1.42	[●]	[●]	[●]	[●]
11.	Meghaa Karnani^	645,400	1.13	[●]	[●]	[●]	[●]
12.	Tenacity Ventures Fund - I	640,000	1.12	[●]	[●]	[●]	[●]
13.	Tiruvidaimurudhur Srivatsan Sivashankar and Meera Sivashankar$	603,400	1.05	[●]	[●]	[●]	[●]
14.	Timothy Guy Mitchell	417,400	0.73	[●]	[●]	[●]	[●]
15.	**Other public shareholders (D)**	2,591,100	4.53	[●]	[●]	[●]	[●]
16.	Serial Innovations Employee Stock Option Trust **(E)**	1,904,700	3.33	[●]	[●]	[●]	[●]
Total (A)+(B)+(C)+(D)+(E)		**57,282,100**	**100.00**				

**To be updated at the Prospectus stage.*
@ Number of Equity Shares and percentage shareholding of the Shareholders is calculated on a fully diluted basis, including those which will result upon exercise of all outstanding vested options under the ESOP Scheme as at the date of this Draft Red Herring Prospectus and until the Prospectus, and any transfers of Equity Shares by existing Shareholders after the date of the pre-issue and price band advertisement until date of Prospectus.
#Based on the Offer Price of ₹[●] and subject to finalisation of Allotment.
^Meghaa Karnani is the registered owner and Palita Associates is the beneficial owner of the Equity Shares.
$Tiruvidaimurudhur Srivatsan Sivashankar holds 249,900 Equity Shares of face value of ₹2 each jointly with Meera Sivashankar and 353,500 Equity Shares of face value of ₹2 each in his individual capacity.

Employee stock option schemes

As on the date of this Draft Red Herring Prospectus, our Company has adopted the Amended and Restated Employee Stock Options Scheme, 2025, pursuant to the resolutions passed by our Board and our Shareholders on December 20, 2025 each, which subsumes the earlier employee stock option scheme of our Company, namely, the Amended and Restated Employee Stock Option Regulations, 2024 (collectively, the "**ESOP Scheme**"). The existing grants have been made and are governed by the terms provided under Employee Stock Option Regulations, 2024 and currently no fresh grants have been made under the Amended and Restated Employee Stock Options Scheme, 2025. The options granted under the ESOP Scheme have been granted to employees of our Company only. The ESOP Scheme is in compliance with the SEBI SBEB & SE Regulations and other applicable laws, as certified by ASR & Co., Company Secretaries, pursuant to their certificate dated August 4, 2026.

Details of the ESOP Scheme are disclosed below:

Particulars	Total
Options granted	2,758,000
Options vested (excluding options that have been exercised)	774,640
Options exercised	994,400
Options forfeited/lapsed/cancelled	19,600
Money realised by exercise of options (in ₹)	1,988,800
Total number of options in force	1,744,000
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of cancelled options and employee stock option exercised)	1,744,000
Total employee stock options under the ESOP Scheme	2,899,100
Remaining employee stock options under the ESOP Scheme	160,700

Particulars	Total
Unvested options	969,360

The following table sets forth the particulars of the ESOP Scheme, including options granted as on the date of this Draft Red Herring Prospectus:

Particulars	For the period from April 1, 2026 till the date of this Draft Red Herring Prospectus	Fiscal 2026[1]	Fiscal 2025
Total options outstanding as at the beginning of the period/ year	1,750,600	2,087,600	-
Total options granted during the period/ year	-	670,400	2,087,600
Exercise price of options in ₹ (as on the date of grant of options)	2.00	2.00	2.00
Options forfeited/ lapsed/ cancelled	(6,600)	(13,000)	-
Variation in terms of options[3]	Our Company adopted the Amended and Restated Employee Stock Option Regulations on July 19, 2024 under which the current options are issued and there has been no variation of terms of the options already granted.		
Money realised by exercise of options during the year/ period[4] (in ₹)	-	1,988,800	-
Total number of options outstanding in force at the end of the period/ year	1,744,000	1,750,600	2,087,600
Total options vested (excluding the options that have been exercised)	774,640	-	-
Options exercised	-	(994,400)	-
Total number of Equity Shares arising as a result of full exercise of granted options (excluding options that have been exercised)	1,744,000	1,750,600	2,087,600
Employee wise details of options granted to[2]:			
Key management personnel and senior management	**Name of key managerial personnel/ senior management**	**For the period from April 1, 2026 till the date of this Draft Red Herring Prospectus**	**Fiscal 2026**	**Fiscal 2025**
	Tiruvidaimarudhur Srivatsan Sivashankar	-	-	707,100
	Ankita Agarwalla	-	10,000	-
	Munjal Suresh Chheda	-	7,500	157,400
	Prasanth Allada	-	12,500	117,100
	Rajendra Kumar D	-	10,000	48,200
	Shilpa Muthamma M.A	-	10,000	10,500
Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	**Name of Employee**	**For the period from April 1, 2026 till the date of this Draft Red Herring Prospectus**	**Fiscal 2026**	**Fiscal 2025**
	Shyam Sundar	-	5,000	149,900
	Pankaj Jayprakash Rathi	-	57,300	-
Identified employees who were granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	**Name of Employee**	**For the period from April 1, 2026 till the date of**	**Fiscal 2026**	**Fiscal 2025**

Particulars	For the period from April 1, 2026 till the date of this Draft Red Herring Prospectus	Fiscal 2026[1]	Fiscal 2025
	this Draft Red Herring Prospectus		
	Tiruvidaimarudhur Srivatsan Sivashankar -	-	707,100
Fully diluted EPS on a pre-Offer basis pursuant to the issue of Equity Shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings Per Share'	N.A.	8.88	12.70
Description of the pricing formula and the method and significant assumptions used to estimate the fair value of options granted during the year, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	The fair value of options granted is estimated using the Black Scholes Options Pricing Model.		
Weighted average fair value of option (in ₹)	N.A.	181.47	98.61
Weighted average share price (in ₹)	N.A.	183.47	100.61
Exercise Price (in ₹)	N.A.	2.00	2.00
Expected volatility##	N.A.	N.A.	NA
Option life (Years)	N.A.	8.00	8.00
Dividend yield (%)	N.A.	N.A.	NA
Risk-free interest rate (%)#	N.A.	N.A.	NA
Impact on profits and EPS of the last three years if the accounting policies specified in the SEBI SBEB & SE Regulations had been followed in respect of options granted in the last three years	There is no impact on the profits of our Company and our Company has complied with the accounting standard issued by the institute of Chartered Accountants of India which is in line with the SEBI SBEB & SE Regulations.		
Where our Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of the Company and on the earnings per share of our Company	N.A., as employee compensation cost is calculated using fair value of the stock options		
Intention of the Key Managerial Personnel, Senior Management and whole-time directors who are holders of Equity Shares allotted on exercise of options granted , to sell their Equity Shares within three months after the date of listing of the Equity Shares purusant to the Offer	N.A.		
Intention to sell Equity Shares arising out of an Amended and Restated Employee Stock Option Regulations, 2024 within three months after the date of listing of Equity Shares, by the Directors, Key Managerial Personnel, Senior Management and employees having Equity Shares arising out of an employee stock option scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) of our Company.	N.A.		

[1] Options for the Financial Years 2025 and 2026 and for the period from April 1, 2026 till the date of this Draft Red Herring Prospectus have been adjusted for bonus issued and share split;

[2] Details of options granted to employees include options that have vested and been exercised;

[3] In December 2025 , the Company has adopted the Amended and Restated Employee Stock Options Scheme, 2025, and any fresh options to be granted under the Amended and Restated Employee Stock Options Scheme, 2025 will be governed in accordance with the provisions included therein;

[4] The consideration received on exercise of options was paid to the Serial Innovations Employee Stock Option Trust and not to the Company.

The Book Running Lead Managers are not associates of the Company as per Regulation 21A of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.

The BRLMs and their respective associates (as defined under the SEBI Merchant Bankers Regulations) do not hold any Equity Shares as on the date of this Draft Red Herring Prospectus. The BRLMs and their respective associates may engage in transactions with, and perform services for our Company, the Selling Shareholders and their respective affiliates or associates in the ordinary course of business, and have engaged, or may in the future engage in commercial banking and investment banking transactions with our Company or the Selling Shareholders or their respective affiliates or associates for which they may have received and may in future receive compensation.

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors, and any of their relatives (as defined under the Companies Act, 2013) have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

Our Company, our Directors and the BRLMs have not entered into any buy-back arrangement for purchase of specified securities of the Company.

No person connected with the Offer, including our Company, our Promoters, the Selling Shareholders, the BRLMs, the members of the Syndicate, or our Directors, or the members of our Promoter Group shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.

The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus. The Equity Shares to be issued or transferred pursuant to the Offer shall be fully paid-up at the time of Allotment.

The Equity Shares held by our Promoters and members of the Promoter Group, Selling Shareholders, Directors, Key Managerial Personnel, Senior Management, employees of our Company, and the shareholders with special rights are in dematerialised form as on the date of this Draft Red Herring Prospectus.

Except for the employee stock options granted pursuant to ESOP Scheme, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares of our Company, as on the date of this Draft Red Herring Prospectus.

Except for the Allotment of Equity Shares pursuant the exercise of employee stock options granted pursuant to the ESOP Scheme (if any), there will be no further issue of specified securities whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.

Except for the Allotment of Equity Shares pursuant to the exercise of employee stock options granted pursuant to the ESOP Scheme (if any), our Company presently does not intend or propose and is not under negotiations or considerations to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise.

Neither the (i) BRLMs, and any person related to the BRLMs except for Mutual Funds sponsored by entities which are associate of the BRLMs, or insurance companies promoted by entities which are associates of the BRLMs, or AIFs sponsored by entities which are associates of the BRLMs, or an FPI (other than individuals, corporate bodies and family offices) which are associates of the BRLMs or pension funds registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013 sponsored by entities which are associates of the BRLMs; nor (ii) any person related to the Promoter/Promoter Group; shall apply in the Offer under the Anchor Investor Portion.

Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time. The issuance of securities by our Company, since incorporation of our Company until the date of this Draft Red Herring Prospectus, had been undertaken in accordance with the provisions of the Companies Act, 2013, to

the extent applicable.

All transactions in specified securities by our Promoters and members of our Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closing of the Offer shall be reported to the Stock Exchanges within 24 hours of such transaction.

OBJECTS OF THE OFFER

The objects of the Offer are to achieve the benefits of listing the Equity Shares of face value of ₹2 each on the Stock Exchanges and for the Offer for Sale of up to 18,085,246 Equity Shares of face value of ₹2 each aggregating to ₹[●] million. Each Selling Shareholder has, severally and not jointly, authorised its participation in the Offer for Sale to the extent of its respective portion of the Offered Shares, pursuant to its respective consent letter.

For further details, see "***The Offer***" and "***Other Regulatory and Statutory Disclosures – Authority for the Offer***" on pages 78 and 444, respectively.

Our Company expects that the proposed listing of its Equity Shares will enhance our visibility and brand image and provide liquidity to its existing Shareholders. Listing will also provide a public market for the Equity Shares in India.

Utilisation of the Offer Proceeds by the Selling Shareholders

Our Company will not receive any proceeds from the Offer (the "**Offer Proceeds**") and the Offer Proceeds will be received by the Selling Shareholders, in proportion to the Offered Shares sold by the respective Selling Shareholders as a part of the Offer after deducting their portion of the Offer related expenses and the relevant taxes thereon. For details of the Offered Shares, see "***Other Regulatory and Statutory Disclosures – Authority for the Offer***" on page 444.

Offer-related Expenses

The Offer expenses are estimated to be approximately ₹[●] million.

The expenses in relation to the Offer include, among others, listing fees, selling commission and brokerage, fees payable to the Book Running Lead Managers, fees payable to legal counsel, fees payable to the Registrar to the Offer, Escrow Collection Bank(s) and Sponsor Bank(s) to the Offer, processing fee to the SCSBs for processing application forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than the listing fees and expenses in relation to product or corporate advertisements, *i.e.*, any corporate advertisements consistent with past practices of our Company (other than the expenses relating to marketing and advertisements undertaken in connection with the Offer) which will be borne solely by our Company, all costs, charges, fees and expenses that are related to, associated with and incurred in connection with the Offer including, *inter-alia*, filing fees, book building fees and other charges, fees and expenses of the SEBI, the Stock Exchanges, the Registrar of Companies and any other Governmental Authority, advertising, printing, road show expenses, accommodation and travel expenses, fees and expenses of the legal counsel to our Company and the Indian and international legal counsel to the BRLMs, fees and expenses of the statutory auditors (to the extent related to the Offer), registrar fees and broker fees (including fees for procuring of applications), bank charges, fees and expenses of the BRLMs, syndicate members, Self-Certified Syndicate Banks, other Designated Intermediaries and any other consultant, advisor or third party in connection with the Offer shall be borne by and between the Selling Shareholders in proportion to their respective Offered Shares being offered for sale by each of the Selling Shareholders in the Offer in accordance with the Applicable Law including Section 28(3) of the Companies Act, 2013, except as may be prescribed by the SEBI or any other regulatory authority.

Each of the Selling Shareholders, severally and not jointly, agrees that it shall reimburse our Company for their respective proportion of such costs and expenses in relation to the Offer paid by our Company on behalf of the respective Selling Shareholder irrespective of the completion of the Offer, directly from the Public Offer Account in the manner as may be set out in the Offer related agreements. For any Offer related expenses that are not paid from the Public Offer Account, our Company agrees to advance the cost and such expenses will be reimbursed by the Selling Shareholders in proportion to their respective Offered Shares being offered for sale in the Offer. To the extent any Offer-related expenses are paid directly by a Selling Shareholder, such amounts shall be netted against the respective reimbursement obligations of that Selling Shareholder to our Company, so that only the net amount, after accounting for such direct payments, shall be payable by or to the relevant parties.

Further, in the event that the Offer is postponed or withdrawn or abandoned for any reason or in the event the Offer is not successfully completed, the Offer related costs and expenses (including taxes) attributable to the Offer shall be borne by the Selling Shareholders in proportion to their respective Offered Shares being offered for sale by the each of the Selling Shareholders in the Offer as above, and it is further clarified that, in the event any

Selling Shareholder withdraws or abandons the Offer at any stage prior to the completion of the Offer, it shall reimburse to our Company all costs, charges, fees and expenses incurred in connection with the Offer on a proportionate basis as detailed above, up to the date of such withdrawal, abandonment or termination with respect to such Selling Shareholder.

The estimated Offer expenses are as follows:

(*₹ in million*)

Activity	Estimated expenses[(1)]	As a % of the total estimated Offer expenses[(1)]	As a % of the total Offer size[(1)]
Fees and commissions payable to the Book Running Lead Managers (including any underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Advertising and marketing expenses for the Offer	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank(s) and Bankers to the Offer. Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs	[●]	[●]	[●]
Printing and distribution of Offer stationery	[●]	[●]	[●]
Other expenses including, listing fees, SEBI filing fees, BSE and NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
Fees payable to other intermediaries to the Offer, including but not limited to Statutory Auditor, independent chartered accountant, practicing company secretary and industry data provider	[●]	[●]	[●]
Fee payable to legal counsels	[●]	[●]	[●]
Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

Amounts will be finalised and incorporated in the Prospectus on determination of Offer Price. Offer expenses are estimates and are subject to change. Offer expenses include goods and services tax, where applicable.

Selling commission payable to the SCSBs on the portion for Retail Individual Investors, Non-Institutional Investors and Eligible Employees which are directly procured and uploaded by the SCSBs, would be as follows:

*Portion for Retail Individual Investors**	*[●]% of the Amount Allotted* (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*[●]% of the Amount Allotted* (plus applicable taxes)*
*Portion for Eligible Employees**	*[●]% of the Amount Allotted* (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares of face value ₹2 each Allotted and the Offer Price. Selling commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid book of BSE or NSE.*

No uploading/processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the application directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Investors, Non-Institutional Investors and Eligible Employees (excluding UPI Bids) which are procured by the members of the Syndicate / sub-Syndicate / Registered Broker / RTAs / CDPs and submitted to SCSB for blocking, would be as follows:

*Portion for Retail Individual Investors**	*₹[●] per valid application (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*₹[●] per valid application (plus applicable taxes)*
*Portion for Eligible Employees**	*₹[●] per valid application (plus applicable taxes)*

** Based on valid Bid cum Application forms*

Processing fees for applications made by Bidders using the UPI Mechanism would be as follows:

Members of the Syndicate /RTAs/ CDPs/ Registered Brokers	*₹[●] per valid Bid cum Application Form (plus applicable taxes)*
Sponsor Bank(s)	*₹[●] per valid Bid cum Application Form (plus applicable taxes)* *The Sponsor Bank shall be responsible for making payments to third parties such as the remitter bank, the NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other applicable laws.*

[*] *Based on valid Bid cum Application Forms.*

Brokerage, selling commission and processing/uploading charges on the portion for UPI Bidders, Retail Individual Investors, Non-Institutional Investors and Eligible Employees which are procured by members of the Syndicate (including their sub-Syndicate members), RTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their sub-Syndicate members) would be as follows:

*Portion for UPI Bidders**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Retail Individual Investors**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Eligible Employees**	*[●]% of the Amount Allotted (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares of face value ₹2 each Allotted and the Offer Price.*

The selling commission payable to the Syndicate / sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / sub-Syndicate Member.

Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the portion for Retail Individual Investors and Non-Institutional Investors which are procured by them and submitted to SCSB for blocking, would be as follows: ₹[●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid book of BSE or NSE.

Bidding charges payable to the Registered Brokers, RTAs/CDPs on the portion for Retail Individual Investors, Non-Institutional Investors and Eligible Employees which are directly procured by the Registered Broker or RTAs or CDPs and submitted to SCSB for processing, would be as follows:

*Portion for Retail Individual Investors**	*₹[●] per valid application (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*₹[●] per valid application (plus applicable taxes)*
*Portion for Eligible Employees**	*₹[●] per valid application (plus applicable taxes)*

** Based on valid Bid cum Application Forms*

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement.

The processing fees for applications made by Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with the SEBI ICDR Master Circular.
If such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and the Cash Escrow and Sponsor Banks Agreement. The processing fees for applications made by Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation in compliance with the SEBI RTA Master Circular, in a format as prescribed by SEBI, from time to time.

Monitoring Utilisation of Funds

Since the Offer is an Offer for Sale and our Company will not receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency for the Offer.

Other confirmations

Except to the extent of any proceeds received pursuant to the sale of Offered Shares proposed to be sold in the Offer for Sale by the Promoter Selling Shareholders, the Promoter Group Selling Shareholder, Tiruvidaimarudhur Srivatsan Sivashankar, our Chief Financial Officer (together with Meera Sivashankar) and Amit Dilip Shah (registered owner for Amit Shah Family Trust as the beneficial owner), our Nominee Director, none of our Promoters, Directors, Key Managerial Personnel, Senior Management, members of our Promoter Group, Group Companies will, directly or indirectly receive any portion of the Offer Proceeds.

BASIS FOR OFFER PRICE

The Price Band and Offer Price will be determined by our Company in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares issued through the Book Building Process and quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹2 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should refer to "***Risk Factors***", "***Our Business***", "***Restated Consolidated Financial Statements***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 21, 239, 312 and 396, respectively, to have an informed view before making an investment decision.

1. Qualitative Factors

Some of the qualitative factors which form the basis for computing the Offer Price are set forth below:

1. Leading defence technology solutions provider with pioneering proprietary technologies;
2. Driving innovation in defence electronics through in-house R&D with an asset light business model;
3. Among the few defence electronics OEMs with a wide acceptability across the globe;
4. Diversified defence product portfolio with deployability across all domains;
5. Sound financials with healthy performance; and
6. Experienced and dedicated promoters and key managerial personnel with extensive domain knowledge.

For further details, see "***Our Business – Our Strengths***" on page 246.

2. Quantitative Factors

Certain information presented below relating to us is based on the Restated Consolidated Financial Statements. For details, see "***Restated Consolidated Financial Statements***" on page 312.

Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

(a) Basic and Diluted Earnings Per Equity Share ("EPS") at face value of ₹2 each:

As derived from the Restated Consolidated Financial Statements:

Financial Year ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2026	9.19	8.88	3
March 31, 2025	13.38	12.70	2
March 31, 2024	62.61	13.63	1
Weighted Average	19.49	10.95	

Notes:

i. The face value of each Equity Share is ₹ 2.

ii. Basic Earnings per share is calculated by dividing Restated profit for the year attributable to equity Shareholders by the number of equity shares outstanding at the end of the year reduced by ESOP Trust shares

iii. Diluted earnings per share is calculated by dividing Restated profit for the year attributable to equity Shareholders by the number of equity shares outstanding at the end of the year adjusted for the effect of dilutive potential equity shares.

iv. Basic and Diluted Earnings per share have been adjusted for the effects of bonus issue, share split, and share buyback

v. Weighted average is calculated as Aggregate of financial year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each financial year /Total of weights.

(b) Price/Earning ("P/E") ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share at face value of ₹2 each:

Particulars	P/E at the Floor Price (no. of times)*	P/E at the Cap Price (no. of times)*
Based on basic EPS for Fiscal 2026	[●]	[●]
Based on diluted EPS for Fiscal 2026	[●]	[●]

** To be computed post finalisation of Price Band.*

(c) Industry Peer Group P/E ratio

The selected peers include Indian listed defence technologies companies with product offerings across electro-optics, defence electronics and sub-systems, catering primarily to defence and aerospace applications.

Based on the peer group information (excluding our Company) given below in this section, the highest P/E ratio is 117.88, the lowest P/E ratio is 46.85 and the average P/E ratio is 84.84.

Particulars	P/E Ratio
Highest	117.88
Lowest	46.85
Average	**84.84**

Notes:

i. The highest and lowest industry P/E shown above is based on the peer set provided below under "Comparison of accounting ratios with listed industry peers". The industry average has been calculated as the arithmetic average P/E of the peer set provided below under "- Comparison of accounting ratios with listed industry peers"

ii. P/E figures for the peer are computed based on closing market price as on July 03, 2026, divided by Diluted EPS based on the financial results declared by the peers available on website of www.bseindia.com for the Financial Year ending March 31, 2026.

(d) Return on Net Worth ("RoNW")

Financial Year ended	RONW (%)	Weight
March 31, 2026	9.75	3
March 31, 2025	20.20	2
March 31, 2024	52.72	1
Weighted Average	**20.40**	

Notes:

i. Weighted average is calculated as Aggregate of financial year-wise weighted Return on Net Worth (%) divided by the aggregate of weights i.e. Return on Net Worth (%) multiplied by Weight for each financial year divided by Total of weights

ii. Return on Net Worth (%) for our Company is calculated as Net profit after tax divided by Average Net worth as at year end.

iii. Net Worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account and instruments entirely in the nature of equity after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations. We have calculated net worth by aggregate value of equity share capital, instruments entirely equity in nature, capital redemption reserve, retained earnings, securities premium, other comprehensive income (fair value gains/(loss) on equity instruments), foreign currency translation reserve and shares pending issuance.

(e) Net Asset Value ("NAV") per Equity Share, as adjusted for change in capital

Particulars	Amount (₹)
As on March 31, 2026	96.57
After the completion of the Offer	
- At the Floor Price	[●]*
- At the Cap Price	[●]*
Offer Price	[●]#

** To be computed post finalisation of Price Band*

To be determined on conclusion of the Book Building Process

Notes:

i. Net Worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account and instruments entirely in the nature of equity after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations . We have calculated net worth by aggregate value of equity share capital, instruments entirely equity in nature, capital redemption reserve, retained earnings, securities premium, other comprehensive income (fair value gains/(loss) on equity instruments), foreign currency translation reserve and shares pending issuance

ii. Offer Price per Equity Share will be determined on conclusion of the Book Building Process.

iii. Net asset value per share is calculated as Net worth divided by Number of equity shares outstanding at the end of the financial year

iv. Net Asset Value per Equity Share has been adjusted for the effects of bonus issue, share split, and share buyback

(f) Comparison of accounting ratios with listed industry peers

Name of the Company	Standalone / Consolidate	FY26 Total Revenue (₹ in million)	Face Value per Equity Share (₹)	Closing price as on August 03, 2026	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV (₹ per share)
Our	Consolidated	3,626.48	2.00	NA	NA	9.19	8.88	9.75	96.57

Name of the Company	Standalone / Consolidate	FY26 Total Revenue (₹ in million)	Face Value per Equity Share (₹)	Closing price as on August 03, 2026	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV (₹ per share)
Company									
Paras Defence and Space Technologies Limited	Consolidated	4,765.70	10.00	1,288.45	117.88	10.93	10.93	NA	90.02
Data Patterns (India) Limited	Standalone	9,247.70	2.00	4,430.80	91.41	48.47	48.47	16.70	310.08
Astra Microwave Products Limited	Consolidated	11,628.02	2.00	1,840.75	90.81	20.32	20.27	NA	138.46
Zen Technologies Limited	Consolidated	6,876.90	1.00	1,662.80	77.27	21.52	21.52	NA	209.22
Bharat Electronics Limited	Consolidated	2,76,101.10	1.00	388.35	46.85	8.29	8.29	NA	32.82

Source: All the financial information for listed industry peer is sourced from the filings made with stock exchanges available on www.bseindia.com for the Financial Year ending March 31, 2026.

Source for our Company: Based on the Restated Consolidated Financial Statements for the financial year ended March 31, 2026.

Notes:

i. P/E Ratio has been computed based on the closing market price of equity shares on BSE on August 03, 2026, divided by the Diluted EPS.

ii. Return on Net Worth (%) for our Company is calculated as Net profit after tax divided by Average Net worth as at year end.

iii. Net Worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account and instruments entirely in the nature of equity after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations. We have calculated net worth by aggregate value of equity share capital, instruments entirely equity in nature, capital redemption reserve, retained earnings, securities premium, other comprehensive income (fair value gains/(loss) on equity instruments), foreign currency translation reserve and shares pending issuance.

iv. Return on Net Worth (%) for peer companies is as per their respective public company filings

v. NAV is computed as the closing net worth divided by Number of equity shares outstanding at the end of the financial year

vi. Closing price for the peer represents closing market price of equity shares sourced from BSE as of August 03, 2026.

vii. Equity Shares for our Company have been adjusted for the effects of bonus issue, share split, and share buyback

Key Performance Indicators ("KPIs")

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. These KPIs have been used historically by our Company to understand and analyze our business performance.

Our Company considers that the KPIs set forth below are the ones that may have a bearing for arriving at the basis for the Offer Price. The Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational key financial and operational KPI, to make an assessment of our Company's performance and make an informed decision. The KPIs disclosed below have been approved and confirmed by a resolution of our Audit Committee dated August 4, 2026 and the Audit Committee has confirmed that except as disclosed in this Red Herring Prospectus, no KPIs have been disclosed by our Company to any investors at any point of time during the three years prior to the date of filing of this Draft Red Herring Prospectus. Further, the members of our Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any Promoter or member of Promoter Group or Directors in their capacity as Shareholders at any point of time during the three years prior to the date of filing of this Draft Red Herring Prospectus. The KPIs disclosed herein have been certified by our Statutory Auditor, by way of their certificate dated August 4, 2026, which certificate shall be included as part of the material documents for inspection and shall be accessible on the website of our Company at https://tonboimaging.com/main/material-documents/ as disclosed in "***Material Contracts and Documents for Inspection – Material Documents***" on page 508. Further, the Chief Financial Officer has certified pursuant to certificate dated August 4, 2026, the KPIs disclosed below, comprising the GAAP financial measures, Non-GAAP

financial measures and operational measures. The list of our KPIs along with brief explanation of the relevance of the KPI for our business operations are set forth below.

Description on the historic use of the KPIs by our Company to analyse, track or monitor the operational and/or financial performance of our Company

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Statements. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies, including peer companies, and hence their comparability may be limited. Therefore, these KPIs should not be considered in isolation or construed as an alternative to Ind AS financial statements or as an indicator of our operating performance, liquidity, profitability or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our operating results and trends and in comparing our financial results with other companies in our industry.

Set out below is the explanation of the KPIs:

Key performance Indicator ("KPI")	Explanation
Revenue from Operations	Income earned from the Company's core business activities, excluding other income
Revenue growth	Year-on-year percentage increase in revenue from operations
Gross Profit	Gross Profit is the profit after deduction of direct cost of goods sold from Revenues.
Gross Profit Margin	Gross Profit Margin is an indicator of the profitability of our products and is a measure of how we price our products relative to costs of manufacturing.
EBITDA	EBITDA is the operational profit after meeting direct cost of goods sold, employee costs and other operating expenses but before financing costs and depreciation & amortization, excluding other income
EBITDA Margin	EBITDA margin is an indicator of the operational profitability of our business.
PAT	Net profit earned after deducting all expenses and taxes
PAT Margin	PAT Margin is an indicator of the overall profitability of the business and is a function of scale, operational efficiency and financial efficiency.
ROCE %	ROCE measures the profits generated from capital employed and is a measure of capital efficiency (whether debt or equity)
ROE %	ROE measures the profits attributable to shareholders
Net Tangible Fixed Asset Turnover (x)	Net tangible fixed asset turnover is a measure of capital intensity of the business.
Working Capital Days	Measure of working capital used in the business such as inventory and trade receivables net of trade payables.
Export Share % in Revenue	Revenue generated from export as a percentage of total revenue from operations
Revenue Split by Products Categories (Tactical, Platforms and Others)	Revenue from Operations is broken down into platform, tactical and other product types 1) Tactical Systems – Our tactical systems are electro-optical sights offering dismounted soldiers' observation and targeting capabilities. 2) Our platform systems are designed to be integrated into surveillance, reconnaissance and targeting platforms. 3) Others include OEM component sales
Confirmed Order Book	Represents the total value of confirmed customer orders yet to be fulfilled
Orderbook Split – By Region	Represents the total value of confirmed customer orders yet to be fulfilled broken down into domestic and export
Orderbook Split – By Product Categories (Tactical, Platforms and Others)	Represents the total value of confirmed customer orders yet to be fulfilled broken down into platform, tactical and other product types

Details of our KPIs as of and for the Financial Years ended March 31, 2026, March 31, 2025, and March 31, 2024, is set out below:

Sr. No.	Key Performance Indicators (KPIs)	Units	For the period ended March 31, 2026	For the period ended March 31, 2025	For the period ended March 31, 2024
		Financial Metrics			
1	Revenue from Operations[(1)]	₹ million	3,626.48	4,690.80	4,281.89
2	Revenue Growth[(2)]	%	(22.69)	9.55	342.22
3	Gross Profit[(3)]	₹ million	1,851.26	2,644.69	2,082.60
4	Gross Profit Margin [(4)]	%	51.05	56.38	48.64
5	EBITDA[(5)]	₹ million	1,046.18	1,390.64	1,123.24
6	EBITDA Margin[(6)]	%	28.85	29.65	26.23
7	PAT[(7)]	₹ million	508.80	727.57	685.43
8	PAT Margin[(8)]	%	13.75	15.34	15.87
9	ROCE %[(9)]	%	14.54	27.41	67.76
10	ROE %[(10)]	%	9.75	20.20	52.72
11	Net Tangible Fixed Asset Turnover (x)[(11)]	Times	14.62	19.16	89.45
12	Working Capital Days[(12)]	No of Days	517	280	152
		Operational measures			
13	Export Share % in Revenue[(13)]	%	5.57	65.52	48.61
14	Revenue Split (Tactical) [(14)]	₹ million	2,116.75	3,622.96	3,592.69
15	Revenue Split (Platform) [(15)]	₹ million	1,448.08	1,010.53	127.00
16	Revenue Split (Others) [(16)]	₹ million	11.95	10.33	110.39
17	Confirmed Order Book[(17)]	₹ million	2,790.16	2,186.08	5,631.44
18	Orderbook Split (Domestic) [(18)]	₹ million	1,971.09	2,127.05	2,595.91
19	Orderbook Split (International) [(19)]	₹ million	819.07	59.03	3,035.53
20	Orderbook Split (Tactical) [(20)]	₹ million	882.74	698.17	3,367.63
21	Orderbook Split (Platform) [(21)]	₹ million	1,907.42	1,487.76	2,263.81
22	Orderbook Split (Others) [(22)]	₹ million	-	0.15	-

Source:

Financials of our Company are taken from Restated Consolidated Financial Statements.

Notes:

1. *Revenue from Operations means the Revenue from Operations for the year as appears in the Restated Consolidated Financial Statements.*
2. *Revenue Growth is calculated as a percentage of Revenue from Operations for current year minus Revenue from Operations for previous year divided by Revenue from Operations for previous year multiplied by 100.*
3. *Gross Profit is calculated as Revenue From Operation minus COGS; COGS is calculated as Cost of Materials Consumed plus Changes In Inventories of Finished Goods for the relevant year.*
4. *Gross Profit % is calculated as Gross Profit divided by Revenue from Operations.*
5. *EBITDA is calculated as Profit / (Loss) before Exceptional and Extraordinary items and Tax plus Finance Cost, Depreciation and Amortisation minus Other Income.*
6. *EBITDA % is calculated as EBITDA divided by Revenue from Operations.*
7. *PAT is Restated Profit for the year, net of tax as per Restated Consolidated Financial Statements.*
8. *PAT Margin is calculated as Restated Profit for the year, net of tax divided by Total Income.*
9. *Return on Capital Employed (ROCE) % is calculated as Earnings before Interest and Taxes ('EBIT') divided by Capital Employed; EBIT is calculated as EBITDA minus Depreciation and Amortization; Capital Employed is calculated as Total Equity minus Intangible Assets plus Long Term and Short Term Borrowings and Deferred Tax Liability.*
10. *Return on Equity (ROE) % is calculated as Restated Profit for the year, net of tax divided by Average Shareholder's Equity; Average Shareholder's Equity is calculated as Total Equity as of the current year plus Total Equity as of the previous year divided by 2.*

11. *Net Tangible Fixed Asset Turnover is calculated as Revenue from Operations divided by Property, Plant and Equipment for the relevant year.*
12. *Working Capital Days is calculated as Inventory Turnover Days plus Trade Receivable Days minus Trade Payable Days. Inventory Days is calculated as Average Inventories divided by Cost of Goods Sold multiplied by number of days for the year. Trade Receivables Days is calculated as Average Trade Receivables divided by Revenue from Operations multiplied by number of days in the year. Trade Payables Days is calculated as Average Trade Payables divided by Purchases and Incidental Expenses multiplied by number of days in the year.*
13. *Export Share % in Revenue is calculated as Exports Sales divided by Revenue from Operations for the relevant year.*
14. *Revenue Split (Tactical) represents the revenue from Tactial Product Category at the end of relevant year.*
15. *Revenue Split (Platform) represents the revenue from Platform Product Category at the end of relevant year.*
16. *Revenue Split (Others) represents the revenue from Others Product Category at the end of relevant year. 'Others' include OEM component sales.*
17. *Confirmed Order Book is the total value of confirmed customer orders yet to be fulfilled at the end of relevant year.*
18. *Orderbook Split (Domestic) represents the total value of confirmed domestic customer orders at the end of relevant year.*
19. *Orderbook Split (International) represents the total value of confirmed international customer orders at the end of relevant year.*
20. *Orderbook Split (Tactical) represents the confirmed orderbook from Tactial Product Category at the end of relevant year.*
21. *Orderbook Split (Platform) represents the confirmed orderbook from Platform Product Category at the end of relevant year.*
22. *Orderbook Split (Others) represents the confirmed orderbook from Others Product Category at the end of relevant year.*

Comparison of our KPIs with listed industry peers for the Financial Years indicated below

Set forth below is a comparison of our KPIs with our peer group companies listed in India:

Comparison of KPIs with Industry Peers

As at and for the period ended March 31, 2026

Sr. No.	Key Performance Indicators (KPIs)	Units	Our Company	Paras Defence and Space Technologies Limited	Data Patterns (India) Limited	Astra Microwave Products Limited	Zen Technologies Limited	Bharat Electronics Limited
				Financial Metrics				
1	Revenue from Operations	₹ million	3,626.48	4,765.70	9,247.70	11,628.02	6,876.90	2,76,101.10
2	Revenue Growth	%	-22.69%	30.69%	30.55%	10.62%	-29.37%	16.16%
3	Gross Profit	₹ million	1,851.26	NA	5,849.00	5,920.00	NA	NA
4	Gross Profit Margin	%	51.05%	NA	63.25%	50.90%	NA	NA
5	EBITDA	₹ million	1,046.18	1,204.60	3,710.00	3,340.00	3,326.60	NA
6	EBITDA Margin	%	28.85%	26.00%	40.12%	28.70%	48.37%	NA
7	PAT	₹ million	508.80	894.60	2,714.00	1,930.00	2,179.25	60,622.60
8	PAT Margin	%	13.75%	18.16%	28.48%	16.60%	28.19%	21.52%
9	ROCE %	%	14.54%	NA	20.80%	NA	NA	NA
10	ROE %	%	9.75%	NA	16.70%	NA	NA	NA
11	Net Tangible Fixed Asset Turnover (x)	Times	14.62	NA	NA	NA	NA	NA
12	Working Capital Days	No of Days	517	NA	365	NA	NA	NA
				Operational measures				
13	Export Share % in Revenue	%	5.57%	NA	NA	NA	NA	NA
14	Revenue Split (Tactical)	₹ million	2,116.75	NA	NA	NA	NA	NA

Sr. No.	Key Performance Indicators (KPIs)	Units	Our Company	Paras Defence and Space Technologies Limited	Data Patterns (India) Limited	Astra Microwave Products Limited	Zen Technologies Limited	Bharat Electronics Limited
15	Revenue Split (Platform)	₹ million	1,448.08	NA	NA	NA	NA	NA
16	Revenue Split (Others)	₹ million	11.95	NA	NA	NA	NA	NA
17	Confirmed Order Book	₹ million	2,790.16	9,860.00	9,265.00	21,410.00	13,360.40	7,38,820.00
18	Orderbook Split (Domestic)	₹ million	1,971.09	NA	NA	19,620.00	12,472.60	NA
19	Orderbook Split (International)	₹ million	819.07	NA	NA	1,790.00	887.80	NA
20	Orderbook Split (Tactical)	₹ million	882.74	NA	NA	NA	NA	NA
21	Orderbook Split (Platform)	₹ million	1,907.42	NA	NA	NA	NA	NA
22	Orderbook Split (Others)	₹ million	-	NA	NA	NA	NA	NA

As at and for the period ended March 31, 2025

Sr. No.	Key Performance Indicators (KPIs)	Units	Our Company	Paras Defence and Space Technologies Limited	Data Patterns (India) Limited	Astra Microwave Products Limited	Zen Technologies Limited	Bharat Electronics Limited
				Financial Metrics				
1	Revenue from Operations	₹ million	4,690.80	3,646.61	7,083.50	10,511.79	9,736.42	2,37,687.50
2	Revenue Growth	%	9.55%	43.85%	36.27%	15.66%	121.36%	17.27%
3	Gross Profit	₹ million	2,644.69	NA	4,323.00	4,740.00	NA	NA
4	Gross Profit Margin	%	56.38%	NA	61.03%	45.09%	NA	NA
5	EBITDA	₹ million	1,390.64	972.03	2,750.00	2,690.19	3,830.30	67,680.00
6	EBITDA Margin	%	29.65%	28.00%	38.82%	25.59%	39.34%	29.00%
7	PAT	₹ million	727.57	614.92	2,218.10	1,535.09	2,993.35	53,226.80
8	PAT Margin	%	15.34%	16.50%	31.30%	14.60%	29.00%	23.00%
9	ROCE %	%	27.41%	13.28%	18.00%	16.53%	20.78%	39.22%
10	ROE %	%	20.20%	11.70%	16.00%	13.93%	24.55%	29.56%
11	Net Tangible Fixed Asset Turnover (x)	Times	19.16	NA	NA	NA	NA	NA
12	Working Capital Days	No of Days	280	NA	428	NA	NA	NA
				Operational measures				
13	Export Share % in Revenue	%	65.52%	14.59%	15.00%	10.00%	37.97%	3.86%
14	Revenue Split (Tactical)	₹ million	3,622.96	NA	NA	NA	NA	NA
15	Revenue Split (Platform)	₹ million	1,010.53	NA	NA	NA	NA	NA
16	Revenue Split (Others)	₹ million	10.33	NA	NA	NA	NA	NA
17	Confirmed Order Book	₹ million	2,186.08	9,280.00	7,298.00	19,515.30	6,919.40	7,16,500.00
18	Orderbook Split (Domestic)	₹ million	2,127.05	NA	NA	17,795.30	6,163.70	NA

Sr. No.	Key Performance Indicators (KPIs)	Units	Our Company	Paras Defence and Space Technologies Limited	Data Patterns (India) Limited	Astra Microwave Products Limited	Zen Technologies Limited	Bharat Electronics Limited
19	Orderbook Split (International)	₹ million	59.03	NA	NA	1,720.00	755.70	NA
20	Orderbook Split (Tactical)	₹ million	698.17	NA	NA	NA	NA	NA
21	Orderbook Split (Platform)	₹ million	1,487.76	NA	NA	NA	NA	NA
22	Orderbook Split (Others)	₹ million	0.15	NA	NA	NA	NA	NA

As at and for the period ended March 31, 2024

Sr. No.	Key Performance Indicators (KPIs)	Units	Our Company	Paras Defence and Space Technologies Limited	Data Patterns (India) Limited	Astra Microwave Products Limited	Zen Technologies Limited	Bharat Electronics Limited
				Financial Metrics				
1	Revenue from Operations	₹ million	4,281.89	2,534.98	5,198.00	9,088.20	4,398.52	2,02,682.40
2	Revenue Growth	%	342.22	13.97	14.63	11.44	100.99%	14.86
3	Gross Profit	₹ million	2,082.60	NA	3,547.00	3,630.00	NA	NA
4	Gross Profit Margin	%	48.64	NA	68.24	39.94	NA	NA
5	EBITDA	₹ million	1,123.24	510.55	2,216.20	1,920.00	1,848.50	49,980.00
6	EBITDA Margin	%	26.23	22.00	42.64	21.13	42.03	25.00
7	PAT	₹ million	685.43	300.38	1,816.90	1,210.66	1,295.04	39,852.40
8	PAT Margin	%	15.87	11.47	35.00	13.30	28.48	20.00
9	ROCE %	%	67.76	9.79	16.00	15.85	40.56	36.44
10	ROE %	%	52.72	7.96	15.00	13.93	33.47	27.10
11	Net Tangible Fixed Asset Turnover (x)	Times	89.45	NA	NA	NA	NA	NA
12	Working Capital Days	No of Days	152	NA	432	NA	NA	NA
				Operational measures				
13	Export Share % in Revenue	%	48.61	16.28	6.20	32.00	18.62	3.86
14	Revenue Split (Tactical)	₹ million	3,592.69	NA	NA	NA	NA	NA
15	Revenue Split (Platform)	₹ million	127.00	NA	NA	NA	NA	NA
16	Revenue Split (Others)	₹ million	110.39	NA	NA	NA	NA	NA
17	Confirmed Order Book	₹ million	5,631.44	6,300.00	10,831.00	19,560.00	14,019.74	7,59,340.00
18	Orderbook Split (Domestic)	₹ million	2,595.91	NA	NA	17,300.00	9,648.24	NA
19	Orderbook Split (International)	₹ million	3,035.53	NA	NA	2,260.00	4,371.50	NA
20	Orderbook Split (Tactical)	₹ million	3,367.63	NA	NA	NA	NA	NA
21	Orderbook Split (Platform)	₹ million	2,263.81	NA	NA	NA	NA	NA
22	Orderbook Split (Others)	₹ million	-	NA	NA	NA	NA	NA

Notes related to the listed peers:

1. *All the financials for the industry peers mentioned above are on a consolidated basis (unless called out otherwise in notes) and is sourced from the annual reports, audited financial results and investor presentations as available of the respective company for the relevant year submitted to the Stock Exchanges except for Data Patterns (India) Limited. where all metrics are on a standalone basis. NA refers to Not Available where the financial information is unavailable i.e. not reported by the listed peers in either their annual reports, audited financial results and investor presentations as submitted to the Stock Exchanges.*
2. *Revenue Growth is calculated as a percentage of Revenue from Operations for current year minus Revenue from Operations for previous year divided by Revenue from Operations for previous year multiplied by 100 for Paras Defence and Space Technologies Limited, Data Patterns (India) Limited, Astra Microwave Products Limited, Zen Technologies Limited and Bharat Electronics Limited.*
3. *Gross Profit % is calculated as Gross Profit divided by Revenue from Operations for Paras Defence and Space Technologies Limited, Data Patterns (India) Limited, Astra Microwave Products Limited, Zen Technologies Limited and Bharat Electronics Limited.*
4. *EBITDA % is calculated as EBITDA divided by Revenue from Operations for Paras Defence and Space Technologies Limited, Data Patterns (India) Limited, Astra Microwave Products Limited, Zen Technologies Limited and Bharat Electronics Limited.*
5. *PAT Margin is calculated as Profit for the year divided by Total Income for Paras Defence and Space Technologies Limited, Data Patterns (India) Limited, Astra Microwave Products Limited, Zen Technologies Limited and Bharat Electronics Limited.*
6. *ROE % and ROCE % for Astra Microwave Products Limited and Bharat Electronics Limited are on standalone basis for relevant year.*

Notes related to our Company:

1. *Revenue from Operations means the Revenue from Operations for the year as appears in the Restated Consolidated Financial Statements.*
2. *Revenue Growth is calculated as a percentage of Revenue from Operations for current year minus Revenue from Operations for previous year divided by Revenue from Operations for previous year multiplied by 100.*
3. *Gross Profit is calculated as Revenue From Operation minus COGS; COGS is calculated as Cost of Materials Consumed plus Changes In Inventories of Finished Goods for the relevant year.*
4. *Gross Profit % is calculated as Gross Profit divided by Revenue from Operations.*
5. *EBITDA is calculated as Profit / (Loss) before Exceptional and Extraordinary items and Tax plus Finance Cost, Depreciation and Amortisation minus Other Income.*
6. *EBITDA % is calculated as EBITDA divided by Revenue from Operations.*
7. *PAT is Restated Profit for the year, net of tax as per Restated Consolidated Financial Statements.*
8. *PAT Margin is calculated as Restated Profit for the year, net of tax divided by Total Income.*
9. *Return on Capital Employed (ROCE) % is calculated as Earnings before Interest and Taxes ('EBIT') divided by Capital Employed; EBIT is calculated as EBITDA minus Depreciation and Amortization; Capital Employed is calculated as Total Equity minus Intangible Assets plus Long Term and Short Term Borrowings and Deferred Tax Liability.*
10. *Return on Equity (ROE) % is calculated as Restated Profit for the year, net of tax divided by Average Shareholder's Equity; Average Shareholder's Equity is calculated as Total Equity as of the current year plus Total Equity as of the previous year divided by 2.*
11. *Net Tangible Fixed Asset Turnover is calculated as Revenue from Operations divided by Property, Plant and Equipment for the relevant year.*
12. *Working Capital Days is calculated as Inventory Turnover Days plus Trade Receivable Days minus Trade Payable Days. Inventory Days is calculated as Average Inventories divided by Cost of Goods Sold multiplied by number of days for the year. Trade Receivables Days is calculated as Average Trade Receivables divided by Revenue from Operations multiplied by number of days in the year. Trade Payables Days is calculated as Average Trade Payables divided by Purchases and Incidental Expenses multiplied by number of days in the year.*
13. *Export Share % in Revenue is calculated as Exports Sales divided by Revenue from Operations for the relevant year.*
14. *Revenue Split (Tactical) represents the revenue from Tactial Product Category at the end of relevant year.*

15. *Revenue Split (Platform) represents the revenue from Platform Product Category at the end of relevant year.*
16. *Revenue Split (Others) represents the revenue from Others Product Category at the end of relevant year. 'Others' include OEM component sales.*
17. *Confirmed Order Book is the total value of confirmed customer orders yet to be fulfilled at the end of relevant year.*
18. *Orderbook Split (Domestic) represents the total value of confirmed domestic customer orders at the end of relevant year.*
19. *Orderbook Split (International) represents the total value of confirmed international customer orders at the end of relevant year.*
20. *Orderbook Split (Tactical) represents the confirmed orderbook from Tactial Product Category at the end of relevant year.*
21. *Orderbook Split (Platform) represents the confirmed orderbook from Platform Product Category at the end of relevant year.*
22. *Orderbook Split (Others) represents the confirmed orderbook from Others Product Category at the end of relevant year.*

The KPIs set out above are not standardised terms and accordingly a direct comparison of such KPIs between companies may not be possible. Other companies may calculate such KPIs differently from us.

Comparison of KPIs based on additions or dispositions to our business

(g) Our Company has not made any additions or dispositions to its business during the Fiscals 2026, 2025 and 2024.

Weighted average cost of acquisition, Floor Price and Cap Price

1. **Price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under an employee stock option scheme and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuances")**

Date of allotment	Name of allottee	Nature of consideration	Nature of allotment	Cost per Equity Share (including securities premium)
March 27, 2025	Vinimaya Advisory LLP	Cash	Private Placement	250.00
March 27, 2025	Artiman Ventures Select 2014 L.P.	Cash	Private Placement	250.00
March 27, 2025	Artiman Ventures Select 2014 Principals Fund L.P.	Cash	Private Placement	250.00
March 27, 2025	Amit Dilip Shah	Cash	Private Placement	250.00
March 27, 2025	Tiruvidaimarudhur Srivatsan Sivashankar and Meera Sivashankar	Cash	Private Placement	250.00
March 27, 2025	Florintree Flowtech LLP	Cash	Private Placement	250.00
March 27, 2025	Yali Deeptech Fund I	Cash	Private Placement	250.00
March 27, 2025	Tenacity Ventures Fund I	Cash	Private Placement	250.00
March 27, 2025	Export Import Bank of India	Cash	Private Placement	250.00
March 27, 2025	Pranav Parikh	Cash	Private Placement	250.00
March 27, 2025	Paramjit Singh	Cash	Private Placement	250.00
March 27, 2025	CEAQ India	N.A.	Conversion into equity shares	N.A.^
March 27, 2025	CEAQ Singapore	N.A.	Conversion into equity shares	N.A.^
March 27, 2025	Black Soil India Credit Fund	N.A.	Conversion into equity shares	N.A.^
March 27, 2025	Black Soil Capital Private Limited	N.A.	Conversion into equity shares	N.A.^
March 27, 2025	HBL Engineering Limited	N.A.	Conversion into equity shares	N.A.^
March 27, 2025	Artiman Partners LLC	N.A.	Conversion into equity shares	N.A.^
March 27, 2025	Artiman Ventures Select 2014 L.P.	N.A.	Conversion into equity shares	N.A.^
March 27, 2025	Artiman Ventures Select 2014 Principals Fund L.P.	N.A.	Conversion into equity shares	N.A.^
March 27, 2025	Amit Dilip Shah[*]	N.A.	Conversion into equity shares	N.A.^
March 27, 2025	Ramesh Radhakrishnan	N.A.	Conversion into equity shares	N.A.^
March 27, 2025	Meghaa Karnani[$]	N.A.	Conversion into equity shares	N.A.^
March 27, 2025	SSV Advisory Services LLP	N.A.	Conversion into equity shares	N.A.^
March 27, 2025	Vinimaya Advisory LLP	N.A.	Conversion into equity	N.A.^

Date of allotment	Name of allottee	Nature of consideration	Nature of allotment	Cost per Equity Share (including securities premium)
			shares	
March 27, 2025	Tiruvidaimarudhur Srivatsan Sivashankar and Meera Sivashankar	N.A.	Conversion into equity shares	N.A.^
March 27, 2025	Neville Manuel Fernandes and Mellita Fernandes	N.A.	Conversion into equity shares	N.A.^
March 27, 2025	Nitin Agarwal (HUF)	N.A.	Conversion into equity shares	N.A.^
March 27, 2025	Anand Ladsariya	N.A.	Conversion into equity shares	N.A.^
March 27, 2025	Shereen Bhan	N.A.	Conversion into equity shares	N.A.^
Weighted average cost of acquisition				**75.50**

[#]As certified by our Statutory Auditor, by way of their certificate dated August 4, 2026.
[*]Amit Dilip Shah is the registered owner and Amit Shah Family Trust is the beneficial owner of the Equity Shares.
[$]Meghaa Karnani is the registered owner and Palita Associates is the beneficial owner of the Equity Shares.
[@]Tiruvidaimurudhur Srivatsan Sivashankar holds 249,900 Equity Shares of face value of ₹2 each jointly with Meera Sivashankar and 353,500 Equity Shares of face value of ₹2 each in his individual capacity.
^ Allotted pursuant to conversion of (a) 96,173 Series A CCPS into 96,173 equity shares in the ratio of 1:1; (b) 153,350 Series B CCPS into 153,350 equity shares in the ratio of 1:1; (c) 3,044 Series B1 CCPS into 2,206 equity shares in the ratio of 1:0.7244; (d) 112,156 Series C CCPS into 81,630 equity shares in the ratio of 1:0.7278 and (e) 44,858 Series C1 CCPS into 30,999 equity shares in the ratio of 1:0.6911 in accordance with the terms of the Shareholders' Agreement. The consideration for such equity shares (issued pursuant to conversion of the preference shares) was paid at the time of issuance of such preference shares.

2. Price per share of the Company (as adjusted for corporate actions, including split, bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving our Promoters, members of our Promoter Group and/or any shareholders of the Company with rights to nominate directors during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")

Not Applicable

Weighted average cost of acquisition, Floor Price and Cap Price

The Floor Price is [●] times and the Cap Price is [●] times the weighted average cost of acquisition based on Primary Issuances and Secondary Transactions as disclosed below:

Past transactions	Weighted average cost of acquisition per Equity Share (₹)[#]	Floor Price ₹[●][*]	Cap Price ₹[●]*
Weighted average cost of acquisition of Primary Issuances	75.50	[●]	[●]
Weighted average cost of acquisition of Secondary Transactions	N.A.	[●]	[●]

[*] To be updated at the Prospectus stage.
[#] Adjusted for bonus and sub-division of equity shares.

Detailed explanation for Offer Price/ Cap Price being [●] times of weighted average cost of acquisition of primary issuances /secondary transactions of Equity Shares (as disclosed above) along with our Company's KPIs and financial ratios for Fiscals 2026, 2025 and 2024

[●][*]

[*] To be included on finalisation of Price Band.

Explanation for the Offer Price/Cap Price, being [●] times of weighted average cost of acquisition of

primary issuances/secondary transactions of Equity Shares (as disclosed above) in view of the external factors which may have influenced the pricing of the Offer

[●]*

**To be included on finalisation of Price Band.*

The Offer Price is [●] times of the face value of the Equity Shares

The Offer Price of ₹ [●] has been determined by our Company, in consultation with the BRLMs, on the basis of market demand from Bidders for Equity Shares, as determined through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters.

Bidders should read the above-mentioned information along with "***Risk Factors***", "***Our Business***" and "***Restated Consolidated Financial Statements***" on pages 21, 239 and 312, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "***Risk Factors***" on page 21 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO TONBO IMAGING INDIA LIMITED INCORPORATED IN INDIA AND SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS IN INDIA

To,

The Board of Directors
Tonbo Imaging India Limited
No-3 Chikkayellappa Tower-II
1st C Main Sarjapura Main Road
Jakkasandra Extension, Chikkayellappa Indl Layout
Bengaluru – 560 034
Karnataka, India

Dear Sirs/ Madams,

Sub: Statement of Possible Special Tax Benefits available to Tonbo Imaging India Limited incorporated in India and Shareholders of the Company under the applicable Direct and Indirect tax laws in India.

1. We hereby confirm that the enclosed Annexure 1 and Annexure 2 (together referred as the "**Annexures**"), prepared by Tonbo Imaging India Limited (the "**Company**"), provides the special tax benefits available to the Company and to the Shareholders of the Company under:

   - the Income-tax Act, 2025 ('ITA, 2025') and to the extent applicable the Income-tax Act, 1961('ITA, 1961') read with the Income-tax Rules, 2026 and to the extent applicable the Income-tax Rules, 1962; circulars, and notifications there under as amended by the Finance Act, 2026, i.e. applicable for the tax year 2026-27, presently in force in India (collectively referred as "**Direct Tax Laws**") (Annexure 1); and

   - the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 read with rules, circulars, and notifications (collectively referred as "**GST Acts**"), the Customs Act, 1962 ("**Customs Act**") and the Customs Tariff Act, 1975 ("**Tariff Act**") read with rules, circulars, and notifications as amended by the Finance Act 2026, i.e., applicable for the Financial Year 2026-27 , presently in force in India (collectively referred as "**Indirect Tax Laws**") (Annexure 2).

   The Direct Tax laws and Indirect Tax laws as defined above, are collectively referred to as the "**Tax Laws**".

2. Several of these benefits are dependent on the Company or its shareholders in India fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and / or its shareholders in India to derive the special tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company incorporated in India faces in the future, the Company, or its shareholders in India respectively may or may not choose to fulfil. We are neither suggesting nor advising the investors to invest in the Offering relying on this Statement.

3. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering through sale of equity shares of face value Rs. 2 (Two) each by certain shareholders of the Company (the "**Offering**").

4. We do not express any opinion or provide any assurance as to whether:

   - the Company or its shareholders will continue to obtain these benefits in future;

   - the conditions prescribed for availing the benefits have been / would be met with; and

- the revenue authorities / courts will concur with the views expressed herein.

5. We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" (the "Guidance Note") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Charted Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

7. This statement has been prepared solely in connection with the proposed initial public offering of equity shares of the Company under the SEBI ICDR Regulations. We hereby give consent to include this statement of special tax benefits and the enclosed annexure regarding the tax benefits available to Company and its shareholders in the Draft Red Herring Prospectus ("**DRHP**") for the proposed initial public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India and the National Stock Exchange of India Limited and BSE Limited (the "**Stock Exchanges**") where the equity shares of the Company are proposed to be listed, as applicable, and in any other material used in connection with the Offer, and it is not to be used, referred to or distributed for any other purpose without our prior written consent. We also consent to the references to us as "*Experts*" as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the DRHP, of the Company or in any other documents in connection with the Offer.

8. We also consent to the inclusion of this letter as a part of "*Material Contracts and Documents for Inspection*" in connection with this Offer, which will be available for public for inspection from date of the filing of the RHP until the Bid / Offer Closing Date.

9. This certificate may be relied on by the Company, book running lead managers, their affiliates and the legal counsel in relation to the Offer. We undertake to immediately update you, in writing, of any changes in the abovementioned information until the date the Equity Shares issued pursuant to the Offer commence trading on the recognized stock exchanges. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate until the date the Equity Shares commence trading on the recognized stock exchanges.

Yours faithfully,

For Kalyanasundaram and Associates,
Chartered Accountants
Firm Registration Number: 005455S

K.M. RANJITH
(Partner)
Membership Number: 219645
UDIN: 26219645HBVWGJ7885

Place: Bangalore
Date: August 3, 2026

ANNEXURE 1

DIRECT TAX

Outlined below are the special tax benefits available to the Company, and its shareholders under the Income-tax Act, 2025 ('ITA, 2025') and to the extent applicable the Income-tax Act, 1961('ITA, 1961') read with the Income-tax Rules, 2026 and to the extent applicable the Income-tax Rules, 1962; circulars, and notifications thereunder as amended by the Finance Act 2026, i.e., applicable for the tax year 2026-27 presently in force in India

A. SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY

1. Lower corporate tax rate under section 200 of ITA, 2025 (erstwhile section 115BAA of ITA, 1961)

A new section 115BAA was inserted in the ITA, 1961 by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 (A.Y. 2020-21).

Section 200 of ITA, 2025 **(**erstwhile Section 115BAA of ITA, 1961) grants an option to a domestic company to be governed by this section from a particular assessment year. If a company opts for the same, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). Further, the domestic companies availing the option will not be required to pay Minimum Alternate Tax (MAT) on their 'book profits' under section Section 206 of ITA, 2025 (erstwhile Section 115JB of the ITA, 1961).

However, such a company will no longer be eligible to avail specified exemptions / incentives and will also need to comply with the other conditions specified in section 200 of ITA, 2025 (erstwhile section 115BAA of the ITA, 1961). Also, if a company opts for the said lower corporate tax rate, the tax credit, if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The Company has evaluated and opted for the lower corporate tax rate of 25.168% (prescribed under section 200 of ITA, 2025 (erstwhile section 115BAA of the ITA, 1961)) with effect from the financial year 2023-24.

2. Deduction in respect of inter-corporate dividends – Section 148 of ITA, 2025 (erstwhile Section 80M of the ITA, 1961)

Up to 31st March 2020, any dividend paid to a shareholder by a company was liable to Dividend Distribution Tax ("DDT"), and the recipient shareholder was exempt from tax. Pursuant to the amendment made by the Finance Act, 2020, DDT stands abolished, and dividend received by a shareholder on or after 1st April 2020 is liable to tax in the hands of the shareholder. The Company is required to deduct Tax Deducted at Source ("TDS") at applicable rates specified under the Direct Tax Laws read with applicable Double Taxation Avoidance Agreement (if any).

With respect to a resident corporate shareholder, section 148 of the ITA, 2025 (erstwhile section 80M of the ITA, 1961) was inserted to remove the cascading effect of taxes on inter-corporate dividends during FY 2020-21 and thereafter. The section provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under section 263 of ITA, 2025 (erstwhile section 139 of the ITA, 1961).

3. Buyback of shares –Erstwhile section 115QA of the ITA, 1961

Any amount distributed by the Company pursuant to buyback of shares undertaken prior to October 1, 2024, from its shareholders shall be liable to buyback tax at 23.296% in the hands of the Company on distributed income (buyback price less issue price). Further, such transaction was exempt in the hands of the shareholders..

Pursuant to amendment in Finance Act (No.2) 2024, the provisions of section 115QA of ITA, 1961 shall not apply for buy back of shares which takes place on or after October 01, 2024. Thus, there would be no tax on buy back for the Company effective from October 01, 2024.

The proceeds from buyback were considered as dividend income for the shareholders from 01 October 2025 to 31 March 2026 and the Company was required to withhold tax at 10% provided the aggregate amount of dividend to the resident shareholders exceeds ₹ 5,000 during the financial year. Further, for non-resident shareholders tax was required to be withheld at 20%, subject to benefit under Double Taxation Avoidance Agreement.

However, with effect from 01 April 2026, as per Section 69 of ITA, 2025 the proceeds from buyback would be considered as capital gains in the hands of shareholders and therefore, there is no withholding tax obligations in the hands of the Company.

B. SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY

1. Dividend income earned by the shareholders would be taxable in their hands at the applicable rates for resident shareholders. Further, as per section 207 of ITA, 2025 (erstwhile section 115A of ITA, 1961), a non-resident (not being a company) or of a foreign company, includes any income by way of Dividend, the amount of income-tax calculated on the amount of income by way of dividends shall be at the rate of 20% subject to fulfilment of prescribed conditions under the Direct Tax Laws.

2. In case of domestic corporate shareholders, deduction from dividend income would be available under section 148 of ITA, 2025 (erstwhile section 80M of ITA, 1961) on fulfilling the conditions (as discussed above). Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not, surcharge would be restricted to 15% (instead of peak surcharge rate of 37%), irrespective of the amount of dividend.

3. In case of dividend income earned by domestic shareholders, reported under the head "Income from other sources", shall be computed after making deduction of a sum paid by way of interest on the capital borrowed for the purpose of investment. The amount of such interest deduction shall not exceed 20% of the dividend income under section 57 of ITA, 1961. However, with effect from 01 April 2026, no deduction shall be allowed against any dividend income earned by the shareholders as per Section 93 of ITA, 2025.

4. As per Section 198 of ITA, 2025 (erstwhile section 112A of the ITA, 1961), long-term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust (where securities transaction tax is paid at the time of purchase and transfer), which takes place before July 23, 2024, shall be taxed at 10% (without indexation) of such capital gains subject to fulfilment of prescribed conditions under the ITA and Notification No. 60/2018/F.O.370142/9/2017-TPL dated 1 October 2018. It is worthwhile to note that tax shall be levied where such capital gains exceed ₹ 1,00,000.

Pursuant to amendment in Finance Act (No.2) 2024, long term capital gains arising from the transfer of above securities, which takes place on or after July 23, 2024 will be taxable at 12.5% (without indexation). Further, tax shall be levied where such capital gains exceed ₹ 1,25,000.

5. Section 197 of ITA, 2025 (erstwhile section 112 of the ITA, 1961), provides for taxation of long-term capital gains. In case of a domestic company/ resident, amount of income-tax on long-term capital gains arising from the transfer of a capital asset which takes place before July 23, 2024 shall be computed at the rate of 20%.

In case of non-resident (not being a company) or a foreign company, the amount of income-tax on long-term capital gains arising from the transfer of a capital asset (being unlisted securities or shares of a company not being a company in which the public are substantially interested), which takes place before July 23, 2024 shall be calculated at the rate of 10% without giving effect to subsection (2) and (6) of section 72 of ITA, 2025 (erstwhile the first and second proviso to section 48 of ITA, 1961).

Further, where the tax payable is in respect of any income arising from the transfer of a long-term capital asset, being listed securities or zero-coupon bond, which takes place before July 23, 2024 then such income will be subject to tax at the rate of 10% of the amount of capital gains before giving effect to the provisions of subsection (2) of section 72 of ITA, 2025 (erstwhile the second proviso to section 48 of ITA, 1961).

Pursuant to amendment in Finance Act (No.2) 2024, long term capital gains arising from the transfer of above securities, which takes place on or after July 23, 2024 will be taxable at 12.5% (without indexation). Further, in case of non-resident, capital gain shall be computed without giving effect to subsection (2) and (6) of section 72 of ITA, 2025 (erstwhile the first and second proviso to section 48 of ITA, 1961), except in case listed securities or zero-coupon bond, where subsection (6) of section 72 of ITA, 2025 (erstwhile the first proviso of section 48 of ITA, 1961) is available.

Further, post enactment of Finance Act (No.2) 2024, capital gains arising from transfer of capital assets held for more than 12 months shall be considered as long term capital gain, else short term capital gain.

6. As per Section 196 of ITA, 2025 (erstwhile section 111A of the ITA, 1961), short term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust which takes place before July 23, 2024 shall be taxed at 15% subject to fulfilment of prescribed conditions.

Pursuant to amendment in Finance Act (No.2) 2024, short term capital gains arising from the transfer of above securities, which takes place on or after July 23, 2024 will be taxable at 20%.

7. Any payment received by the shareholders from the Company pursuant to buyback of shares undertaken prior to October 1, 2024 was exempt under section 10(34A) of the ITA, 1961.

Pursuant to amendment in Finance Act (No.2) 2024, any payment received by the shareholders from the Company from October 1, 2024 to 31 March 2026 on account of buy back of shares was taxable as dividend as per Section 2(40)(f) of ITA, 2025 (erstwhile section 2(22)(f) of ITA, 1961). Also, no deduction from such dividend income was allowed.

During October 1, 2024 to 31 March 2026, the full value of sale consideration of shares bought back was deemed to be nil and consequently, the cost of acquisition of shares bought back was allowed as capital loss unless such shares are held as stock-in-trade. In case, such shares are held as stock-in-trade, cost of acquisition of shares bought back was allowed as business loss. In addition, such loss was allowed to be carried forward and set off, subject to provisions of section 74 and section 72 of the ITA, 1961, as the case may be.

With effect from 01 April 2026, as per Section 69 of ITA, 2025 in case of buyback of shares by the Company the difference between the cost of acquisition and the value of consideration so received shall be taxed as capital gains in the hands of the shareholders.

8. In respect of non-resident shareholders, the tax rates, and the consequent taxation (in relation to capital gains, dividends etc.) shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

ANNEXURE 2

INDIRECT TAX

Outlined below are the special tax benefits available to the Company and to its shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 / relevant State Goods and Services Tax Act, 2017 read with Rules, Circulars, and Notifications prescribed thereunder ("GST laws"), the Customs Act, 1962, the Customs Tariff Act, 1975 read with Rules, Circulars, and Notifications prescribed thereunder ("Customs law") and the Foreign Trade (Development and Regulation) Act,1992, Foreign Trade Policy 2015-2020, Foreign Trade Policy 2023 read with Procedures, Public/ Trade Notices, and Notifications prescribed thereunder ("FTP") (collectively referred as "Indirect Tax Laws").

A. SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY

I. Benefits under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 / relevant State Goods and Services Tax Act, 2017 read with Rules, Circulars, and Notifications prescribed thereunder

1. Benefits of zero-rated supplies under the GST laws

Under the GST regime, export of goods or services or both are regarded as zero-rated supplies which can be supplied either with or without payment of Integrated Goods and Services Tax (IGST), subject to fulfilment of conditions prescribed.

As per the provisions of section 16 of the Integrated Goods and Services Tax Act, 2017 read with section 54 of Central Goods and Services Tax Act, 2017, the exporter has the option either to undertake exports,

a) under cover of a Bond / Letter of Undertaking (LUT) without payment of IGST and entitled to claim refund of accumulated input tax credit, subject to fulfilment of conditions prescribed for export, or

b) with payment of IGST and entitled claim refund of IGST paid on such exports (except on supply of few notified goods such as Pan masala, tobacco and related products)

The Company avails the aforesaid benefit of zero-rated supply.

2. Exemption from payment of tax on interest income earned from bank deposits

The Company is entitled to avail exemption from payment of GST on interest income earned from bank deposits in terms of Entry No. 28(a) of the Notification No. 9/2017Integrated Tax (Rate) dated 28 June 2017, as amended from time to time.

The Company avails the aforesaid exemption on the interest income earned.

II. Benefits under the Foreign Trade (Development and Regulation) Act,1992, Foreign Trade Policy 2015-2020, Foreign Trade Policy 2023 read with Procedures, Public/ Trade Notices, and Notifications prescribed thereunder

1. Advance Authorisation

The objective of the advance authorisation is to promote exports by allowing exporters to import raw materials and inputs without payment of customs duty.

The benefit under this scheme is subject to a condition that the finished goods are exported within a stipulated time.

An advance authorisation holder is exempted from payment of whole of Basic Customs Duty, and Integrated Goods and Services Tax and Compensation Cess, wherever applicable, subject to fulfilment of certain conditions.

The Company has obtained advance authorisations during the financial year ended March 31, 2024 and financial year ending March 31, 2026 and has availed the aforementioned benefits.

III. Benefits under the Customs Act, 1962, the Customs Tariff Act, 1975 read with Rules, Circulars, and Notifications prescribed thereunder

1. Authorised Economic Operator ('AEO')

AEO is a programme under the aegis of the World Customs Organization (WCO) SAFE Framework of Standards to secure and facilitate Global Trade. The programme aims to enhance international supply chain security and facilitate movement of legitimate goods. AEO encompasses various players in the international supply chain.

Under this programme, an entity engaged in international trade is approved by Customs as compliant with supply chain security standards and granted AEO status & certain benefits

The Company has obtained a Tier-2 AEO certification, and it avails various benefits including:

- Deferred payment of duties on import
- Faster processing of consignments with reduced checks
- Faster processing of refund and drawbacks

B. SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY

The Shareholders of the Company (in such capacity) are not entitled to any special tax benefits under the Indirect Tax Laws.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Unless otherwise specified, the information in this section is derived from the industry report titled "Assessment of Global and Indian Defence Electronics and Technology Industry" dated August 2026 (the "**F&S Report**") which has been commissioned and paid for by our Company for an agreed fee and prepared only for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. The F&S Report will be available on the website of our Company from the date of filing of the Red Herring Prospectus until the Bid/ Offer Closing Date at https://tonboimaging.com/main/industry-report/ and has also been included in "**Material Contracts and Documents for Inspection – Material Documents**" on page 508. F&S is an independent agency and not a related party of our Company, our Subsidiaries, Directors, Promoters, Key Managerial Personnel, Senior Management or the Book Running Lead Managers.*

*Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein, all references to a "year" in this Draft Red Herring Prospectus are to a calendar year. For further details and risks in relation to commissioned reports, see "**Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from the industry report titled "Assessment of Global and Indian Defence Electronics and Technology Industry" which is a paid report and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.**" on page 62.*

1. Global Macro-Economic Overview

1.1 Overview of Global GDP

In CY2026, the global economy is projected to grow at a muted pace of 3.1%, weighed down by the outbreak of conflict in the Middle East, rising energy prices, and persistent geopolitical tensions. After a post-pandemic rebound in CY2021, output has gradually slowed from 3.4% in CY2025, with growth expected to remain well below the pre-pandemic average of 3.7% through the forecast horizon. The slowdown reflects disrupted supply chains, tighter financial conditions, and elevated inflation stemming from the energy price shock.

Advanced economies are projected to expand by just 1.8% in CY2026, with Europe remaining subdued amid energy disruptions, weak manufacturing, and sluggish household consumption. Ongoing conflicts in the Middle East and Ukraine continue to weigh on trade and investment. Headline inflation is easing, though persistent core inflation will keep central banks cautious.

Emerging markets and developing economies (EMDEs)—a category defined by the IMF to include low- and middle-income countries with developing financial markets and industrial capacity—remain the main growth engine, with output projected at 3.9% in CY2026, moderating from 4.4% in CY2025. India leads with 6.5% growth, reinforcing its role as Asia's economic locomotive, while Southeast Asia shows resilience despite global headwinds. China's growth, forecast at 4.4% in CY2026, remains below expectations, held back by structural property market issues and weaker external demand. Broader EMDE risks include elevated debt, currency weakness, and constrained borrowing amid tighter global financial conditions.

The IMF's April 2026 World Economic Outlook projects global growth settling at 3.2% in CY2027 and CY2028, broadly at current levels but persistently below historical averages. Global headline inflation is expected to rise to 4.4% in CY2026 before moderating through CY2027. Downside risks remain elevated — a prolonged Middle East conflict, deeper geopolitical fragmentation, or renewed trade tensions could weaken growth further. Coordinated policy efforts, productivity reforms, and targeted financial support will be critical to preserving stability.

Table 1: Global GDP Growth Forecasts

Calendar Year (CY)	World GDP (% Change)	Advanced Economies (% Change)	EMDEs (% Change)
2020	(2.7)	(4.0)	(1.7)
2021	6.6	6.0	7.0

2022	3.6	2.9	4.1
2023	3.5	1.7	4.7
2024	3.3	1.8	4.3
2025	3.4	1.9	4.4
2026 (F)	3.1	1.8	3.9
2027 (F)	3.2	1.7	4.2
2028 (F)	3.2	1.7	4.2

Source: IMF

1.2 GDP Growth Across Key Strategic Countries

Over the past decade and a half, the global economy has experienced sharp cycles of contraction and recovery. From CY2007–CY2016, world GDP growth averaged 3.4%, but the COVID-19 pandemic triggered a 2.7% contraction in CY2020 (advanced economies -4.0%, EMDEs -1.7%). This was followed by a sharp rebound in CY2021, with global growth of 6.6% (advanced economies +6.0%, EMDEs +7.0%).

1.3 Growth Outlook of Key Economies

United States: Growth came in at 2.1% in CY2025, supported by strong labor markets and technology-driven investment, though trade policy uncertainty and broad tariffs introduced in CY2025 weighed on business confidence and consumer spending. Looking ahead, the IMF projects growth at 2.3% in CY2026, with fiscal support from infrastructure and technology investment partly offsetting the drag from elevated inflation and a cautious monetary stance.

European Union: Output grew 1.4% in CY2025 but is forecast to slow to 1.1% in CY2026, as the Middle East conflict has amplified energy cost pressures and dampened manufacturing momentum. Germany continues to lag, while Spain and France show relative resilience through services and consumption. Defence spending commitments are expected to provide a modest fiscal boost, though the impact is projected to materialize gradually over subsequent years.

Japan: GDP grew 1.1% in CY2025 but is projected to moderate to 0.7% in CY2026. Structural headwinds — aging demographics, tepid domestic demand, and export weakness — continue to suppress momentum. Rising energy import costs stemming from the Middle East conflict add to constraints, even as monetary policy remains accommodative.

China: Growth is projected at 4.4% in CY2026, moderating from 4.6% in CY2025, as the external environment weakens amid higher energy prices and softer global demand. The real estate sector shows tentative stabilization, and policy stimulus continues to underpin activity, though structural headwinds and weaker household consumption cap the upside.

India: Remaining the fastest-growing major economy, India is projected to sustain approximately 6.5% growth in CY2026. Expansion is driven by robust private consumption, strong public investment, and favorable demographics. Structural reforms, digital infrastructure, and improvements in the ease of doing business continue to reinforce industrial and services sector momentum, cementing India's role as a global growth leader.

1.4 Growth Outlook on Key Emerging Markets

Emerging markets are navigating a more challenging economic landscape in CY2026, as the outbreak of conflict in the Middle East has driven energy price shocks, tightened financial conditions, and amplified existing vulnerabilities. Commodity-importing economies face the sharpest pressure, while structural headwinds — elevated debt, currency weakness, and declining external aid — compound the outlook across several regions.

Latin America and the Caribbean: Growth is projected at 2.3% in CY2026, a slight moderation from 2.4% in CY2025, with Brazil and Mexico showing moderate but steady performance. Fiscal imbalances and external vulnerabilities persist, and the region faces additional headwinds from softer global demand and US dollar strengthening. Political uncertainty and commodity price volatility remain key risks.

Middle East and Central Asia: Growth is projected to slow sharply to 1.9% in CY2026, down from 3.6% in CY2025, as the region bears the most direct economic impact of the ongoing conflict. Oil exporters have absorbed significant downward revisions driven by lower production and disrupted energy infrastructure, while importers face rising inflation and compressed real incomes. Diversification efforts in Gulf economies provide some longer-term offset, but near-term prospects have deteriorated markedly.

Emerging Asia: Growth is projected to moderate to 4.9% in CY2026, down from 5.5% in CY2025, as higher energy import costs, currency depreciation pressures, and tighter financial conditions stemming from the Middle East conflict weigh on the region. India remains the standout at 6.5%, but broader momentum has softened. Indonesia, the Philippines, and Vietnam — all net energy importers — face compressed real incomes and weaker export demand. Technology-driven exports provide a partial offset, with semiconductor and equipment demand remaining relatively resilient, though insufficient to fully counteract the broader headwinds.

Sub-Saharan Africa: Growth is forecast at 4.3% in CY2026, moderating from 4.5% in CY2025, as softer non-oil commodity prices, tighter financial conditions, and a sharp decline in bilateral foreign aid weigh on the outlook. Energy importers within the region are most exposed, while median inflation is projected to rise. IMF-supported programs continue to provide a degree of stabilization for select economies.

Emerging and Developing Europe: Growth is projected at 2.0% in CY2026, unchanged from CY2025, reflecting continued resilience in Poland and Romania offset by persistent energy insecurity and the ongoing drag from the Russia-Ukraine war. Defence spending commitments are rising across the region, which may provide a modest near-term fiscal boost, though the structural impact will take time to materialize.

While emerging markets remain exposed to global shocks, adaptation through alternative trade alignments, domestic policy buffers, and selective structural reforms is ongoing. Investor confidence is gradually returning in economies like India and Brazil, though the Middle East conflict has reset the risk environment across the broader EMDE universe.

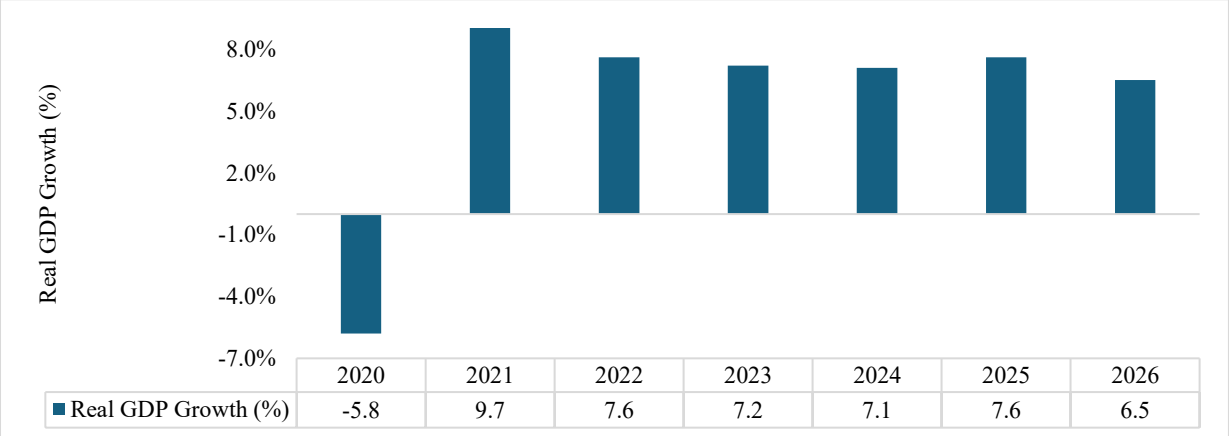
2. India's Macro-Economic Overview

India enters FY2026 as one of the fastest-growing major economies, with GDP growth projected at 6.5% — a resilient performance against a backdrop of global disruption driven by the Middle East conflict, elevated energy prices, and tighter financial conditions. Growth continues to be underpinned by robust domestic demand, public infrastructure investment, a dynamic services sector, and ongoing digital transformation.

However, inflationary pressures have re-emerged and warrant attention. WPI inflation surged to 8.3% in April 2026 — a 42-month high — driven by a 24.7% spike in the fuel and power segment as global energy prices escalated sharply following the outbreak of conflict in the Middle East. This marks a sharp reversal from the low-inflation environment of FY2025. CPI inflation rose to 3.9% in May 2026, the highest in 16 months, with food inflation climbing to 4.8% as higher energy and fertilizer costs fed through to the agricultural supply chain. While CPI remains below the RBI's 4% medium-point threshold, the trajectory warrants a cautious monetary stance. Rising input costs at the wholesale level risk compressing margins in manufacturing and construction, and could dampen real income growth if the energy price shock persists.

2.1 GDP Growth in India

Figure 1: IMF World Economic Outlook Database, FY2020-2026



	2020	2021	2022	2023	2024	2025	2026
Real GDP Growth (%)	-5.8	9.7	7.6	7.2	7.1	7.6	6.5

Source: IMF

India has demonstrated a strong recovery since the pandemic-induced contraction in FY2020, sustaining growth momentum through successive global shocks. GDP growth reached 6.5% in FY2026, reflecting strong domestic consumption, public investment, and digital expansion. While rising energy costs present a headwind to industrial margins and real income growth, India's structural fundamentals and public investment pipeline are expected to sustain its growth trajectory through FY2026.

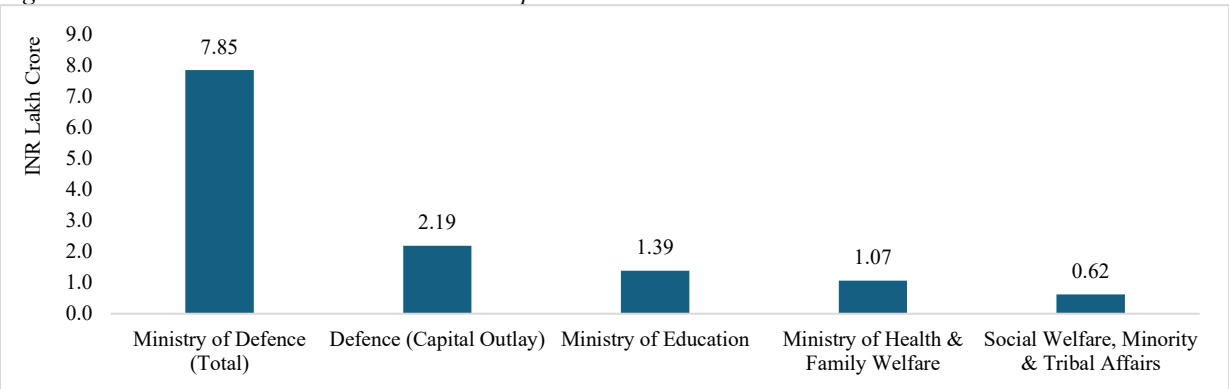
2.2 Public Administration, Defence, and Other Service Sector GVA Growth

In India's economy, the Public Administration, Defence and Other Services (PA-DS) sector is foundational — it accounted for 13% of total Gross Value Added in FY2025–26 (current prices), representing approximately 24% of Services sector output. The broader Services sector comprised 54.3% of total GVA in FY2025–26, continuing its structural rise as the dominant driver of India's economy. PA-DS recorded nominal GVA growth of 10.0% in FY2025–26, supported by expanded government spending, defence modernisation, and public service delivery — though real growth moderated to 5.0%, reflecting the sector's relatively lower productivity gains compared to the faster-growing financial services and trade sub-sectors within the Tertiary sector.

Key Growth Drivers in FY2025–26:

- **Government Spending:** The Union Budget FY2026–27 allocated a record INR 7.85 lakh crore to the Ministry of Defence, with capital outlay of INR 2.19 lakh crore — a 22% increase over the previous year — alongside continued investments in social schemes (PM-JAY, PM-POSHAN, Samagra Shiksha) and digital governance infrastructure, all supporting multiplier effects across industrial supply chains.
- **Digital Governance Push:** Expanded adoption of UMANG, DigiLocker, and API-based e-Governance modules drove administrative efficiencies and transparency, bolstering public confidence and inclusive service delivery.
- **Welfare-Oriented Schemes:** Continued focus on Ayushman Bharat (PM-JAY), PM-POSHAN, and skill development schemes fuelled GVA growth, supplemented by the new Bio Pharma Shakti initiative supporting domestic healthcare infrastructure.
- **Defence Sector Modernisation:** Accelerated procurement of indigenous platforms including electronic warfare systems, UAVs, advanced optical sensors, and surveillance payloads — with 75% of the capital acquisition budget reserved for domestic industries — created strengthened demand for specialised companies like Tonbo Imaging supporting India's network-centric warfare ambitions.
- **Urban & Rural Administration:** Mission-driven programs including Jal Jeevan Mission, PMAY-Rural, and the VB-G RAM G rural employment scheme streamlined last-mile service delivery and increased public-sector job creation at local levels, while rural development allocation rose to INR 1.97 lakh crore in FY2026–27.

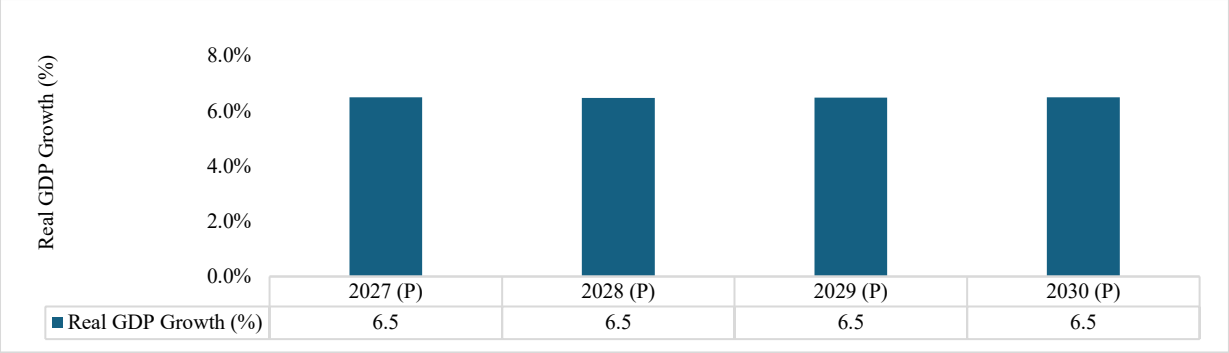
Figure 2: Capital Allocation FY2026–27



Source: Frost & Sullivan Analysis, Union Budget of India (April FY2026)

2.3 GDP Growth Outlook in India (FY2027-2030)

Figure 3: IMF World Economic Outlook, FY2027-2030



Source: Frost & Sullivan Analysis, IMF

Baseline forecasts point to real GDP growth of 6.5% annually through FY2027–30, reflecting sustained momentum anchored by resilient domestic demand, continued public capex, healthier bank and corporate balance sheets, and digital public infrastructure, with inflation broadly around target. Key downside risks include weaker external demand, oil-price shocks stemming from the Middle East conflict, and weather-driven food inflation, while deeper structural reforms could further lift potential growth over the forecast horizon.

3. Geopolitical Context

3.1 Key Conflicts, Wars, and Tensions Globally

Geopolitical instability continues to define the global risk landscape in CY2026, shaping energy markets, trade corridors, defence strategies, and inflation trajectories. Several active and latent conflict areas are impacting global security and economic policy:

- **US–Israel–Iran War:** The most consequential conflict of CY2026. US and Israeli strikes on February 28 killed Supreme Leader Khamenei; Iran retaliated by closing the Strait of Hormuz, driving oil above $100 per barrel and triggering fuel shortages across Asia. A ceasefire and MoU followed, but the Strait remains live — an IRGC drone struck a vessel on June 25 and mines persist in the waterway.

- **Israel–Lebanon–Hezbollah Conflict:** Israel invaded southern Lebanon in March 2026, displacing over 1.2 million people. Multiple US-brokered ceasefires have been rejected by Hezbollah, with active hostilities continuing and resolution tied to broader Iran MoU negotiations.

- **Russia–Ukraine War:** Now in its fifth year with the frontline largely static and combined casualties exceeding 1.3 million, driving record NATO defence spending with all member states now meeting the 2% GDP threshold.

- **Indo-Pacific Tensions:** China continues to escalate military pressure on Taiwan and in the South China Sea. A Trump-Xi summit in May 2026 raised doubts over US commitments to Taiwan, with regional allies increasingly hedging between Washington and Beijing.

- **India's Border Pressures:** The Pahalgam terror attack in May 2025 triggered missile and drone exchanges with Pakistan — the worst confrontation since Kargil — with LoC tensions remaining elevated and LAC posturing with China continuing.

- **Middle East Militancy:** ISIS remnants in Syria/Iraq and Houthi operations in Yemen continue to threaten vital shipping lanes and oil transit routes, with Houthi activity elevated in the wake of the Iran war.

Together, these flashpoints have fundamentally redrawn defence priorities, multilateral alliances, and trade strategies across NATO, ASEAN, GCC, and QUAD nations.

In recent years, geopolitical instability, including border conflicts, rising regional tensions, and emerging non-state threats, has led to accelerated procurement through emergency purchase mechanisms and fast-track acquisitions. These mechanisms are designed to address immediate operational needs, leading to sudden spikes in demand for defence electronics. While this has created short-term demand surges, such procurement cycles are episodic and may not be sustained if geopolitical tensions subside or governments revert to conventional, multi-year acquisition programs. The episodic nature of emergency procurement leads to fluctuations in order volumes and revenue, making it difficult for companies to forecast and plan long-term investments or resource allocation.

Consequently, revenue visibility can be inconsistent, and conversion of opportunities from the broader Total Addressable Market ("**TAM**") and Serviceable Addressable Market ("**SAM**") often remains a prolonged, resource-intensive process in the absence of conflict-driven urgency.

3.2 Key Drivers for the Rising Demand for Defence Technologies

In the current global context, several key drivers have significantly shaped defence priorities and technology investments worldwide:

- **High-Intensity Conventional Warfare**: Conflicts such as the Russo-Ukraine War have highlighted gaps in artillery, air defence, and logistics, spurring investments in long-range fires and integrated air-defence networks.

- **Asymmetric Warfare and Drone Usage:** The extensive use of UAVs in Ukraine and Gaza is accelerating demand for counter-drone systems, including jammers, radars, and directed-energy weapons.

- **Cyber Warfare and Digital Battlespace Vulnerabilities:** Increasing cyber threats on infrastructure are pushing defence agencies to expand cyber-intelligence, intrusion detection, and resilient C2 networks.

- **Militarisation of Space and Maritime Domains:** Rising anti-satellite capabilities and naval activity in chokepoints are driving demand for Intelligence, Surveillance, and Reconnaissance (ISR) assets, including Electro-Optical/Infrared payloads and maritime reconnaissance systems.

3.3 Rise in Global Terrorism, and Counter-Terrorism Capabilities

As of CY2026, global terrorism deaths reached their lowest level in a decade — 5,582 deaths across 2,944 incidents in CY2025 per the Global Terrorism Index 2026 — yet the improvement is geographically concentrated and potentially short-lived. Both state-sponsored actors and non-state militant groups increasingly leverage advanced drone technology, decentralised networks, and hybrid warfare strategies to evade conventional security apparatuses, with the complexity and reach of terrorist threats expanding beyond traditional theatres of conflict to cyberspace and urban centres worldwide. The outbreak of the Iran war and escalating South Asian tensions in CY2026 have materially reset the threat trajectory upward.

Key Regions Impacted:

- **Middle East:** ISIS affiliates remain active in Syria and Iraq, exploiting the regional distraction of the Iran war to reconstitute. Iran's proxy network – Hamas, Hezbollah, and the Houthis – has been significantly degraded by Israeli strikes, but these groups are now operating with greater autonomy and unpredictability. The IRGC has been linked to over 157 terrorist plots across 15 countries in the past five years, and the breakdown in centralised Iranian command raises the risk of unilateral proxy escalation. Houthi operations in Yemen continue to threaten Red Sea shipping lanes.

- **South Asia:** Pakistan has for the first time become the country most impacted by terrorism per the GTI 2026, driven by a Tehrik-i-Taliban Pakistan (TTP) resurgence from Afghan safe havens. The Pahalgam terror attack in May 2025 triggered India-Pakistan missile and drone exchanges – the worst military confrontation since Kargil – with cross-border terrorism remaining the primary trigger for interstate escalation.

- **Africa:** The Sahel remains the global epicentre of terrorism, accounting for over half of all terrorism-related deaths worldwide. JNIM and Islamic State Sahel Province continue to expand into governance vacuums left by the withdrawal of French and UN forces, with violence now spreading into coastal West African nations including Benin and Togo.

- **Europe & North America:** Deaths from terrorism in the West surged 280% in CY2025, contrasting starkly against the global decline, with lone-wolf attacks driven by online radicalisation and political polarisation remaining the dominant vector.

3.3.1 India's Counter Terrorism Strategy

India remains a prominent target of cross-border terrorism, primarily due to its long-standing conflict with Pakistan and ongoing security challenges along its western and northern borders. This is compounded by India's ongoing physical border tensions with China, which are driving defence agencies to enhance cyber-intelligence, intrusion detection, and resilient command-and-control capabilities. These threats have driven a sustained focus

on modernisation of forces, intelligence integration, and proactive counter-terrorism measures.

Key Initiatives:

- **Modernization of Forces:** Procurement of bullet-proof armored vehicles, long-endurance UAVs for continuous surveillance of border regions, and AI-enabled facial recognition at key transit points.

- **Strengthening Intelligence Apparatus:** Upgrading of NTRO (National Technical Research Organization), bolstering multi-agency coordination hubs, and leveraging big data analytics to track suspect movements and communications.

- **Smart Policing & Internal Security:** Expansion of CCTNS (Crime and Criminal Tracking Network & Systems), NATGRID (National Intelligence Grid), and smart city Command and Control Centers to integrate feeds from CCTV and sensors in urban areas.

- **Cyber Counter-Terrorism Units:** Creation of specialized cyber-intelligence task forces under the MHA and defence agencies to trace digital radicalization and dismantle financing channels.

3.4 India's Geopolitical Context

India's defence posture and spending reflect evolving global requirements alongside regional challenges, especially concerning its borders with China and Pakistan.

3.4.1 Budgetary Allocation and Modernization Focus

Key Initiatives Underway:

- **Indigenization:** Accelerating domestic production of next-generation platforms, including the Tejas Mk1A fighter jet, Dhanush howitzers, Akash surface-to-air missile systems, and Arjun MBTs.

- **Make in India for Defence**: Strengthening strategic partnerships with countries like Israel, France, and the U.S. for technology transfers in missile systems, jet engines, and naval propulsion. This supports India's ambitions to scale up local R&D, manufacturing, and skill development, while reducing imports.

- **Growth in Defence Exports**: India's defence exports surged to INR 38,424 crore in FY2025–26, up significantly from INR 1,521 crore in FY2016–17, driven by competitive pricing and demand for systems such as the BrahMos cruise missile, Pinaka multi-barrel rocket launchers, and advanced surveillance equipment.

3.4.2 India's Strategic Advantage as a Supplier

- **Cost-Effective Indigenous Systems**: Indigenous products like the Tejas Mk1A light fighter, Pinaka rocket system, and Arjun Main Battle Tank highlight India's engineering capabilities at competitive prices, attracting interest across Africa, Southeast Asia, and Latin America.

- **Neutral Strategic Posture:** India's long-standing policy of strategic autonomy allows it to supply defence hardware across different geopolitical blocs, appealing to countries diversifying their suppliers.

- **Vibrant Defence MSME Ecosystem:** Over 15,000 Micro, Small, and Medium Enterprises (MSMEs) contribute components such as avionics, electro-optical payloads, and cybersecurity software into DRDO and DPSU supply chains. Initiatives like Atmanirbhar Bharat and Make in India encourage joint ventures and co-production with international OEMs

- **Emerging Competitive Edge**: With ongoing investments in domestic R&D centers and dedicated defence corridors in Uttar Pradesh and Tamil Nadu, India is becoming a credible alternative to traditional suppliers in Europe and the U.S. Its exports, including advanced missiles, drones, and sensors, reinforced by competitive financing options, support India's emergence as a stable and capable supplier to the Global South and middle-income economies.

3.4.3 Evolution of Warfare and Industry

As modern warfare adapts to new age conflicts and disruptive technologies, defence industries face a transformative phase:

- **Militarization of Space:** Space is becoming a contested domain. Major powers deploy satellites for reconnaissance, communications, and targeting alongside anti-satellite (ASAT) capabilities. Nations must invest in space situational awareness (SSA), anti-jamming measures, and hardened satellites to ensure reliability in conflicts.

- **AI and Autonomous Warfare:** AI-driven combat, including swarm drone attacks, autonomous wingmen supporting fighter jets, and predictive maintenance, will shape future battlefields. Military planners aim to enhance real-time target recognition, threat prioritization, and logistics responsiveness. For instance, the U.S. Air Force's Skyborg program is working on artificial intelligence-enabled autonomous wingmen that will fly alongside piloted aircraft and perform both defensive and offensive roles.

- **Hybrid Warfare and Multi-Domain Operations:** Future conflicts will integrate kinetic strikes with information warfare, cyberattacks, and psychological operations. Protecting power grids, financial systems, and public morale will be as critical as traditional military engagements.

- **Collaborative R&D and Interoperability:** Alliances like QUAD, AUKUS, and I2U2 promote cooperative R&D in quantum computing, undersea warfare, AI, and hypersonic. Partner nations reduce costs and improve interoperability through co-development, cross-border consortia, and sharing intellectual property, delivering affordable, modular solutions for coalition operations.

Autonomous systems are transforming modern warfare by using AI, sensor fusion, and real-time decision-making to conduct faster, safer, and more precise operations with minimal human intervention. They reduce risk to personnel by handling dangerous tasks like mine clearance, reconnaissance, and contested airspace surveillance, extend operational reach, and process data at machine speed for accurate targeting and reduced collateral damage. Capable of rapid, adaptive responses in electronic, cyber, and kinetic domains, they enable swarming tactics for resilience and mission continuity. Rather than replacing humans, autonomy shifts their role from operators to strategic decision-makers, allowing machines to manage routine, hazardous, or time-critical tasks.

Going forward, the integrated systems in modern day battlefield are changing:

- Missiles are being replaced by loitering munitions

- Fighter aircrafts are making way for unmanned combat drones and need for counter-drone systems are becoming prevalent

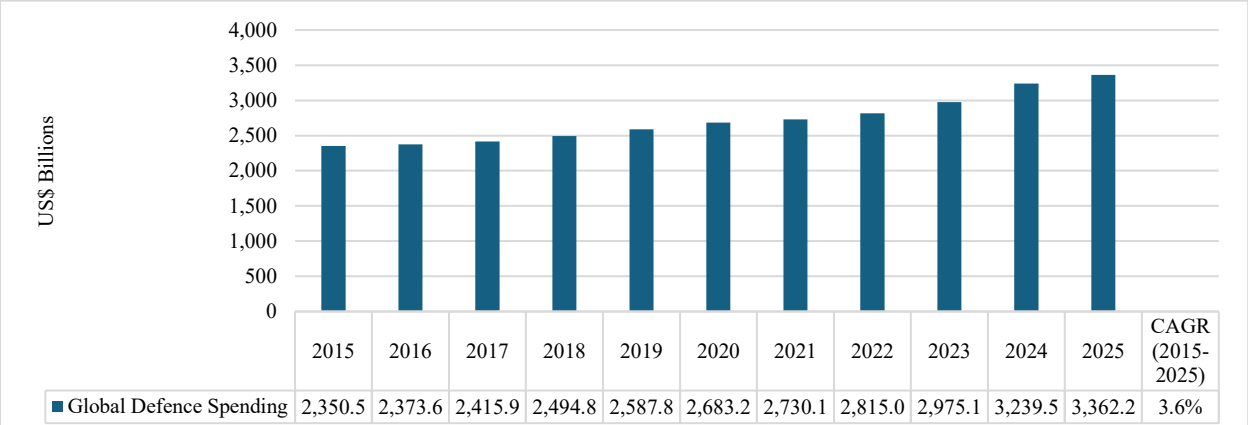
- Tanks and heavy infantry vehicles are being replaced by more nimble unmanned ground vehicles with autonomous weaponry

4. Global Defence and Security

4.1 Global Defence Spending (CY2015-2025)

Global military expenditure reached USD 3,362.2 billion in CY2025, reflecting a 3.6% CAGR over the CY2015–2025 period — the eleventh consecutive year of increase. This extends a ten-year expansionary cycle, with spending rising from USD 2.350.5 billion in CY2015, a 43.0% increase over the decade.

Figure 4: Global Defence Spending, CY2015-2025.



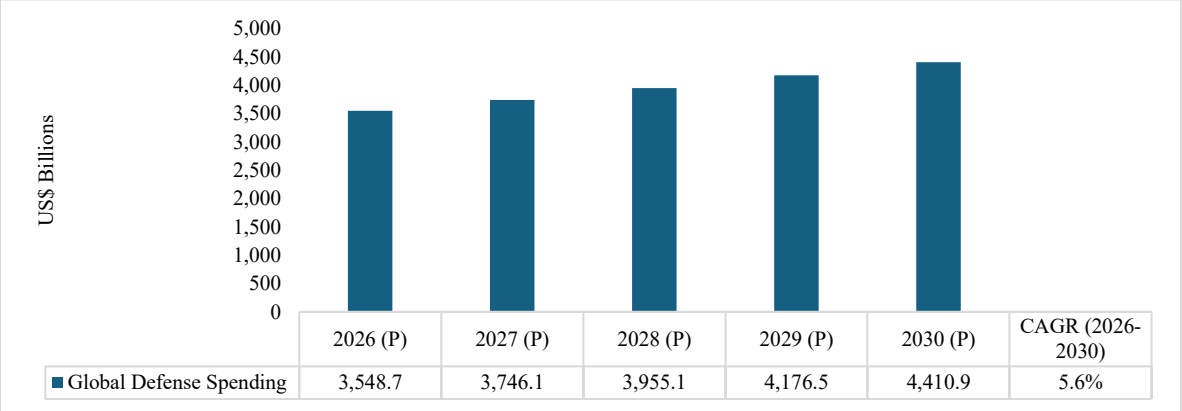
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	CAGR (2015-2025)
Global Defence Spending	2,350.5	2,373.6	2,415.9	2,494.8	2,587.8	2,683.2	2,730.1	2,815.0	2,975.1	3,239.5	3,362.2	3.6%

Source: Frost & Sullivan

Defence spending increased across all major regions, driven by intensifying geopolitical tensions, heightened threat perceptions, and the modernisation of legacy platforms across land, air, naval, and space domains. Notably, the top five spenders — United States, China, Russia, Germany, and India — accounted for over 60% of total global outlays between CY2015–CY2025, consolidating their position as the principal actors shaping the global defence landscape.

The global defence burden, defined as military expenditure as a percentage of GDP, rose from 2.1% in CY2014 to 2.5% in CY2025, marking a structural shift in fiscal priorities. Forecasted Global Defence Spending (CY2026–CY2030). Looking ahead, global defence spending is projected to rise from USD 3,548.7 billion in CY2026 to USD 4,410.9 billion by CY2030, representing a CAGR of 5.6% over the forecast period. This sustained increase is driven by both cyclical modernisation and structural changes in threat environments and force restructuring initiatives.

Figure 5: Global Defence Spending Forecast, CY2026-2030. Sources: Frost & Sullivan



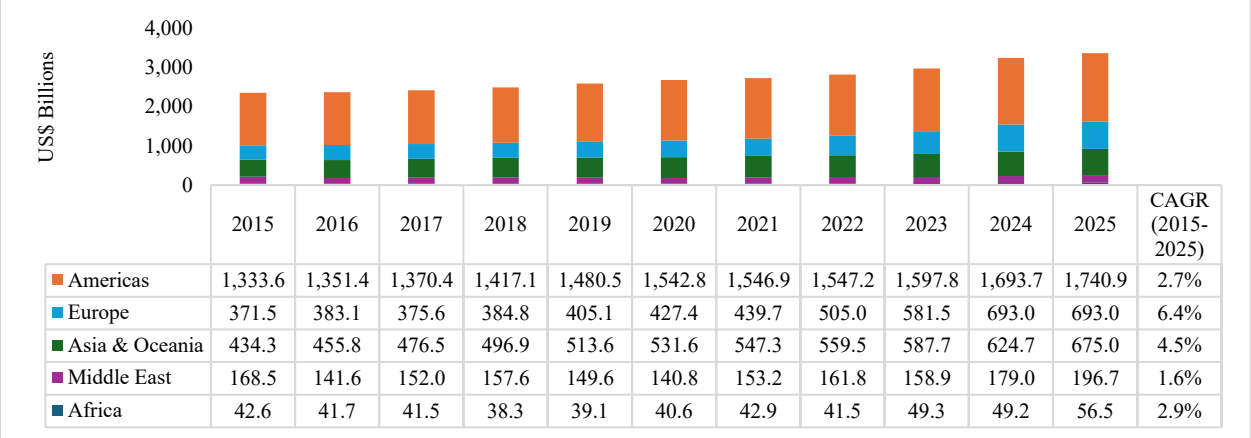
	2026 (P)	2027 (P)	2028 (P)	2029 (P)	2030 (P)	CAGR (2026-2030)
Global Defense Spending	3,548.7	3,746.1	3,955.1	4,176.5	4,410.9	5.6%

Source: Frost & Sullivan

4.2 Global Defence Spending by Region

Global defence spending continues to record year-on-year growth, reflecting a broad reprioritization of national budgets toward military preparedness, shaped by regional threat perceptions, alliance dynamics, and budgetary headroom.

Figure 6: Global Defence Spending by Region, CY2015-CY2025.



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	CAGR (2015-2025)
Americas	1,333.6	1,351.4	1,370.4	1,417.1	1,480.5	1,542.8	1,546.9	1,547.2	1,597.8	1,693.7	1,740.9	2.7%
Europe	371.5	383.1	375.6	384.8	405.1	427.4	439.7	505.0	581.5	693.0	693.0	6.4%
Asia & Oceania	434.3	455.8	476.5	496.9	513.6	531.6	547.3	559.5	587.7	624.7	675.0	4.5%
Middle East	168.5	141.6	152.0	157.6	149.6	140.8	153.2	161.8	158.9	179.0	196.7	1.6%
Africa	42.6	41.7	41.5	38.3	39.1	40.6	42.9	41.5	49.3	49.2	56.5	2.9%

Source: Frost & Sullivan

- **Americas:** Spending reached USD 1,740.9 billion in CY2025, the largest share worldwide, with the U.S. accounting for over 90% of regional outlays. Growth in Latin America remained limited, though Colombia and Mexico recorded notable increases driven by internal security and counter-narcotics operations.

- **Asia & Oceania:** Spending reached USD 675.0 billion in CY2025, with China contributing approximately USD 335.5 billion (~50%) toward modernisation and naval expansion. Japan, Taiwan, India, and Southeast Asian nations continued to accelerate air, naval, and ISR procurement in response to maritime disputes and Indo-Pacific competition.

- **Europe:** Defence budgets rose to USD 693.0 billion in CY2025, recording a 6.4% CAGR over the decade — the fastest growth among regions. Germany overtook the UK to become Europe's largest spender at USD 113.6 billion, while Poland reached USD 46.8 billion under multi-year NATO procurement commitments.

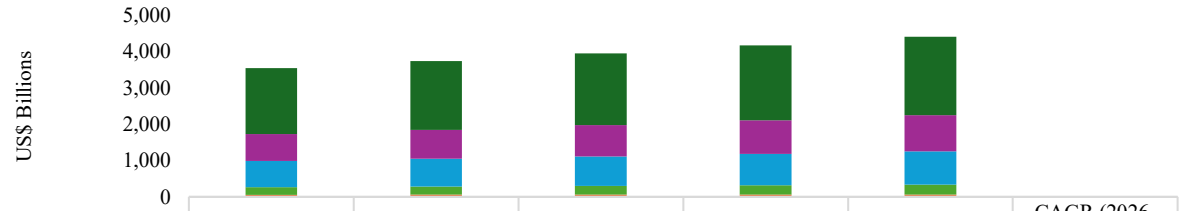
- **Middle East:** Regional spending totalled USD 196.7 billion in CY2025, led by Saudi Arabia (USD 83.2 billion) and Israel (USD 48.3 billion; ~7.8% of GDP), the latter reflecting emergency procurement and active operational tempo. Iran's spending remained constrained at USD 7.4 billion amid sanctions and post-conflict degradation of military assets.

- **Africa:** Spending reached USD 56.5 billion in CY2025, growing at a 2.9% CAGR over the decade. Algeria remained the continent's largest spender, while Sub-Saharan Africa remained constrained by fiscal pressures, focusing primarily on counterinsurgency and border security.

4.3 Forecasted Global Defence Spending by Region (CY2026-2030)

Global defence spending is projected to grow at a CAGR of 5.6% between CY2026 and CY2030, reaching USD 4,410.9 billion by the end of the period. While absolute growth is evident across all regions, differentiated trajectories reflect variance in geopolitical risk profiles, fiscal headroom, and modernisation imperatives.

Figure 7: Global Defence Spending Forecast by Region, CY2026-CY2030.



	2026 (P)	2027 (P)	2028 (P)	2029 (P)	2030 (P)	CAGR (2026-2030)
Americas	1,817.5	1,897.5	1,981.0	2,068.2	2,159.2	4.4%
Europe	745.0	800.8	860.9	925.5	994.9	7.5%
Asia & Oceania	718.2	764.2	813.1	865.1	920.5	6.4%
Middle East	209.5	223.1	237.6	253.1	269.5	6.5%
Africa	58.5	60.4	62.5	64.6	66.8	3.4%

Source: Frost & Sullivan

- **Americas:** Spending will rise from USD 1,817.5 billion to USD 2,159.2 billion between CY2026–CY2030 (CAGR 4.4%), driven by U.S. investment in deterrence, cyber, and next-generation platforms. Latin America will see modest gains, focused on internal security and maritime awareness.

- **Asia & Oceania:** Expenditure will grow from USD 718.2 billion to USD 920.5 billion between CY2026–CY2030 (CAGR 6.4%) amid Chinese assertiveness, cross-Strait tensions, and North Korean threats. Key contributors include China, India, Japan, and Southeast Asia, emphasising air defence, naval expansion, Intelligence, Surveillance, and Reconnaissance (ISR), and unmanned systems.

- **Europe:** Projected to expand from USD 745.0 billion to USD 994.9 billion between CY2026–CY2030 (CAGR 7.5%), the fastest among regions, reflecting post-Ukraine war rearmament and NATO's commitment to 5% of GDP defence spending by 2035. NATO members, especially in Central and Eastern Europe, will accelerate procurement of armoured, air defence, and Intelligence, Surveillance, and Reconnaissance (ISR) systems.

- **Middle East:** Forecast to rise from USD 209.5 billion to USD 269.5 billion between CY2026–CY2030 (CAGR 6.5%), driven by Gulf states restocking depleted interceptor stockpiles and resetting baseline spending following the Iran war. Focus areas include air and missile defence, C-UAS, and hardened C2

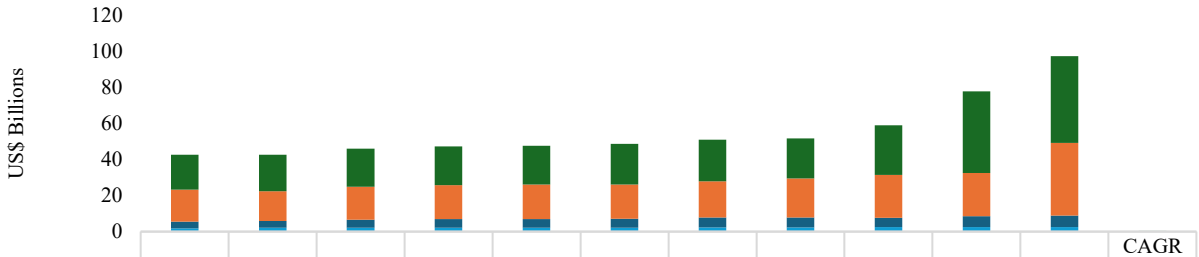
systems.

- **Africa:** Expected to increase from USD 58.5 billion to 66.8 billion between CY2026-CY2030 (CAGR 3.4%). Growth will remain constrained by economic fragility, though North Africa and parts of Sub-Saharan Africa will invest in surveillance, mobility, and counterinsurgency.

4.4 Defence Spending in Key Growth Markets

Defence spending across select strategic markets — Philippines, Jordan, Spain, and Israel — has exhibited varied trajectories in recent years, shaped by divergent security imperatives, economic bandwidth, and operational requirements. Each market presents unique opportunities in modernisation, force structure transformation, and technology integration.

Figure 8: Defence Spending across Key Markets, CY2015-CY2025.



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	CAGR (2015-2025)
Israel	19.3	20.3	21.2	21.4	21.6	22.5	23.2	22.2	27.5	45.3	48.3	9.6%
Spain	17.8	16.5	18.2	18.9	19.1	19.1	20.0	21.6	23.8	23.9	40.2	8.5%
Philippines	3.7	3.8	4.5	4.8	4.7	4.9	5.5	5.5	5.1	6.1	6.4	5.7%
Jordan	1.9	2.1	2.2	2.1	2.2	2.2	2.3	2.4	2.5	2.5	2.6	3.1%

Source: Frost & Sullivan

4.4.1 Philippines

- Defence spending reached USD 6.4 billion in CY2025 (1.30% of GDP; CAGR 5.7%, CY2015–2025) under Horizon 3 of the AFP Modernisation Program.
- The focus has shifted from internal security to external territorial defence, driven by maritime disputes with China.
- Key procurements include BrahMos coastal missile systems, UAVs (ScanEagle, Hermes 900), C-295 ISR aircraft, and underwater domain awareness platforms.
- Strategic cooperation expanded through agreements with the U.S., Japan, and Australia, including the Reciprocal Access Agreement with Japan and joint exercises such as Balikatan.

4.4.2 Jordan

- Defence spending stood at USD 2.6 billion in CY2025 (4.56% of GDP; CAGR 3.1%, CY2015–2025), with priorities on border security, counter-smuggling, and regional readiness.
- Jordan continues to rely heavily on U.S. and NATO support, reinforced by a CY2021 defence cooperation agreement and the opening of a NATO liaison office in Amman in CY2024.
- Procurement has focused on Raven UAVs, night vision systems, and C4Intelligence, Surveillance, and Reconnaissance (ISR) upgrades, alongside Raytheon-led border Intelligence, Surveillance, and Reconnaissance (ISR) integration trials.
- Inventory recapitalization is often based on second-hand or donated platforms, with the Jordan Design and Development Bureau (JODDB) supporting upgrades for light armoured vehicles, though advanced systems remain imported.

4.4.3 Spain

- Defence spending rose to USD 40.2 billion in CY2025 (2.13% of GDP; CAGR 8.5%, CY2015–2025), crossing the NATO 2% threshold and reflecting accelerated readiness commitments following the Ukraine conflict and the Iran war's impact on European threat perceptions.
- Spending priorities include countering hybrid threats, improving expeditionary capabilities, and supporting NATO operations.
- Ongoing programs include the Future Combat Air System (with France and Germany), a dedicated Space Command (established CY2023), EO/Intelligence, Surveillance, and Reconnaissance (ISR) upgrades, the MALE RPAS program, and coastal naval surveillance suites.
- Spain’s industrial base, led by Navantia, Indra, Airbus, and GDELS-Santa Bárbara Sistemas, underpins strong capabilities in shipbuilding, defence electronics, and land systems.
- Future spending is expected to emphasize Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (ISR) (C4Intelligence, Surveillance, and Reconnaissance (ISR)), strategic airlift, precision-guided munitions, and space defence infrastructure.

4.4.4 Israel

- Defence spending surged to USD 48.3 billion in CY2025 (7.8% of GDP) due to multi-theatre conflicts involving Gaza, Hezbollah, Yemen, and Iran.
- Israel played a pivotal role in Operation Midnight Hammer (CY2025), conducting pre-emptive strikes on Iranian air defence and nuclear facilities ahead of U.S. operations.
- Procurement has prioritized force protection, precision-guided munitions, Intelligence, Surveillance, and Reconnaissance (ISR) payloads, and loitering munitions, with accelerated deployment of Electro-Optical/Infrared and AI-driven sensor systems.

4.5 Key Drivers for Global Defence Spending

Global defence expenditure is rising across all regions, driven by systemic shocks, evolving threats, and the need to rebuild combat mass. Below are the seven most critical forces shaping spending:

4.5.1 Multipolar Competition and Sustained Conflict

- Global Russia–Ukraine war, Israel’s multi-front campaigns, and the CY2025 India–Pakistan conflict underscore a return to high-intensity, state-on-state warfare.
- China’s assertiveness in the South China Sea and around Taiwan reflects coercive diplomacy backed by military force.
- Result: Higher spending on Intelligence, Surveillance, and Reconnaissance (ISR), loitering munitions, and multi-sensor Electro-Optical/Infrared suites for information-dominant warfare.

4.5.2 Recalibrated National Defence Strategies

- Budgets have pivoted from counterinsurgency to long-term territorial defence, increasing spend on heavy artillery, and resilient Intelligence, Surveillance, and Reconnaissance (ISR) systems which can withstand high intensity conflict environments.
- NATO’s New Force Model and similar doctrines drive investment in AI-enabled sensor fusion, long-range strike capabilities, and high-precision targeting systems.

4.5.3 Depleted Inventories and the Rebuilding of Strategic Stockpiles

- The Russia–Ukraine war exposed depleted Western munitions reserves and capacity gaps.
- Nations are procuring long-range artillery, PGMs, and missile defence systems, prioritizing affordability and mass alongside next-gen systems.

4.5.4 Software-Defined and Digitally Enabled Warfare

- Intelligence, Surveillance, and Reconnaissance (ISR) data fusion, AI-enabled targeting, and resilient C2 networks now command a dedicated share of budgets.
- Increasing investment focus on edge computing, network-enabled remotely controlled munitions (e.g. loitering drones), and secure communications.

4.5.5 New Acquisition Models and Institutional Reform

- Agile procurement models replace slow, centralized frameworks.
- Examples: India's Innovations for Defence Excellence (iDEX), U.S. Defence Innovation Unit, UK's Defence and Security Accelerator, and NATO's DIANA.
- Emphasis on prototyping, COTS adoption, and dual-use innovation.

4.5.6 Workforce, Readiness, and Societal Resilience

- Personnel shortfalls—especially in high-skill, technical roles—are constraining transformation, prompting reforms to career models, incentives, and training pipelines, alongside higher spend on unit readiness and availability.
- Force planning now embeds societal resilience—civil infrastructure, industrial mobilization capacity, and surge logistics—into NATO-aligned force-generation models.

4.6 Global Defence Modernization – Opportunity Size and Trends

The global defence modernization landscape is evolving in response to mounting geopolitical uncertainty, supply chain disruption, and the urgent need for capability renewal. Between CY2026 and CY2030, global defence spending is expected to grow steadily across all regions, with cumulative annual expenditure projected to rise from USD 3,548 billion to over USD 4,410 billion by CY2030, representing a CAGR of approximately 5.6%. While baseline defence budgets continue to support personnel, operations, and legacy platforms, a growing share is being channeled toward modernization and capability transformation.

4.6.1 Modernization as a Rising Share of Defence Budgets

Modernization is taking a growing share of global defence budgets, signaling a shift from legacy maintenance to next-generation capabilities in Intelligence, Surveillance, and Reconnaissance (ISR), integrated air and missile defence, AI-enabled command, cyber resilience, and precision munitions.

- **United States:** Total acquisition funding (procurement + RDT&E) reached USD 384 billion in CY2026, an 18% real-terms increase over FY2025. Priorities include the B-21 bomber, Columbia-class submarines, the F-47 next-generation fighter, Golden Dome missile defence, and hypersonic weapons.
- **China:** Military expenditure estimated at USD 336 billion in CY2025 (SIPRI), a 7.4% real-terms increase and the 31st consecutive annual rise, focused on naval expansion, J-20 production, DF-series hypersonic missiles, and military AI and space capabilities.
- **Japan:** Record defence budget of ~USD 58 billion approved for FY2026, up 9.4% — the fourth year of its Defence Buildup Program allocating USD 275 billion over FY2023–27. Key investments include standoff missiles, next-generation fighter development with the UK and Italy, and AI-operated unmanned systems.
- **Germany:** Europe's largest spender at USD 113.6 billion in CY2025, with F-35A, Eurofighter upgrades, and Arrow 3 missile defence as key programs.
- **France:** EUR 413 billion (CY2024–30) under the Loi de Programmation Militaire, focused on FCAS, Aster SAMs, and Scorpion vehicles.
- **Israel:** Spending at USD 48.3 billion in CY2025 (7.81% of GDP), with Iron Dome, David's Sling, loitering munitions, and battlefield digitisation as priorities, alongside post-conflict stockpile replenishment.

By CY2030, modernization will account for 30–45% of defence budgets in advanced economies, versus 15–25%

in emerging economies, where fiscal and industrial constraints slow capability development.

4.6.2 Key Modernization Trends

- **Proliferation of Unmanned and Counter-Unmanned Aircraft Systems (Counter-UAS)**: Lessons from Ukraine have accelerated the adoption of unmanned systems and loitering munitions, and the development of cost-effective countermeasures. Investment is growing in thermal imaging, radar discrimination, and Directed Energy Weapons (DEWs) to neutralize drone threats. These systems are increasingly used for precision targeting of high-value assets, including command nodes and mobile missile launchers, marking a shift from traditional battlefield engagements to targeted eliminations.

- **Digitalization of Defence Manufacturing:** Across the U.S. and Europe, digitalization is fast becoming a prerequisite for defence industrial participation. Initiatives like the U.S. Defence Industrial Strategy and the European Defence Fund (EDF) increasingly mandate digital engineering, AI-readiness, and secure-by-design software protocols in acquisition. While not yet formalized in India, programs like iDEX and Make-II are moving toward digital-first evaluations in procurement and development partnerships.

- **C4Intelligence, Surveillance, and Reconnaissance (ISR) and Sensor Fusion:** The demand for integrated situational awareness is leading to adoption of battlefield management systems, AI-powered Intelligence, Surveillance, and Reconnaissance (ISR) analytics, and open-standard sensor fusion architectures. Enhanced MANET communications, SATCOM, and AI-enhanced decision aids are seeing rapid deployment.

- **Space and Electromagnetic Warfare:** The weaponization of space, proliferation of EMP-hardened systems, and satellite-based targeting and communications platforms are becoming focal points of modernization budgets. Nations are developing multi-domain awareness and deterrence capabilities leveraging SAR, multispectral sensors, and anti-jamming technologies.

- **Industrial Base Expansion with Tier-2/Tier-3 Participation:** Primes are increasingly relying on risk-sharing partnerships with smaller firms. In regions like India and the EU, this model enables rapid development of low-cost, high-impact subsystems such as electro-optical (EO) sensors, unmanned aerial systems (UAS) components, and passive radar arrays.

4.7 Strategic Trends in Modern Warfare (Defensive Systems)

Modern warfare is shifting from platform-centric to network-centric operations, built on sensor fusion, AI, real-time data, and autonomous systems. Defensive priorities emphasize operational transparency, accelerated decision cycles, and machine-augmented awareness.

4.7.1 Intelligence, Surveillance, and Reconnaissance (ISR)

Intelligence, Surveillance, and Reconnaissance (ISR) underpins modern defence by delivering continuous, multi-domain situational awareness across air, land, sea, space, and cyber. It enables detection, targeting, force protection, and information dominance, making it a central pillar of multi-domain operations (MDO).

Key shifts include:

- **From platforms to ecosystems:** Intelligence, Surveillance, and Reconnaissance (ISR) is evolving from isolated platforms to integrated networks linking satellites, drones, radar, and allied systems. Countries such as the U.S., France, India, Australia, and Japan are building interoperable, service-agnostic Intelligence, Surveillance, and Reconnaissance (ISR) ecosystems.

- **Persistent sensing in contested zones:** Hybrid satellite constellations, stratospheric high altitude pseudo-satellites (HAPS), and autonomous Intelligence, Surveillance, and Reconnaissance (ISR) drones ensure resilience against anti-satellite weapons, jamming, and restricted access.

- **AI, data fusion, and edge computing:** AI-driven object detection, anomaly alerts, and predictive analytics shorten decision timelines. Edge processing reduces latency and bandwidth needs.

- **Resilience under attack:** To counter Global Navigation Satellite System (GNSS) spoofing, C-UAS, and cyber jamming, Intelligence, Surveillance, and Reconnaissance (ISR) nodes now feature redundancy, LPD/frequency-agile comms, and AI-enabled failover logic.

- **Enabler of Multi-Domain Operations:** Intelligence, Surveillance, and Reconnaissance (ISR) guides precision fires, supports cyber/electronic warfare (EW) integration, and sustains mission command in contested environments.

Global examples:

- **U.S.:** JADC2 integration with platforms like TITAN, Global Hawk, and Raytheon's C2 suites.
- **Europe:** FCAS cloud-based Intelligence, Surveillance, and Reconnaissance (ISR) networks linking manned and unmanned systems.
- **India:** Netra AEW&CS, satellite fusion, and private partnerships (e.g., Tata Advanced Systems, Tonbo Imaging).
- **Australia & Japan:** Intelligence, Surveillance, and Reconnaissance (ISR) interoperability through AUKUS and integration with U.S. sensor networks.

4.7.2 Artificial Intelligence

AI is becoming a defining enabler of modern defence, offering faster detection, classification, and tracking than human-led systems. It is embedded across Intelligence, Surveillance, and Reconnaissance (ISR), Command & Control (C2), EW, logistics, and kinetic operations, giving militaries a tactical edge and shaping the future balance of power.

Key developments include:

- **Architecture shift:** Transition from human-in-the-loop to human-on-the-loop, where AI manages fusion, prioritization, and low-level decisions (e.g., UAS swarms, threat classification), while humans oversee confirmation and strategy.
- **Multi-domain situational awareness:** AI fuses Intelligence, Surveillance, and Reconnaissance (ISR) streams, including Electro-Optical/Infrared, radar, Signals Intelligence (SIGINT), Electronic Intelligence (ELINT), to detect anomalies, predict intent, and prioritise threats. Examples include maritime awareness in the Indo-Pacific, counter-UAS in the Middle East, and border automation in Central Asia.
- **Operational decision support:** AI enables course-of-action generation, sensor-to-shooter automation, and real-time wargaming, increasingly embedded in mobile command centers for distributed operations.
- **Autonomy:** Expanding across UAV swarms (loitering munitions, battlefield mapping), Unmanned Ground Vehicle – UGV (EOD, route clearance, logistics), and Unmanned Underwater Vehicle – UUV (mine countermeasures, Intelligence, Surveillance, and Reconnaissance (ISR), ASW). These reduce risk to humans and extend reach into denied environments.

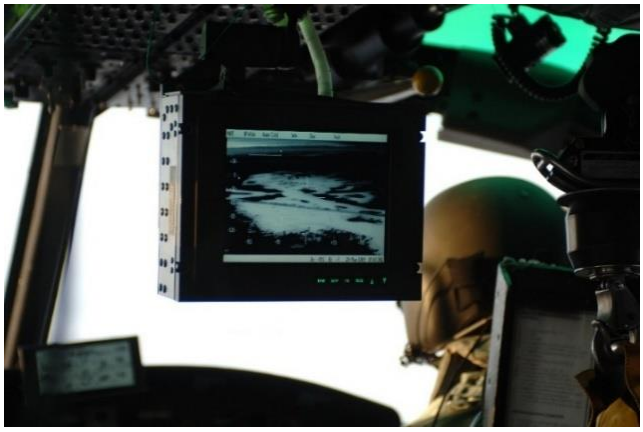
4.7.3 Imaging Technologies

Imaging technologies encompass electro-optical (EO), infrared (IR), multispectral, and hyperspectral systems that capture, process, and interpret visual and thermal data. They enable persistent, high-fidelity, all-weather visibility for Intelligence, Surveillance, and Reconnaissance (ISR), targeting, navigation, and early warning. These include night-vision devices, thermal imagers, airborne sensor pods, stabilized gimbals, and space-based cameras.

Global Electro-Optical/Infrared is growing faster than the overall defence market because passive, non-emitting sensors are far less vulnerable to jamming than active systems like radar, while providing the high-resolution, target-specific imagery modern precision warfare increasingly depends on.

Leading companies—Teledyne FLIR, L3Harris, Elbit, Rafael, and Leonardo DRS—are driving advances in AI-powered image processing, wide-area surveillance, and edge-enabled sensors. Future breakthroughs are expected in quantum imaging, hyperspectral analysis, and onboard AI, positioning imaging as a force multiplier in multi-domain operations.

Figure 9: A Forward-looking Infrared (FLIR) system on a U.S. Air Force helicopter during search and rescue operation



Source: US Air Force

Key developments include:

- **Multi-spectral fusion:** Synthetic aperture radar (SAR) for all-weather coverage, hyperspectral for concealed target detection, and LIDAR/GMTI for urban mapping and GPS-denied navigation.
- **Miniaturization:** High-performance sensors deployed on micro-UAVs, CubeSats, and autonomous maritime platforms, expanding reach and redundancy.
- **Real-time exploitation:** Onboard AI modules and change-detection algorithms support immediate targeting and decision-making in fast-moving scenarios.
- **Global use cases:** Border surveillance (India–China, South China Sea), counter-insurgency/urban warfare, Arctic monitoring, and space-based missile tracking.
- **Sovereign capability:** Nations like France, South Korea, UAE, and Brazil are investing in domestic satellite imaging programs to secure access, ensure flexibility, and integrate dual-use commercial constellations.

4.7.4 Autonomous Systems

Autonomous systems are now operational across all domains, valued for their ability to extend reach, absorb risk, and sustain operations in denied environments. Modern platforms sense, adapt, and coordinate missions independently, reducing operator burden and accelerating the kill chain.

Figure 10: Concept showing Manned-Unmanned Teaming (MUM-T).



Key developments include:

- **Spectrum of autonomy:** Militaries are moving from operator-controlled UAVs like the MQ-9 Reaper and Bayraktar TB2, toward swarming loitering munitions and early trials of fully autonomous AI-led missions.

- **Multi-domain deployment:** Autonomy is expanding across air (CATS Warrior, Ghost Bat loyal wingmen), land (UGVs for logistics and route clearance), maritime (Autonomous Underwater Vehicles – AUV and Unmanned Surface Vehicles – USVs in the Strait of Hormuz), and space (In-Space Servicing, Assembly, and Manufacturing – ISAM satellite servicing drones).

- **Operational value:** Autonomy allows persistent Intelligence, Surveillance, and Reconnaissance (ISR) and strike in contested zones, reduces troop risk in Chemical, Biological, Radiological, and Nuclear (CBRN) environments, and provides asymmetric mass where low-cost fleets can overwhelm advanced adversaries.

- **C2 and mission autonomy:** Advances in swarming algorithms and mission-level AI are enabling systems to self-assign tasks, adapt to attrition, and shift from surveillance to strike without operator intervention.

4.8 Strategic Trends in Modern Warfare (Offensive Systems)

Offensive warfare is shifting from heavy, logistics-intensive platforms to compact, autonomous, and software-defined strike systems. The drivers are faster kill chains, reduced lifecycle costs, and survivability against modern air defences and EW threats.

4.8.1 Directed Energy Systems (DES)

DES—including high-energy lasers (HELs), high-power microwaves (HPMs), and radiofrequency (RF) jammers—are redefining both offence and defence. They deliver speed-of-light engagement, near-zero per-shot cost, and effectively unlimited magazines. Adoption is accelerating as drone swarms, missile salvos, and hypersonic threats strain traditional interceptors.

High Power Microwave (HPM) systems provide a non-kinetic alternative by projecting directed electromagnetic energy to disrupt or disable drone electronics at tactically useful ranges. HPM offers scalable effects—from temporary disruption to permanent damage—enables simultaneous engagement of multiple targets, and delivers a very low cost-per-engagement compared with missiles or guns. These attributes reduce logistics burdens and allow sustained defensive operations against massed autonomous threats.

Operationally, HPM weapon systems comprise modulators, amplifiers (klystrons), pulse compressors, antennas on motorized pan-tilt mounts, and an electro-optics targeting subsystem for precise aiming. The architecture supports stationary or mobile ground and naval deployments, with modules coordinated to generate, amplify, and direct microwave energy for effective neutralization. Integrated with existing sensors and kinetic layers, HPM forms a cost-effective, scalable component of a layered counter-UAS strategy.

Key developments include:

- **Transition drivers:** DES offer a decisive cost-per-shot advantage (dollars vs. hundreds of thousands for missiles), instantaneous engagement against UAVs and hypersonics, and unlimited replenishment via power supply, making them ideal against saturation attacks.

- **Maturation across domains:** Land-based systems like Israel's Iron Beam, Rheinmetall's Skynex, and India's DEW trials are protecting bases and cities; the U.S. Navy's HELIOS is being integrated on destroyers; and airborne DEW concepts target ballistic missiles during boost phase.

- **Operational roles:** DES are evolving into layered kill-web components—counter-UAS in urban zones, missile-defence augmentation to thin salvos, and HPM electronic attack to disable sensors and comms in escalation-sensitive environments.

- **Market growth:** The global DEW market is projected to grow from $504 million in CY2025 to $5.6 billion by CY2030 (CAGR >60%), with Israel, U.S., China, and India leading early deployment.

Figure 11: Applications for Directed Energy Systems Across Operational Theatres.



Source: DoD HPM DEW Effects Panel, Frost & Sullivan

4.8.2 Autonomous Loitering Munitions, and Missiles

Autonomous loitering munitions are small, expendable UAV-borne warheads that loiter over a target area, autonomously navigate and search, then dive to strike a positively identified target—typically with a human-in/on-the-loop for consent; they integrate compact fixed/folding-wing airframes and electric/hybrid propulsion with Electro-Optical/Infrared (sometimes RF/Millimeter Wave) seekers, GNSS/INS guidance with geofenced fail-safes/self-destruct, secure datalinks to portable controllers, and mission-tailored high explosive or shaped-charge warheads, and are usually tube- or vehicle-launched.

Key developments include:

- **Drivers of adoption:** Loitering munitions and autonomous missiles mitigate the vulnerabilities of expensive fighters—reducing pilot risk, enabling persistent Intelligence, Surveillance, and Reconnaissance (ISR)-strike, and delivering cost-effective saturation in denied airspace.

- **Rise of loitering munitions:** Systems such as the Switchblade, Hero, Lancet, Harop, SkyStriker, and India's ALS-50 offer autonomous navigation, surveillance, and precision strike. Proven in Nagorno-Karabakh, Ukraine, Gaza, and Libya, they deliver overmatch against armor, radars, and supply nodes.

- **High-speed autonomous missiles:** AI-enabled cruise and hypersonic weapons (e.g., Russia's Avangard, China's DF-ZF, India's HSTDV, U.S. ARRW, China's YJ-21) promise rapid penetration, re-targeting in flight, and multi-vector strike coordination.

- **Integration with manned platforms:** Loyal wingman concepts—Australia's Loyal Wingman, India's CATS Warrior, U.S. Skyborg, Europe's FCAS remote carriers—pair manned fighters with autonomous assets for scouting, jamming, and first-strike roles.

- **Industrial and geopolitical impact:** Nations such as Iran, Türkiye, and Israel are scaling indigenous production for exports; Eastern Europe and Indo-Pacific states are investing heavily. OEMs are modularizing payloads, hardening navigation, and enabling interoperability across platforms.

Figure 12: American Long-Range Hypersonic Weapon being deployed at the Cape Canaveral Space Force Station.



Source: US Army

4.9 Global Regulations in Defence Trade

The global defence trade ecosystem operates under a complex lattice of international regulations, bilateral treaties, and national export control regimes. These frameworks, designed to balance national security, geopolitical stability, and non-proliferation, play a decisive role in shaping the flow of military hardware, subsystems, and dual-use technologies across borders.

Among these regulations, the United States International Traffic in Arms Regulations (ITAR) has emerged as one of the most far-reaching and commercially influential frameworks.

4.9.1 International Traffic in Arms Regulation

The International Traffic in Arms Regulations (ITAR) remains the most influential and extraterritorial of all defence export control systems.

- **Administered by:** U.S. Department of State, Directorate of Defence Trade Controls (DDTC)
- **Applies to:** All items on the U.S. Munitions List (USML), including weapons, electronics, military-grade optics, UAVs, and many components and subsystems critical to global supply chains.

Key Characteristics:

- **Extraterritorial Reach:** Any product or system containing U.S.-origin defence components—even if manufactured or assembled abroad—falls under ITAR purview. This includes software, subcomponents, and technical data.
- **Licensing and End-Use Controls:** Exporters must obtain approval for every transaction, specifying the end-user and application. Unauthorized re-transfer or deviation from licensed use can result in severe penalties.
- **Partner Restrictions:** ITAR prohibits exports to embargoed nations and imposes stringent limitations on certain countries (e.g., China, Iran, North Korea, Russia), constraining multi-country supply chains and joint ventures.

Strategic Implications:

- **Market Access Constraints:** Defence exporters operating within U.S.-linked supply chains often face restrictions entering certain global markets disfavored by U.S. foreign policy. As a result, several OEMs have adopted ITAR-free design strategies to preserve access to non-aligned regions, ensuring platforms remain commercially viable across a wider set of geographies.
- **Partner Vetting Complexity:** Companies engaged in multinational programs must conduct meticulous vetting of their collaborators, sub-suppliers, and investors for potential ITAR exposure. This has led to the formalization of "ITAR-free" program mandates in several countries, especially in Europe and Asia, to avoid

deal-breaking compliance hurdles at late stages of development or export negotiation.

- **Innovation Friction:** Concerns over licensing delays, export uncertainty, and restrictions on technical collaboration have driven a wave of indigenous development efforts aimed at full autonomy. Entities like France's Thales and Dassault, Israel's IAI, and India's DRDO have proactively pursued ITAR-free development of mission-critical systems, such as Electro-Optical/Infrared payloads, data links, missile seekers, and avionics, where even small U.S.-origin components could trigger regulatory entanglements.

4.9.2 Missile Technology Control Regime

The Missile Technology Control Regime (MTCR) is a voluntary, consensus-based framework established to limit the spread of missile systems and unmanned delivery platforms capable of carrying weapons of mass destruction (nuclear, chemical, and biological).

- Established: CY1987; 35 members
- Scope: The scope is divided into two categories,
  Category I: Complete delivery systems (e.g., cruise missiles, MALE/HALE UAVs) capable of carrying a 500 kg payload over 300 km. Exports are presumed to be denied.
  Category II: Components, subassemblies, and systems with shorter range or lighter payload—exportable subject to national discretion and end-use validation.

Strategic Implications:

- Directly influences loitering munition and long-range drone exports, especially to non-MTCR countries.
- India's accession to MTCR in CY2016 enabled more latitude in developing systems like the Shaurya missile and long-range Intelligence, Surveillance, and Reconnaissance (ISR) drones, while opening export markets (e.g., Philippines, Armenia).
- Restricts co-development with certain partners, limiting global diffusion of high-speed, precision-strike capabilities.

4.9.3 Wassenaar Arrangement

The Wassenaar Arrangement governs exports of conventional arms and dual-use technologies with potential military applications.

- **Participants:** 42 countries, including major defence exporters (U.S., EU states, Japan, South Korea, India)
- **Focus areas:** Radars, Electro-Optical/Infrared sensors, cryptographic systems, AI-enabled tools, semiconductor-grade electronics, Intelligence, Surveillance, and Reconnaissance (ISR) platform

Strategic Impact:

- Wassenaar's controls target commercial-off-the-shelf (COTS) components that can be weaponized or integrated into defence platforms (e.g., image processors, RF modules, signal processing chips).
- Growing emphasis on emerging technologies, e.g., AI-enabled target recognition, quantum cryptography, and cyber-intelligence platforms, indicating a move beyond hardware to include algorithms, software libraries, and training datasets.

4.9.4 EU Common Position and National Controls

Europe operates under the EU Common Position on Arms Exports, which requires:

- Assessment of end-use and human rights implications;
- Export denial if there is a "clear risk" of misuse or diversion;
- Coordination among member states to avoid undercutting embargoed markets.

This results in divergent interpretations, e.g., Germany often applies stricter criteria than France or Italy, impacting

joint programs like Eurodrone or FCAS.

National controls also persist:

- **France:** Maintains strong national discretion in defence exports, balancing sovereign industry support and geopolitical interests.
- **Germany:** Recently moved toward liberalization but remains risk-averse in conflict zones.
- **India's SCOMET list:** Now harmonized with MTCR/Wassenaar, increasingly used to regulate UAVs, radars, propulsion tech, and dual-use software exports.

5. India Defence and Security

5.1 India's Defence Spending (FY2015-25)

India's defence budget has demonstrated steady, if incremental, year-on-year growth over the past decade, reflecting both inflationary adjustments and a broader shift toward modernisation, strategic deterrence, and indigenisation. In FY2015, defence spending stood at USD 58.9 billion, and by FY2025 it had risen to USD 92.05 billion, marking a 4.6% CAGR over the ten-year period.

Figure 13: India Defence Spending, FY2015-2025.



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	CAGR (2015-2025)
Defense Spending	58.9	64.9	69.5	71.9	77.0	77.4	77.0	80.3	82.3	85.6	92.05	4.6%

Source: Frost & Sullivan

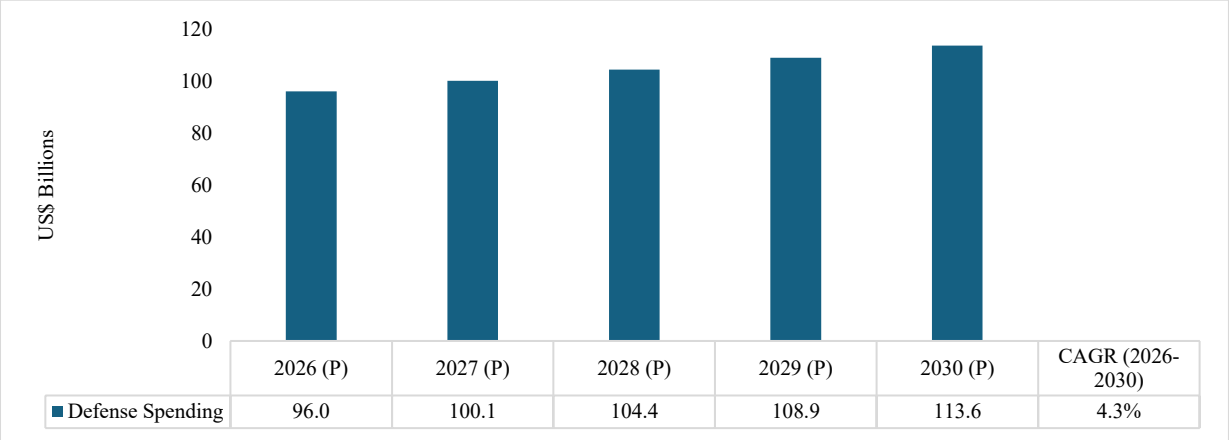
While annual growth rates have ranged between 2.5% and 8%, key inflection points include:

- **Structural Budget Uplift Post-FY2016:** Between FY2016 and FY2018, India's annual defence allocations increased sharply, supported by revised fiscal frameworks and heightened regional threat perception following the CY2016 Uri attack and CY2017 Doklam standoff. Spending rose from USD 64.9 billion in FY2016 to USD 69.5 billion in FY2018, at a CAGR of 3.5%, marking the most rapid two-year increase since 2010.
- **Plateau During COVID-19 and Post-Balakot Readjustment (FY2019–FY2021):** Despite the CY2019 Balakot airstrikes and China's growing assertiveness in Ladakh, India's defence budget growth decelerated between FY2019 and FY2021, largely due to fiscal tightening amid the COVID-19 pandemic and slower capital outlay disbursements. Spending stabilized between USD 77.0 billion and USD 77.4 billion, with a slight decline marginal real-term decline when adjusted for inflation.
- **Capital Reinvestment Phase: FY2022–FY2025:** From FY2022 onward, India resumed steady budgetary growth, climbing from USD 80.3 billion in FY2022 to USD 92.05 billion in FY2025. This upward trajectory was accelerated by the FY2020 Galwan Valley clash with China, prompting new capital allocations toward border infrastructure, Intelligence, Surveillance, and Reconnaissance (ISR) capabilities, and high-altitude readiness, and further reinforced by Operation Sindoor in CY2025, which triggered emergency procurement across surveillance, precision strike, and air defence domains. Capital spending as a share of the defence budget crossed 30%, reflecting India's long-term commitment to modernising platforms and procurement frameworks.

5.2 India's Defence Spending (FY2026-30)

India's defence spending is projected to increase steadily from USD 96.0 billion in FY2026 to USD 113.6 billion by FY2030, reflecting a compound annual growth rate (CAGR) of 4.3% over the forecast period. For FY2025–26, the Ministry of Defence has allocated ₹6,81,210.27 crore (≈ USD 78.9 billion) to defence, of which ₹1,92,388 crore (≈USD 22.3 billion) is earmarked as capital outlay. This represents a continuation of India's gradual but deliberate pivot toward capability-building and modernization.

Figure 14: India Defence Spending Forecast, FY2026-FY2030

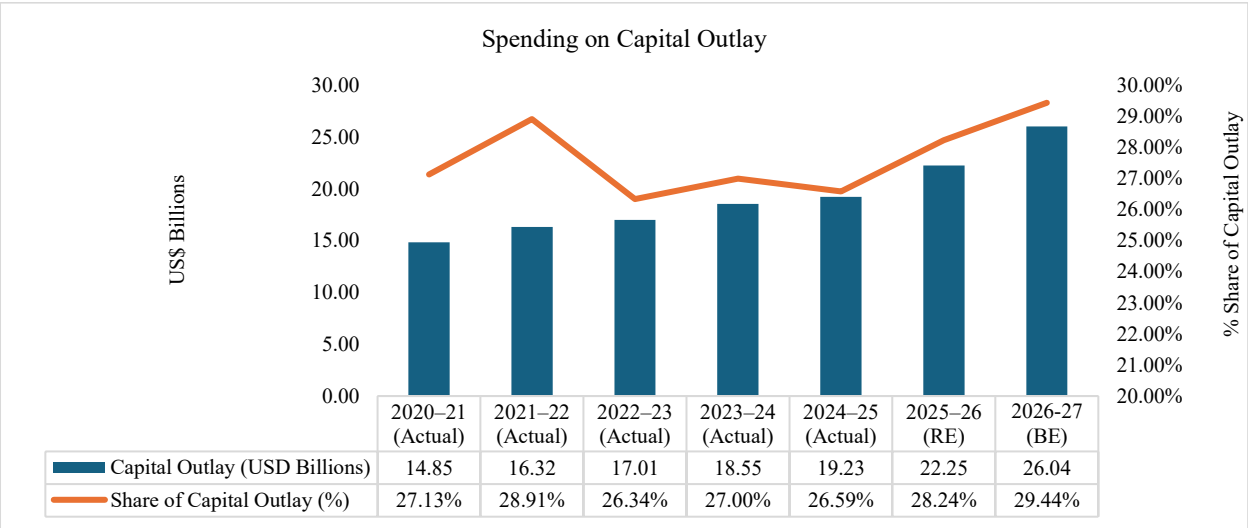


	2026 (P)	2027 (P)	2028 (P)	2029 (P)	2030 (P)	CAGR (2026-2030)
Defense Spending	96.0	100.1	104.4	108.9	113.6	4.3%

Source: Frost & Sullivan

India's defence capital expenditure has shown steady strengthening as the government prioritises long-term modernisation and indigenisation. The capital outlay has stabilised at a healthy 28–30% share of total defence spending, with sustained year-on-year increases from FY2022 to FY2025. The FY2025 and projected FY2026 budgets continue this positive momentum, allocating larger capital resources for aircraft, naval platforms, advanced sensors, and joint-service modernisation programs. This upward trend reflects India's commitment to accelerating capability upgrades, supporting domestic manufacturing under "Atmanirbhar Bharat," and ensuring that capital spending remains a core pillar of its defence investment strategy.

Figure 15: India Defence Capital Spend Relative to Overall Budget Expenditure (FY2020-FY2027)



	2020–21 (Actual)	2021–22 (Actual)	2022–23 (Actual)	2023–24 (Actual)	2024–25 (Actual)	2025–26 (RE)	2026-27 (BE)
Capital Outlay (USD Billions)	14.85	16.32	17.01	18.55	19.23	22.25	26.04
Share of Capital Outlay (%)	27.13%	28.91%	26.34%	27.00%	26.59%	28.24%	29.44%

Source: Frost & Sullivan

5.3 India's Defence Budgets & Expenditure across the Indian Army, Navy, & Airforce (FY2026-FY2027)

India's defence expenditure in FY2026-27 reflects an accelerated modernisation thrust, shaped by the operational lessons of Operation Sindoor and the structural imperative to close capability gaps across all three services. The

record ₹7.85 lakh crore allocation — a 15.2% increase over the prior year — underscores a decisive shift in fiscal priorities toward capital investment and indigenous procurement.

5.3.1 Service-wise Revenue and Capital Allocation (FY2026-FY2027)

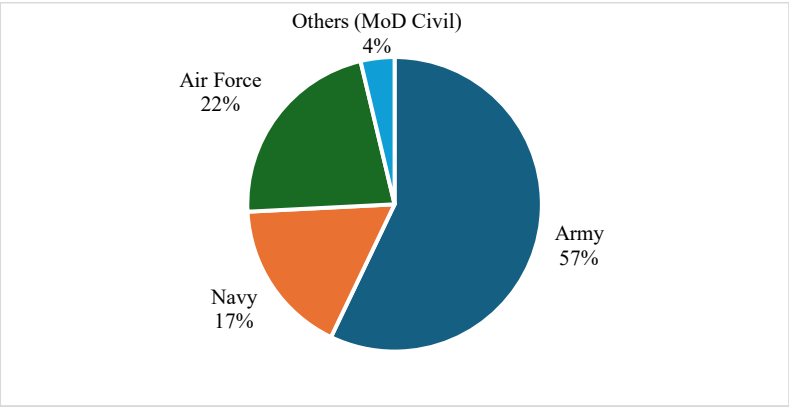
In FY2026-27, the Indian Army continues to absorb the largest share of the defence services budget:

- **Army Revenue Expenditure:** USD 44.74 billion, reflecting the Army's expansive personnel base and widespread territorial responsibilities. The Pay and Allowances share has declined from 61.3% in FY2022-23 to 52.9% in FY2026-27, a structural shift attributable to the Agnipath scheme.
- **Navy Revenue Expenditure:** USD 6.9 billion, with the Navy's share rising to 17% of the defence services budget — up from 15% in FY2018-19 — reflecting heightened maritime threat perceptions and India's growing blue-water ambitions.
- **Air Force Revenue Expenditure:** USD 9.1 billion, with a 31% surge in aircraft and aero engine allocations reflecting the centrality of air power validated by Operation Sindoor.
- **Capital Outlay (Tri-services):** USD 22.6 billion, a 21.8% increase over FY2025-26, with 75% of the capital acquisition budget reserved for domestic procurement.
- **Other Expenditures** (including Joint Commands, DRDO, etc.): Defence pensions at USD 19.7 billion and DRDO at USD 3.2 billion, supporting long-term R&D and veteran welfare commitments.

This breakdown highlights the continued dominance of the Army in expenditure allocation, a rising Navy share consistent with India's maritime strategy, and the most significant capital investment surge in recent years driven by both modernisation imperatives and post-Operation Sindoor procurement requirements. For FY 2026–27, the budgetary allocation under capital head to the Defence Forces is over ₹2.19 lakh Crore, which is 21.84% more than Budget Estimates of FY 2025-26. Out of ₹2.19 lakh crore, ₹1.85 lakh crore has been earmarked for capital acquisition, representing an increase of approximately 24% over FY 2025–26.

Note: Revenue expenditure figures are sourced from PRS Legislative Research – Demand for Grants Analysis 2026-27. Capital expenditure figures are sourced from the 19th Report of the Standing Committee on Defence (Demand for Grants 2026-27).

Figure 16: Service-wise Revenue Expenditure and Capital Allocation FY2026-FY2027.

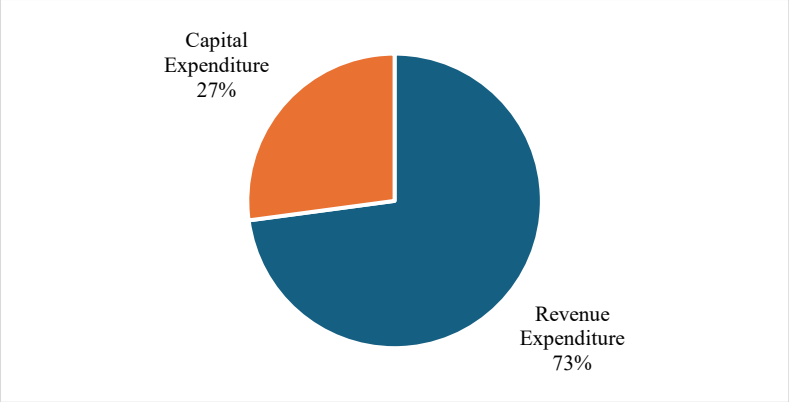


Source: Frost & Sullivan

5.3.2 Share of Capital versus Revenue Expenditure (FY2026-FY2027)

India’s defence expenditure in FY2027 remains overwhelmingly skewed toward revenue expenditure, which accounts for 73% of total outlays, compared to just 27% for capital spending.

Figure 17: Share of Capital versus Revenue Expenditure FY2026-FY2027



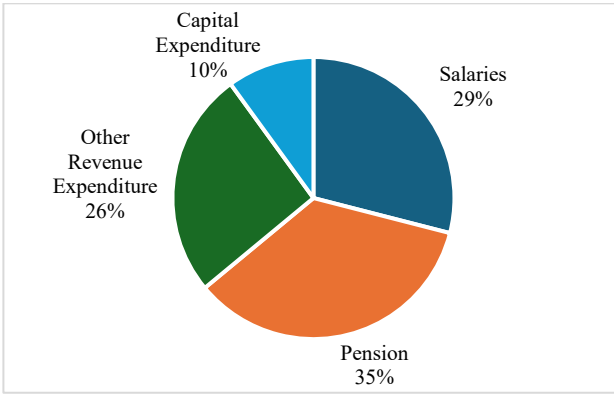
Source: PRS Legislative Research, Frost & Sullivan

5.3.3 Budgetary Allocation for the Indian Army

The Indian Army continues to command the largest share of the defence budget in absolute terms—approximately USD 49.43 billion in FY2027 . However, nearly 90% of this outlay is absorbed by revenue expenditure, primarily salaries and pensions, leaving limited fiscal headroom for modernization. Excluding defence pensions, the revised estimates of Indian Army's budget amounts to approximately USD 32.3 billion in FY2027.

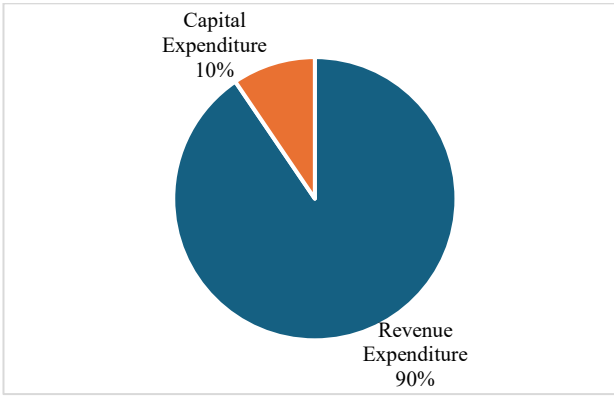
- Capital expenditure accounts for just 10% of the Army's budget, despite urgent recapitalization needs.
- Army's modernization share has shrunk to 20% of the total defence modernization budget, down from earlier benchmarks.
- Only 15% of Army equipment is classified as modern, far below the 30% target outlined in force transformation objectives FY2024-25.

Figure 18: Budget Composition of Indian Army, FY2026-FY2027 Revised Estimates



Sources: PRS Legislative Research, Frost & Sullivan

Figure 19: Revenue and Capital Expenditure of Indian Army, FY2026-FY2027



Sources: PRS Legislative Research, Frost & Sullivan

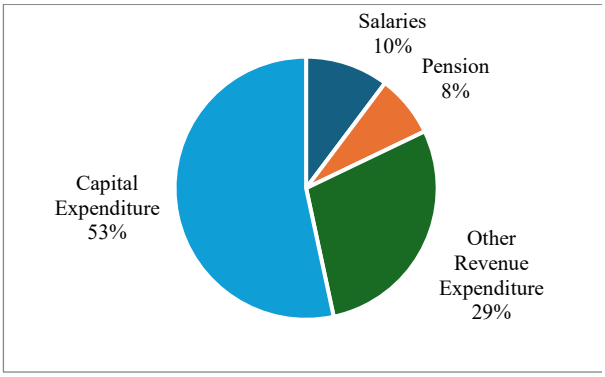
5.3.4 Budgetary Allocation for the Indian Navy

The Indian Navy's FY2027 budget stands at USD 14.8 billion, with a notably higher capital allocation share compared to the other services. Roughly 53% of the Navy's budget is dedicated to capital expenditure, reflecting its strategic pivot toward maritime deterrence and fleet expansion.

- The Navy is targeting a 175-platform force structure by FY2035, with 43 vessels currently under construction.
- It absorbs nearly 37% of India's total defence modernization budget, underscoring its growing strategic weight.

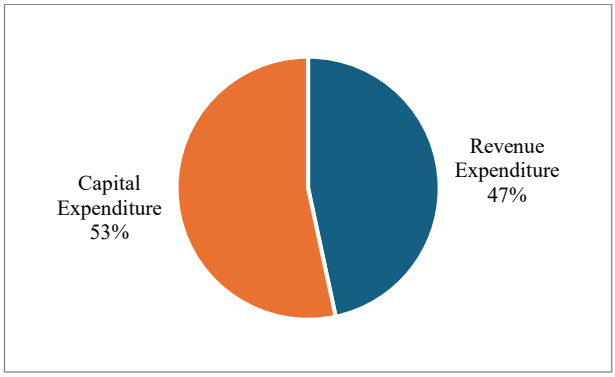
- Capital programs underway include:
    - Next-generation destroyers and stealth frigates
    - Conventional and nuclear-powered submarines
    - Aircraft carriers and naval UAVs

Figure 20: Budget Composition of Indian Navy, FY2026-FY2027 Revised Estimate.



Source: PRS Legislative Research, Frost & Sullivan

Figure 21: Split of Revenue Expenditure and Capital Expenditure, FY2026-FY2027



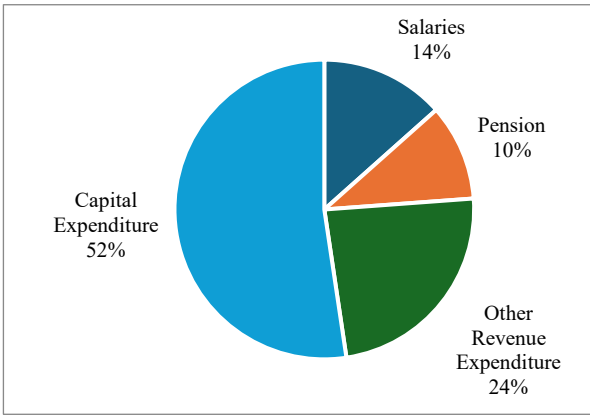
Source: PRS Legislative Research, Frost & Sullivan

5.3.5 Budgetary Allocation for the Indian Air Force

The Indian Air Force (IAF) has a FY2027 budgetary allocation of USD 19.1 billion, with 52% of the budget directed toward capital expenditure, the second-highest among the services.

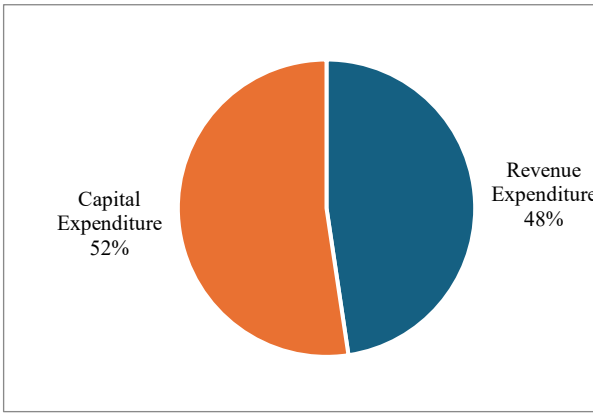
- The IAF continues to face acute platform shortfalls, with only 31 active fighter squadrons against a sanctioned strength of 42.
- Combat fleet strength is expected to decline further as Mig-21, Jaguar, and Mirage 2000 platforms near the end of service life.
- The IAF's key modernization thrusts include:
    - Induction of the HAL Tejas (LCA)
    - Procurement of mid-air refuellers and AWACS platforms
    - Development of 5th-generation AMCA fighters

Figure 22: Budget Composition of Indian Air Force, FY2026-FY2027 Revised Estimates.



Source: PRS Legislative Research, Frost & Sullivan

Figure 23: Split of Revenue Expenditure and Capital Expenditure, FY2026-FY2027.



Source: PRS Legislative Research, Frost & Sullivan

5.4 Growth Drivers of India's Defence Spending

India's defence spending trajectory is underpinned by both enduring geopolitical challenges and structural policy reforms aimed at fostering industrial autonomy, operational modernization, and global positioning. The following key growth drivers outline the foundational pillars influencing future expenditure.

5.4.1 Indian Defence Modernization Programs

India's ongoing modernization drive, centered around capability overhaul and doctrinal shift, is a primary catalyst for increased capital spending. The transformation spans across domains:

- **Combat platform renewal:** Replacement of legacy tanks (T-72), ICVs (BMP-1/2), aging fighter squadrons (Mig-21, Jaguar, Mirage 2000), and naval surface assets.
- **Emerging domains:** Investment in cyber warfare, space-based Intelligence, Surveillance, and Reconnaissance (ISR), integrated command systems, and multi-domain operations.
- **Force restructuring:** The move toward Theatre Commands and Integrated Battle Groups (IBGs) aims to streamline jointness and elevate operational readiness across regions.

5.4.2 Atmanirbhar Bharat: Prioritizing Domestic Production

The government's flagship Atmanirbhar Bharat (Self-Reliant India) vision has triggered a structural reorientation of India's defence procurement strategy. Defence is now treated as a strategic industrial sector, with policies designed to:

- Mandate domestic value addition in procurement
- Elevate Indian firms from build-to-print vendors to design-own-integrate producers
- Incentivize public-private partnerships, especially in electronics, optics, loitering munitions, and AI-enabled systems

Capital allocations are increasingly skewed toward indigenous suppliers, with the Ministry of Defence earmarking 75% of the capital acquisition budget (INR 1.39 lakh crore) for domestic procurement in FY2026–27.

5.4.3 Government Initiatives to Promote Defence Production

India's defence industrial push is anchored in reforms, funding support, and policies that drive self-reliance, innovation, and private sector participation.

A landmark step was the creation of the Chief of Defence Staff (CDS) and the Department of Military Affairs (DMA) in FY2019, streamlining coordination and accelerating indigenization. The DMA has since issued five positive indigenisation lists covering 500+ items, including missiles, aircraft, helicopters, ships, and advanced munitions, ensuring future procurement is domestically sourced.

5.4.3.1 Revised Procurement Priorities under DAP FY2020

The Defence Acquisition Procedure (DAP) has restructured acquisition categories to elevate Indian firms as system integrators, while progressively restricting foreign OEMs to roles of equity partners, tech providers, or subcontractors.

Key features include:

- **Indigenous Content (IC) Mandates:** The top four procurement categories—Buy (Indian-IDDM), Buy (Indian), Buy and Make (Indian), and Buy (Global – Manufacture in India)—now carry minimum IC thresholds of 50–60%, with the Buy (IDDM) category requiring Indian design ownership and at least 30% indigenous content.

- **FDI-Linked Execution Rights:** Foreign ownership under automatic approval is capped at 49% for IDDM and up to 74% for other categories, ensuring Indian strategic control while permitting technology access.

5.4.3.2 Make & Innovation Schemes

India has consolidated its industry-led prototyping and R&D initiatives into three pathways under the 'Make' umbrella:

Table 2: Make and Innovation Categories

Category	Features	FDI Cap
Make-I	70% govt-funded R&D, capped at INR 2.5B per agency	49%
Make-II	Self-funded prototypes for IC-based procurement	49%
Make-III	Import substitution for in-service equipment	74%

5.4.3.3 Offsets Reimagined

India's Offset Policy 2.0, embedded in DAP 2020, moves away from basic component offsets toward long-term tech transfer and platform-centric industrial participation:

- Offset banking has been eliminated to reduce transactional arbitrage; obligations must now directly link to program execution.

- Offsets can now be discharged via investment in Indian R&D, export facilitation, and dual-use tech transfer (e.g., hypersonics, DEWs).

- Major deals like the Rafale offset program (INR 59,000 crore contract with ~50% offset) now serve as templates for future joint production mandates.

5.4.3.4 Industrial Enablers and Infrastructure

- **Defence Industrial Corridors (UP and TN):** Anchor clusters to co-locate manufacturing, testing, and logistics with investor incentives and land grants.

- **SPMs (Special Purpose Mechanisms):** Enable fast-track procurement for critical needs via G2G or industry-specific pathways.

- **Defence Investor Cell:** Single-window clearance and grievance redressal for private and foreign investors.

- **Liberalized FDI Norms:** Since FY2014, FDI caps have been progressively relaxed from 26% to 49% under the automatic route, and to 74% for new licence-holders. Actual defence sector FDI inflows remain modest at USD 26.5 million over the 25-year period to September 2025, reflecting implementation challenges. India is now considering raising the automatic route limit to 74% for existing licence-holders – a move expected to unlock meaningful foreign investment in domestic defence manufacturing.

5.4.3.5 Regulatory Tailwinds for Domestic Manufacturing

The MOD is actively pushing for localization in DPSU supply chains and expanding private access to government-run testing facilities. In parallel, procurement regulations now favor:

- Indigenous design ownership and minimum Indian content thresholds
- Lifecycle support from Indian vendors for imported systems
- Tier-2 and Tier-3 private vendor development via partnering contracts and risk-sharing mechanisms

5.4.3.6 Reducing Import Dependence and Promoting Exports

India's twin focus on import substitution and export promotion has accelerated post-FY2020, driven by both strategic vulnerabilities and global opportunity:

- **Negative Import Lists:** Over 100 items across artillery, UAVs, sensors, and munitions are not embargoed for foreign purchase.
- **Positive Indigenization Lists:** Provides long-term visibility to industry on future procurement priorities. The Department of Military Affairs (DMA) has released five positive indgenisation lists of over 500 items, which will be manufactured within India.
- **Export growth:** India's defence exports crossed INR 38,424 crore (~USD 4.1 billion) in FY2025–26, a 19x increase over a decade and has exported defence equipment to over 100 countries, with the USA, France, and Armenia emerging as the top buyers. Recent flagship export deals include:
    - BrahMos supersonic cruise missile system sold to the Philippines in a USD 375 million contract, the first major export of an Indian strategic weapon system, followed by a USD 440 million BrahMos deal with Indonesia in February 2025, the second major export of the platform.
    - ALH Dhruv helicopters and offshore patrol vessels delivered to Mauritius, Maldives, and Seychelles.
    - The Dornier 228 light transport aircraft and Chetak helicopters, exported to countries across Southeast Asia and Africa, strengthening India's presence in non-traditional defence markets.
    - Radar systems and naval components exported to Armenia, Myanmar, and several Southeast Asian and African partners.
    - In CY2014, India's shipyards – GRSE and Goa Shipyard – exported an Offshore Patrol Vessel (CGS Barracuda) to Mauritius. In February CY2025, GRSE secured a new contract for the ship's refit, which includes routine overhaul, services, and critical component replacement.
    - India's Tata Advanced Systems Limited (TASL) won a contract with the Moroccan government to produce and deliver the Wheeled Armoured Platform (WhAP) 8x8 to the Royal Moroccan Army in FY2024.
    - India and the EU signed a Security and Defence Partnership on January 27, 2026, opening structured cooperation on defence exports, joint development, and industrial collaboration with EU member states.

Key export focus areas include:

- Loitering munitions and counter-drone systems
- Electro-optic payloads and radars

- Naval platforms and maintenance services
- Simulator, C4Intelligence, Surveillance, and Reconnaissance (ISR), and drone subsystems

India's aim to become a net defence exporter by the early FY2030s is supported by G2G frameworks, line-of-credit-based sales, and policy backing via DGDE and Indian Defence Attachés abroad.

5.4.4 Strategic Military Developments – China, Pakistan, and Beyond

Regional security dynamics remain the most acute and persistent driver of defence spending:

China Factor:

- Continued standoff across the Line of Actual Control (LAC) despite disengagement agreements.
- China's naval expansion in the Indian Ocean Region and dual-use port investments in Pakistan, Sri Lanka, and East Africa.
- Military infrastructure race in the Himalayas, forcing India to expand dual-use tunnels, airstrips, and Intelligence, Surveillance, and Reconnaissance (ISR) coverage.
- China-Pakistan military alignment, including joint exercises, weapons transfers, and UAV cooperation.

India–Pakistan Flashpoints:

- Although cross-LoC exchanges have reduced post-FY2021 ceasefire reaffirmation, Pakistan remains a conventional and sub-conventional threat vector.
- Emphasis on counter-terror operations, airbase defence, and border surveillance continues.

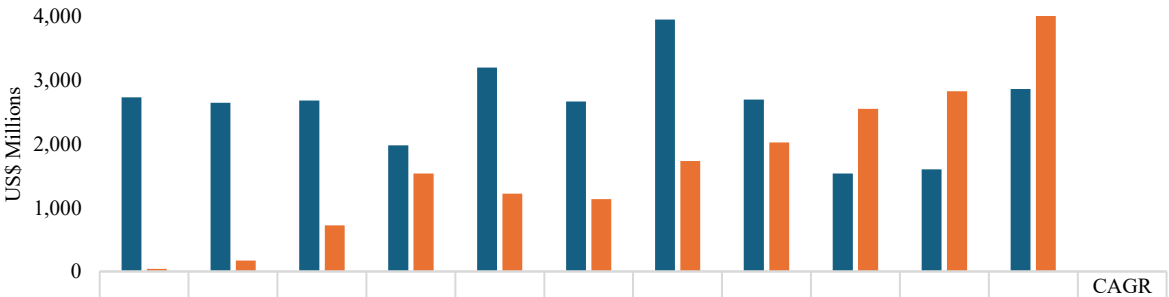
Other developments:

- Instability in Bangladesh and Myanmar adds complexity to India's eastern flank.
- Rising Indo-Pacific cooperation (e.g., QUAD, Indo-French naval ties) compels increased maritime and aerospace investment.

5.5 India's Defence Exports and Imports

In India's defence trade profile has undergone a significant transformation over the last decade, reflecting the dual priorities of import substitution and export growth as part of the broader national ambition for defence self-reliance.

Figure 24: Total value of defence goods imported and exported by India, FY2015 to FY2025



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	CAGR (2015-2025)
Import	2,733	2,651	2,682	1,982	3,202	2,670	3,958	2,701	1,540	1,603	2,863	0.47%
Export	42	172	726	1,537	1,223	1,138	1,733	2,025	2,553	2,828	4,416	59.29%

Source: SIPRI Arms Transfer Database

5.5.1 Defence Import Trends

India's defence imports, long among the highest globally, declined from a peak of USD 3,958 million in FY2021 to USD 1,540 million in FY2023, before recovering to USD 2,863 million in FY2025 — a 0.47% CAGR over the decade, reflecting structural volatility rather than sustained decline. This trend underscores several key structural and policy shifts:

- **Local Indigenisation and Procurement Reforms:** Through schemes such as Buy (Indian-IDDM), the Defence Acquisition Procedure (DAP) has deprioritised direct imports in favour of domestic system integration.
- **Export Control Streamlining and Dual-Use Substitution:** Many formerly imported dual-use systems are now sourced domestically via innovation programs like iDEX and DRDO's Technology Development Fund (TDF).
- **Geopolitical Risk Mitigation:** Heightened operational tempo following Operation Sindoor and the broader Middle East conflict has driven renewed emergency procurement, contributing to the import rebound seen in FY2024-25, even as India continues to reduce structural dependency on legacy Russian platforms.

5.5.2 Defence Export Surge and Strategic Reorientation

India's defence exports have witnessed exceptional growth over the last decade — a 59.3% CAGR — rising from USD 42 million in FY2015 to USD 4,416 million in FY2025, with the private sector now outpacing DPSUs in export value. Key enablers include:

- **Policy Reforms:** Relaxation of licensing, the establishment of the Defence Export Authorisation System, and reorientation of the offset policy (DAP 2020) to emphasise technology and platform-level exports.
- **Private Sector Leadership:** Firms such as Paras Defence, Bharat Forge, Larsen & Toubro, and Tonbo Imaging have emerged as leading exporters, particularly in electro-optics, armored systems, missile subsystems, and marine platforms.
- **Strategic Export Targets:** The GoI aims to achieve USD 5.9 billion (₹50,000 crore) in annual exports by FY2029-30, as part of a broader USD 35 billion (₹3 lakh crore) defence production target.

5.5.3 Export Destinations and Deal Highlights

The target countries for exports include South Africa, Thailand, Azerbaijan, Singapore, Sweden, Seychelles, Indonesia, Estonia, the Philippines, Guinea, Lebanon, Qatar, Iraq, Uruguay, Ecuador, Japan, Egypt, the United States, Finland, Australia, France, Germany, the Netherlands, and Israel.

Recent exports to other countries:

Table 3: Key Defence Export Programs

Country	Budget	System Type	Details
Philippines	USD 375 million	Missile System	BrahMos shore-based anti-ship missile system (FY2022)
Vietnam	USD 100 million (Line of Credit)	Naval Platform	12 High Speed Guard Boats; lightweight torpedoes exported
Myanmar	USD 37.9 million	Naval Platform	Export of lightweight torpedoes (FY2017)
Malaysia	Not disclosed	Avionics	Export of Avionics for Sukhoi Su-30MKM
Singapore	USD 123,780	Radar Components	Export of radar components
United Arab Emirates	USD 21 million	Protection Equipment & Artillery	Mine-protected vehicles, helmets, soft armour, over-vests, helicopter protection kits; artillery gun components (FY2017)

Country	Budget	System Type	Details
Germany	Not disclosed	Protection Equipment	Bomb suppression blankets, helmets, cartridges, soft armour panels
Armenia	USD 265 million	Radar & Artillery Systems	Weapon locating radar systems; 4 Pinaka batteries and other equipment (FY2023)
Mauritius	USD 27 million	Naval Platforms	1 Fast Patrol Vessel, and 11 Fast Interceptor Boats exported

Source: Frost & Sullivan Analysis, Ministry of Defence, India

5.6 Indian Defence Industry Policy and Regulation Updates

Since FY2020, India's defence sector has undergone major policy overhauls aimed at indigenisation, procurement reform, and private/foreign investment. These changes mark a decisive break from legacy frameworks and are reshaping the industry landscape.

Defence Acquisition Procedure (DAP) 2020: Introduced in October FY2020, DAP streamlined capital acquisitions, prioritised Buy Indian (IDDM), and introduced the "Buy (Global–Manufacture in India)" category to attract foreign OEMs to set up local production. Simplified "Make" provisions encourage domestic R&D, while offsets were removed for government-to-government and single-vendor deals to expedite urgent procurement. Early results include large-scale contracts such as the Army's INR 7,000 crore ATAGS order under the Buy Indian–IDDM route.

Table 4: Prioritised Defence Procurement Categories

Procurement Category	Indigenous Content (IC) Requirement	Eligible Vendors	Maximum FDI cap allowed under automatic route
Buy (Indian-IDDM)	Indigenous Design & IC of ≥ 50%	Indian firm	49%
Buy (Indian)	50% IC if Indigenous Design; Otherwise, IC of ≥ 60%	Indian firm	74%
Buy and Make (Indian)	≥50% IC in Make Portion	Indian firm	74%
Buy (Global-Manufacture in India)	IC of ≥50%	Foreign firm	74%
Buy (Global)	Foreign Vendor- NIL Indian Vendor ≥30% IC	Foreign/Indian firm	NA (Foreign); 74% (Indian)

Source: Ministry of Defence, India, Defence Procurement Category, FDI Capital Procedure FY2020

Positive Indigenisation Lists (Import Bans): Since August FY2020, the Ministry of Defence has issued five lists covering 509 items—from fighter aircraft, UAVs, and artillery guns to spares and line-replacement units. These legally enforce procurement only from domestic sources by set cut-off dates (FY2020–FY2027). DPSUs have also issued parallel lists, with the 5th list in FY2024 covering 346 items. The bans have already halted imports of key platforms (e.g., missiles, helicopters) and spurred joint ventures, new production lines, and technology transfers to meet domestic demand.

Table 5: Positive Indigenization List (Compiled from Ministry of Defence)

Positive Indigenization List	
1st List	101

2nd List	108
3rd List	101
4th List	101
5th List	98

Source: Ministry of Defence, India

- **Defence Production and Export Promotion Policy (DPEPP) FY2020:**

  Launched in August FY2020 as the central policy framework for India's defence industrial roadmap.

  Production target: USD 25bn by FY2025

  Actual FY2025 production: INR 1.54 lakh crore (~USD 17.7 billion) – production tripled from FY2015 levels.

  Revised target: INR 3 lakh crore (~USD 35 billion) by FY2029-30.

  Export target: USD 5bn by FY2025

  Actual FY2025 exports: INR 23,622 crore (~USD 2.76 billion).

  FY2026 exports: INR 38,424 crore (~USD 4.1 billion).

  Revised target: INR 50,000 crore (~USD 5.9 billion) by FY2029-30.

- **Higher FDI Limits and Investment Incentives:**

  In FY2020, the automatic route FDI cap increased from 49% to 74% to allow foreign OEMs majority control in Indian ventures without prior approval. FDI up to 100% allowed on a case-by-case basis for projects involving critical or niche technologies. Accompanied by:

  Liberalized licensing norms for dual-use and defence items.

  Single-window digital platform for industrial clearances and compliance.

- **Budgetary Prioritization of Domestic Procurement:**

  The Ministry of Defence has progressively ringfenced capital procurement for Indian firms:

  FY2021–22: 58% reserved for domestic sourcing.

  FY2022–23: increased to 68%.

  FY2023–24: record 75% (INR 1 lakh crore out of INR 1.63 lakh crore).

5.7 Key Trends in the Indian Defence Industry

Several dominant trends are now shaping the trajectory of India's defence industry, reflecting the impact of the indigenization drive, policy reforms, and the changing strategic context. These trends highlight how India's defence sector is positioning itself for the future, in terms of military capability, industrial opportunities, and geopolitical alignment:

5.7.1 Stronger Self-Reliance and Indigenous Innovation

Shift to Domestic Design and Production: Import content in India's defence systems has dropped significantly—from 65–70% two decades ago to ~35% today. About 65% of defence requirements are now met domestically.

Strategic Autonomy and Resilience: This transition enhances India's ability to manage crises independently, minimizing disruption from sanctions or foreign supply shocks.

Innovation Ecosystem: iDEX, increased R&D allocations, and DRDO-private sector partnerships have enabled breakthroughs in hypersonics, artificial intelligence, unmanned combat aerial vehicle, and next-gen platforms like Advanced Medium Combat Aircraft (AMCA).

5.7.2 Rising Defence Exports and "Make in India for the World"

Export Trajectory: Defence exports reached INR 21,000 crore in FY2024, with goals to scale to INR 35,000–50,000 crore (~USD 5–6 billion) by FY2030.

Product Mix: Exports span missiles (BrahMos, Akash), patrol boats, aircraft spares, radars, and body armour, showcasing multi-domain capability.

Diplomatic Leverage: Platforms like Tejas, BrahMos, and Akash are marketed to nations in Southeast Asia, Africa, and the Middle East, reinforcing India's role as a strategic partner.

5.7.3 Expanding Private Sector and MSME Participation

Diversified Participation: Large players (Tata, L&T, Mahindra) and startups are now involved across domains—naval platforms, artillery, missiles, electronics, and drones.

Growing Share: Private firms now contribute ~20% of total defence production.

MSME Backbone: 15,000+ MSMEs serve as critical suppliers, supporting component and sub-system delivery for larger platforms.

5.7.4 Public Sector Modernization and Efficiency Gains

OFB Reforms: In FY2021, OFB was split into 7 DPSUs to improve accountability and specialization.

Production and Export Push: DPSUs like HAL and BEL are streamlining operations and securing export orders (e.g., Tejas, helicopters).

Public-Private Synergy: DRDO increasingly engages private players for production, as seen in joint efforts like the ATAGS howitzer with Tata and Bharat Forge.

5.7.5 Steady Increase in Defence Spending and Modernization

Budgetary Growth: India's defence outlay rose from INR 2.53 lakh crore (FY2013–14) to INR 6.81 lakh crore (FY2025–26), now the world's 3rd largest military spender.

Capital Investment: More funds are now earmarked for modernization (e.g. FICV, 45,000-tonne warships, UCAVs), with projects increasingly routed through Indian firms.

Strategic Alignment: Military capability roadmaps are being aligned with industrial capacity plans—ensuring predictable demand pipelines.

Industry Opportunity: With projected defence spending to hit ~USD 100 billion annually by FY2030, Indian industry is positioned for a decade of exponential opportunity.

5.8 India's Defence Modernization Programs and Procurement Opportunities

5.8.1 Programs under the Indian Navy

Table 6: Key Programs under the Indian Navy

Program Name	Budget	Timeline Expected (FY)	Electro-Optical/Infrared Relevance
Next Generation Destroyers (Project 18) - 8–10 nos.	USD 10+ billion	Construction start ~FY2027, deliveries FY2032+	Panoramic IRST, multiple EO fire-control systems (EOFCs), and EO integration for missile cells (144 VLS).
Next Generation Frigates (Project 17B) – 7-8 nos.	~USD 8.1 billion (₹70,000 cr)	Contract FY2026, deliveries FY2030+	Indigenous EOFCs, IRST, and missile seeker/launcher EO integration.
Mine Counter Measures Vessels (MCMV) – 12 nos.	~USD 5.1 billion (₹44,000 cr)	Selection FY2026, deliveries FY2030–FY2037	Electro-Optical/Infrared payloads for both motherships and autonomous mine-hunting systems.
Extra Large Unmanned Underwater Vehicles (XLUUV) – 12 nos.	~USD 290 million (₹2,500 cr)	Prototype FY2026, 12 units by FY2030+	Retractable mast with compact Electro-Optical/Infrared seeker package.
Autonomous Surface Vessels (USV/ASV) – 12+ units	Not disclosed	FY2027+	360° panoramic Electro-Optical/Infrared for autonomous navigation and situational awareness.
Multi-Mission Support Ships (MMSS) – 2 nos.	Not disclosed	FY2027–FY2029	Long-range Electro-Optical/Infrared systems integrated with EOFCs for targeting and surveillance.

Source: Ministry of Defence, India

5.8.2 Programs under the Indian Army

Table 7: Key Programs under the Indian Army

Program Name	Budget	Timeline Expected	Electro-Optical/Infrared Relevance
Future Ready Combat Vehicle (FRCV) – 1,770 nos.	~USD 17.4 billion (₹1.5 lakh cr)	Prototypes by FY2027; induction FY2030	360° Commander's Sight and Gunner's Thermal Sight with Electro-Optical/Infrared; critical for anti-tank guided missiles and integration with command launcher/fire-control systems.
Zorawar Light Tank – 300-350 nos.	Not disclosed	User trials FY2025; induction FY2026–27	Compact stabilized Electro-Optical/Infrared sighting for GLATGM and RWS integration; panoramic sights to support all-weather surveillance.
Arjun Mk-1A & Mk-II Upgrade – 118 (Mk-1A); Mk-II TBD	Not disclosed	Mk-1A deliveries FY2024–26; Mk-II by FY2026–27	Commander's Panoramic Sight and advanced COAPS Electro-Optical/Infrared systems integrated with guidance and missile fire-control units.
T-72 Combat Improved Ajeya (CI-Ajeya) – 1,000 nos.	Not disclosed	Completion by FY2026	Fire-control system overhaul; Electro-Optical/Infrared upgrades central to modernization.
K9 Vajra-T Self-Propelled Howitzer – 200+ nos.	~USD 0.88 billion (₹7,628.7 cr)	Deliveries FY2025–28	Electro-Optical/Infrared-driven PWGS domain: terminal seekers for precision-guided artillery munitions (imaging IR/laser).
Advanced Towed Artillery Gun System (ATAGS) – 307 nos.	~USD 927 million (₹8,000 cr)	Manufacturing from FY2025	Advanced Electro-Optical/Infrared terminal seekers and targeting kits for precision fires.

Source: Ministry of Defence, India

5.8.3 Programs under the Indian Air Force

Table 8: Key Programs under the Indian Air Force

Program Name	Budget	Timeline Expected (FY)	Electro-Optical/Infrared Relevance
Advanced Medium Combat Aircraft (AMCA) – 120-125 nos (Air Force & Navy)	~USD 1.7 billion (₹15,000 cr, prototype phase)	Prototype rollout FY2028–29; first flight FY2029; induction FY2034; series production FY2035	Advanced Electro-Optical/Infrared suite: forward-looking EOTS, IRST, and DAS with embedded IR sensors. Linked to seekers for precision-guided munitions integrated into the weapons bay.
LCA Tejas Mark 1A - 83 ordered + 97 planned	~USD 13 billion (₹48,000 cr + ₹67,000 cr)	Deliveries FY2025–FY2029; full fleet by FY2031–32	Lightweight Electro-Optical/Infrared pods and PWGS integration with laser-guided bombs and IR-guided missiles for precision strike.
LCA Tejas Mark 2 – 120 nos. (up to 210 expected)	~USD 1.2 billion (₹10,000 cr)	First flight FY2025–26; operational FY2028; mass production FY2029–30	Advanced IRST, Electro-Optical/Infrared pods, and associated seekers to support expanded strike and air-superiority roles.
Multi-Role Fighter Aircraft (MRFA) – 114 nos.	~USD 13.9-17.4 billion (₹1.20–1.50 lakh cr)	RFP FY2025–26; induction post-FY2028	Electro-Optical/Infrared targeting pods, missile seekers, and PWGS systems under co-production and ToT frameworks.
Super Sukhoi Upgrade (Su-30 MKI) - 84 nos. (up to 259 expected)	~USD 6.9–7.3 billion (₹60,000–63,000 cr)	D&D FY2025–30; upgrades through FY2040	Electro-Optical/Infrared modernization with new targeting pods and IRST systems, enabling integration of next-gen missiles with PWGS seekers.
Jaguar DARIN-III Upgrade – 120 nos.	~USD 3 billion (engines; INR not specified)	Service extension to FY2035+	Advanced Electro-Optical/Infrared reconnaissance pods and PWGS kits for bombs/missiles; sustainment of deep-strike role.

Source: Ministry of Defence, India

5.8.4 Development Programs under Defence Public Sector Undertaking (DPSU)

Table 9: Key Development Programs under DPSUs.

Program Name	Budget	Timeline Expected (FY)	Electro-Optical/Infrared Relevance
Hypersonic Missile Programs (Project Vishnu, BrahMos-II – 12 systems)	Not disclosed	Development; first test FY2024; more tests FY2025–27	Advanced terminal seeker capable of operating through plasma sheath at hypersonic speeds. Likely state-of-the-art IIR seeker or specialized RF/millimeter-wave radar with hardened optics.
BrahMos II (Hypersonic Cruise Missile)	Not disclosed; high cost, R&D intensive	Advanced R&D; ground test FY2025; flight test FY2026–27	Robust IIR/RF terminal seeker and PWGS able to survive hypersonic conditions and guide with extreme precision beyond Mach 5.

Program Name	Budget	Timeline Expected (FY)	Electro-Optical/Infrared Relevance
Vehicle-Mounted Laser Directed Energy Weapon Mk-II(A)	Not specifically disclosed for this program	Field trials completed April FY2025; induction expected to begin late FY2025–FY2026	Directed Energy System (DES–HPL): Electro-Optical/Infrared stabilization for laser beam control and target tracking.
DURGA-II (Directionally Unrestricted Ray-Gun Array, prototype)	Approx. $100 million allocated for DURGA-II development	Prototype test in FY2025; operational induction likely post-FY2026	Advanced Electro-Optical/Infrared target acquisition modules for aiming and beam stabilization.
High Power Microwave (HPM) DEW ("WaveStrike" & DRDO HPM)	Not specifically disclosed for this program	Induction expected by late FY2026; ongoing trials and prototype deployments	Electro-Optical/Infrared subsystems to track, classify, and lock onto drones/UAS prior to disruption via microwave pulses.
Project Surya (modular scalable DEW)	Not disclosed	300 kW demo by FY2027; megawatt-class future systems	Electro-Optical/Infrared modules essential for beam alignment, precision tracking, and adaptive optics in scalable power configurations.

Source: Ministry of Defence India, Frost & Sullivan Analysis

6. Strategic Defence Electronics Industry

Defence electronics are the sensor, computing, communications, and control subsystems that let military platforms sense, decide, and act. They span sensing (Electro-Optical/Infrared, radar, ESM/EW, acoustic), navigation and timing (INS, GNSS, altimetry), onboard processing and AI (mission computers, DSP/FPGA/GPU, data-fusion), secure communications and networking (RF datalinks, SATCOM, FSO), human–machine interfaces (displays, sights), power/thermal management, and weapon electronics (seekers, fuzes, guidance and fire-control). These rugged, low-SWaP, cyber-resilient building blocks cut across soldiers, vehicles, ships, aircraft, missiles, and unmanned systems, and integrate with C4Intelligence, Surveillance, and Reconnaissance (ISR) for interoperable, network-centric operations.

6.1 Market Sizing for Defence Electronics

The global defence electronics market expanded from USD 60.7 billion in CY2020 to a projected USD 232.1 billion by CY2030, reflecting a CAGR of 14.4%. Growth is driven by digitization, modernization of legacy platforms, and rising demand for electronic warfare and surveillance.

Key drivers across all markets include:

Electronic Warfare (EW), C4Intelligence, Surveillance, and Reconnaissance (ISR), and Sensor Fusion: Militaries are prioritizing spectrum dominance, integrating EW with C4Intelligence, Surveillance, and Reconnaissance (ISR) to detect and disrupt adversaries, and deploying multi-domain sensor fusion (Electro-Optical/Infrared, RF, acoustic) for real-time intelligence. Interoperability across architecture is becoming a strategic necessity.

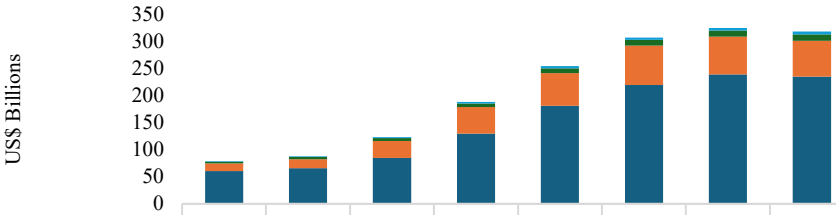
High Budgets: Sustained allocations in the U.S., China, India, and Europe fund modernization, Intelligence, Surveillance, and Reconnaissance (ISR) expansion, and procurement of advanced systems, securing long-term demand.

Evolving Threats: Cyberattacks, grey-zone tactics, and hybrid warfare are driving investment in layered, multi-

domain defence—including network resilience, space-based Intelligence, Surveillance, and Reconnaissance (ISR), and rapid-response capabilities.

Technological Advances: AI and machine learning accelerate detection and targeting; edge computing enables low-latency processing at the source; quantum-secure networks strengthen command continuity against cyber and EW threats.

Figure 25: Defence Electronics Market Forecast, Global & Growth Markets, CY2020-CY2030



	2020	2021	2022	2023	2024	2025	2026 (P)	2027 (P)	2028 (P)	2029 (P)	2030 (P)	CAGR (2020-2030)
Growth Markets	0.92	1.26	2.10	3.29	3.91	4.05	4.52	4.81	4.25	4.65	4.21	16.4%
India	3.21	4.25	4.94	6.19	8.51	10.57	11.39	11.90	14.74	17.71	17.64	18.6%
Europe	14.08	16.47	31.53	49.23	60.67	72.59	69.61	66.67	66.73	63.55	65.30	16.6%
Global	60.65	65.98	84.87	129.72	181.18	219.79	239.38	234.83	236.68	237.71	232.07	14.4%

"Growth Markets" refers to emerging defence electronics markets including the Philippines, Indonesia, Nigeria, and Morocco.

Source: Frost & Sullivan

6.1.1 Europe

Market projected to grow from USD 14.1 billion (CY2020) to USD 65.3 billion (CY2030), CAGR 16.6%.

Growth driven by NATO modernization pressures, with allies pledging in July 2025 to raise defence spending to 5% of GDP by CY2035 (up from the 2% baseline).

The Russia–Ukraine war has accelerated investments in C4Intelligence, Surveillance, and Reconnaissance (ISR), integrated air defence, and EW systems.

EU-led programs (PESCO, EDF) are fueling collaborative procurement of digital battlefield systems and secure communications.

Clear pivot toward sovereign electronics and cyber-defence capabilities, reducing reliance on U.S. and Israeli suppliers.

6.1.2 India

Market forecast to expand from USD 3.2 billion (CY2020) to USD 17.6 billion (CY2030), CAGR 18.6% — the fastest globally.

Driven by indigenization initiatives (Make in India, iDEX), fostering a wave of local OEMs and startups.

Procurement emphasizes AI-enabled surveillance, secure comms, and sensor fusion across services.

Modernization roadmap prioritizes radars, EW suites, and integrated C2 infrastructure, particularly for northern borders and the IOR.

Rising exports of Indian-developed systems to Southeast Asia and Africa are expected to enhance scale and competitiveness.

6.1.3 Growth Markets (Philippines, Indonesia, Nigeria, Morocco)

Collectively growing from USD 918 million (CY2020) to USD 4.2 billion (CY2030), CAGR 16.4%, peaking in

CY2029.

Philippines & Indonesia: Rapid maritime-domain and Intelligence, Surveillance, and Reconnaissance (ISR) investments, supported by U.S. FMF and Japanese/Australian grants.

Philippines: Contracted Shore-Based Air Surveillance Radars from Japan; MoUs with U.S. for C4Intelligence, Surveillance, and Reconnaissance (ISR) upgrades.

Indonesia: Procuring long-range radar networks, UAV-based Intelligence, Surveillance, and Reconnaissance (ISR), and naval combat system upgrades.

6.2 Contribution of Defence Electronics in the Overall Defence Equipment Industry

Defence electronics has steadily increased its share of the total cost composition of defence platforms over the past decade, a trend that is set to accelerate through CY2030. Across most modern military systems —surface combatants, combat aircraft, unmanned systems and ground vehicles — electronics now account for 30% to 60% of total platform costs, as militaries globally pivot toward connected, digital, and autonomous warfare.

Table 10: Electronics Share in Combat, Support, and Strategic Platforms

Platform Type	Electronics Share (% of Total System Cost)	Key Electronic Systems, & Subsystems
Combat Aircraft	40-50%	Avionics suites, EW (Electronic Warfare) systems, radar, secure datalinks, sensor fusion for Intelligence, Surveillance, and Reconnaissance (ISR) & targeting
Combat Vehicles (BMTs, APCs, Recon Vehicles)	35-60%	Digitized fire-control systems, Battlefield Management Systems (BMS), active protection systems, Electro-Optical/Infrared surveillance payloads
Surface Combatants & Submarines	30-50%	Navigation systems, sonar, EW, secure communications, integrated combat management systems, radar/weapon control suites, EMP hardening
Support Vessels (Landing Ships, Logistics Platforms)	30-36%	Radar, communication relays, missile defence systems, C2 (Command & Control) infrastructure
Missile Systems & UAS Platforms	Up to 60%	Advanced seeker heads, navigation systems, secure datalinks, onboard computing for guidance & control
Radars, EW Pods, Communication Nodes	~100%	Fully electronic systems including radar transmit/receive modules, EW jammers, secure communication nodes, signal processing units

Source: Frost & Sullivan

This rising electronic content is fundamentally reshaping procurement strategies. Rather than focusing solely on hulls, airframes, or mobility systems, modern militaries are prioritizing electronic performance, interoperability, and survivability in contested environments. As a result:

Defence electronics is growing faster than the overall defence equipment market, with its share of total defence spending expected to climb from ~25% in CY2020 to over 35% by CY2030.

This shift is even more pronounced in programs involving Intelligence, Surveillance, and Reconnaissance (ISR), integrated air defence, multi-domain command and control, and autonomous systems, where electronics dominate both cost and capability envelopes.

A growing global trend in modern battlefield digitisation is the adoption of ATAK as a de-facto standard for connected soldier systems and real-time information sharing. ATAK is a global standard for connected

systems on the battlefield and information sharing. It provides better situational awareness by assimilating information from sights, handheld imagers and drone imagery.

6.3 Value Chain of Defence Electronics

The defence electronics industry underpins modern military capability by enabling sensing, decision support, communication, and engagement. These functions span Observation, Understanding, Communication, and Offensive systems, which together form the backbone of network-centric warfare. Electronics now account for a growing share of equipment value as militaries modernize aircraft, missiles, radars, and communication suites.

6.3.1 Observation

Provides situational awareness across land, air, sea, and space through Intelligence, Surveillance, and Reconnaissance (ISR) platforms: Electro-Optical/Infrared sensors, radars, sonar, Unmanned Aerial Vehicles (UAVs), Airborne Warning and Control System (AWACS), and satellites.

Space-based sensors and persistent drones are expanding coverage; example: Joint STARS radar aircraft tracking mobile ground units.

Conflicts in Ukraine and Gaza underscore rising demand for persistent Intelligence, Surveillance, and Reconnaissance (ISR) and drone-based surveillance as early-warning and targeting tools.

Figure 26: A Royal Australian Air Force E-7A Wedgetail. It provides airborne surveillance and early warning systems.



Source: US Air Force

Table 11: Observation Value Chain, Global

Company	Country	Sector	Portfolio/Edge	Recent Launch/ Partnership	Revenue (CY2025)
Lockheed Martin	USA	Private	Tier-1 multi-domain Intelligence, Surveillance, and Reconnaissance (ISR): AEW&C, space EO/SAR payloads, tactical Electro-Optical/Infrared turrets, distributed sensing	New payload and software refreshes across Intelligence, Surveillance, and Reconnaissance (ISR) mission systems; continued integrations with manned–unmanned teams	USD 75.0 Billion
Northrop Grumman	USA	Private	Global leader in AEW&C/GMTI radars, HALE Intelligence, Surveillance, and Reconnaissance (ISR) (e.g., Triton class),	Next-gen AESA radar & GMTI enhancements; autonomous Intelligence, Surveillance, and Reconnaissance (ISR)	USD 41.9 Billion

Company	Country	Sector	Portfolio/Edge	Recent Launch/ Partnership	Revenue (CY2025)
			multi-sensor fusion	constructs	
Thales	France	Government-linked	Strong Electro-Optical/Infrared turrets, optronics, maritime Intelligence, Surveillance, and Reconnaissance (ISR), border-surveillance systems	New-gen optronic sights/EO turrets and coastal Intelligence, Surveillance, and Reconnaissance (ISR) system upgrades	USD 23.9 Billion
Israel Aerospace Industries	Israel	Private	Full-stack Intelligence, Surveillance, and Reconnaissance (ISR): MALE UAVs, maritime patrol suites, Electro-Optical/Infrared turrets	New payload/ mission-suite updates; regional co-production MoUs	USD 7.4 Billion
Rafael	Israel	Government-linked	Air/ground radars, optronics, integrated border/coastal Intelligence, Surveillance, and Reconnaissance (ISR)	New TRS/AESA variants; optronics refresh for land/naval Intelligence, Surveillance, and Reconnaissance (ISR)	USD 6.8 Billion
Leonardo	Italy	Government-linked	Electro-Optical/Infrared turrets, AESA radars, maritime patrol Intelligence, Surveillance, and Reconnaissance (ISR) suites	Electro-Optical/Infrared turret upgrades; MPA mission system wins	USD 21.1 Billion
Airbus Defence & Space	EU	Government-linked	Space EO/SAR constellations, manned Intelligence, Surveillance, and Reconnaissance (ISR) (C-295 MPA), HAPS	HAPS/space imaging updates; Intelligence, Surveillance, and Reconnaissance (ISR) mission kit upgrades	USD 14.5 Billion

Company	Country	Sector	Portfolio/Edge	Recent Launch/ Partnership	Revenue (FY2026)
Bharat Electronics Ltd.)	India	Public (PSU)	Prime Intelligence, Surveillance, and Reconnaissance (ISR) electronics: radars, Electro-Optical/Infrared sights, coastal/border Intelligence, Surveillance, and Reconnaissance (ISR)	New coastal Intelligence, Surveillance, and Reconnaissance (ISR) nodes & Electro-Optical/Infrared integrations with services	INR 276,101 Million
Data Patterns	India	Private	Niche Intelligence, Surveillance, and Reconnaissance (ISR)/avionics subsystems, Electro-Optical/Infrared	Payload electronics & avionics wins	INR 9,247 Million

			electronics, ground stations		
ideaForge	India	Private	Market-leading small-UAV Intelligence, Surveillance, and Reconnaissance (ISR) platforms	New long-endurance mini-UAV & payloads deliveries	INR 2,261 Million
Alpha Design Technologies	India	Private	Electro-Optical/Infrared sights, Intelligence, Surveillance, and Reconnaissance (ISR) integration, offsets/JVs	New integrations with DPSUs/foreign OEMs	INR 10,390 Million
Tonbo Imaging	India	Private	Low-SWaP Electro-Optical/Infrared Intelligence, Surveillance, and Reconnaissance (ISR) payloads; edge ATR; ATAK-native	Spartan refresh; GeoC/Gazehound; DRDO/DPSU Intelligence, Surveillance, and Reconnaissance (ISR) integrations	INR 3,626 Million

Source: Frost & Sullivan Analysis

6.3.2 Understanding

Converts multi-sensor data into actionable intelligence via target acquisition radars, fire-control systems, AI/ML analytics, and fusion algorithms.

AI-enabled systems distinguish real threats from clutter or decoys in real time (e.g., UAV video feeds, radar returns).

Automation at the tactical edge—onboard UAVs, armored vehicles, and naval platforms—reduces latency and accelerates the OODA loop (observe, orient, decide, act).

Figure 27: A Finnish Ground Master 400. It is a mobile long range radar system which can detect tactical aircrafts, UAVs and cruise missiles.



Table 12: Understanding Value Chain, Global

Company	Country	Sector	Portfolio/Edge	Recent Launch/ Partnership	Revenue (CY2025)
Raytheon Technologies	USA	Private	Tier-1 fire-control, IADS, interceptors; multi-sensor fusion and battle-management software	Upgrades across air & missile defence C2/fusion suites; new radar/FCR refreshes	USD 88.6 Billion

BAE Systems	UK	Private	Electronic systems, targeting pods, mission computers, EW/C2 integration	New FCR/mission-computer inserts; AI-assisted targeting & EW integration	USD 35.5 Billion
Elbit Systems	Israel	Private	Battle-management systems (BMS), fire-control, C4Intelligence, Surveillance, and Reconnaissance (ISR) apps; AI at the tactical edge	New BMS exports and turret/fire-control packages; ATR/edge-AI updates	USD 7.94 Billion
Palantir Technologies	USA	Private	Data fusion/AI decision platforms; cross-domain intel integration	Defence AI/ML operations expansions with allied MoDs	USD 4.8 Billion
Hensoldt	Germany	Private	Surveillance radars + fusion/C2 layers for GBAD & coastal Intelligence, Surveillance, and Reconnaissance (ISR)	New AESA/radar family refresh and fusion middleware	USD 2.8 Billion
Thales	France	Government-linked	C4I, Surveillance, and Reconnaissance (ISR) suites, optronics + AI analytics; air/land/naval combat systems	New C2/AI modules and BMS exports	USD 23.9 Billion
Leonardo	Italy	Government-linked	AESA radars, mission computers, integrated C2 for air & naval	Mission-system upgrades and MPA/Intelligence, Surveillance, and Reconnaissance (ISR) C2 deliveries	USD 21.1 Billion
Israel Aerospace Industries	Israel	Private	Mission systems for UAV/MPA; AI-enabled exploitation & C2	New UAV mission-suite & maritime C2 wins	USD 7.4 Billion

Company	Country	Sector	Portfolio/Edge	Recent Launch/ Partnership	Revenue (FY2026)
Bharat Electronics Ltd.	India	Public (PSU)	Prime contractor for C4I, BMS, air-defence fire-control, coastal/border C2	New command posts/BMS nodes & FCR integrations with Services	INR 276,101 Million
Tata Advanced Systems	India	Private	Mission systems & avionics integration; Intelligence, Surveillance, and Reconnaissance (ISR)/C2 packages with OEM partners	Avionics/mission-system integrations; joint programs with global primes	INR 51,231 Million (FY24-25)
Tonbo Imaging	India	Private	Electro-Optical/Infrared edge-AI (ATR & fusion),	DRDO IIR-seeker (FY2024); ATAK-	INR 3,626

Company	Country	Sector	Portfolio/Edge	Recent Launch/ Partnership	Revenue (FY2026)
			passive targeting processors, uncooled dual-mode seeker.	integrated sights/payloads.	Million

Source: Frost & Sullivan Analysis

6.3.3 Communication

Acts as the "nervous system" of modern forces, linking sensors, C2 nodes, and shooters.

Includes tactical radios, SATCOM, software-defined radios, and 5G-derived mesh networks.

Free-Space Optical (FSO) links and emerging quantum-secure networks offer high bandwidth and resilience against EW threats.

Examples: U.S. JADC2 for redundant multi-path routing; India's Defence Communication Network for secure, assured C3.

Figure 28: Joint Operations Center aboard the command ship USS Mount Whitney



Source: US Navy

Table 13: Communication Value Chain, Global

Company	Country	Sector	Portfolio/Edge	Recent Launch/ Partnership	Revenue (CY2025)
L3 Harris Technologies	USA	Private	Global leader in SDR tactical radios, MANET, data links, airborne & maritime comms; crypto & Type-1 heritage	New SDR/MANET waveform refreshes and multi-service interoperability awards	USD 21.9 Billion
Thales Group	France	Government-linked	Tier-1 for soldier radios, naval comm suites, secure SATCOM/C2; end-to-end cryptography	Next-gen soldier radio & naval comms upgrades with allied MoDs	USD 23.9 Billion
General Dynamics Mission Systems	USA	Private	Battlefield networking, tactical gateways, SATCOM ground seg., Blue-Force/MDT C2	Gateway/transport modernization awards; SATCOM terminal refresh	USD 52.6 Billion (Parent Company)

Company	Country	Sector	Portfolio/Edge	Recent Launch/ Partnership	Revenue (CY2025)
Airbus Defence & Space	EU	Government-linked	MILSATCOM prime, secure gov networks, airborne comms; pan-EU programs	MILSAT/secure network upgrades & national backbone extensions	USD 14.5 Billion
QinetiQ	UK	Private	Niche RF, EW-resilient comms, telemetry, assured PNT; test & eval for comm resilience	Protected comms/RF resilience pilots with UK/EU customers	USD 2.5 Billion

Company	Country	Sector	Portfolio/Edge	Recent Launch/ Partnership	Revenue (FY2026)
Bharat Electronics Ltd.	India	Public (PSU)	Prime for tri-service SDR, tactical networks, naval/air comms, crypto; large-scale production	New SDR family rollouts & secure network nodes for Services	INR 276,101 Million
Astra Microwave Products Ltd.	India	Private	RF/microwave subsystems for SATCOM & radars; payload/ground-seg. builds	New RF front-ends & SATCOM subsystem wins with Indian primes	INR 11,628 Million
Centum Electronics	India	Private	Avionics & communication electronics, power/RF modules; space & defence heritage	Fresh LRUs for comm/navigation stacks with DPSUs/OEMs	INR 9,530 Million
Tonbo Imaging	India	Private	Stabilized FSO links; compact optical terminals; ATAK video/track.	Vehicular/mast FSO trials; gimbal-integrated link control	INR 3,626 Million
Saankhya Labs	India	Private	Software-defined radios, SATCOM/terrestrial waveforms, edge modems	New SDR chipsets & modem platforms for defence/dual-use comms	NA

Source: Frost & Sullivan Analysis

6.3.4 Offensive

Encompasses precision-guidance electronics (GPS/INS, laser, IR, MMW seekers) for munitions, alongside Directed Energy Weapons (DEWs).

Loitering munitions integrate Intelligence, Surveillance, and Reconnaissance (ISR) and strike in one platform, enabling autonomous engagements.

HELs: U.S. Navy's LaWS, Israel's Iron Beam, and India's CY2025 DRDO laser trial (30 kW, drones neutralized at 5 km, ~$8k/shot) highlight operational advances.

HPM systems are proving effective in counter-UAS roles, while future DEW programs aim for 100–300 kW class systems across land, sea, and air platforms.

Figure 29: Directed Energy and Electric Weapon Systems Program Office of the US Navy



Source: US Navy

Table 14: Offensive Value Chain, Global

Company	Country	Sector	Portfolio/Edge	Recent Launch/ Partnership	Revenue (CY2025)
Lockheed Martin (USA)	USA	Private	Tier-1 for PGMs (JASSM class), seekers & guidance, and HEL (ship/land) integration	New precision-strike increments & HEL integration milestones	USD 75.0 Billion
Raytheon Technologies (USA)	USA	Private	Prime in air/air-defence interceptors, seekers, fuzes; HPM/RF effects R&D	Next-gen seeker/warhead upgrades; C-UAS effectors	USD 88.6 Billion
Northrop Grumman (USA)	USA	Private	Guidance, avionics, advanced seekers, and power/thermal for HEL	New seeker electronics & power conditioning awards	USD 41.9 Billion
Rafael (Israel)	Israel	Private	Combat-proven precision munitions and DES-ready sensors/cueing	Precision-strike kits & C-UAS integrations with allies	USD 6.8 Billion
MDBA (Europe)	Europe	Private	European prime for cruise/anti-ship/air-defence missiles; multi-mode seekers	European cooperative upgrades & export variants	USD 6.7 Billion

Company	Country	Sector	Portfolio/Edge	Recent Launch/ Partnership	Revenue (FY2026)
Bharat Dynamics Ltd.	India	Public (PSU)	National prime for guided missiles; builds seekers/guidance with Indian IP	New production lots & seeker/guidance localization	INR 24,420 Million
Paras Defence & Space Technologies (India)	India	Private	Electro-optics & laser subsystems; development contracts in DE/EO	New EO/laser modules & defence development orders	INR 4,765 Million
Bharat Forge (India)	India	Private	Artillery & smart munitions electronics; fire-control &	Tie-ups for precision artillery upgrades	INR 168,116

Company	Country	Sector	Portfolio/Edge	Recent Launch/ Partnership	Revenue (FY2026)
			precision kits		Million
Tonbo Imaging	India	Private	Uncooled dual-mode Electro-Optical/Infrared seekers; AI fire-control/guidance; Electro-Optical/Infrared cueing for HPM/loiterers.	DRDO IIR-seeker (FY2024); loiterer seeker/ATR updates.	INR 3,626 Million

Source: Frost & Sullivan Analysis

6.4 Global Program Opportunities in Defence Electronics

Table 15: Defence Electronics Program Opportunities, Global

Country	Program Name	Budget	Timeline Expected	Contract Links
USA	M-SHORAD Increment 1-4	Undisclosed (700+ units)	Present – CY2035	M-SHORAD Increment 1-4 Procurement
India	Future Ready Combat Vehicle (FRCV)	USD 17.4 Billion (1,200+ units)	FY2030	FRCV Procurement
India	Future Infantry Combat Vehicle (FICV)	$8.80 billion (1,750 units)	FY2028-FY2030	FICV Procurement
India	AMCA	$1.80 billion (125+ units)	FY2034 (First Flight – FY2028)	AMCA Procurement
India	ASW SWC Corvettes	Undisclosed (16 units)	FY2028	Indian Navy ASW-SWC Procurement

Source: Frost & Sullivan Analysis

7. Electro-Optical/Infrared Industry

7.1 Defining Electro-Optical/Infrared Systems and Intelligence, Surveillance, and Reconnaissance (ISR) Applications

7.1.1 Definition and Components

Electro-Optical/Infrared (Electro-Optical/Infrared) systems are advanced sensor suites that combine optical cameras and infrared imagers to detect, track, and identify targets across multiple wavelengths. They integrate:

- Electro-Optical (EO) sensors – capture visible-light imagery with high spatial resolution.
- Infrared (IR) sensors – detect thermal emissions for night vision or visibility through like smoke, fog, or haze.

Figure 30: Sniper equipped with Thermal Sights & Night Vision



Figure 31: A T-90 equipped with "Shtora-1" Electro-Optical/Infrared system



7.1.2 Key Features

- Long-range imaging optics for stand-off surveillance.
- Gyro-stabilization to ensure steady, clear images from moving platforms.
- Multi-spectral coverage enabling detection and identification in varied operational environments.
- Passive operation that detects reflected light or emitted heat without revealing the observer's position.

7.1.3 Role in the Intelligence, Surveillance, and Reconnaissance (ISR) Decision Cycle

Electro-Optical/Infrared imagery (e.g., high-resolution daylight photos or thermal infrared video) feeds directly into the Intelligence, Surveillance, and Reconnaissance (ISR) loop, where it can be fused with other intelligence streams for threat identification and command decision-making.

7.1.4 Civil and Dual-Use Applications

Beyond defence, Electro-Optical/Infrared systems support environmental monitoring, disaster response, and humanitarian operation, such as wildfire tracking, oil spill monitoring, and multi-spectral weather observation from satellites.

7.2 Evolution of Electro-Optical/Infrared Systems: Global and Indian Evolution

7.2.1 Global Evolution

7.2.1.1 CY1940s–1960s: Early Electro-Optical/Infrared Experiments (First Generation)

Electro-optical and infrared sensing began with experimental night-vision scopes and rudimentary heat detectors during World War II, enabling limited visibility in darkness. By the Vietnam War, the first Forward-Looking Infrared (FLIR) units emerged, using rotating optomechanical scanners and cryogenically cooled detectors to produce thermal images for pilots. These early systems were bulky, low-resolution, and deployed only on high-value platforms like reconnaissance aircraft.

7.2.1.2 CY1970s–1980s: Breakthroughs and Standardization (First to Second Generation)

The invention of solid-state focal plane arrays (FPAs) allowed "staring" thermal imagers without moving parts, improving reliability and image quality. The U.S. introduced Common Module FLIR programs, standardizing sensors for multiple platforms. Advances in microelectronics enabled on-board signal processing. Operationally, these systems played pivotal roles in NATO Cold War surveillance and Middle East conflicts, giving commanders the first credible all-weather, night targeting capability.

7.2.1.3 CY1990s–2000s: Multi-Sensor Integration and Battlefield Impact (Second Generation)

This era saw the debut of gyro-stabilized Electro-Optical/Infrared gimbals (e.g., FLIR SAFIRE series), integrating daylight TV, FLIR, and laser rangefinders/designators into one unit. Gulf War I (1991) demonstrated their value, with FLIR-equipped aircraft and tanks detecting camouflaged Iraqi forces at night and through smoke. The CY2000s brought uncooled microbolometer IR cameras (Vanadium Oxide, an amorphous silicon detectors),

enabling mass deployment for infantry, vehicles, and UAVs. Meanwhile, cooled mid-wave and long-wave IR sensors improved range for high-end platforms.

7.2.1.4 CY2010–Present: High-Definition, AI Integration, and Miniaturization (Third Generation)

Modern Electro-Optical/Infrared systems now feature high-definition digital sensors, multi-spectral imaging, and networked video streaming. Platforms like L3Harris WESCAM MX-Series and Teledyne FLIR Star SAFIRE incorporate GPS/INS geo-targeting, automated tracking, and optional hyperspectral or laser payloads. AI-enabled processing at the edge shortens the sensor-to-shooter cycle, as seen in Ukraine, where drones with Electro-Optical/Infrared turrets have guided artillery in real time.

7.2.2 Indian Evolution

7.2.1.1 Early Dependence on Imports (pre-FY2014)

For decades, India relied heavily on foreign-made Electro-Optical/Infrared equipment, importing high-performance IR detector arrays (Indium Antimonide/Mercury Cadmium Telluride sensors), precision optics, and stabilized gimbal assemblies from France, Israel, and the U.S. Examples include LITENING targeting pods for Jaguar and Su-30MKI aircraft from Rafael (Israel) and Catherine thermal sights from Thales (France) for Army tanks.

7.2.1.2 Shift Towards Self-Reliance (FY2014-18)

The Atmanirbhar Bharat initiative catalyzed indigenous R&D in Electro-Optical/Infrared. DRDO's Instruments Research & Development Establishment (IRDE) and Centre for Airborne Systems (CABS) have developed cooled/uncooled thermal imagers, night sights, and airborne multi-sensor gimbals.

- FY2023 Milestone: CABS unveiled an indigenously developed multi-sensor Electro-Optical/Infrared surveillance system integrating SWIR, day/night cameras, LRF, and laser illuminators, augmented by AI-based auto-tracking.
- Deployment Plans: Systems are slated for Indian Coast Guard maritime patrol aircraft to enhance vessel tracking and oil spill detection.

7.2.1.3 Industry Participation & Production Capacity (FY2019-23)

Bharat Electronics Ltd (BEL) manufactures thousands of Electro-Optical/Infrared products annually—over 15,000 thermal sights and 1,000+ cooled Electro-Optical/Infrared units for Army, Navy, and Air Force in the last five years. Private firms like Tonbo Imaging supply uncooled thermal weapon sights (e.g., Spartan series), IIR missile seekers, and AI-enabled vision systems to both Indian forces and export customers.

7.2.1.4 Recent RFPs & Contracts (FY2026)

- BEL: INR 1,251 crore MoD contract for indigenous Ground Based Mobile ELINT System for the Indian Army .
- Tonbo Imaging: Electro-Optical Tracking System contract with ITR/DRDO.
- ideaForge: IR 137 crore emergency procurement order from the Indian Army for hybrid Mini UAVs for ISR operations.
- Paras Defence: INR 80.28 crore DRDO contract for high-precision optical system for air defence platforms.

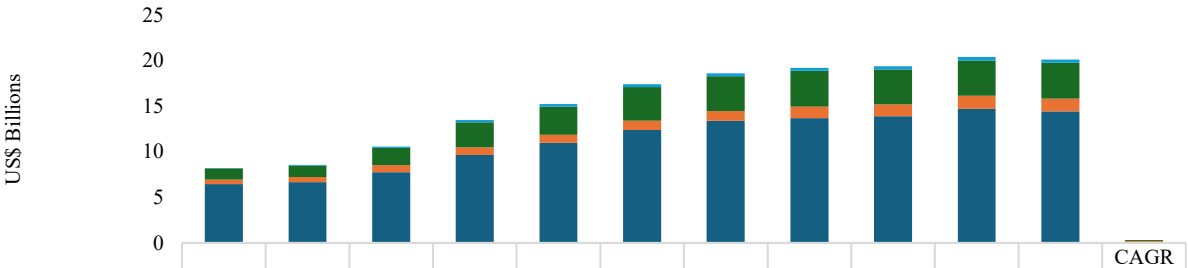
7.3 Market Sizing of Electro-Optical/Infrared (CY2020-30)

The global Electro-Optical/Infrared (Electro-Optical/Infrared) systems market is witnessing a strong growth trajectory, expanding from USD 6.4 billion in CY2020 to a projected USD 14.4 billion in CY2030, reflecting a CAGR of 8.4% over the decade.

By comparison, Electro-Optical/Infrared accounted for roughly 10.6% of total defence electronics spending in CY2020, a share expected to moderate slightly to 6.2% by 2030, reflecting faster growth in other electronics categories. Nevertheless, Electro-Optical/Infrared remains strategically indispensable, with fused optical and infrared sensing emerging as a core enabler of next-generation multi-domain Intelligence, Surveillance, and

Reconnaissance (ISR) and precision strike architectures.

Figure 32: Electro-Optical/Infrared Market Forecast, Global & Target Markets, CY2020-2030



	2020	2021	2022	2023	2024	2025	2026 (P)	2027 (P)	2028 (P)	2029 (P)	2030 (P)	CAGR (2020-2030)
Growth Markets	0.06	0.09	0.11	0.24	0.27	0.29	0.31	0.33	0.34	0.38	0.36	20.4%
Europe	1.21	1.27	1.91	2.75	3.11	3.69	3.83	3.93	3.85	3.85	3.93	12.5%
India	0.52	0.56	0.75	0.84	0.87	1.02	1.08	1.26	1.31	1.46	1.41	10.5%
Global	6.44	6.66	7.77	9.65	10.99	12.40	13.40	13.69	13.89	14.70	14.41	8.4%

Source: Frost & Sullivan

7.3.1 Europe

Europe's Electro-Optical/Infrared market is forecast to grow from $1.2 billion in CY2020 to $3.9 billion by CY2030, with a CAGR of 12.5%.

European nations are significantly ramping up Intelligence, Surveillance, and Reconnaissance (ISR) capability in response to Russian aggression, resulting in high investment in Electro-Optical/Infrared-enabled UAVs, base defence platforms, and next-gen infantry imaging systems.

Recent procurements include Thales Sophie Ultima handheld thermal imagers for French forces, Leonardo's Osprey 30 AESA radar with integrated Electro-Optical/Infrared for UK Poseidon MRA1 aircraft, and Hensoldt ARGOS-II HD turrets for German and Baltic maritime patrol aircraft.

NATO spending mandates and the launch of indigenous European sensor programs are expected to reduce dependency on U.S. and Israeli suppliers.

7.3.2 India

India's Electro-Optical/Infrared market is expected to surge from $522 million in CY2020 to $1.4 billion by CY2030, representing a CAGR of 10.5%.

Growth is driven by Atmanirbhar Bharat and Defence Acquisition Procedure (DAP) 2020 mandates that prioritize indigenous sourcing and technology transfer, creating strong demand for locally designed Electro-Optical/Infrared payloads for infantry, border forces, UAVs, and naval platforms.

India's growth is led by indigenous programs to equip infantry, border forces, and airborne platforms with Electro-Optical/Infrared payloads; key drivers include the deployment of UAV-based surveillance, thermal imagers, and border monitoring radars.

DRDO, BEL, and private players are engaged in developing Electro-Optical/Infrared turrets, thermal weapon sights, and seeker technologies for missiles and smart munitions.

7.3.3 Growth Markets (Philippines, Indonesia, Nigeria, Morocco)

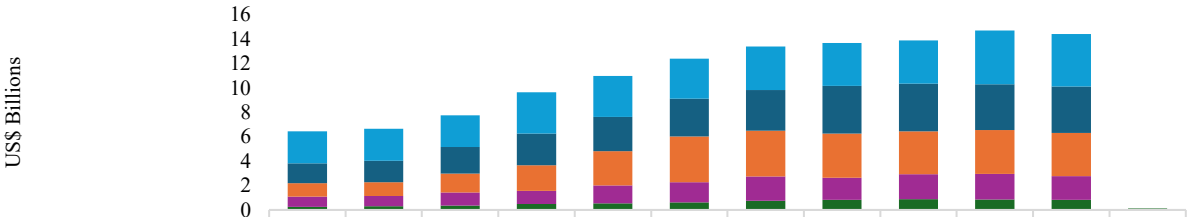
The combined Electro-Optical/Infrared market across these growth markets will grow from $57 million in CY2020 to $361 million by CY2030, reflecting a CAGR of 20.4%.

Southeast Asian countries like the Philippines and Indonesia are prioritizing Electro-Optical/Infrared integration into maritime patrol aircraft, naval corvettes, and coastal radar chains to counter Chinese incursions and piracy threats.

Nigeria is upgrading its ground Intelligence, Surveillance, and Reconnaissance (ISR) platforms to support counter-insurgency efforts, while Morocco is sourcing Electro-Optical/Infrared systems for UAVs and surveillance towers as part of broader modernization efforts.

7.4 Opportunity Breakdown by Application for Electro-Optical/Infrared Systems (Global)

Figure 33: Electro-Optical/Infrared Market Forecast, By Application, CY2020-CY2030

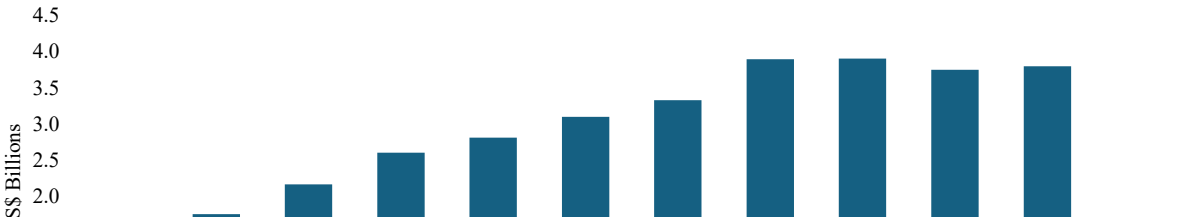


	2020	2021	2022	2023	2024	2025	2026 (P)	2027 (P)	2028 (P)	2029 (P)	2030 (P)	CAGR (2020-2030)
Tactical	2.62	2.62	2.62	3.38	3.36	3.27	3.57	3.53	3.53	4.40	4.30	5.1%
Air	1.63	1.76	2.17	2.61	2.81	3.10	3.33	3.90	3.91	3.75	3.80	8.9%
Land	1.09	1.13	1.53	2.08	2.81	3.75	3.76	3.63	3.53	3.58	3.54	12.5%
Homeland, Bases, Borders	0.84	0.84	1.10	1.10	1.46	1.65	1.98	1.81	2.05	2.11	1.95	8.8%
Naval	0.27	0.32	0.35	0.48	0.55	0.63	0.76	0.83	0.87	0.85	0.82	11.9%

Source: Frost & Sullivan

7.4.1 Air

Figure 34: Electro-Optical/Infrared Market Forecast, Air, CY2020-2030



	2020	2021	2022	2023	2024	2025	2026 (P)	2027 (P)	2028 (P)	2029 (P)	2030 (P)	CAGR (2020-2030)
Air	1.63	1.76	2.17	2.61	2.81	3.10	3.33	3.90	3.91	3.75	3.80	8.9%

Source: Frost & Sullivan

The aerial segment, including fixed-wing, rotary, and UAV-based imaging systems, is forecast to grow from $1.63 billion in CY2020 to $3.80 billion in CY2030, achieving a CAGR of 8.9%.

Modernization of air forces and drone fleets across the globe is accelerating the need for high-resolution, gyro-stabilized, multi-mode Electro-Optical/Infrared payloads.

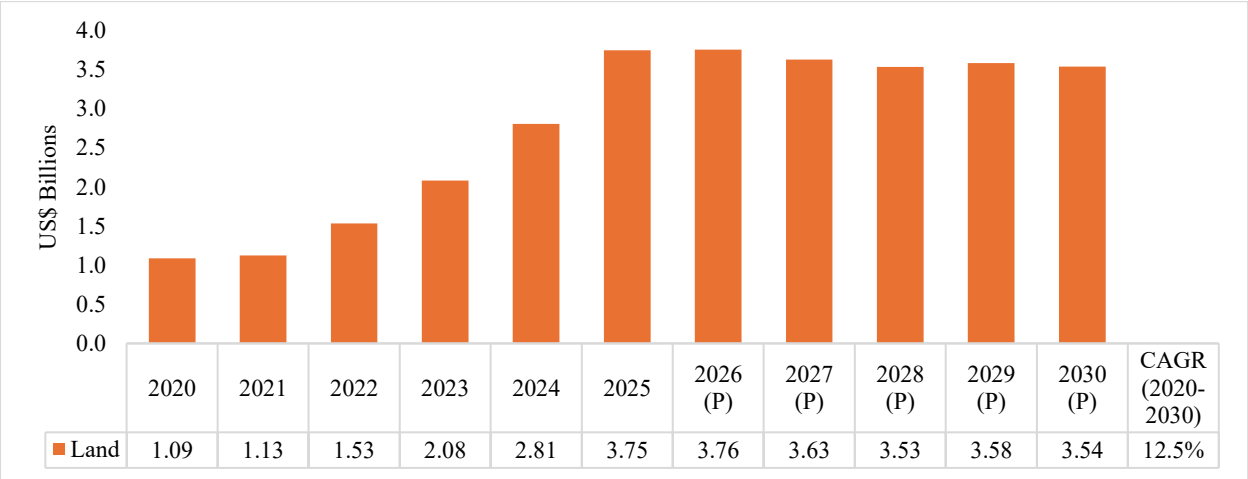
The Eurodrone, Europe's joint medium altitude long endurance surveillance aircraft, completed its critical design review in October 2025, clearing the way for prototype manufacturing. The aircraft is designed around a large sensor payload combining electro optical, infrared and radar systems for wide area surveillance.

Table 16: Aerial Electro-Optical/Infrared Program Opportunities

Country	Program Name	Budget	Timeline Expected	Contract Links
India	Tejas Mk2	$1.3 billion (230+ units)	FY2029 (First Flight – FY2026)	HAL Tejas Mk2 Procurement
India	AMCA	$1.8 billion (125+ units)	FY2034 (First Flight – FY2028)	AMCA Procurement
Indonesia	Rafale C F3	$8.1 billion (42 units)	CY2026	Indonesia Rafale C F3 Procurement

7.4.2 Land

Figure 35: Electro-Optical/Infrared Market Forecast, Land, CY2020-2030



	2020	2021	2022	2023	2024	2025	2026 (P)	2027 (P)	2028 (P)	2029 (P)	2030 (P)	CAGR (2020-2030)
Land	1.09	1.13	1.53	2.08	2.81	3.75	3.76	3.63	3.53	3.58	3.54	12.5%

Source: Frost & Sullivan

The land segment, including ground-based platforms, and fixed installations, including main battle tanks (MBTs), infantry fighting vehicles (IFVs), armored personnel carriers (APCs), self-propelled artillery, man-portable weapon sights, and border surveillance towers, will expand from $1.09 billion in CY2020 to $3.54 billion in CY2030, registering a CAGR of 12.5%.

Demand is concentrated in ground surveillance systems, vehicle-mounted optics, and fixed Electro-Optical/Infrared towers along sensitive borders and high-threat zones.

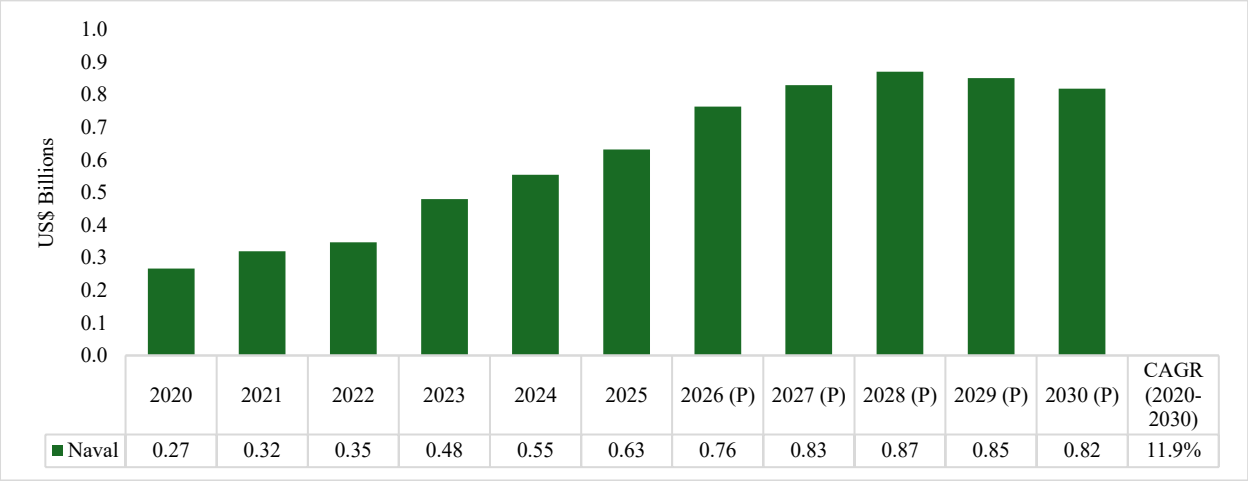
The CV90 infantry fighting vehicle is being adopted as a joint platform across several European militaries, with the Czech Republic, Slovakia and Estonia among the nations placing orders for the latest CV90 Mark IV variant. Each vehicle carries a stabilized electro optical turret for target acquisition and fire control.

Table 17: Land Electro-Optical/Infrared Program Opportunities

Country	Program Name	Budget	Timeline Expected	Contract Links
USA	M-SHORAD Increment 1-4	Undisclosed (700+ units)	Present – CY2035	M-SHORAD Increment 1-4 Procurement
India	Future Ready Combat Vehicle (FRCV)	$17.4 Billion (1,200+ units)	FY2030	FRCV Procurement
India	Future Infantry Combat Vehicle (FICV)	$8.8 billion (1,750 units)	FY2028-FY2030	FICV Procurement

7.4.3 Naval

Figure 36: Electro-Optical/Infrared Market Forecast, Naval, CY2020-2030



	2020	2021	2022	2023	2024	2025	2026 (P)	2027 (P)	2028 (P)	2029 (P)	2030 (P)	CAGR (2020-2030)
Naval	0.27	0.32	0.35	0.48	0.55	0.63	0.76	0.83	0.87	0.85	0.82	11.9%

Source: Frost & Sullivan

The naval segment, encompassing surface combatants, submarines, unmanned surface and underwater vehicles (USVs/UUVs), and shipborne surveillance systems, is projected to rise from $273 million in CY2020 to $819 million by CY2030, at a CAGR of 11.9%.

Growth is underpinned by expanding littoral security missions, blue-water naval ambitions in Asia, and integration of Electro-Optical/Infrared turrets on surface combatants, OPVs, and submarines.

Italy, France, Spain and Greece are jointly developing the European Patrol Corvette, a modular warship intended to standardize surface combatant designs across multiple European navies

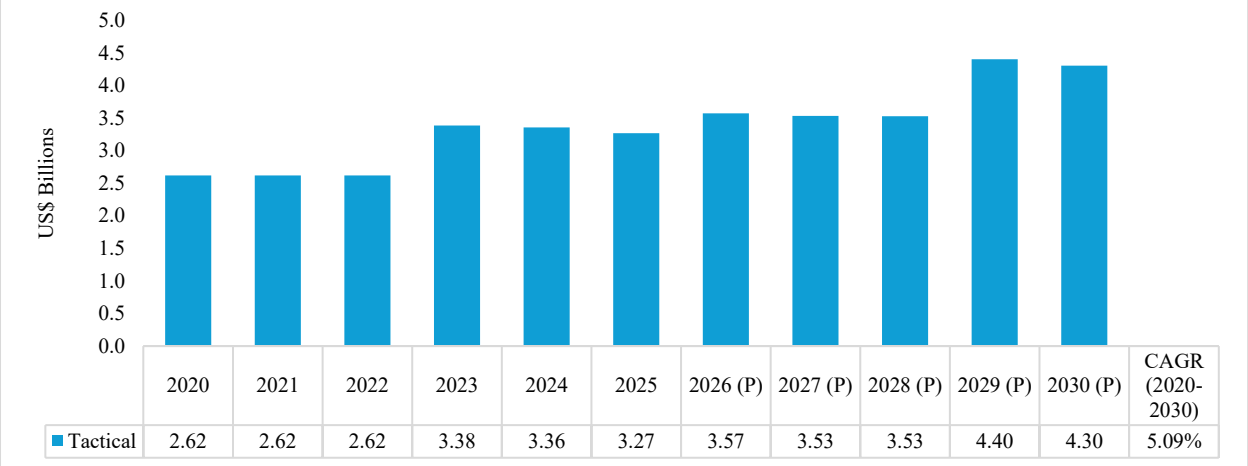
The following table highlights select naval procurement programs driving demand for advanced Electro-Optical/Infrared capabilities at sea.

Table 18: Naval Electro-Optical/Infrared Program Opportunities

Country	Program Name	Budget	Timeline Expected	Contract Links
Indonesia	FREMM Frigates	Undisclosed (6 units)	CY2024-CY2025	Indonesia FREMM Procurement

7.4.4 Tactical

Figure 37: Electro-Optical/Infrared Market Forecast, Tactical, CY2020-2030



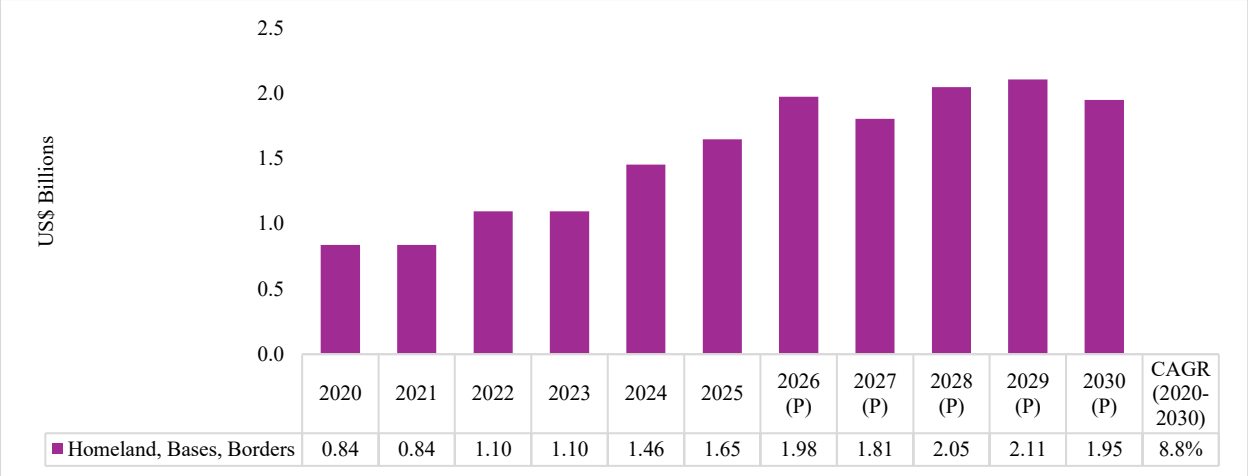
	2020	2021	2022	2023	2024	2025	2026 (P)	2027 (P)	2028 (P)	2029 (P)	2030 (P)	CAGR (2020-2030)
Tactical	2.62	2.62	2.62	3.38	3.36	3.27	3.57	3.53	3.53	4.40	4.30	5.09%

Source: Frost & Sullivan

The tactical segment, spanning man-portable Electro-Optical/Infrared sights, soldier-borne systems, handheld multi-sensor target acquisition devices, remote weapon station optics, and vehicle-mounted reconnaissance turrets for light and special operations vehicles, represents the largest and most rapidly evolving category—growing from $2.62 billion in CY2020 to $4.30 billion by CY2030, at a CAGR of 5.1%.

7.4.5 Homeland Security, and Public Safety Applications

Figure 38: Electro-Optical/Infrared Market Forecast, Homeland Security, and Public Safety Applications, CY2020-2030



	2020	2021	2022	2023	2024	2025	2026 (P)	2027 (P)	2028 (P)	2029 (P)	2030 (P)	CAGR (2020-2030)
Homeland, Bases, Borders	0.84	0.84	1.10	1.10	1.46	1.65	1.98	1.81	2.05	2.11	1.95	8.8%

Source: Frost & Sullivan

The Homeland Security and Public Safety segment, including fixed and mobile Electro-Optical/Infrared platforms for perimeter security, base defence, border surveillance, critical infrastructure monitoring, and disaster response, is projected to grow from $839 million in CY2020 to $1.95 billion by CY2030, with a CAGR of 8.8%.

The rise in non-traditional threats—drones, smuggling, and trafficking—has led to widespread adoption of Electro-Optical/Infrared sensors in homeland and dual-use roles.

7.5 Subsystems, OEMs, Integrators, and Service Providers

The Electro-Optical/Infrared industry involves a complex value chain from specialized component makers up to end-to-end solution providers. Key segments of this value chain include:

Table 19: Subsystems, OEMs, Integrators, and Service Providers Landscape

Subsystem Manufacturers	OEM	Integrators	Service Providers
• Lynred • SCD Semiconductor • Photonis	• Lockheed Martin • Raytheon Technologies • Thales Group • Elbit Systems • L3Harris WESCAM • Leonardo • Bharat Electronics Ltd • Tonbo Imaging • Paras Defence & Space	• Boeing • Hindustan Aeronautics Ltd • Larsen & Toubro • Alpha Design Technologies	• L3 Harris WESCAM • Leidos • Bharat Electronics Ltd.

7.5.1 Subsystem Manufacturers

Provide core building blocks: IR detector arrays, optical lenses, stabilization gyros, cryocoolers, lasers, and signal-processing electronics.

Performance depends heavily on this tier: advances in detector sensitivity or optics directly elevate end-product capability.

Global suppliers are limited (U.S., France, Israel), making this a strategic chokepoint.

In India, subsystem production remains a gap—high-end FPAs and optics are mostly imported. DRDO initiatives are pushing domestic cooled FPA and thermal module development, though reliance on foreign vendors persists.

Table 20: Electro-Optical/Infrared Subsystem Value Chain. Source: Company Annual /Financial Reports

Company	Country	Sector	Electro-Optical/Infrared Offerings & Capabilities	Revenue (CY2025)	Export Presence
Lynred	France	Private	Designs cooled & uncooled IR detector subsystems (FPAs) across all IR bands. Europe's leading IR detector supplier for military, space, and surveillance applications.	USD 310 Million (Estimate)	Medium – Supplies IR detectors (e.g., VOx, MCT) to global OEMs; not direct system exporter.
SCD – SemiConductor Devices	Israel	Private (JV)	Produces medium- and high-wave IR detectors for defence, including long-range thermal vision sensors for aerial surveillance and missile warning. Fully integrated from R&D to packaging.	USD 55 Million (Estimate)	Low-Medium – India-based JV; emerging in exports, largely to select OEM partners.
Photonis (Exosens)	France/ Netherlands	Private	Global leader in image intensifier tubes (~70% of demand for Gen-3/4). Supplies NV tubes for goggles and scopes with auto-gating and high FOM for low-light imaging.	USD 230 Million (Estimate)	Medium-High – Supplies night-vision tubes/detectors internationally through defence OEMs.

Source: Frost & Sullivan

7.5.2 OEMs (Original Equipment Manufacturers)

Design and deliver complete Electro-Optical/Infrared systems: targeting pods, multi-sensor gimbals, weapon sights, handheld imagers.

Global leaders: Lockheed Martin, Raytheon, Northrop Grumman, BAE Systems, Thales, Leonardo, Elbit, L3Harris, Teledyne FLIR.

Focus areas: higher resolution, SWaP efficiency, AI-enabled analytics, and platform-specific customization.

Some OEMs fabricate detectors in-house (e.g., Raytheon, Leonardo); others source from specialists (e.g., Lynred, Teledyne).

In India:

BEL is the main state-owned OEM, producing IR sights, stabilized imagers, and turrets, often via JVs/tech transfers.

Tonbo Imaging and Alpha Design Technologies are emerging private players, offering indigenous, ITAR-free Electro-Optical/Infrared payloads for domestic and export markets.

Table 21: Electro-Optical/Infrared OEM Value Chain. Source: Company Annual /Financial Reports

Company	Country	Sector	Electro-Optical/Infrared Offerings & Capabilities	Revenue (CY2025)	Export Presence
Lockheed Martin	USA	Private	Provides Electro-Optical/Infrared systems across platforms. Develops suites like EOTS (F-35) and Sniper/XR pods, enabling long-range detection and targeting for fighters and helicopters.	USD 75.0 Billion	High – Supplies night-vision tubes/ detectors internationally through defence OEMs.

Company	Country	Sector	Electro-Optical/Infrared Offerings & Capabilities	Revenue (CY2025)	Export Presence
Raytheon Technologies	USA	Private	Supplies Electro-Optical/Infrared systems such as AN/AAS-52 MTS turrets and IR seekers. Advancing AI-enabled Electro-Optical/Infrared (RAIVEN architecture) for faster threat detection, with strong lifecycle support.	USD 88.6 Billion	High – Wide export footprint for Electro-Optical/Infrared seekers, pods, targeting systems.
Thales Group	France	Government-linked	Produces integrated EO systems for land, sea, and air, incl. MIRADOR Mk2 surveillance turrets and Catherine thermal imagers. Emphasis on compact, modular systems for defence platforms.	USD 23.9 Billion	High – Extensive exports of Electro-Optical/Infrared systems across Europe, MENA, and Asia-Pacific.
Elbit Systems	Israel	Private	Wide Electro-Optical/Infrared portfolio: thermal sights, UAV payloads, targeting pods, night vision. Spectro XR and COMPASS turrets include AI-enhanced recognition and sensor fusion.	USD 7.9 Billion	High – Strong global presence in Electro-Optical/Infrared payloads and turret exports.
L3Harris WESCAM	USA	Private	Renowned for MX-series Electro-Optical/Infrared turrets (3,000+ fielded). Multi-sensor systems integrate HD thermal imagers, laser designators, and video tracking for air, maritime, and land Intelligence, Surveillance, and Reconnaissance (ISR).	USD 21.9 Billion	High – Exports MX-series Electro-Optical/Infrared systems globally.
Leonardo/ Leonardo DRS	Italy/ USA	Government-linked	Offers Electro-Optical/Infrared targeting and surveillance systems (IRST, thermal imagers, missile seekers). Recently secured U.S. Army contracts for Electro-Optical/Infrared sensors on SHORAD vehicles.	USD 21.1 Billion	High – Significant exports of naval, land, and airborne Electro-Optical/Infrared systems.

Company	Country	Sector	Electro-Optical/Infrared Offerings & Capabilities	Revenue (FY2026)	Export Presence
Bharat Electronics Ltd	India	Public (PSU)	India's primary Electro-Optical/Infrared OEM. Produces thermal sights, stabilized payloads, and naval EO fire-control systems (e.g., CoMPASS). Supplies targeting systems via partnerships and ToT.	INR 276,101 Million	Medium – Exports thermal systems regionally (e.g., to Nepal, African markets).
Tonbo Imaging	India	Private	Specializes in AI-enabled Electro-Optical/Infrared sensors and Intelligence, Surveillance, and Reconnaissance (ISR) payloads. Wolfpack TRST and Atlas offer 360° situational awareness with sensor fusion. Lightweight, low-SWaP solutions across domains.	INR 3,626 Million	Low-Medium – Indian OEM; some early exports, growing but still limited.
Paras Defence & Space	India	Private	Emerging Electro-Optical/Infrared OEM. Builds sights and gimbal systems (e.g., Sight-25HD). Supplies units for CIWS and space-grade optics. Growing export-linked programs with DRDO support.	INR 4,766 Million	Low–Medium – Emerging player with initial export-linked programs.

Source: Frost & Sullivan

7.5.3 Integrators

Embed Electro-Optical/Infrared payloads into larger systems, ensuring seamless power, cooling, data, and C2 integration. Examples:

Aircraft OEMs (Boeing, HAL) fitting Electro-Optical/Infrared turrets into avionics.

Naval primes integrating Electro-Optical/Infrared into combat management systems.

Big OEMs (e.g., Thales) often double as integrators, linking cameras with communications/C2 systems.

In India:

DRDO leads during trials.

HAL and shipyards handle platform integration.

Specialized firms provide turnkey border surveillance systems, combining Electro-Optical/Infrared, radars, and command centers.

Table 22: Electro-Optical/Infrared Integrator Value Chain. Source: Company Annual /Financial Reports

Company	Country	Sector	Electro-Optical/Infrared Offerings & Capabilities	Revenue (CY2025)	Export Presence
Boeing	USA	Private	Integrates Electro-Optical/Infrared systems into aircraft and UAVs (e.g., L3Harris MX-20 on P-8A Poseidon, Lockheed M-TADS/PNVS on AH-64 Apache). Acts as a systems integrator ensuring fused Intelligence, Surveillance, and Reconnaissance (ISR), targeting, and mission avionics.	USD 89.5 Billion	Medium–High – Electro-Optical/Infrared exports tied to aircraft & weapon packages.

Company	Country	Sector	Electro-Optical/Infrared Offerings & Capabilities	Revenue (FY2026)	Export Presence
Hindustan Aeronautics Ltd	India	Public (PSU)	Integrates Electro-Optical/Infrared payloads on indigenous/licensed platforms (e.g., LCH, ALH Dhruv, Su-30MKI). Uses BEL CoMPASS turrets, Rafael Litening pods, and DRDO RST sensors. Collaborates on future fighters and UAV payloads under Atmanirbhar Bharat.	INR 330,500 Million	Low–Medium – Primarily domestic; limited exports (e.g., Myanmar Tejas).
Larsen & Toubro (Hi-Tech and Defence)	India	Private	Integrates Electro-Optical/Infrared into naval/land systems, e.g., CIWS Sudarshan with 244 Sight-25HD sensors (Paras). Provides turnkey surveillance/targeting networks (radars + IR cameras + lasers). Supports indigenization goals.	INR 285,874 Million	Low–Medium – Domestic focus, export potential via JV & govt. programs.
Alpha Design Technologies	India	Private	Specializes in Electro-Optical/Infrared integration for Indian Army vehicles (e.g., BMP-2, T-72, UAV payloads). Works with Elbit for thermal sights & fire-control systems. Provides lifecycle training & support. Increasing role in UAV/UGV programs.	INR 10,390 Million	Low – Niche OEM; growing but limited exports.

Source: Frost & Sullivan

7.5.4 Service Providers

Scope of Services: Includes OEM-led support (via maintenance contracts and service centers) and third-party contractors providing operations or analytics-as-a-service

Maintenance, Repair & Overhaul (MRO): Essential for high-end Electro-Optical/Infrared gear, covering calibration, part replacement (e.g., finite-life cryocoolers), and software updates to sustain performance.

Global Service Networks: Leading firms like L3Harris (WESCAM) operate authorized service centers worldwide for MX-series turrets, enabling local repairs, spare parts access, and technician training.

Localized Capability Building: Regional service hubs enhance system uptime and foster self-reliance by training

in-country experts for Electro-Optical/Infrared upkeep.

Operational Services: Contractors may operate Electro-Optical/Infrared-equipped aircraft or UAVs for governments (e.g., in border surveillance or maritime patrol), delivering processed intelligence as the final product.

Data Analysis Services: Niche providers use AI to process Electro-Optical/Infrared imagery (e.g., infrared satellite data) for defence, environmental monitoring, or geospatial intelligence applications.

Table 23: Electro-Optical/Infrared Service Providers Value Chain. Source: Company Annual /Financial Reports

Company	Country	Sector	Electro-Optical/Infrared Offerings & Capabilities	Revenue (CY2025)	Export Presence
L3 Harris WESCAM Service	USA	Private	Operates a global support network for WESCAM Electro-Optical/Infrared systems, with 13 dedicated facilities providing maintenance, training, and sustainment for military and law enforcement in 70+ countries. Focuses on maximizing operational uptime and through-life support of MX-series turrets.	USD 21.9 Billion	High – Exports MX-series Electro-Optical/Infrared systems globally.
Leidos	USA	Private	Provides "Intelligence, Surveillance, and Reconnaissance (ISR)-as-a-Service," offering aircraft with retractable Intelligence, Surveillance, and Reconnaissance (ISR) pods (e.g., MX-20) and analytics for surveillance missions. Handles sensor data processing, AI-driven analysis, and logistics, enabling clients to access Electro-Optical/Infrared intelligence without owning the hardware.	USD 17.2 Billion	Medium – U.S.-based integrator; exports via government sales, especially Intelligence, Surveillance, and Reconnaissance (ISR) platforms.

Company	Country	Sector	Electro-Optical/Infrared Offerings & Capabilities	Revenue (FY2026)	Export Presence
Bharat Electronics Ltd.	India	Public (PSU)	Alongside manufacturing, BEL provides MRO for Electro-Optical/Infrared systems under technology transfer agreements. Maintains D-level support for CoMPASS Electro-Optical/Infrared turrets, including repairs, spares, and training for Indian armed forces. Ensures availability of critical sensors in line with "Make in India" sustainment goals.	INR 276,101 Million	Medium – Exports thermal systems regionally (e.g., to Nepal, African markets).

Source: Frost & Sullivan

7.6 Impact of AI, Edge Computing, and Quantum Imaging on Future Growth

The Electro-Optical/Infrared industry is undergoing a structural shift as AI, edge computing, and quantum imaging redefine the design, deployment, and operational utility of imaging systems. These technologies are not incremental add-ons; they are force multipliers that transform Electro-Optical/Infrared from passive sensors into autonomous, intelligent surveillance and targeting ecosystems.

7.6.1 Artificial Intelligence

AI is revolutionizing Electro-Optical/Infrared by embedding autonomy, automation, and analytical depth into sensors. Defence primes and niche firms alike are integrating deep learning models (CNNs, transformers, GANs) to enable:

- **Automatic Target Recognition (ATR):** Neural networks trained on Electro-Optical/Infrared data rapidly classify and track targets (e.g., UAVs, vehicles, personnel), even in low-contrast or cluttered environments. This significantly reduces operator workload and compresses the sensor-to-shooter cycle.

- **Anomaly & Intent Detection:** AI baselines "normal" patterns in Electro-Optical/Infrared feeds and autonomously flags deviations, such as concealed vehicles or irregular troop movement, supporting predictive threat recognition.

- **Multispectral Fusion:** AI-enabled fusion integrates EO, IR, and multispectral bands into coherent outputs, cutting through fog, smoke, or camo to deliver clear situational awareness.

- **Semantic Scene Understanding:** Advanced AI parses every pixel to generate semantic maps, enabling mission-specific insights (e.g., auto-classifying ambush positions in urban terrain).

Operationally, AI is shifting control from human-in-the-loop to human-on-the-loop paradigms, where the machine performs data fusion and prioritization while commanders focus on confirmation and escalation. Frost & Sullivan estimates 40–45% of defence Electro-Optical/Infrared contracts by CY2030 will embed AI, compared to ~30% in 2024, making AI integration a baseline requirement rather than a differentiator.

Example: Israel's Rafael integrates ATR and semantic mapping into its targeting pods, while India's Tonbo Imaging co-develops AI-enabled missile seekers with Bharat Dynamics Ltd. to autonomously identify weak points on armored vehicles mid-flight.

7.6.2 Edge Computing and Distributed Systems

Edge processing is moving Electro-Optical/Infrared from passive collection to real-time decision-making nodes. By processing data at the sensor, systems reduce bandwidth requirements, avoid latency, and remain functional in GPS-denied or communication-contested environments.

- Embedded AI/SoC Hardware: Rugged low-power GPUs, ASICs, and FPGAs enable Intelligence, Surveillance, and Reconnaissance (ISR) drones, soldier-borne optics, and loitering munitions to autonomously classify and prioritize threats at the point of capture.

- Resilience in Contested Environments: Edge-enabled Electro-Optical/Infrared maintains Intelligence, Surveillance, and Reconnaissance (ISR) continuity even under EW, cyber disruption, or comms degradation.

- Distributed Mesh Intelligence, Surveillance, and Reconnaissance (ISR): Low-SWaP Electro-Optical/Infrared nodes connected in self-healing optical/radio networks allow persistent coverage, redundancy, and graceful degradation under attrition.

Example: The U.S. Army's IVAS program embeds edge AI in soldier helmets for real-time threat alerts; Tonbo Imaging's IIR seeker with BDL uses onboard AI and edge processors to adjust missile trajectories dynamically.

By CY2030, >35% of defence Electro-Optical/Infrared platforms are expected to feature embedded edge processors, compared to <15% in 2024. This will make edge autonomy a baseline design parameter for future Intelligence, Surveillance, and Reconnaissance (ISR) and targeting systems.

7.6.3 Quantum Imaging

Quantum imaging uses special photon properties and highly sensitive detectors to see in situations where traditional cameras fail. This includes seeing through smoke or darkness, detecting targets at long distances, and resisting jamming in ISR missions.

Quantum imaging remains at an early stage but has transformational potential for Electro-Optical/Infrared. Leveraging entanglement, single-photon detection, and quantum state manipulation, it promises imaging beyond classical limits:

- Ghost Imaging: Entangled photon pairs allow imaging even when only one beam interacts with the target, enabling vision in near-total darkness or through obscurants (fog, smoke, camouflage).

- SPAD Arrays: Detect extremely faint or long-range returns, enhancing Intelligence, Surveillance, and Reconnaissance (ISR) for covert surveillance and long-distance missile tracking.

- Spectral Upconversion: Transfers data from hard-to-detect IR bands to visible wavelengths, improving detectability of stealth platforms and camouflaged equipment.

Strategic Applications:

- Covert Ops: Near-zero illumination imaging for clandestine Intelligence, Surveillance, and Reconnaissance (ISR).

- Counter-Stealth: Detecting low-RCS aircraft or hypersonic vehicles by exploiting non-classical photon behavior.

- Resilient Intelligence, Surveillance, and Reconnaissance (ISR): Immune to conventional jamming/spoofing due to quantum correlation principles.

7.7 Threats and Challenges

7.7.1 Global Market Challenges

Despite the optimistic growth forecasts for Electro-Optical/Infrared systems, the industry faces several challenges globally.

Technical Challenges

- **SWaP vs. Performance Trade-offs –** Higher resolution/range increases size, weight, and cost (SWaP), conflicting with demand for compact, low-SWaP solutions.
- **Ruggedization Costs –** Military-grade reliability for extreme environments (temperature, vibration, shock) adds complexity and expense.
- **Specialized Manufacturing –** Thermal detectors, optical coatings, and gimbal assemblies require precision fabrication; defects cause delays and cost overruns.
- **Integration Complexity –** Multi-sensor, AI-enabled Electro-Optical/Infrared must integrate seamlessly with platforms, mission computers, and network architectures.

Business & Competitive Risks

- **High Entry Barriers –** New entrants face high R&D costs, long product qualification cycles, and stringent defence certifications.
- **Market Concentration –** Dominated by large OEMs; smaller firms struggle to compete without niche specialization or partnerships.
- **Supply Chain Vulnerabilities –** Dependence on limited-country suppliers; geopolitical tensions or export controls (ITAR/EAR) can restrict component flow.
- **Dependence on Rare Earth Metals -** Production of critical components for products is dependent on suppliers being able to procure raw materials, such as Germanium, Silicon and Carbon. Germanium is a scarce and expensive raw material and is subject to government licensing/export restrictions in certain geographies like China. Raw materials like Germanium and rare earth elements used in infrared optics are mined in only a few countries, such as China and Russia and face increasing scarcity and price volatility affecting the supply chain.

Operational Threats

- **Countermeasures Evolution –** Adversaries invest in camouflage, thermal masking, laser dazzlers, and decoys, forcing constant innovation.
- **Budget Volatility –** Defence Intelligence, Surveillance, and Reconnaissance (ISR) budgets can be cut or delayed due to economic downturns or shifting priorities.
- **ROI Pressure –** Programs increasingly require clear mission-impact justification for funding approval.

7.7.2 India-Specific Challenges

In India, the Electro-Optical/Infrared sector faces a unique set of challenges as it works to build indigenous capacity and reduce reliance on imports.

Dependency & Supply Risks

- High Import Dependence – Core technologies (InSb/MCT detectors, thermal camera cores, gimbals) still sourced from abroad, exposing India to supply delays, restrictions, and technology denial.
- Hybrid Sourcing Model – Indigenous capability still maturing; interim reliance on imports for critical

components.

Procurement & Policy Barriers

- Bureaucratic Procurement Cycles – Long timelines and procedural inertia historically favored foreign OEMs over domestic innovators.
- Policy Execution Gaps – "Make in India" and DAP 2020 provide preferential policies, but contract awards and upgrade continuity remain inconsistent.

Funding & Market Size Constraints

- Capital-Intensive R&D – Detector fabs, cooled IR tech, and space-based sensors require sustained funding; private firms face capital access issues.
- Scale Limitations – Domestic market smaller than global peers, making exports necessary but highly competitive.

Industrial Base & Skills Gap

- Specialized Manufacturing Deficit – Gaps in precision optics, vacuum semiconductor processing, cryocoolers, and quality control capabilities.
- Testing Infrastructure Shortfall – Limited calibrated ranges and environmental test facilities for Electro-Optical/Infrared certification.

Operational & Environmental Factors

- Ruggedization Needs – Systems must withstand India's heat, dust, and humidity without performance degradation.

8. Precision Weapon Guiding Systems (PWGS)

8.1 Defining PWGS Systems

Precision Weapon Guiding Systems (PWGS) enable munitions to achieve meter-level accuracy by integrating advanced sensors, processors, and control mechanisms. Used across air, land, and naval platforms, they combine multiple guidance methods to ensure resilience in contested environments:

- **Inertial Navigation Systems (INS) –** Gyroscopes/accelerometers track position; immune to jamming but prone to drift, typically paired with GNSS for correction.
- **Satellite Navigation (GPS/GLONASS/NavIC) –** Provides global coordinate fixes; vulnerable to jamming/spoofing, mitigated by anti-jam modules.
- **Laser Guidance –** Semi-active laser homing for pinpoint accuracy; weather/LOS dependent.
- **Radar Homing –** Active or passive modes, including mmW radar for all-weather targeting.
- **Imaging Infrared (IIR) & Electro-Optical (EO) Seekers –** Visual/thermal lock-on with "fire-and-forget" capability; increasingly integrated with ATR algorithms.

Modern PWGS trends include sensor fusion (e.g., INS+GNSS+IIR), AI-enhanced ATR, and compact, modular seeker designs for cross-platform integration. These technologies underpin the shift toward precision-centric warfare, reducing collateral damage and improving cost-per-kill efficiency.

8.2 Market Sizing of PWGS

The PWGS market sits at the center of modern warfare transformation. Conflicts such as the Russia–Ukraine war and rising A2/AD threats have underscored the value of precision-guided weapons, from laser-guided bombs and GPS-enabled artillery shells to loitering munitions. Defence ministries now prioritize precision in procurement, integrating PWGS into both legacy and next-gen platforms.

The global market is forecast to grow from USD 9.47 billion in CY2020 to USD 23.38 billion by CY2030 (CAGR 9.5%). Growth is expected to accelerate through 2028, supported by expanded procurement programs, indigenous capability development, and AI-enabled targeting.

Key drivers across all markets include:

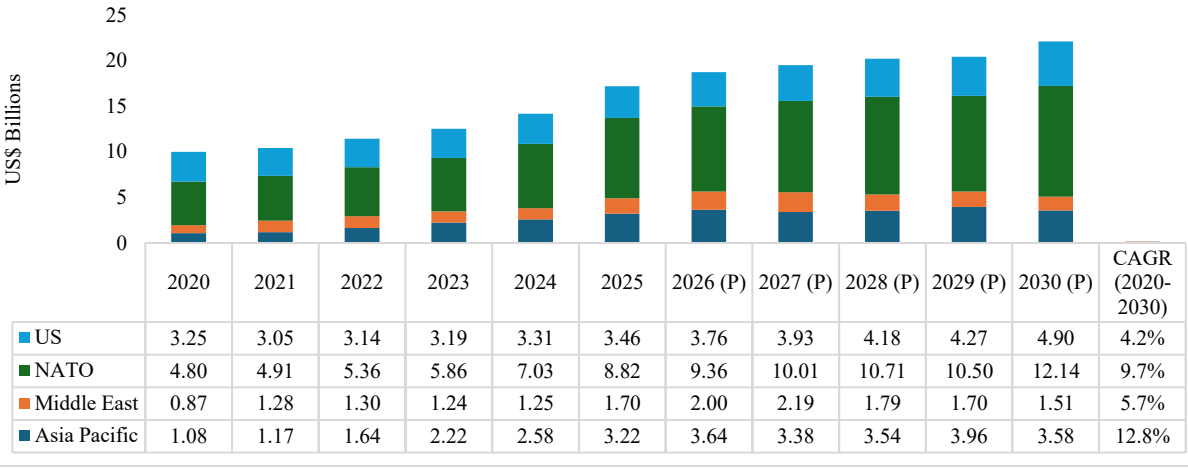
Increasing shift from unguided to smart munitions for cost-effective, low-collateral operations

High investments in PGMs such as smart bombs, air-to-ground missiles, loitering munitions, and artillery-guided projectiles – e.g., U.S. GBU-53/B StormBreaker and JDAM series, India's SAAW (Smart Anti-Airfield Weapon), Israel's Spike NLOS missile, and Turkey's MAM-L smart munition for UAVs.

Integration of dual-mode guidance (e.g. INS + Electro-Optical/Infrared, or GNSS + laser) for flexibility across weather and battlefield conditions

Advanced data-link-enabled weapons for mid-course corrections and networked targeting

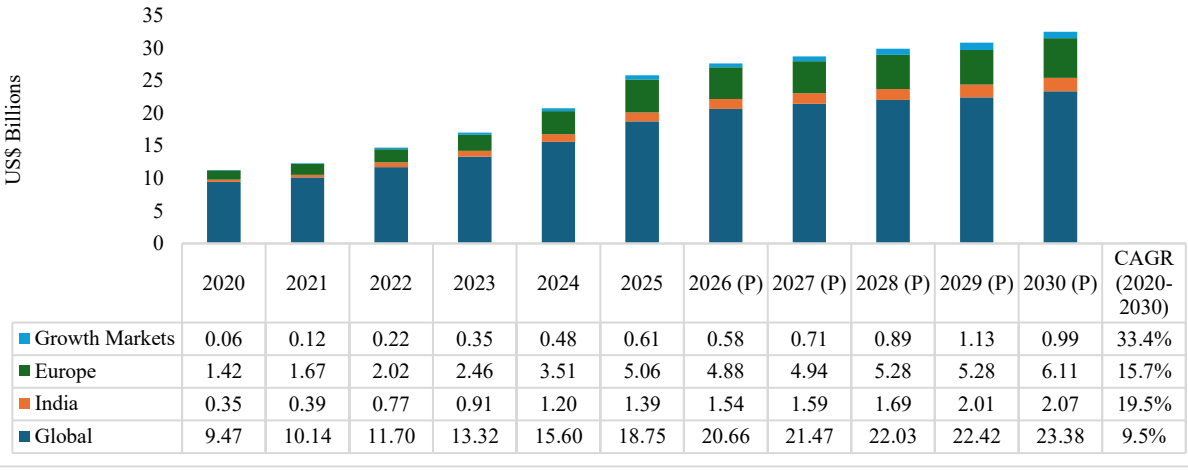
Figure 39:Precision Guided Weapon Systems Market Forecast, Target Markets, CY2020-2030



	2020	2021	2022	2023	2024	2025	2026 (P)	2027 (P)	2028 (P)	2029 (P)	2030 (P)	CAGR (2020-2030)
US	3.25	3.05	3.14	3.19	3.31	3.46	3.76	3.93	4.18	4.27	4.90	4.2%
NATO	4.80	4.91	5.36	5.86	7.03	8.82	9.36	10.01	10.71	10.50	12.14	9.7%
Middle East	0.87	1.28	1.30	1.24	1.25	1.70	2.00	2.19	1.79	1.70	1.51	5.7%
Asia Pacific	1.08	1.17	1.64	2.22	2.58	3.22	3.64	3.38	3.54	3.96	3.58	12.8%

Source: Frost & Sullivan

Figure 40: Precision Guided Weapon Systems Market Forecast, Global & Target Markets, CY2020-2030



	2020	2021	2022	2023	2024	2025	2026 (P)	2027 (P)	2028 (P)	2029 (P)	2030 (P)	CAGR (2020-2030)
Growth Markets	0.06	0.12	0.22	0.35	0.48	0.61	0.58	0.71	0.89	1.13	0.99	33.4%
Europe	1.42	1.67	2.02	2.46	3.51	5.06	4.88	4.94	5.28	5.28	6.11	15.7%
India	0.35	0.39	0.77	0.91	1.20	1.39	1.54	1.59	1.69	2.01	2.07	19.5%
Global	9.47	10.14	11.70	13.32	15.60	18.75	20.66	21.47	22.03	22.42	23.38	9.5%

Source: Frost & Sullivan

8.2.1 Europe

Europe's PWGS market is expected to grow from USD 1.42 billion in CY2020 to USD 6.11 billion in CY2030, at a CAGR of 15.7%.

This surge reflects an aggressive pivot toward indigenous smart weapons programs in response to Russia's invasion of Ukraine and broader NATO push for technological sovereignty.

Key drivers include:

France, Germany, and the UK are investing heavily in PGMs, missile upgrades, and smart artillery under joint frameworks like PESCO and the European Defence Fund – examples include France's AASM "Hammer" guided bomb upgrade, Germany's SMArt 155 sensor-fused artillery round, and the UK's SPEAR 3 and Brimstone missile enhancement programs.

Poland is building out one of NATO's largest layered air defence networks under its Narew program, which will field more than a thousand CAMM-ER missiles across 23 batteries.

Italy is investing in "Michelangelo Dome" – an advanced, AI-driven, multi-domain air and missile defence architecture designed to unite Europe's fragmented defence landscape.

Rheinmetall's Skyranger mobile short range air defence system is being fielded across several European militaries in response to growing drone and cruise missile threats.

MBDA's CAMM family of naval air defence missiles is being adopted across a growing number of navies, including the United Kingdom's Type 26 and Type 31 frigates, Sweden's Visby class corvettes and Poland's Miecznik class frigates.

The EU's Tempest programs emphasize AI-integrated PGMs and collaborative munitions.

Growth in demand for indigenous Electro-Optical/Infrared and radar seekers for cruise missiles, glide bombs, and loitering drones.

8.2.2 India

India's PWGS market is forecast to surge from USD 348 million in CY2020 to USD 2.07 billion in CY2030, translating to a CAGR of 19.5%.

This expansion is fueled by growing investments in indigenous smart weapons, especially under the Atmanirbhar Bharat initiative, which mandates increasing localization of guidance systems.

Key drivers include:

DRDO has accelerated development of Electro-Optical/Infrared and millimetric-wave seekers for BrahMos (supersonic cruise missile), HELINA (Nag-based helicopter-launched ATGM), SANT (stand-off anti-tank missile), and Astra Mk-II BVRAAM, alongside integration trials on Tejas and Su-30MKI platforms.

Indian industry is increasingly participating in the development of guidance kits for converting gravity bombs into smart munitions (e.g. the Gaurav and Sudarshan laser-guidance kits).

Growing exports to Southeast Asia and Africa for seeker-enabled systems (e.g. Pinaka rockets with guidance, BrahMos variants)

India's Defence Acquisition Council cleared roughly two billion dollars of additional BrahMos cruise missile regiments for the army in March 2025. The country has also approved production of around 250 units of its Pralay tactical ballistic missile.

8.2.3 Growth Markets (Philippines, Indonesia, Nigeria, Morocco)

PWGS demand in Growth Markets is expected to increase from USD 55.1 million in CY2020 to USD 907.0 million by CY2030, posting a robust CAGR of 33.4%—the highest among all regions analyzed.

Key drivers include:

Philippines and Indonesia are investing in air-launched and ship-launched guided weapons to assert maritime sovereignty amid South China Sea tensions. Indonesia and the Philippines are both building out coastal defence batteries armed with India's BrahMos missile. The Philippines has two of three contracted batteries in place, while Indonesia has finalized its own agreement

Nigeria and Morocco are acquiring precision-capable systems for counterinsurgency, border management, and deterrence, often through offset-linked defence deals with Israel, Turkey, or India.

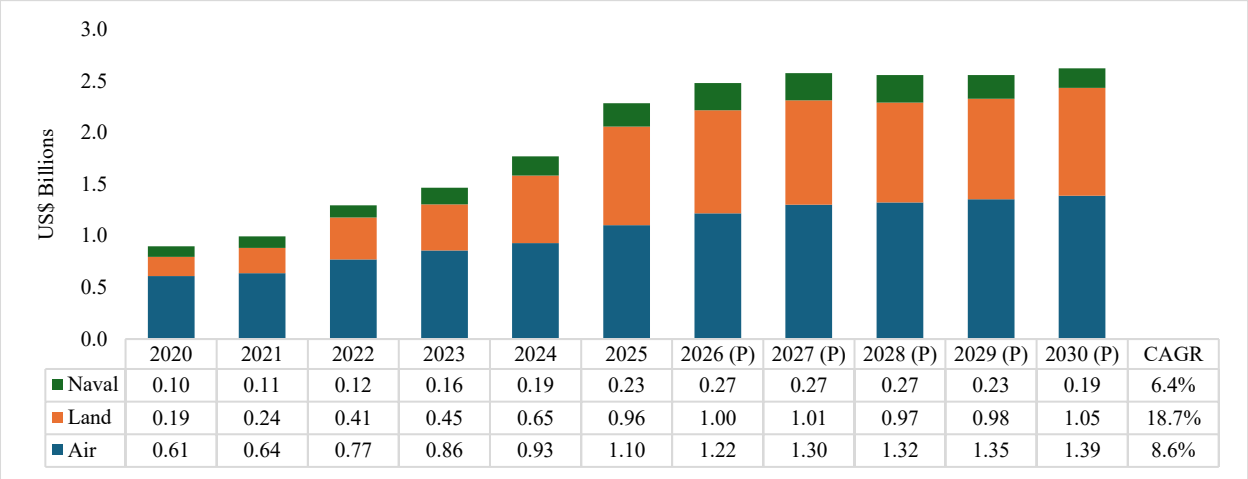
These markets are largely dependent on imports, but have begun exploring regional co-development and technology-transfer-based production (e.g., joint ventures in ship-launched missile systems and guided UAV munitions)

8.3 Platform & Munitions-Based PWGS Market Sizing (Global)

8.3.1 Platform-based PWGS

Platform-based PWGS are the guidance/targeting elements mounted on vehicles, aircraft, ships, and air-defence platforms—e.g., Electro-Optical/Infrared turrets, laser designators, rangefinders, fire-control computers, navigation/INS, and weapon-cueing/software. They generate tracks, designate targets, and close the fire-control loop for any weapon the platform carries.

Figure 41: Platform-based Precision Guided Weapon Systems Market Forecast, Global, CY2020-2030



	2020	2021	2022	2023	2024	2025	2026 (P)	2027 (P)	2028 (P)	2029 (P)	2030 (P)	CAGR
Naval	0.10	0.11	0.12	0.16	0.19	0.23	0.27	0.27	0.27	0.23	0.19	6.4%
Land	0.19	0.24	0.41	0.45	0.65	0.96	1.00	1.01	0.97	0.98	1.05	18.7%
Air	0.61	0.64	0.77	0.86	0.93	1.10	1.22	1.30	1.32	1.35	1.39	8.6%

Source: Frost & Sullivan

In CY2020, air-launched systems dominated the platform-based segment with ~67.4% share, a position projected to dip to ~53.5% by CY2030. This sustained lead reflects the premium value of air-delivered PGMs—cruise missiles, stand-off glide bombs, and guided rockets—integrated on manned fighters, UAVs, and next-gen air platforms. Demand is reinforced by fleet upgrades (e.g., F-35, Rafale, Su-30MKI), expansion of armed UAV inventories, and the shift toward long-range precision strike in contested A2/AD environments.

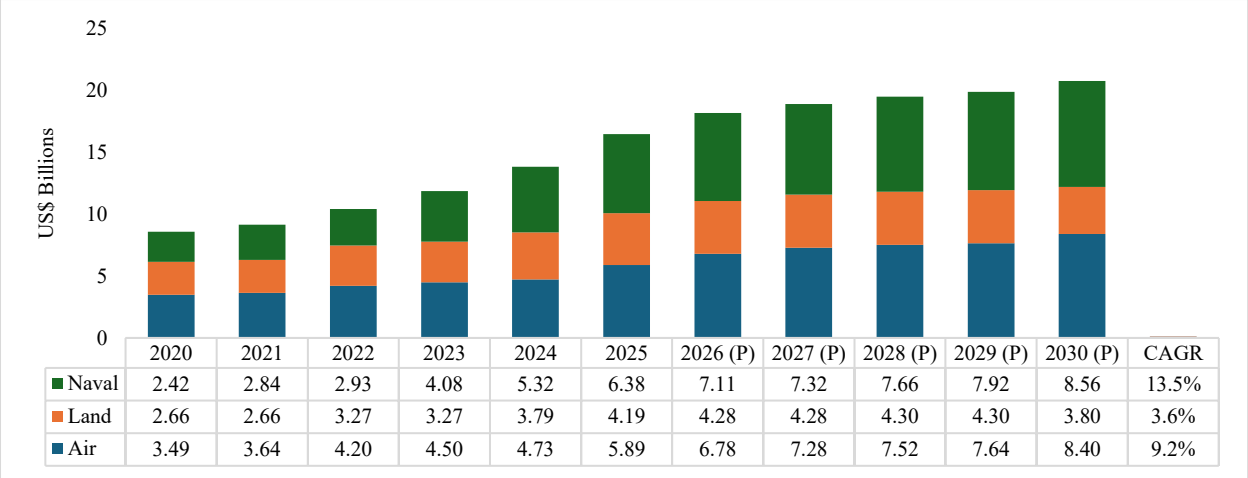
Land-based systems accounted for ~21.0% in CY2020, climbing to ~40.4% by CY2030, the fastest proportional growth among platforms. Growth drivers include the surge in surface to air (SAM) air defence systems, guided artillery and rocket systems, ATGM modernizations, and precision strike missile programs in Europe, India, and select growth markets.

Naval-launched systems represented ~11.1% in CY2020, moderating to ~7.3% by CY2030, with demand tied to anti-ship missiles, VLS-fired cruise missiles, and precision naval gun munitions linked to fleet recapitalization cycles.

8.3.2 Munitions-based PWGS

Munitions-based PWGS are guidance and control electronics inside the weapon itself—e.g., IR/RF/laser/mmW seekers, GPS/INS kits (JDAM-class), actuators, fuzes, and datalinks—turning bombs/rockets/missiles into precision-guided munitions.

Figure 42: Munitions-based Precision Guided Weapon Systems Market Forecast, Global, CY2020-2030



	2020	2021	2022	2023	2024	2025	2026 (P)	2027 (P)	2028 (P)	2029 (P)	2030 (P)	CAGR
Naval	2.42	2.84	2.93	4.08	5.32	6.38	7.11	7.32	7.66	7.92	8.56	13.5%
Land	2.66	2.66	3.27	3.27	3.79	4.19	4.28	4.28	4.30	4.30	3.80	3.6%
Air	3.49	3.64	4.20	4.50	4.73	5.89	6.78	7.28	7.52	7.64	8.40	9.2%

Source: Frost & Sullivan

Across munition categories, air-delivered PGMs—including glide bombs, air-to-ground missiles, and loitering munitions—lead consistently, growing from ~40.3% share in CY2020 to ~40.7% by CY2030. This growth is supported by multi-mode seekers, AI-enabled targeting, and the increasing load-out of small-diameter bombs, enabling higher sortie-level strike density.

Naval munitions hold the second-largest share (~27.9% in CY2020 to ~41.4% in CY2030), buoyed by anti-ship and land-attack missile procurement, with continued investment in longer-range and sea-skimming profiles for contested littoral environments.

Land munitions account for ~30.7% in CY2020, decreasing toward ~18.4% by CY2030, driven by the proliferation of guided rocket artillery, precision howitzer rounds, and land-based anti-ship/anti-air systems.

8.4 Key Growth Drivers and Potential Opportunities

Table 24: Key Growth Drivers and Potential Opportunities for PWGS Systems

Driver / Opportunity	Market Impact	Illustrative Examples	Indicative Adoption / Growth Outlook
Operational & Ethical Imperative for Surgical Precision	Expanding demand for PGMs in urban/complex environments; increased procurement priority in NATO, Indo-Pacific	• JAGM tri-mode seeker (SAL + GPS/INS + mmW radar) for all-weather accuracy • Spike/Javelin CLUs with man-in-the-loop safeguards	By CY2030, >85% of new tactical missile programs expected to include dual/tri-mode guidance for reduced collateral damage
Proliferation of Advanced Threats & Standoff Requirements	Accelerates long-range missile and glide bomb programs; drives seeker R&D for high-autonomy, high-resilience guidance	• HIMARS, naval cruise missile upgrades • Hypersonic programs (Mach 5+) requiring extreme-condition guidance	Long-range standoff PGMs to account for ~40% of total PGM spend in growth markets by CY2030
Miniaturization & Cost Reduction of Guidance Systems	Expands addressable market to artillery, mortars, UAV-class munitions; increases sortie-level PGM carriage	• 155mm PGK kits for artillery • GBU-69/B Small Glide Munition enabling multi-target strike per sortie	Sub-$20k guidance kits expected to see >15% CAGR, CY2024–CY2030
Modernization of Legacy Platforms	Creates retrofit market for Electro-Optical/Infrared sights, fire control, and targeting aids; low-capex path for capability uplift	• Thermal/night sights for small arms • Remote weapon stations with stabilized Electro-Optical/Infrared • Digital fire control for artillery	Retrofit Electro-Optical/Infrared & targeting systems projected at ~25–30% of Electro-Optical/Infrared & PWGS upgrade spend in emerging markets

8.4.1 Global Program Opportunities for PWGS

Table 25: Precision Guided Weapon Systems Program Opportunities

Country	Program Name	Budget	Timeline Expected	Contract Links
USA	Javelin ATGM	USD 7.2 billion (20,000+ units)	CY2023-CY2026	U.S. Navy Javelin Procurement Contract
Philippines	AIM-120 AMRAAM, GBU, AIM-9X	USD 5.6 billion (280+ units)	CY2025-Unknown	Armed Forces of the Philippines Missile Procurement
Morocco	FIM-92K Stinger Block I Missiles	USD 825.0 million (600 units)	CY2026-Unknown	Royal Moroccan Armed Forces Missile Procurement
Germany	Meteor BVRAAM	USD 567.9 million (150 units)	CY2025-Unknown	German MoD Meteor Procurement
Denmark	Naval Strike Missile	USD 196.0 million	CY2025-CY2030	Danish Navy NSM Procurement
Romania	Mistral MANPADS	USD 683.34 million (300 units)	CY2026-Unknown	Romanian Ministry of National Defence MANPADS Procurement
India	QRSAM	USD 4.32 billion	CY2028-CY2029	Indian Defence Ministry QR-SAM Procurement
India	BrahMos	USD 4.0 billion (200 units)	Unknown	Indian Defence Ministry BrahMos Procurement
India	VSHORAD-NG MANPADS	USD 3.24 billion (5,175+ units)	Unknown	Indian Armed Forces VSHORAD Procurement

Source: Frost & Sullivan Analysis

9. Directed Energy Systems (DES)

9.1 Defining DES Systems

Directed Energy Systems are weapons that emit highly focused energy to damage or destroy targets, as opposed to using physical projectiles. In essence, a directed-energy weapon (DEW) delivers a beam of concentrated electromagnetic radiation or subatomic particles at a target to cause effects ranging from sensor blinding and electronics disruption to structural burn-through. The main types of DEWs include High-Energy Lasers (HEL), High-Power Microwaves (HPM), and, to a lesser extent, particle beam weapons. Each operates on different parts of the spectrum, but all travel at or near the speed of light, enabling almost instantaneous engagement of targets.

- **High-Energy Lasers (HEL):** Precision burn-through for drones, missiles, small boats; limited by weather/atmosphere.
- **High-Power Microwaves (HPM):** Area-effect disruption of electronics; ideal vs. swarms, less weather-sensitive.
- **Particle Beams:** Experimental; extreme destructive potential but constrained by power and complexity.

9.2 Market Sizing of DES

The Directed Energy Systems (DES) market focused on Counter-UAS applications, especially High Power Microwave (HPM) systems, is undergoing an exponential growth phase as militaries worldwide seek cost-effective, scalable responses to the rising drone threat. The global DES market is expected to grow from USD 684 million in CY2025 to USD 4.4 billion by CY2030, at a CAGR of 45.1%. This makes it one of the fastest-growing subsegments in the broader defence electronics domain.

Figure 43: Design Image of Directed Energy Systems in Development



Source: Tonbo Imaging

The steep growth is attributed to:

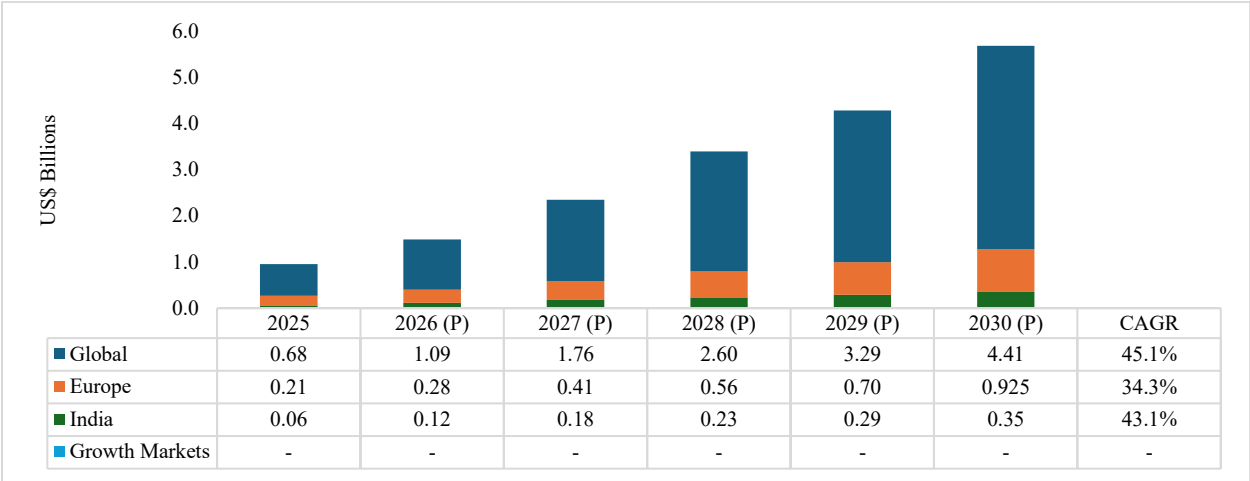
The proliferation of low-cost drones and drone swarms in asymmetric warfare and grey-zone conflict.

Inefficiencies of using kinetic interceptors (e.g., missiles) against small aerial threats.

The U.S. Department of Defence continues to lead investments in HPM technologies with platforms like THOR, PHASER, and Leonidas being tested and fielded.

China's demonstration of HPM prototypes (e.g., Silent Hunter) signals intense competition in the domain.

Figure 44: Directed Energy Systems Market Forecast, Global & Target Markets, CY2025-2030



	2025	2026 (P)	2027 (P)	2028 (P)	2029 (P)	2030 (P)	CAGR
Global	0.68	1.09	1.76	2.60	3.29	4.41	45.1%
Europe	0.21	0.28	0.41	0.56	0.70	0.925	34.3%
India	0.06	0.12	0.18	0.23	0.29	0.35	43.1%
Growth Markets	-	-	-	-	-	-	-

Source: Frost & Sullivan

9.2.1 Europe

Europe's market is projected to grow from USD 212 million in CY2025 to USD 925 million by CY2030, reflecting a CAGR of 34.3%.

European militaries are increasingly adopting DEWs as part of broader counter-drone architecture (C-UAS) in critical infrastructure and battlefield applications.

Germany, the UK, and France are piloting field trials of microwave-based drone suppressors and laser-HPM hybrid systems.

EU security strategy now considers drone incursions as high-risk threats to urban and border zones—leading to faster procurement cycles.

9.2.2 India

India's DES market begins substantive growth from USD 58 million in CY2026 to USD 350 million in CY2030, yielding a CAGR of 43.1%.

Recent RFIs by the Indian Army (for 90 HPM Mk-II systems) and Navy (for 40 long-range HPM units) indicate a clear roadmap for DES adoption, particularly for neutralizing drone swarms and loitering munitions.

DRDO's Centre for High Energy Systems and Sciences (CHESS) is leading development efforts, with support from programs like DURGA II and indigenous laser platforms such as Mk-II(A) and Surya.

Private sector players (e.g., Tonbo Imaging with WaveStrike, Adani Defence, BEL, Big Bang Boom Solutions, Paras Defence) are beginning to deliver field-deployable HPM and laser systems.

DES platforms are being developed to operate across diverse terrains — from high-altitude Himalayan regions to deserts and coastal zones — reflecting India's broad security requirements.

9.2.3 Growth Markets (Philippines, Indonesia, Nigeria, Morocco)

No measurable market activity or projections have been recorded for Growth Markets across CY2025–30, likely due to

Low defence R&D spending.

Prioritization of kinetic and conventional drone defence systems.

Lack of domestic capacity or procurement partnerships for DEWs or HPM integration.

However, there may be latent demand post-CY2030 as DEW prices decline and off-the-shelf systems become viable through technology transfer or OEM leasing models.

9.3 DES Competitive Landscape

Table 26: DES Competitive Landscape - OEMs & Programs, Global

Country	Leading OEMs/ Integrators	DES Type	Flagship Program(s)	Power Class	Status	Export Potential
USA	Lockheed Martin, Raytheon, Northrop Grumman, General Atomics	HEL, HPM	HELIOS (USN), DE M-SHORAD (US Army), THOR (HPM)	50–300 kW	Operational trials	High
UK	MBDA UK, Leonardo UK, QinetiQ	HEL, RF	DragonFire Laser, RF Drone Defeat	50 kW+	Trials, naval & ground	Medium
Germany	Rheinmetall, MBDA Germany	HEL	Sachsen Frigate Laser Demonstrator	20–100 kW	Naval trials, scale-up planned	Medium
France/ Italy	MBDA, Thales	HEL	EDF Laser Defence Projects	20–60 kW	Demo stage	Low-Medium
China	NORINCO, CETC	HEL, HPM	LW-30 Truck Laser, Silent Hunter HPM	30–100 kW	Field deployments reported	Medium
Russia	Almaz-Antey	HEL	Peresvet Ground Laser	N/A	Claimed operational	Low
India	DRDO, BEL, Zetatek	HEL, HPM	Mk-II(A) 30 kW Laser, IDD&IS 2 kW	2–100 kW	Operational in anti-drone, scaling up	Medium
Israel	Rafael, Elbit Systems	HEL	Iron Beam	100 kW	Operationalization planned in CY2025	High

Source: Frost & Sullivan Analysis

9.4 Key Growth Drivers and Potential Opportunities

9.4.1 The Asymmetric Threat and the Unfavourable Economics of Kinetic Defence

Militaries are facing a severe "cost-exchange ratio" problem. Using a multi-million-dollar interceptor missile, such as a Patriot or an AMRAAM, to destroy a commercial-grade drone that may cost only a few thousand dollars

is a losing strategy. Adversaries, including non-state actors like the Houthis and near-peer competitors, can leverage this asymmetry to deplete a nation's expensive and finite missile stockpiles through attrition. HPM weapons fundamentally break this economic model.

Examples of Developments:

Raytheon's PHASER: This HPM system is designed specifically for base defence. It emits a cone of microwave energy to disrupt or destroy the guidance systems of multiple drones in its field of regard simultaneously, demonstrating the area-denial capability against swarms.

Epirus's Leonidas: Utilizing solid-state Gallium Nitride (GaN) power amplifiers, Leonidas is a more compact and mobile HPM system that can be mounted on vehicles. Its ability to create a "force field" of microwave energy that can be precisely steered and scaled showcases the technology's growing sophistication and suitability for protecting mobile formations and critical infrastructure.

9.4.2 Unmatched Tactical Advantages: Speed, Scalability, and Non-Kinetic Effects

Beyond cost, HPM weapons offer a suite of tactical benefits that kinetic weapons simply cannot match, making them uniquely suited to the speed and complexity of the modern battlefield.

Analysis and Rationale:

HPM systems engage targets at the speed of light, eliminating the need for complex ballistic calculations to "lead" a target. The moment a threat is identified and targeted, the effect is instantaneous. This is a critical advantage against highly agile drones or coordinated swarm attacks where multiple threats must be engaged in seconds. Furthermore, HPM provides a scalable, non-kinetic effect. This has two key benefits:

Area Effect for Swarms: A single HPM beam can be shaped to cover a wide area of the sky, neutralizing multiple drones in a single pulse, a task that would require numerous individual missiles.

Reduced Collateral Damage: By disabling the drone's systems rather than blowing it up, HPM reduces the risk of shrapnel and falling debris causing unintended damage on the ground. This is crucial when defending sensitive or populated areas like airports, government buildings, or urban centers.

Examples of Developments:

US Air Force's THOR (Tactical High-power Operational Responder): Developed by the Air Force Research Laboratory (AFRL), THOR is a containerized system designed for rapid deployment to protect airbases from drone swarms. Its primary design goal is to counter large numbers of drones with a single system.

Vehicle-Integrated Systems: Numerous countries are now focused on integrating HPM emitters onto armored vehicles, such as Strykers in the U.S. Army. This provides a mobile air defence bubble for ground troops, protecting them from loitering munitions and reconnaissance drones while on the move.

9.4.3 Technological Maturity and the Global Race for Strategic Superiority

The pursuit of HPM technology is no longer theoretical; it has become a tangible and urgent global arms race. As the technology matures and proves its viability, nations are compelled to invest heavily in developing their own indigenous capabilities to avoid being left strategically vulnerable.

Analysis and Rationale:

For decades, the primary barrier to HPM was creating compact, efficient, and powerful enough systems for battlefield use. Recent breakthroughs in solid-state power amplification (e.g., GaN technology), advanced antennas, and pulsed power generation have finally overcome these hurdles, moving HPM from the laboratory to field-ready prototypes.

9.4.4 Global Program Opportunities

Table 27: Key Global DES Program Opportunities. Source: Frost & Sullivan

Country	Program Name	Budget	Timeline Expected	Contract Links
USA	Stryker DE M-SHORAD; IFPC-HEL;	USD 124	CY2024	U.S. Army HPM Procurement

Country	Program Name	Budget	Timeline Expected	Contract Links
	Epirus Leonidas HPM – 50-300 kW lasers; 10-20 MW HPM	million		
Israel	Box Launcher & Mast-Mounted Laser – 100 kW Iron Beam; Microwave C-UAS	USD 500 million	CY2025-CY2026	Israel Defence Forces Procurement
India	4×4 Vehicle Mount; Future Naval/Air – 30 kW Mk-II(A) laser; 300 kW "Surya"	Undisclosed	FY2027	India - DRDO DES Development
Turkey	MRAP & Kaplan Hybrid Chassis - 20 kW ALKA Laser/HPM; ALKA-KAPLAN tank	Undisclosed	CY2024	Turkey - ROKETSAN DES Development
South Korea	Containerized/ Skynet Shelters – 20 kW Block-I "Skylight" Laser; Future Block-II	USD 72.5 million	CY2024	South Korea - Hanwha Aerospace DES Production
France	Sherpa-Light & Naval Mounts - 2-5 kW HELMA-P; 20 kW naval	Undisclosed	CY2024	French Armed Forces DES Procurement
UK	Type-45 Destroyer; Wolfhound HELWS – 50 kW DragonFire laser; RapidDestroyer HPM	Undisclosed	CY2027	UK Royal Navy DES Procurement
Germany	Sachsen F-124; Boxer IFV prototypes – 20 kW Naval LWD; 100 kW Rheinmetall Land Laser	Undisclosed	CY2028	German Navy DES Procurement

Source: Frost & Sullivan Analysis

10. Technology Trends: Observation, Understanding, Communication, and Offensive

10.1 Emerging Trends: AI-based Imaging, Sensor Fusion, and Edge Processing

The Russo-Ukrainian conflict and the Armenia–Azerbaijan standoff lessons have accelerated demand for real-time situational awareness, autonomous threat detection, and edge decision-making. Legacy sensors can no longer provide the speed, fidelity, or autonomy required in high-intensity, multi-domain operations.

10.1.1 Developments in AI:

AI is transforming Electro-Optical/Infrared and multispectral imaging into autonomous "intelligent surveillance" assets capable of detecting, classifying, and tracking threats in real time.

Object Detection & Tracking: Deep learning models track vehicles, drones, and personnel with high accuracy, even under low light, clutter, or occlusion.

Anomaly Detection: AI establishes baselines of normal activity and flags deviations — e.g., unexpected convoy movement or thermal spikes — critical for perimeter and urban monitoring.

Thermal & Multispectral Fusion: AI integrates EO, IR, SWIR, and multispectral feeds into clearer composite outputs, enhancing visibility in fog, smoke, or night operations.

Semantic Scene Understanding: Algorithms classify terrain and urban features down to pixel level, enabling commanders to rapidly identify threats, routes, and choke points.

Edge Processing: Onboard AI deployed on UAVs, soldier systems, and armored vehicles reduces reliance on bandwidth-heavy links and ensures decision-making in GPS-denied zones.

10.1.2 Sensor Fusion Enhancing Situational Awareness

Sensor fusion integrates diverse modalities—Electro-Optical/Infrared, radar, LiDAR, sonar, acoustic—into a single operational picture. Each sensor's strengths compensate for others' limitations, providing all-weather, persistent Intelligence, Surveillance, and Reconnaissance (ISR).

Land: Radar + Electro-Optical/Infrared enable real-time detection in urban combat zones despite obstacles.

Air/Naval: Electro-Optical/Infrared paired with radar and acoustic sensors strengthens maritime and air defence surveillance.

Space: SAR + multispectral imaging satellites enhance persistent reconnaissance across clouded or high-latitude regions.

10.1.3 Information Advantage from Edge Processing

Edge computing pushes analytics directly onto platforms—drones, armored vehicles, and soldier systems—delivering low-latency, autonomous decision support without relying on vulnerable communications.

Armored Vehicles: Fuse Electro-Optical/Infrared, radar, and LiDAR for driver assistance, active protection, and target handoff.

Dismounted Troops: Helmet displays provide real-time alerts, navigation, and targeting in denied areas.

Forward Operating Bases: Onsite edge nodes maintain command capability during comms disruption.

Search & Rescue / CBRN: Wearables detect heat signatures, chemical traces, or distress signals in hostile terrain.

10.2 Role of Imaging and Sensing in Modern Battlefield Scenarios

Imaging and sensing technologies now underpin OSIR (Observation–Surveillance, Imaging, and Reconnaissance), providing unmatched situational awareness and precise targeting across domains.

EO Imaging: Provides high-resolution daylight reconnaissance for mission planning and post-strike analysis.

Infrared/Thermal Imaging: Detects personnel, vehicles, and weapons through heat signatures, critical for night and obscured conditions.

SAR: Delivers all-weather, high-resolution imaging for terrain mapping and wide-area surveillance.

Multispectral/Hyperspectral: Identifies material properties, hidden equipment, and anomalies.

LiDAR: Produces 3D maps for navigation, obstacle avoidance, and targeting in urban/complex terrains.

10.3 Adoption of Smart Sensors in Defence, Homeland and Border Security

Smart sensors combine Electro-Optical/Infrared, radar, acoustic, and environmental modalities with embedded AI and wireless networking, creating self-adaptive surveillance nodes.

Multi-Mode Sensorization: Multi-spectral detection for full-spectrum threat awareness.

Edge Processing Integration: On-device analytics enable immediate alerts, reducing reliance on central networks.

AI/ML Capabilities: Pattern recognition and anomaly detection for autonomous response.

C4Intelligence, Surveillance, and Reconnaissance (ISR) Compatibility: Seamless integration into command systems for joint operations.

Low SWaP Designs: Lightweight, power-efficient builds suited to UAVs, soldier kits, and rugged deployments.

Applications:

Defence: Real-time Intelligence, Surveillance, and Reconnaissance (ISR) from UAVs, UGVs, and soldier systems.

Homeland Security: Urban surveillance, CBRN detection, and automated crowd analytics.

Border Security: Electro-Optical/Infrared towers, vibration/acoustic fence sensors, and UAV-based Intelligence, Surveillance, and Reconnaissance (ISR) create integrated border-defence ecosystems.

Tonbo Imaging's low-power, modular Electro-Optical/Infrared platforms exemplify this shift, offering scalable, AI-enabled sensor payloads for defence and homeland use.

10.4 Understanding: Ranging, Target Acquisition, Machine Learning, etc.

Modern battlefield systems rely on laser ranging, target acquisition, and machine learning (ML) to deliver precision engagement and situational awareness in contested environments. Together, these technologies form the

core of “Understanding” in the Observe–Orient–Decide–Act (OODA) loop, bridging raw sensor data with decision-ready intelligence.

10.4.1 Evolution of Laser Ranging System

Laser rangefinders (LRFs) have evolved over decades from basic distance measurement tools into networked, AI-enabled fire-control subsystems:

First Generation (CY1960s – Mechanical/Analog): Early LRFs used simple optical and microwave principles to spot ranges up to a few hundred meters. They were bulky, slow, and used mainly for indirect fire support.

Second Generation (CY1970s–CY1990s – Digital Solid-State): The advent of solid-state lasers and digital readouts allowed miniaturization. Systems achieved ranges of several kilometers, reduced response times, and became portable for frontline troops and armored vehicles.

Third Generation (CY2000s – Integrated Systems): LRFs became part of integrated fire-control suites, fusing with Electro-Optical/Infrared sights, ballistic computers, and artillery command systems. They enabled multi-target tracking, ballistic correction, and real-time fire support, deployed across tanks, UAVs, and precision-guided munitions.

Fourth Generation (CY2010s–present – AI-Enabled & Networked): Modern LRFs use MEMS-based scanning, eye-safe wavelengths, and AI-driven classification to map 3D environments. They adapt in degraded visual environments (fog, smoke, dust), feed directly into C4Intelligence, Surveillance, and Reconnaissance (ISR) networks, and enable cooperative targeting across platforms.

Example: India’s DRDO is fielding AI-enabled LRFs on tanks and UAVs, while Israel and the U.S. deploy advanced “fused” systems in loitering munitions and airborne targeting pods.

10.4.2 Evolution Of Machine Learning (Target Tracking, Scene Classification) For Intelligence On The Battlefield

ML has transformed how defence systems process battlefield data, enabling real-time target detection, tracking, and scene understanding:

Early ML (Pre-CY2010s – Rule-Based): Algorithms relied on template matching and background subtraction. They could identify vehicles or personnel but were slow, brittle, and dependent on large ground stations.

Deep Learning Era (CY2010s–present): Advances in neural networks (YOLO, Mask R-CNN, SSD) enabled real-time object detection and multi-object tracking (MOT), even under occlusion, clutter, or poor visibility. Scene classification improved dramatically, allowing systems to differentiate terrain types (forest, urban, desert) and detect concealed or camouflaged assets.

Target Tracking Systems: Modern ML systems use Kalman filters + deep learning to predict trajectories. Re-identification (Re-ID) networks ensure continuous tracking even if targets disappear briefly. Multimodal fusion (Electro-Optical/Infrared, LiDAR, radar) further improves accuracy.

Scene Understanding & Predictive Analytics: Advanced models classify combat vs. civilian activity, detect IED placement through anomaly detection, and create 3D semantic maps using UAV or LiDAR data. This shortens decision cycles and improves rules-of-engagement compliance.

10.4.3 Integration into C4Intelligence, Surveillance, and Reconnaissance (ISR) and Fire-Control Workflows

ML is no longer standalone—it is embedded into C4Intelligence, Surveillance, and Reconnaissance (ISR) and fire-control systems:

Integrated Intelligence, Surveillance, and Reconnaissance (ISR)–Shooter Links: ML-curated data flows directly into artillery fire-control, precision-strike munitions, and loitering drones, reducing human-in-the-loop delays.

Automated Alerts: ML detects sniper fire, artillery launches, or unusual vehicle movement, generating alerts to commanders in seconds.

Cross-Sensor Fusion: ML combines HUMINT, SIGINT, Electro-Optical/Infrared, and SAR into a single

operational picture, improving accuracy while lowering analyst workload.

Mission Autonomy: Autonomous UAV swarms can now classify, prioritize, and hand off targets among themselves without operator input — a direct result of ML-driven autonomy.

10.5 Communication: Long Range, Optical, etc.

Secure, resilient communication is the backbone of modern military operations. With Intelligence, Surveillance, and Reconnaissance (ISR), targeting, and C2 increasingly data-intensive, the ability to move high-bandwidth information across contested, degraded, or denied environments (CD2E) is now a decisive operational factor.

10.5.1 Limitations of Radio Frequency (RF) for Secure Long-Range Communication

Conventional RF-based tactical communications remain essential but face growing constraints:

Vulnerability to interception/jamming: Omnidirectional propagation makes RF signals easily detectable and disruptable by enemy EW systems. Direction-finding and triangulation expose positions of command vehicles, UAVs, and FOBs.

Spectrum congestion: Increasing military–civilian demand crowds HF/VHF/UHF bands, generating latency, collisions, and degraded reliability—especially in multinational or urban theaters.

Limited bandwidth: RF is insufficient for modern Intelligence, Surveillance, and Reconnaissance (ISR) needs (e.g., live HD video, SAR imaging, or multi-sensor fusion feeds). Higher bands provide bandwidth but suffer from LOS/weather constraints.

Electromagnetic signature: Persistent RF transmissions increase detectability, undermining stealth operations and survivability in EW-rich environments.

10.5.2 Evolution of Laser-based Free Space Optical (FSO) Communication for Secure High-Bandwidth Communication

Free space optical (FSO) communication leverages laser beams to deliver gigabit-class, interference-free data across line-of-sight (LoS) links.

Advantages:

Multi-Gbps bandwidth, resilient to jamming/interception.

Low probability of detection/intercept due to narrow beams.

Spectrum independence — avoids Radio Frequency (RF) congestion since signalling used for communications is separate from traditional RF communications bandwidth.

Applications:

UAV-to-ground/aircraft links: Real-time Intelligence, Surveillance, and Reconnaissance (ISR) and Command and Control (C2)

Naval and FOB communications: Gigabit high speed data transfer between ships, coastal sites, and forward bases.

Hybrid RF+FSO: Combines bandwidth and resiliency and allows redundancy in communications systems since RF signals may be degraded due to bad weather conditions.

Key developments include:

Quantum Key Distribution (QKD) over FSO – enabling unhackable battlefield links, supported by AI-based adaptive optics and auto-tracking gimbals.

By CY2030, FSO is projected to account for 25-30% of new tactical comms links in high-end militaries, supplementing but not fully replacing RF.

10.6 Offensive: Precision Targeting, Directed Energy Weapons, etc.

Modern offensive capabilities are evolving from mass-based kinetic dominance to precision, speed-of-light, and cost-efficient disruption. While missiles and smart munitions remain central, Directed Energy Weapons (DEWs) are emerging as scalable complements and substitutes.

10.6.1 Laser-Based Directed Energy Weapons (L-DEWs)

Mechanism: High-energy lasers (HELs) deliver focused optical energy to heat/damage targets at light speed.

Advantages: Instantaneous engagement, low cost-per-shot, scalable power levels, minimal collateral damage

Example: Tonbo Imaging's T-Rex Electro-Optical/Infrared module provides precision tracking/stabilization for HEL targeting.

Use Cases:

Naval Defence (HELIOS, LaWS): In the U.S. Navy, which uses ESPAs to address pirates or other small boats and suspected hostile drones, such as HELIOS (High-Energy Laser with Integrated Optical Dazzler and Surveillance) and LaWS (Laser Weapon System) fiber lasers are adapted to Electro-Optical/Infrared imaging and radar. Such lasers address threats swiftly and silently, particularly in swarm assaults or Intelligence, Surveillance, and Reconnaissance (ISR) drone penetration near ships.

10.6.2 Microwave-based Directed Energy Weapons

Mechanism: Emit high-power electromagnetic pulses to disable electronics without physical destruction.

The global DEW market is projected to grow from $504 million in CY2025 to $5.6 billion by CY2030 (CAGR >60%), with Israel, U.S., China, and India leading early deployment.

Use Cases:

THOR (Tactical High-Power Operational Responder): It is a ground-based HPM weapon system developed by the U.S. Air Force Research Lab to face swarming drone threats. It can neutralise several small UAVs in one hit with no debris, and at relatively reduced risk of collateral area damage, with the system delivered in a single 20ft ISO container for easy use by forward operating bases or tactical convoys.

Airport or Urban Defence Systems: HPM DEWs are beginning to be considered at field level deployment, also to be located near airports the urban areas where kinetic intercept (or laser) weapons have hazards to persons and hazards due to infrastructure. Their electronic-only capabilities provide a safe means of defeating rogue drones or Intelligence, Surveillance, and Reconnaissance (ISR) threats.

10.7 Value chain of Defence Ecosystem Globally and in India

The defence and aerospace ecosystem is not a linear supply chain but a multi-tiered value network, spanning policy, procurement, OEMs, integrators, subsystem suppliers, component manufacturers, and R&D partners. Each layer is interdependent, with feedback loops between user requirements, industrial capacity, and innovation pipelines.

10.7.1 Global Defence Value Chain

Nationally, the defence value chain is influenced by national security interests, strategic partnerships, and innovation directives. It is structured as follows:

Table 28: Global Defence Value Chain

Value-Chain Layer	Role & Responsibilities
Ministries of Defence/ Procurement Authorities	These entities define military requirements, allocate budgets, and oversee procurement processes. Examples include the U.S. DoD, NATO Support and Procurement Agency (NSPA), and Israel's IMOD.
Prime Contractors/ OEMs	Major defence companies such as Lockheed Martin, Thales, Boeing, and Raytheon design and provide complete defence platform aircraft, naval vessels, missile systems, and then serve as program integrators.
System Integrators	These players integrate several subsystems (such as optics, radars, communication modules) as a whole system. Traditionally, this work has also been carried out by OEMs, like Northrop Grumman and Saab.

Value-Chain Layer	Role & Responsibilities
Tier-1 & Tier-2 Subsystem Providers	These are OSATs whose services target niche applications such as firms like Teledyne FLIR, Elbit Systems, and Collins Aerospace, which supply Electro-Optical/Infrared sensors and targeting systems and advanced electronics for defence platforms.
Component and Equipment Manufacturers	Companies such as Analog Devices and Lynred, that provide thermal cores, sensors, power sources, and optics that make high-precision subsystems possible.
Software, AI, and Cybersecurity Providers	Defence-oriented firms such as Palantir, Anduril, and C3. AI delivers middleware for target tracking algorithms, AI-based Intelligence, Surveillance, and Reconnaissance (ISR) analysis, and secure communication systems.

Source: Frost & Sullivan

10.7.2 Indian Defence Value Chain

The Indian defence ecosystem is more or less a reflection of the global organizations, but has its palimpsestic policy initiatives for 'indigenization' under the Atmanirbhar Bharat vision:

Table 29: Indian Defence Value Chain

Value-Chain Layer	Role & Responsibilities
Ministry of Defence & Acquisition Bodies	There are institutions like the MoD, DRDO, DDP, and DAW that have the responsibility for defence procurement and capability planning. Innovation within the country is supported by frameworks like DAP 2020, iDEX, and Make-I/II.
Public & Private OEMs / Integrators	Public Sector, (HAL/BEL/BDL), etc, develop aircraft, electronics, missile systems.. The private sector role in platform development and strategic partnerships is growing with companies like Tata Advanced Systems, L&T, Mahindra Defence, Adani Defence, etc.
DRDO & Labs	India's apex R&D organisation, DRDO, and labs like IRDE, DARE are concentrating on developing indigenous technologies encompassing optics, EW systems, and AI-enabled warfare tools.
Tiered Suppliers	Companies like Tonbo Imaging operate at this level, providing Electro-Optical/Infrared imaging systems, target acquisition modules, and stabilized payloads integrated into UAVs, tanks, and surveillance systems.
Startups and MSMEs	With the support of schemes such as iDEX and TDF, an increasing number of Indian startups (eg, ideaForge, Big Bang Boom Solutions) are providing AI, autonomous systems, and sensor technologies.
Academic Institutions and Incubators	In line with this recommendation, Faculty members of IITs, IISc, and DIAT work with and for DRDO and Industry to include Quantum Sensing, Photonics, and Battlefield AI as next-gen technologies to research upon.

Source: Frost & Sullivan

10.8 Role of OEMs, System Integrators, and R&D Institutes

The defence industry functions as a tightly interlinked triad of OEMs, system integrators, and R&D institutes, each playing a distinct but interdependent role in capability development. Together, they define the "innovation-to-deployment pipeline" that underpins modern defence readiness.

10.8.1 Original Equipment Manufacturers (OEMs)

OEMs design, assemble, and deliver complete platforms and mission systems — from combat aircraft and UAVs to missile systems and naval vessels.

Global OEMs

- Lockheed Martin (U.S.): F-35 Joint Strike Fighter, HIMARS, Aegis Combat System.
- Airbus & Dassault (Europe): FCAS program, Eurofighter Typhoon, A400M transport.
- Rafael & Elbit (Israel): Spike missile family, Iron Dome interceptors, advanced Electro-Optical/Infrared suites.

Indian OEMs

- HAL: Combat aircraft (Tejas), helicopters (Dhruv, LCH), licensed production of Sukhoi and Hawk aircraft.
- BEL: Electro-Optical/Infrared systems, battlefield radars, C4I systems, EW suites.

- BDL: Missile production (Akash, Astra, ATGMs) with increasing indigenization.
- Tata Advanced Systems: UAVs, aerospace components, and Intelligence, Surveillance, and Reconnaissance (ISR) platforms via joint ventures with Lockheed Martin, Airbus, and Boeing.

10.8.2 System Integrators

Integrators ensure subsystems — Electro-Optical/Infrared payloads, radars, communication links, fire control systems — work together seamlessly on platforms or networks.

Global Integrators

- Northrop Grumman: Global Hawk Intelligence, Surveillance, and Reconnaissance (ISR) platform, IBCS (Integrated Battle Command System).
- BAE Systems: Battlefield digitization and EW-C2 integration.
- Thales: Naval combat management integration with Electro-Optical/Infrared, radar, and secure comms.

Indian Integrators

- BEL: Radar, missile command systems, and IACCS integration.
- L&T Defence: Naval and homeland security platforms, coastal surveillance networks.
- Alpha Design Technologies: Tactical Electro-Optical/Infrared and comms integration for Army/Air Force.
- Astra Microwave: Specializes in RF subsystems and tactical network integration.

10.8.3 R&D Institutes

R&D bodies inject technology foresight, IP, and prototyping into the value chain, enabling long-term capability development.

Global R&D Bodies

- DARPA (U.S.): Hypersonics, AI autonomy, electronic warfare innovation.
- Fraunhofer (Germany): Photonics, cyber resilience, radar and EO imaging.
- IMOD Labs (Israel): Electro-optics, UAV payloads, and multi-layered missile defence research.

Indian R&D Ecosystem

- DRDO & Specialized Labs:
  - **IRDE —** advanced EO systems and imaging seekers.
  - **DARE —** airborne EW and self-protection systems.
  - **LRDE —** 3D radars, AESA modules.
  - **DEAL —** secure datalinks, SDRs, quantum comms.
- **Academic Institutions:** IITs, IISc, and DIAT work on photonics, battlefield AI, and quantum sensing in partnership with DRDO.
- **Innovation Schemes:** iDEX, TDF, and Make-II programs connect startups and MSMEs with defence R&D projects.

10.9 Tonbo Imaging's Position in the Ecosystem

Tonbo Imaging is positioned as a recognized original equipment manufacturer (OEM) in the global defence and

security ecosystem. With over 28,000 systems deployed across 24 countries as of March 31, FY2026, Tonbo offers a diverse suite of field-proven electro-optical solutions. Field-proven denotes systems that have been operationally validated in live combat and security environments, demonstrating reliability, durability, and mission effectiveness under real-world conditions. Unlike many competitors, Tonbo's products are free from export restrictions under the International Traffic in Arms Regulations (ITAR), enabling wider global deployment.

Globally, Tonbo's systems have been validated by customers in advanced defence markets—including the European Union, the United States, and Israel—underscoring their technical reliability, operational acceptance, and export competitiveness in some of the world's most demanding military ecosystems.

11. Tonbo Imaging Overview

11.1 Company Background and Evolution

Tonbo Imaging, founded by defence technology experts Arvind Lakshmikumar, Ankit Kumar, and Cecilia D'Souza, began by modernizing outdated night-vision systems. It rapidly expanded into the full electro-optical stack, combining optics, AI, and embedded computing to deliver vertically integrated, end-to-end situational awareness solutions. With over 28,000 systems deployed in over 24 countries as of FY2026 and no ITAR export restrictions, Tonbo Imaging is a trusted OEM helping armed forces worldwide achieve greater self-reliance in strategic imaging technologies.

Tonbo Imaging is a global defence electronics OEM, with a track record of design and delivery of field tested defence systems, designing and developing products primarily catering to military and armed forces across the globe. As of FY2026, Tonbo Imaging's products are used by more than 24 countries, serving entities such as the U.S. Navy SEALs, Israeli Defence Forces, NATO, and the Indian Army. For its export achievements, Tonbo Imaging was recently awarded the Excellence in Tech Export Promotion – Medium Enterprises category at the HSBC Presents CNBC-TV18 SME Champion Awards event.

By applying computational imaging, AI, and sensor fusion, Tonbo Imaging build systems that are lighter, smarter, and significantly more cost-effective than conventional alternatives. This approach allows Tonbo to overcome limitations of traditional optics and infrared ("IR") sensors, embed edge AI in our systems for autonomous decision-making and deliver low-size weight and power ("SWaP"), high-performance platform systems across multiple domains.

11.2 Core Technologies and Product Portfolio

Tonbo's advantage lies in its proprietary IP portfolio spanning optics, infrared imaging, embedded computing, and AI-enabled control. The company has been granted five patent registrations by the United States Patent and Trademark Office, and has filed four patent applications before the Indian Patent Office, dated May 31, 2025, and before the United States Patent and Trademark Office, dated May 12, 2026. Rather than relying only on hardware gains, Tonbo blends computational imaging, machine-learning software, and low-power electronics to deliver efficient, battlefield-ready autonomy.

In addition, defence procurement regulations favour domestic OEMs and system integrators in many countries. To navigate these markets, Tonbo supplies completely knocked down ("CKD") kits and electro-optic cores, allows white labelling by local defence OEMs and ensures the final product qualifies as "domestically manufactured". Further, products assembled and branded locally can bypass restrictions related to defence offsets, import duties, or foreign procurement caps.

Tonbo Imaging's thermal weapon sight Spartan-S is a leading product in the defence technology industry. Benchmarked against comparable products in India, the Spartan-S is better in various features such as size, weight and power. For example, it is significantly smaller and lighter than competition, while offering better efficiency and performance.

Table 30: Peer Comparison of Tonbo Imaging's Thermal Weapon Sight

	Solution 1	**Solution 2**	**Spartan-S**	**Remarks**
Company Name	**Competition 1**	**Competition 2**	**Tonbo Imaging**	
Dimensions	~6" x 6" x 5"	~ 7" x 7" x 5"	4.3" x 2.3" x 2.3" / 4.3"x 2.9"x 2.3"	
Weight	~800g	~900g	280g	***< 300g is critical for interchangeable weapon and helmet sight.***

	Solution 1	Solution 2	Spartan-S	Remarks
Company Name	**Competition 1**	**Competition 2**	**Tonbo Imaging**	
Power	18650 Lithium Battery (factory configurable)	18650 Lithium Battery (factory configurable)	CR-123/ 18650 Lithium Battery (factory configurable)	***Ability to work with both CR123 and 18650 is an advantage as it provides users with the flexibility to choose according to their operational requirements.***
Battery Life	>6 hrs with 18650 Battery (single battery)	>6 hrs with 18650 Battery (single battery)	> 2hrs with Cr 123 / > 8hrs 18650 Li Ion battery (single battery)	
Detection Range	~1000m	~1000m	1300m	
Available Laser	Not Available	Not Available	Near IR / Visible laser	**NIR lasers can illuminate targets which are not visible to the naked eye, allowing cameras with appropriate sensors to "see" scenes even when there is no thermal contrast.**
Image Storage	Not Available	Not Available	60 Snapshots / **8 Hrs Recording with 10k Snapshots**	
Calibration	Shutterless Operation; Manual Calibration	Manual Calibration	Shutterless Operation; Manual Calibration	
Adjustable OLED for Pixel Shift Zeroing	Not Available	Not Available	yes	
Shooters Remote	Not Available	Not Available	yes	
Flip-to-Side	Not Available	Not Available	Yes, 100% return to zero in clip on mode	***The ability to flip out and flip back in to maintain zero is critical on the battlefield***

Source: Frost & Sullivan Analysis

Global demand for Anti-Tank Guided Missiles (ATGMs) has surged in recent years, driven by evolving battlefield threats and the rapid replenishment needs seen across multiple conflict zones. Many countries—including India—continue to face persistent shortages as traditional supply chains struggle to keep pace with operational requirements. This has intensified the need for cost-effective, reliable, and easily maintainable seeker technologies, which form the heart of every ATGM system.

Missile seekers today are predominantly based on cooled infrared imaging systems, which, while effective, come with significant drawbacks: they are costly, incorporate complex mechanical cooling assemblies prone to failure, and are challenging to replace or maintain in the field. In contrast, uncooled infrared imagers offer a far more robust and economical alternative—they are lower cost, exhibit greater reliability, and provide longer operational life.

Tonbo Imaging's TRAP seeker fulfils these requirements. Engineered around an uncooled infrared imager, TRAP leverages Tonbo's proprietary advances in optics technology and sensor design to deliver performance that matches the requirements for modern ATGMs.

Table 31: Peer Comparison of Tonbo Imaging's Infrared Missile Seeker

Key Parameters	Competition 1	Competition 2	Tonbo Imaging's Solution
Imager Type	Cooled MWIR	Cooled MWIR	Uncooled LWIR
Operational Range	4 km	4 km	4 km
Mean Time Between Failures	10,000 hours	10,000 hours	40,000 hours
Weight (of the imager)	800g	1 kg	< 100g
Power consumption	5 watts	8 watts	< 2 watts

Key Parameters	Competition 1	Competition 2	Tonbo Imaging's Solution
Cost (US $)	$$$$$	$$$$$	$$

Source: Frost & Sullivan Analysis

In addition to technologies mentioned above, a notable development is Tonbo Imaging's development of HPM systems which has potential ability to take down large swarms of enemy drones. This is a clear and modern-day threat, and every nation wants to own sovereign capabilities in this space.

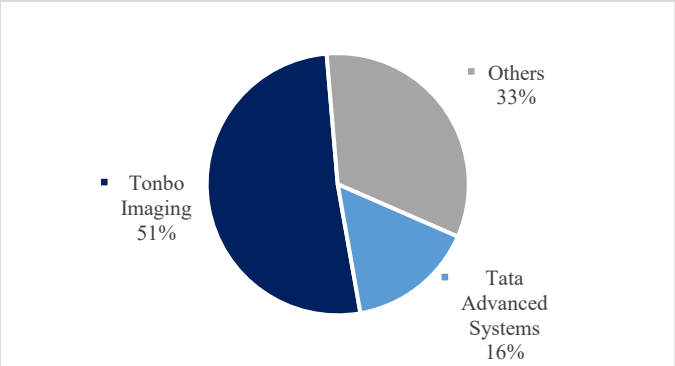
11.3 Key Competitive Advantages

Tonbo Imaging's key technology developments are in advanced optics, AI-enabled imaging, and embedded systems. The company develops small, tough lens assemblies, including aspherical, reflective, and compound lenses optimized for visible, IR, SWIR, and thermal applications. Using machine learning, Tonbo offers real-time target detection, behavior prediction, and multi-sensor fusion (Electro-Optical/Infrared/SWIR/Radar) for improved situational awareness. Its edge-computing features are supported by low-SWaP-FPGA-ARM-based platforms, which significantly help in lowering latency and bandwidth requirements.

Developed markets like the US and Israel set the benchmark for technological superiority and emerging markets like India, Southeast Asia and Africa are price sensitive. Tonbo Imaging design their products baselining their technology with developed markets and pricing them competitively for developing markets.

Tonbo Imaging's is a key supplier of thermal imaging systems to India. This can be seen from its success in winning various Indian government tender opportunities.

Figure 45: Market Share (Units) of Thermal Imaging Systems Supplied to India Government, April 2024 to March 2026



Source: Frost & Sullivan, India Government e-Marketplace

Over the period of April 2024 to March 2026, Tonbo Imaging is the largest manufacturer, in terms of sales value, of thermal imaging systems to government and defence agencies in India.

11.4 Program Opportunities for Tonbo Imaging

With the Technology Perspective and Capability Roadmap (TPCR-2025) release, India's armed forces are placing strong emphasis on directed-energy weapons, advanced unmanned systems, AI-enabled sensors and imaging for Intelligence, Surveillance, and Reconnaissance (ISR), and anti-swarm, counter-drone capabilities — areas in which Tonbo Imaging's low-cost optics and computational imaging technologies are especially relevant.

Tonbo's future potential lies in becoming a key supplier to address the opportunities highlighted in the roadmap by localising high performance imaging hardware, integrating AI for targeting and detection, participating in joint development of RCWS (Remote Controlled Weapon Systems), and supporting deployment of sensors for space, aerial, and ground-based unmanned platforms.

Table 32: Indian MoD Program Opportunities

Program Name	Program Brief	Quantity
Future Ready Combat Vehicle (FRCV)	360° panoramic commander/gunner Electro-Optical/Infrared, day–night driver vision.	1,700-1,800 nos
Driver Night Sights	Uncooled thermal + low-light monocular for driver	3,000-3,200 nos

Program Name	Program Brief	Quantity
	situational awareness.	
Night Vision for Gunner & Commander for BMP-2	Panoramic commander sight with Electro-Optical/Infrared; gunner day/night Fire Control System (FCS).	2,000-2,200 nos
Stealth RPAs	UAS with low-observable comms and SIGINT/Intelligence, Surveillance, and Reconnaissance (ISR) payload options.	55-70 nos
Special Optical Payload	Multi-aperture Electro-Optical/Infrared package enabling wide-area coverage from a single gimbal.	Not disclosed
Integrated Surveillance and Targeting System (ISAT-S)	Integrated Intelligence, Surveillance, and Reconnaissance (ISR) + precision targeting suite for vehicles and towers.	700-800 nos
Unmanned Aerial Vehicle Launched Precision Guided Missiles (ULPGMs)	Lightweight Electro-Optical/Infrared-guided munitions for armed UAS.	350-400 nos
4th/5th Generation ATGM	Dual-mode seeker; fire-and-forget / top-attack capable.	20,000-50,000 nos
Anti-Tank Guided Missile (ATGM)	Gen-3/4/5 gun-launched missile integration for MBTs.	20,000-50,000 nos
Thermal Imaging (TI) Sights	Clip-on thermal/II sights for small arms and MGs.	55,000-60,000 nos
Image Intensifier Sights	Gen-3+ NV weapon sights for infantry units.	180,000-200,000 nos
Helmet-Mounted NVBs	Sub-1 kg NV binoculars; water-/weather-proof; helmet-mountable.	Not disclosed
IR Seeker and Accelerometer	IIR seeker with high-G survivability and precision IMU.	5,000-5,500 nos
Electro-Optic Infrared Search and Track system (EOIRST)	Passive Electro-Optical/Infrared search-and-track for air/sea targets under zero-vis conditions.	100 nos
Long Range EO Sensors	Multi-sensor (LLTV/IR/telephoto) package for helicopter/UAV/MR aircraft.	200 nos
Laser-Based Communication System	Tactical FSO link for secure, high-throughput two-way connectivity.	30-40 nos
Stratospheric Airship	High-altitude relay for comms and wide-area SIGINT/Intelligence, Surveillance, and Reconnaissance (ISR).	20 nos
Hybrid RPA	Short-range VTOL/convertible UAS for 200 km missions and hover Intelligence, Surveillance, and Reconnaissance (ISR).	10-20 nos
EOIRST on Fighter Aircraft	Fighter-class passive Electro-Optical/Infrared detection, tracking, and ranging suite.	> 70 nos
Smart Loitering for BVLOS Munitions	Ground-launched loiterers with Electro-Optical/Infrared seeker and 6+ hr endurance.	200-500 nos
Advanced Driver Assistant System (ADAS) for Heavy Vehicles	AI-enabled optical/RADAR/LiDAR driver-assist and warning functions.	1,200 nos
High Power Electromagnetic Weapon System	Mobile HPM for wide-area electronics defeat at 6–8+ km.	< 10 nos
Targeting Pods– > 100 nos	Day/night pod with laser designator and Electro-Optical/Infrared tracker for LGB/EO weapons.	> 100 nos
Next-Generation Night Vision Devices (IR/Thermal Imaging)	Handheld day/night detection and recognition of small targets.	Not disclosed
Helmet Mounted NVBs – Undisclosed nos	Sub-1 kg helmet NV; detection/ID in pitch-dark conditions.	Not disclosed
Dual IR Band and UV-Based Imaging Seekers for MAN Portable AD System	Multi-band seekers to defeat flares; >12 km target ID.	1,200 nos
Augmented Reality Helmet for Ground Troops	Helmet display with AI/ML overlays and blue-force awareness.	14,000 nos
Hard Kill Counter UAS System	Vehicle-mounted C-UAS with RF/AESA/EO&IR sensors and neutralizers.	< 225 nos
Directed Energy Weapon	HEL/HPM system for counter-drone and air-defence roles.	Not disclosed

Source: Ministry of Defence, India TPCR-FY2025

12. Operational and Financial Benchmarking

Tonbo Imaging is a global defence deep tech company that specializes in high performance imaging, processing, communication and control systems with the primary incentive to facilitate autonomy in complex environments. With proven technology in advanced military, aerospace electro-optics and imaging systems, Tonbo Imaging's

portfolio provides leading size, weight, cost and performance benefits.

To assess Tonbo Imaging's positioning within both the Indian and global defence electro-optics (Electro-Optical/Infrared) landscape, it is essential to benchmark against companies that operate in closely related domains and demonstrate comparable technological relevance. The selected global companies—Epirus (US), Teledyne FLIR (US), Hensoldt (Germany), Theon International, and Controp (Israel)—represent established players in Electro-Optical/Infrared, thermal imaging, and advanced defence electronics. They provide a meaningful reference for evaluating technology integration, global market penetration, and intellectual property ownership. Similarly, the Indian defence companies chosen for comparison—Astra Microwave, Zen Technologies, Data Patterns, Paras Defence, and Bharat Electronics—are leading domestic peers in defence electronics, radar, simulation, and subsystem integration. Together, these companies represent the relevant ecosystem within which Tonbo Imaging operates and highlight the gaps Tonbo fills by offering proprietary, end-to-end Electro-Optical/Infrared subsystems.

12.1 Profiling of Key Global and Indian Competitors

This section provides a brief overview of each selected company, outlining their core business areas, market presence, and relevance within the defence and Electro-Optical/Infrared ecosystem.

Table 33: Profiles of Key Global and Indian Competitors

Company	HQ	Description	Product Portfolio	Geography Mix for FY26 Revenue	Revenue (FY26)	Electro-Optical/ Infrared Presence
Astra Microwave	Hyderabad, India	Indian designer/ manufacturer of RF, microwave & digital electronics for defence, aerospace & space; strong on indigenization & system integration.	Radar subsystems, missile electronics, SATCOM RF, RF/microwave modules, integrated EW/comm subsystems.	India ~90%, Exports ~10% (FY25)	INR 11,628 Million	Indirect/ Adjacent (sensor electronics, radar RF); limited direct Electro-Optical/ Infrared payloads.
Zen Technologies	Hyderabad, India	Indigenous training simulators & anti-drone systems; growing autonomy & surveillance capabilities.	Weapon & vehicle simulators, live/virtual training ranges, C-UAS systems, surveillance solutions.	India ~62% Exports ~38%: Middle East, Africa, CIS, North & Latin America, UAE. (FY25)	INR 6,877 Million	Limited/ Enabler (C-UAS integration of Electro-Optical/ Infrared as part of systems).
Paras Defence	Navi Mumbai, India	Veteran optics/EO player across defence & space; strong in electro-optics & EW subsystems.	Opto-electronic systems, submarine periscopes, drone payloads/gimbals, rugged avionics, space optics.	India ~85% Exports ~15%: Israel, USA, Europe, South Korea, Singapore, UAE, Saudi Arabia, South Africa, Canada. (FY25)	INR 4,766 Million	Strong (EO lenses/ assemblies, gimbals, periscopes, payloads).
Data Patterns	Chennai, India	High-reliability defence/aero electronics across full lifecycle	Radar electronics, avionics LRUs, SATCOM/ command systems, embedded control & test systems.	India ~85% Exports ~15%: Europe & East Asia. (FY25)	INR 9,248 Million	Indirect/ Adjacent (radar/ optronics electronics; limited proprietary Electro-Optical/ Infrared).
Bharat	Bengaluru,	MoD	Radars, EW/ESM,	India ~96%	INR	Strong (thermal

Company	HQ	Description	Product Portfolio	Geography Mix for FY26 Revenue	Revenue (FY26)	Electro-Optical/ Infrared Presence
Electronics Ltd.	India	Navratna PSU; leading defence electronics across radar, EW, comms, EO, avionics, cyber.	comms, EO/thermal imagers, avionics, C2, air defence, coastal security systems.	Exports ~4%; Make in India-led footprint. (FY25)	276,101 Million	imagers, sights, optronics suites).
Tata Advanced Systems	Hyderabad, India	Tier-1 aerospace & defence OEM under Tata Group; airframes, missiles, radars, composites, and systems integration	aircraft structures, UAVs, missile subsystems, radar & EW modules, C4ISR integration; build-to-print for global primes	India + exports (U.S./EU/ Israel) via OEM partnerships	INR 51,231 Million (FY25)	Indirect/ Adjacent (Electro-Optical/Infrared integration on platforms; limited proprietary Electro-Optical/ Infrared product)
VEM Technologies	Hyderabad, India	Indigenous weapons & avionics house; strong in seekers, propulsion, guidance, and test equipment	ATGM subsystems, seekers & IMUs, rocket motors, launchers, avionics, test stands; missile integration	India (MoD/ DRDO programs); selective exports	INR 3,100 Million (FY25)	Strong (seekers/IMUs; Electro-Optical/ Infrared terminal guidance, test gear)
Epirus	Los Angeles, USA	Deep-tech defence firm focused on high-power microwave (HPM) directed energy (Leonidas).	HPM C-UAS systems (Leonidas family), AI-driven power electronics; platform integrations.	Primarily U.S.; scaling to Army/Navy platforms; allied expansion underway.	Not disclosed	None/Minimal (focus is HPM, not Electro-Optical/Infrared).
Teledyne FLIR	Wilsonville, USA	Global leader in thermal/IR sensors & systems; multi-domain sensing & small UAS.	Thermal cameras/cores, night vision, Black Hornet nano-UAS, UGVs (via Endeavor), surveillance payloads.	Global (defence, industrial, commercial).	USD 3.2 Billion (CY25)	Very Strong (broad Electro-Optical/ Infrared product stack across sizes & markets).
Hensoldt	Taufkirchen, Germany	European sensor champion across radar, EW & optronics; ISR & situational awareness systems.	Air/ground/sea radars, Electro-Optical/ Infrared sights, optronics, EW, mission systems, surveillance suites.	Europe/ NATO + global exports; key supplier to German Military.	USD 2.8 Billion (CY25)	Strong (optronics & Electro-Optical/ Infrared suites for land/air/sea).
Theon International	Koropi, Greece	Customized night vision & thermal imaging; vertically integrated; 71-country footprint.	NVGs, thermal weapon sights, clip-ons, binoculars/ monoculars, fused sensors; soldier systems.	Global: 71 countries (incl. 26 NATO); EU/US/ME/Asia presence.	USD 501.0 Million (CY25)	Strong (NV/TI product lines; soldier optronics).
Controp Precision Technologies	Hod HaSharon, Israel	Specialist in stabilized Electro-	Electro-Optical/ Infrared cameras & gyro-stabilized	Global; incl. U.S. subsidiary (Virginia)	USD 197.0 Million	Very Strong (stabilized gimbals &

Company	HQ	Description	Product Portfolio	Geography Mix for FY26 Revenue	Revenue (FY26)	Electro-Optical/ Infrared Presence
		Optical/ Infrared gimbals & precision motion-control systems.	gimbals for UAV/UGV/ ship/ground; border/coastal/HLS suites.	supporting U.S. market	(CY25)	turnkey Electro-Optical/Infrared surveillance).

12.2 Strategic Comparison

12.2.1 Indian Peer Comparison

Table 34: Indian Defence Peer-Level Comparison

Defence Players	Business Model	Product Range	Value Proposition	Export % of Revenue (FY25)
Tonbo Imaging	Horizontally integrated; in-house design & IP ownership, outsourced manufacturing	Full-stack Electro-Optical/Infrared with proprietary subsystems	Owns 100% Electro-Optical/Infrared IP, modular + miniaturized systems	65.52%
Astra Microwave	Product company for RF subsystems; contract-based manufacturing model	No direct Electro-Optical/Infrared systems	RF subsystems; Electro-Optical/Infrared limited	10.00%
Zen Technologies	Software-focused; builds simulation platforms with integrated third-party systems	Electro-Optical/Infrared used in simulators only	Software-led training, light integration of Electro-Optical/Infrared	37.97%
Paras Defence	Manufacturing-led with partial design capability; relies on technology partnerships	Electro-Optical/Infrared payloads but reliant on partners	Manufacturing capability, relies on OEMs	14.59%
Data Patterns	Vertically integrated; strong in embedded systems, low Electro-Optical/Infrared design ownership	Supports Electro-Optical/Infrared via backend electronics	Control systems, not optical payloads	15.00%
Bharat Electronics	Vertically integrated PSU; extensive in-house production, limited IP independence	Limited Electro-Optical/Infrared, mostly integrated systems	General systems integrator, relies on partnerships	3.86%
Tata Advanced Systems	Vertically integrated, manufacturing-led system integrator; Tier-1 platform/OEM partner for Electro-Optical/Infrared payload integration.	Electro-Optical/Infrared integration, and co-development with BEL for cooled-MWIR (limited proprietary Electro-Optical/Infrared).	General systems integrator, relies on partnerships.	Not disclosed
VEM Technologies	Manufacturing-led with in-house design; missile-subsystems house specializing in Electro-Optical/Infrared seekers and guidance electronics.	Electro-Optical/Infrared seekers; seeker processors; strap-down IMUs/autopilots; launcher & fire-control electronics; seeker ATE/test stands.	Indigenous seeker + navigation IP; high-G-qualified	Not disclosed

Source: Frost & Sullivan

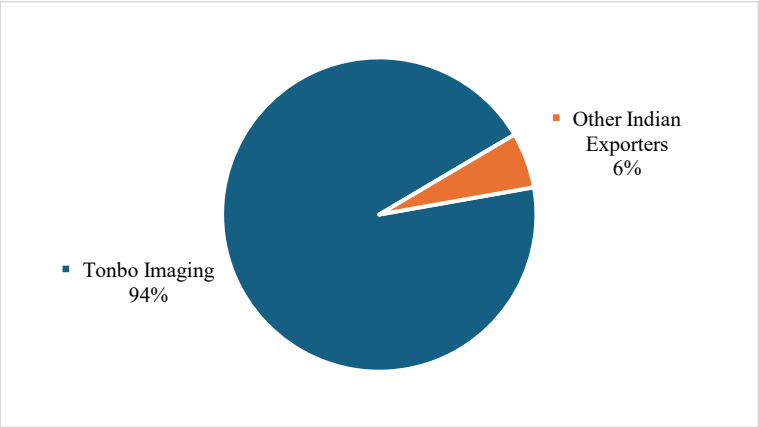
Many major Indian defence firms, such as Bharat Dynamics Limited (BDL) and Hindustan Aeronautics Limited (HAL) collaborate with foreign technology partners like MBDA Missile Systems and Elbit Systems for critical missile, radar, and unmanned aerial vehicle (UAV) subsystems through joint ventures and technology transfers. These collaborations often involve licensed production and integration of externally developed seekers, sensors, or engines, underscoring demand for foreign technical know-how.

In contrast, Tonbo Imaging is one of few companies in India with no dependence on external technology partners

as it owns 100% of its intellectual property, since FY24, from optics to embedded software and electronics including critical subsystems for sighting systems, including proprietary video engines, AI-accelerated image processing, and sub-5 µrad multi-axis gimbal stabilization.

Tonbo Imaging's growth has been fueled by private capital and self-funded R&D, unlike many domestic peers, underscoring its position as a capital-efficient, globally validated innovator in modern Electro-Optical/Infrared technologies. In addition, Tonbo Imaging accounted for 94% of India's thermal imaging export volumes, making it the country's largest exporter of thermal imaging systems by units shipped between FY24 and FY26.

Figure 46: Market Share (units) of Thermal Imaging Exports from India, April 2024 to March 2026



Source: Frost & Sullivan, Customs Data

12.2.2 Global Defence Peer Comparison: Business Models, Capabilities, and Export Strength

Table 35: Global Defence Peer Level Comparison

Defence Players	Business Model	Product Range	Value Proposition	Global Presence
Tonbo Imaging	Horizontally integrated; in-house design & IP ownership, outsourced manufacturing	Full-stack Electro-Optical/Infrared with proprietary subsystems	Owns 100% Electro-Optical/Infrared IP, modular + miniaturized systems	Supplied to over 24 countries, including India, USA, UAE, South Korea, Singapore, Australia, Taiwan, Philippines, Romania, Slovenia, North Macedonia, Armenia, and Morocco; validated in US, EU, Israel
Teledyne FLIR	Vertically integrated; designs and manufactures sensors/modules in-house at scale	High-volume thermal imaging modules	Thermal specialists, limited control stack	Global; strong in North America, Europe, NATO allies, and industrial-commercial sectors
Theon International	Vertically integrated; builds full night vision and thermal systems for NATO clients	Night vision and thermal optics for NATO	Tactical systems, NATO-oriented	Predominantly Europe and NATO countries; exports to over 50+ nations
Controp	Product-focused; designs Electro-Optical/Infrared gimbals in-house; manufacturing appears partially internal	Stabilized Electro-Optical/Infrared gimbals	Turnkey surveillance, motion-control expertise	Exports to 71 countries across Asia, Africa, Europe, and LATAM
Hensoldt	Vertically integrated; large-scale defence OEM with strong internal production and systems integration	Integrated Electro-Optical/Infrared in large platforms	Vertically integrated with NATO primes	Strong export presence across Europe, NATO, and Asia; key supplier to German & EU MoDs
Epirus	Venture-backed; vertically integrated	Leonidas HPM counter-UAS,	Non-kinetic directed-energy effect,	Primarily U.S. DoD (Army, Navy); early

Defence Players	Business Model	Product Range	Value Proposition	Global Presence
	design around HPM, manufacturing partly in-house and through U.S. defence primes	scalable power modules, AI-driven power electronics	optimized for drone swarm and rapid deployment	allied deployments at overseas bases; expansion to NATO and partner markets

Source: Frost & Sullivan

Tonbo Imaging competes with a cohort of established global Electro-Optical/Infrared companies, many of which follow traditional vertically integrated business models. Companies like Teledyne FLIR, Theon International, and Hensoldt design and manufacture systems in-house, supplying directly to NATO and government customers. In contrast, Tonbo Imaging adopts a horizontally integrated model, combining proprietary in-house design and IP ownership with outsourced manufacturing, an approach that enhances agility and capital efficiency. Founded in 2008, Tonbo Imaging is a recognized OEM providing a diverse suite of field-tested electro-optic products free from export restrictions under International Traffic in Arms Regulations ("ITAR"). ITAR is a U.S. export control framework governing the sale, transfer, and sharing of defence related technology, data, and services. Tonbo's full Electro-Optical/Infrared portfolio is entirely free from ITAR, enabling it to serve non-aligned and export sensitive markets more flexibly, as the company designs and develop their products within India, making us one of the few global OEMs capable of supplying cutting-edge technologies without geopolitical export limitations. Tonbo's products have been sold globally to customers in EU, US and Israel enabling adoption in India through a global first approach, underscoring their acceptance in some of the world's most advanced defence markets.

12.3 Innovation and Technology Comparison (Indian Peers)

Table 36: Innovation and Technology Comparison (Indian Peers)

Company	Unique Technologies	R&D Focus	Proprietary Solutions
Tonbo Imaging	Microscanning, AI-IR edge processing	EO edge vision, stabilization	Diffractive optics, fused vision
Astra Microwave	RF, Microwave filters	Radar subsystems	Custom microwave modules
Zen Technologies	Anti-drone, real-time sim	Combat simulation	Drone kill-systems, VR tech
Paras Defence	EO systems, gimbals	Defence optics & electronics	Optronics integration
Data Patterns	Radar and avionics integration	Embedded defence electronics	Radar processors, power modules
Bharat Electronics	Multi-domain defence electronics: radars, EW suites, missile seekers	Radars, electronic warfare, network-centric systems, select Electro-Optical/ Infrared devices	Long-range surveillance radars, combat management systems, integrated naval platforms
Tata Advanced Systems	Composite airframes, missile canisters; platform integration	Platform integration, composites, avionics bays, C4ISR, ISR integration	Integrated UAV/ airframe platforms; build-to-print modules for primes
VEM Technologies	IIR seekers, dual-mode seekers, IMUs/autopilots; propulsion & launchers	Missile guidance, seekers & strapdown nav; ATGM subsystems and test equipment	Indigenous seeker/IMU stacks, launcher electronics; Electro-Optical/Infrared terminal guidance kits

Source: Frost & Sullivan

12.4 Innovation and Technology Comparison (Global Peers)

Table 37: Innovation and Technology Comparison (Global Peers)

Company	Unique Technologies	R&D Focus	Proprietary Solutions
Tonbo Imaging	Microscanning, AI-IR edge processing	EO edge vision, stabilization	Diffractive optics, fused vision
Teledyne FLIR	High-volume thermal imaging cores & sensors	Thermal imaging, small UAS payloads, robotics	Compact Electro-Optical/Infrared modules, Black Hornet nano-UAS
Theon International	Customizable NV/TI optics, soldier-borne systems	Night vision, thermal fusion, optronics design	NATO-standard NVGs, thermal weapon sights
Controp	Stabilized Electro-Optical/Infrared gimbals, precision motion control	Long-range surveillance, border/coastal Electro-Optical/Infrared	Turnkey stabilized gimbal solutions
Hensoldt	Multi-sensor integration (radar + Electro-Optical/Infrared + EW)	Intelligence, Surveillance, and Reconnaissance (ISR),	Large-platform Electro-Optical/Infrared suites, optronics integration

Company	Unique Technologies	R&D Focus	Proprietary Solutions
		electronic warfare, situational awareness	
Epirus	AI-driven semiconductor-based HPM power systems	High-power microwave directed energy	Leonidas C-UAS HPM system

Source: Frost & Sullivan

12.5 Product Portfolio Comparison (Indian Peers)

Table 38: Product Portfolio Comparison (Indian Peers)

Company	Comparable Product Lines	Typical Platforms/ Applications
Tonbo Imaging	Compact Electro-Optical/Infrared payloads, soldier-borne sights, AI-enabled targeting systems, low-SWaP gimbals	UAVs, UGVs, armored vehicles, soldier kits
Astra Microwave	Microwave subsystems, RF components, radar front-ends	Ground radar, satellite payloads
Zen Technologies	Drone simulators, C-UAS systems	Training, counter-drone defence
Paras Defence	Large Electro-Optical/Infrared gimbals, optics integration	Aircraft, ships
Data Patterns	Avionics, radar processor, electronic subsystem	Missiles, aircraft, EW systems
Bharat Electronics	Thermal sights, stabilized imagers, large-scale Intelligence Surveillance Reconnaissance (ISR)	Tanks, aircraft, naval platforms
Tata Advanced Systems	UAV airframes, Intelligence, Surveillance, and Reconnaissance (ISR) UAVs, platform Electro-Optical/Infrared integration, radomes/ missile canisters, composites	Aircraft, UAVs, ships, ground vehicles
VEM Technologies	IIR/dual-mode seekers, IMUs/autopilots, ATGM subsystems, launchers, test gear	Soldier/vehicle launchers, missiles, loiterers

Source: Frost & Sullivan

12.6 Product Portfolio Comparison (Global Peers)

Table 39: Product Portfolio Comparison (Global Peers)

Company	Comparable Product Lines	Typical Platforms/ Applications
Tonbo Imaging	Compact Electro-Optical/ Infrared payloads, soldier-borne sights, AI-enabled targeting systems, low-SWaP gimbals	UAVs, UGVs, armored vehicles, soldier kits
Teledyne FLIR	Thermal cores, large Electro-Optical/Infrared turrets, UAS imaging pods	UAVs, vehicles, soldier systems
Theon International	NV/TI optics, soldier-borne systems, fused night-vision devices	Infantry modernization programs, NATO SOF units
Controp	Stabilized Electro-Optical/Infrared gimbals, maritime Intelligence, Surveillance, and Reconnaissance (ISR) systems	Naval, border security
Hensoldt	Large-platform Electro-Optical/Infrared, radar/EO integration	Fighters, naval ships, ground Intelligence, Surveillance, and Reconnaissance (ISR)
Epirus	HPM-based counter-drone/electronic warfare systems	Ground-based C-UAS

Source: Frost & Sullivan

12.7 R&D Expenditure Comparison (India Peers)

Table 40: R&D Expenditure Comparison (India Peers)

Company	R&D Expenditure (FY25)	R&D Expenditure as a % of Revenue	R&D Expenditure (FY26)	R&D Expenditure as a % of Revenue
Tonbo Imaging	INR 90.95 Million	1.94%	INR 258.56 Million	7.13
Paras Defence and Space Technologies	NA	NA	NA	NA
Data Patterns	NA	NA	NA	NA
Astra Microwave Products	INR 526.84	5.01%	INR 580.00	4.99%

Company	R&D Expenditure (FY25)	R&D Expenditure as a % of Revenue	R&D Expenditure (FY26)	R&D Expenditure as a % of Revenue
	Million		Million	
Zen Technologies	INR 330.12 Million	3.39%	NA	NA
Bharat Electronics	INR 14,720.00 Million	6.19%	NA	NA
VEM Technologies	NA	NA	NA	NA
Tata Advanced Systems	NA	NA	NA	NA
Average		4.13%		6.60%

Source: Frost & Sullivan

12.8 R&D Expenditure Comparison (Global Peers)

Table 41: R&D Expenditure Comparison (Global Peers)

Company	R&D Expenditure (CY25)	R&D Expenditure as a % of Revenue
Teledyne FLIR	NA	NA
Theon International	USD 13.18 Million	2.75%
Controp	USD 6.44 Million	3.27%
Hensoldt	USD 153.36 Million	5.78%
Epirus	NA	NA
Average		3.93%

Source: Frost & Sullivan

The Global Industry Average of Research & Development expenditure % was 4.03% of revenue.

Note – The global industry average has been calculated as the average of Research & Development expenditure as a % of revenue of the Indian and global peers of the Company, based on the publicly available information. This has been calculated based on said expenditure and revenue in FY 2025 for Indian peers and calendar year 2025 for global peers.

12.9 Financial Benchmarking FY24–FY26 (India Peers)

12.9.1 Revenue

Table 42: Revenue Benchmarking of Indian Peers, INR Million, FY24-FY26

Company	FY24	FY25	FY26
Tonbo Imaging	4,281.89	4,690.80	3,626.48
Paras Defence and Space Technologies	2,534.98	3,646.61	4,765.70
Data Patterns	5,198.00	7,083.50	9,247.70
Astra Microwave Products	9,088.20	10,511.79	11,628.02
Zen Technologies	4,398.52	9,736.42	6,876.90
Bharat Electronics	202,682.40	237,687.50	2,76,101.10
VEM Technologies	3,422.28	3,100.90	NA
Tata Advanced Systems	47,925.20	51,231.30	NA

12.9.2 Gross Profit

Table 43: Gross Profit Benchmarking of Indian Peers, INR Million, FY24 – FY26

Company	FY24	FY25	FY26
Tonbo Imaging	2,082.60	2,644.69	1,851.26
Paras Defence and Space Technologies	NA	NA	NA
Data Patterns	3,547.00	4,323.00	5,849.00
Astra Microwave Products	3,630.00	4,740.00	5,920.00
Zen Technologies	NA	NA	NA
Bharat Electronics	NA	NA	NA
VEM Technologies	NA	NA	NA
Tata Advanced Systems	NA	NA	NA

12.9.3 Gross Profit Margin (%)

Table 44: Gross Margin Benchmarking of Indian Peers, FY24 – FY26

Company	FY24	FY25	FY26
Tonbo Imaging	48.64%	56.38%	51.05%
Paras Defence and Space Technologies	NA	NA	NA
Data Patterns	68.24%	61.03%	63.25%
Astra Microwave Products	39.94%	45.09%	50.90%
Zen Technologies	NA	NA	NA
Bharat Electronics	NA	NA	NA
VEM Technologies	NA	NA	NA
Tata Advanced Systems	NA	NA	NA

12.9.4 EBITDA

Table 45: EBITDA Benchmarking of Indian Peers, INR Million, FY24 – FY26

Company	FY24	FY25	FY26
Tonbo Imaging	1,123.24	1,390.67	1,046.18
Paras Defence and Space Technologies	510.55	972.03	1,204.60
Data Patterns	2,216.20	2,750.00	3,710.00
Astra Microwave Products	1,920.00	2,690.19	3,340.00
Zen Technologies	1,848.50	3,830.30	3,326.60
Bharat Electronics	49,980.00	67,680.00	NA
VEM Technologies	848.56	NA	NA
Tata Advanced Systems	7,059.80	7,003.00	NA

12.9.5 EBITDA Margin (%)

Table 46: EBITDA Margins Benchmarking of Indian Peers, FY24 – FY26

Company	FY24	FY25	FY26
Tonbo Imaging	26.23%	29.65%	28.85%
Paras Defence and Space Technologies	22.00%	28.00%	26.00
Data Patterns	42.64%	38.82%	40.12%
Astra Microwave Products	21.13%	25.59%	28.70%
Zen Technologies	42.03%	39.34%	48.37%
Bharat Electronics	25.00%	29.00%	NA
VEM Technologies	24.80%	NA	NA
Tata Advanced Systems	14.73%	13.67%	NA

12.9.6 PAT

Table 47: PAT Benchmarking of Indian Peers, INR Million, FY24 – FY26

Company	FY24	FY25	FY26
Tonbo Imaging	685.43	727.60	508.80
Paras Defence and Space Technologies	300.38	614.92	894.60
Data Patterns	1,816.90	2,218.10	2,714.00
Astra Microwave Products	1,210.66	1,535.09	1,930.00
Zen Technologies	1,295.04	2,993.35	2,179.25
Bharat Electronics	39,852.40	53,226.80	60,622.60
VEM Technologies	276.80	NA	NA
Tata Advanced Systems	1,770.80	484.20	NA

12.9.7 PAT Margin (%)

Table 48: PAT Margins Benchmarking of Indian Peers, FY24 – FY26

Company	FY24	FY25	FY26
Tonbo Imaging	15.87%	15.34%	13.75%
Paras Defence and Space Technologies	11.47%	16.50%	18.16%
Data Patterns	35.00%	31.30%	24.48%
Astra Microwave Products	13.30%	14.60%	16.60%
Zen Technologies	28.48%	29.00%	28.19%

Company	FY24	FY25	FY26
Bharat Electronics	20.00%	23.00%	21.52%
VEM Technologies	7.99%	NA	NA
Tata Advanced Systems	3.66%	0.94%	NA

12.9.8 Return on Equity (ROE %)

Table 49: Return on Equity (RoE) Benchmarking of Indian Peers, FY24 – FY26

Company	FY24	FY25	FY26
Tonbo Imaging	52.72%	20.20%	9.75%
Paras Defence and Space Technologies	7.96%	11.70%	NA
Data Patterns	15.00%	16.00%	16.70%
Astra Microwave Products	13.93%	13.93%	NA
Zen Technologies	33.47%	24.55%	NA
Bharat Electronics	27.10%	29.56%	NA
VEM Technologies	9.00%	NA	NA
Tata Advanced Systems	NA	NA	NA

12.9.9 Return on Capital Employed (ROCE %)

Table 50: Return on Capital Employed (ROCE) Benchmarking of Indian Peers, FY24 – FY26

Company	FY24	FY25	FY26
Tonbo Imaging	67.76%	27.41%	14.54%
Paras Defence and Space Technologies	9.79%	13.28%	NA
Data Patterns	16.00%	18.00%	21.80%
Astra Microwave Products	15.85%	16.53%	NA
Zen Technologies	40.56%	20.78%	NA
Bharat Electronics	36.44%	39.22%	NA
VEM Technologies	11.00%	NA	NA
Tata Advanced Systems	NA	NA	NA

Notes related to peers:

a. All the financials for the industry peers mentioned above are on a consolidated basis (unless called out otherwise in notes) and is sourced from the annual reports, audited financial results and investor presentations as available of the respective company for the relevant period / year submitted to the Stock Exchanges except for Data Patterns (India) Limited. where all metrics are on a standalone basis. NA refers to Not Available where the financial information is unavailable i.e. not reported by the listed peers in either their annual reports, audited financial results and investor presentations as submitted to the Stock Exchanges.

b. Gross Profit % is calculated as Gross Profit divided by Revenue from Operations for Paras Defence and Space Technologies Limited, Data Patterns (India) Limited, Astra Microwave Products Limited, Zen Technologies Limited and Bharat Electronics Limited.

c. EBITDA % is calculated as EBITDA divided by Revenue from Operations for Paras Defence and Space Technologies Limited, Data Patterns (India) Limited, Astra Microwave Products Limited, Zen Technologies Limited and Bharat Electronics Limited.

d. PAT Margin is calculated as Profit for the year divided by Total Income for Paras Defence and Space Technologies Limited, Data Patterns (India) Limited, Astra Microwave Products Limited, Zen Technologies Limited and Bharat Electronics Limited.

e. ROE % and ROCE % for Astra Microwave Products Limited and Bharat Electronics Limited are on standalone basis for relevant period / year.

Notes related to Tonbo Imaging:

1. Revenue from Operations means the Revenue from Operations for the year / period as appears in the Restated Consolidated Financial Statements.

2. Revenue Growth is calculated as a percentage of Revenue from Operations for current year minus Revenue from Operations for previous year divided by Revenue from Operations for previous year multiplied by 100.

3. Gross Profit is calculated as Revenue From Operation minus COGS; COGS is calculated as Cost of Materials Consumed plus Changes In Inventories of Finished Goods for the relevant year.

4. Gross Profit % is calculated as Gross Profit divided by Revenue from Operations.

5. EBITDA is calculated as Profit / (Loss) before Exceptional and Extraordinary items and Tax plus Finance Cost, Depreciation and Amortisation minus Other Income.

6. EBITDA % is calculated as EBITDA divided by Revenue from Operations.

7. PAT is Restated Profit for the year, net of tax as per Restated Consolidated Financial Statements.

8. PAT Margin is calculated as Restated Profit for the year, net of tax divided by Total Income.

9. Return on Capital Employed (ROCE) % is calculated as Earnings before Interest and Taxes ('EBIT') divided by Capital Employed; EBIT is calculated as EBITDA minus Depreciation and Amortization; Capital Employed is calculated as Total Equity minus Intangible Assets plus Long Term and Short Term Borrowings and Deferred Tax Liability.

10. Return on Equity (ROE) % is calculated as Restated Profit for the year, net of tax divided by Average Shareholder's Equity; Average Shareholder's Equity is calculated as Total Equity as of the current year plus Total Equity as of the previous year divided by 2.

OUR BUSINESS

*Some of the information in this section, including information with respect to our business plans and strategies, contains forward-looking statements that involve risks and uncertainties. You should read "**Forward-Looking Statements**" on page 20 for a discussion of the risks and uncertainties related to those statements and "**Risk Factors**", "**Restated Consolidated Financial Statements**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 21, 312 and 396, respectively, for a discussion of certain factors that may affect our business, financial condition, results of operations or cash flows. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also see, "**Definitions and Abbreviations**" on page 1 for certain terms used in this section.*

We have included various operational and financial performance indicators in this Draft Red Herring Prospectus, certain of which may not be derived from our Restated Consolidated Financial Statements. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. Investors should consult their own advisors in making an investment decision and evaluate such information in the context of the Restated Consolidated Financial Statements and other information relating to our business and operations included in this Draft Red Herring Prospectus.

*Our Company's financial year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular fiscal year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information for the Fiscals 2026, 2025 and 2024, included herein is based on or derived from our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus. For further information, see "**Restated Consolidated Financial Statements**" on page 312. The Restated Consolidated Financial Statements are based on our audited consolidated financial statements and is restated in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations. Our audited consolidated financial statements are prepared in accordance with Indian Accounting Standards, which differs in certain material respects with IFRS and U.S. GAAP. For details, see "**Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition**" on page* 70.

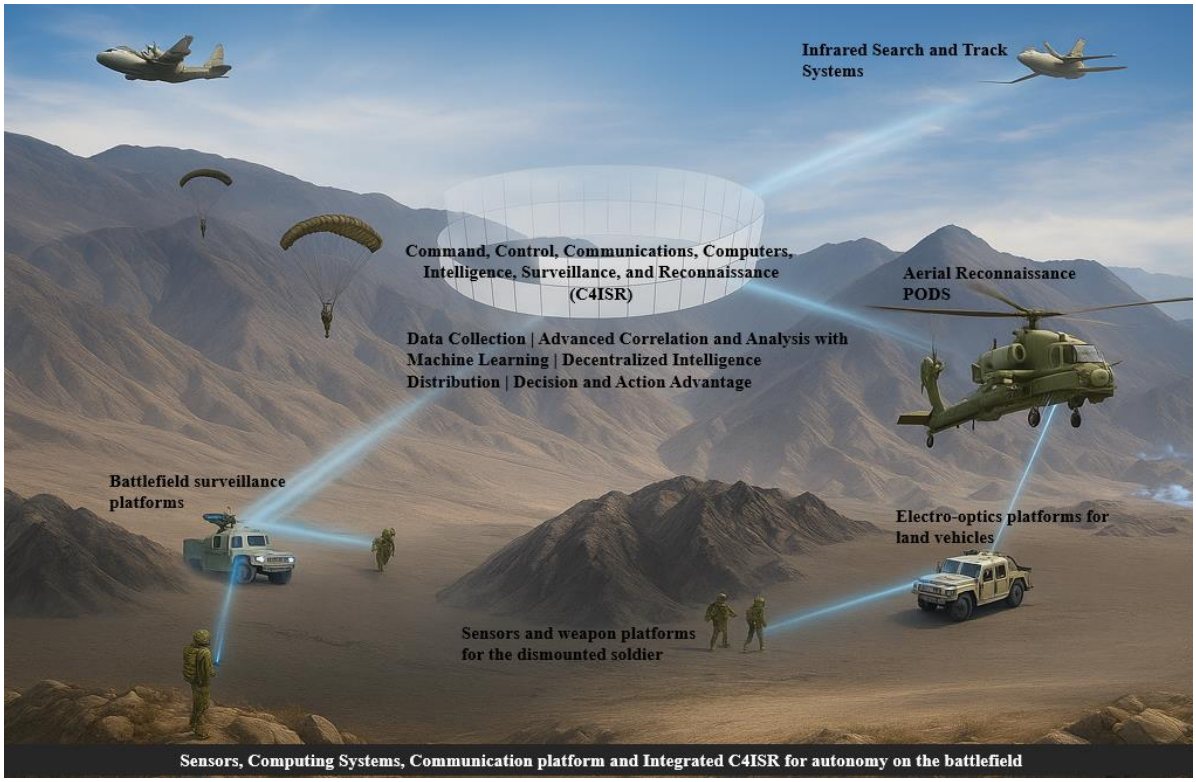
Unless otherwise stated or the context otherwise requires, references in this section to "we", "us", or "our" are to Tonbo Imaging India Limited and our Subsidiaries on a consolidated basis while "our Company" or "the Company" are to Tonbo Imaging India Limited on a standalone basis.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Assessment of Global and Indian Defence Electronics and Technology Industry" dated August 2026 (the "**F&S Report**") prepared and issued by Frost and Sullivan (India) Private Limited, appointed and exclusively commissioned and paid for by us to enable investors to understand the industry in which we operate in connection with the Offer. The data included herein includes excerpts from the F&S Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular calendar year/ Fiscal refers to such information for the relevant calendar year/ Fiscal. Further, the F&S Report was prepared on the basis of information as of specific dates and opinions in the F&S Report may be based on estimates, projections, forecasts and assumptions that may be as of such dates. F&S Report has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and has further advised that it has taken due care and caution in preparing the F&S Report based on the information obtained by it from sources which it considers reliable. A copy of the F&S Report is available on the website of our Company at https://tonboimaging.com/main/industry-report/. For further information, see "**Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from the industry report titled "Assessment of Global and Indian Defence Electronics and Technology Industry" which is a paid report and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.**" on page 62. Also see, "**Certain Conventions, Currency of Presentation, Use of Financial Information and Market Data –Industry and Market Data**" and "**Industry Overview**" on pages 18 and 149, respectively.*

Overview

We are a global defence electronics original equipment manufacturer ("**OEM**"). We design, develop and manufacture sensing, processing, communication and guidance systems for surveillance, reconnaissance, targeting, and control. We have developed a diversified product portfolio including thermal imaging cores, weapon sights, hand-held thermal imaging binoculars, targeting systems, missile seekers, fire control systems, missile guidance systems amongst others to enable autonomy on the battlefield.

The image below depicts the various functions of our product portfolio:



Our expertise spans design capabilities across electro optics and infrared systems ("**EO/IR**") and embedded vision systems serving both – Indian and global companies. As per the F&S Report, over the period FY24 to FY26, our Company was the largest manufacturer, in terms of sales value of thermal imaging systems to government and defense agencies in India. In addition, our Company's market share of thermal imaging exports from India was 94.3% in terms of units, positioning it as the largest exporter of thermal imaging systems from India in FY24-26. For further details, see "***Industry Overview – Tonbo Imaging's Position in the Ecosystem***" on page 224.

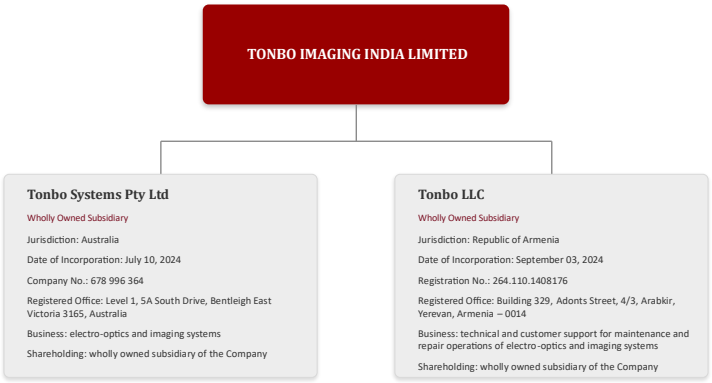
With over 28,000 systems deployed across 24 countries, as of March 31, 2026, our Company is a recognized OEM providing a diverse suite of field-proven electro-optic products free from export restrictions under International Traffic in Arms Regulations ("**ITAR**"). ITAR is a U.S. export control framework governing the sale, transfer, and sharing of defence related technology, data, and services. Our EO/IR portfolio is free from ITAR, enabling it to serve non-aligned and export sensitive markets more flexibly, as we design and develop our products within India, making us one of the few global OEMs capable of supplying cutting-edge technologies without geopolitical export limitations.

As per the F&S Report, our Company is one of the few companies in India with no dependence on external technology partners as we own 100% of our intellectual property since Fiscal 2024, pursuant to assignment agreements dated March 11, 2024 through which our Company purchased intellectual property from CEAQ Singapore. The proprietary technology ranges from optics to embedded software and electronics. For further details, see *"**Industry Overview – Strategic Comparison**"* on page 231 and for details with respect to the intellectual property assigned/owned, please see "-***Intellectual Property Rights***" on page 268. The Government of India has introduced numerous policies under the 'Make in India' initiative and the 'Atmanirbhar' vision, introducing reforms to promote the indigenous design, development and manufacturing of defence equipment in the country, thereby reducing reliance on defence imports. Introduced in 2020, India's Defence Acquisition Procedure 2020 ("**DAP 2020**"), "*Indigenously-Designed, Developed and Manufactured*" ("**IDDM"**) is a part of

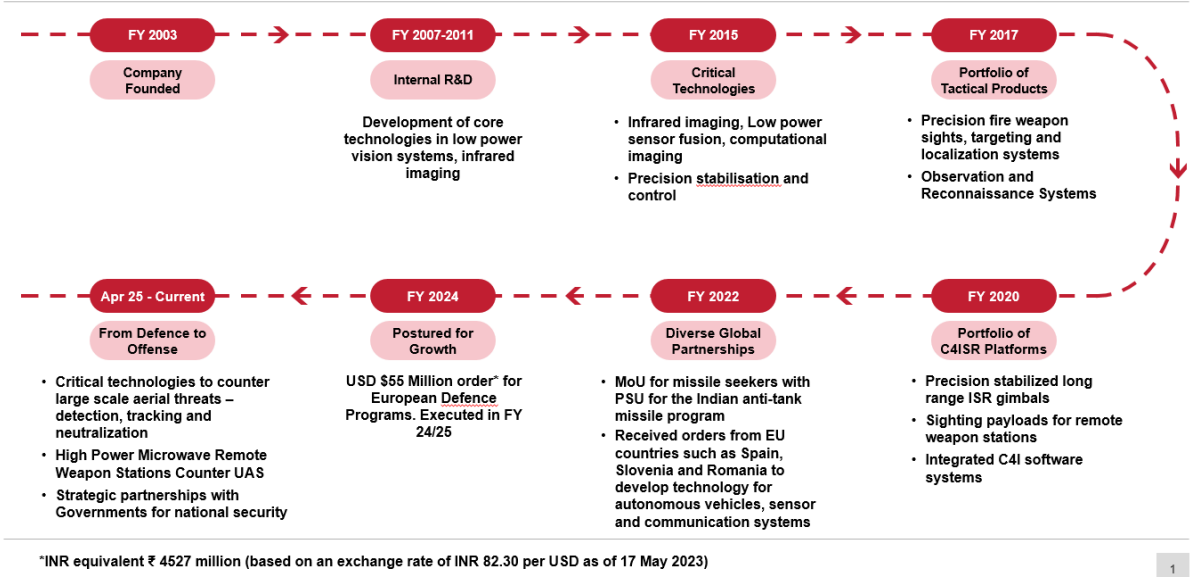
India's 'Make in India' initiative for defence. In order to be an eligible IDDM vendor under the DAP 2020, our Company is required to ensure that the control of the Company is with Indian citizens and at least half of the ex-factory cost of the products needs to originate from Indian design, development, production or value-addition, and limits the permissible foreign or non-indigenous content in the final product to a maximum of 50% of the overall contract value. We are a supplier under IDDM.

We were incorporated in 2003 as a subsidiary of a research company initially providing R&D and technology development services focused on designing intellectual property. In 2012, post the buyout of the erstwhile subsidiary of the research company by our Promoters, we transitioned into a defense-focused product manufacturing company, developing and supplying advanced electro-optic and electronic systems. As per the F&S Report, with over 28,000 systems deployed across 24 countries as of March 31, 2026, our Company offers a diverse suite of field-proven electro-optical solutions. Field-proven denotes systems that have been operationally validated in live combat and security environments, demonstrating reliability, durability, and mission effectiveness under real-world conditions. For further details, see "***Industry Overview – Tonbo Imaging's Position in the Ecosystem***" on page 224.

Organizational Structure / Diagram

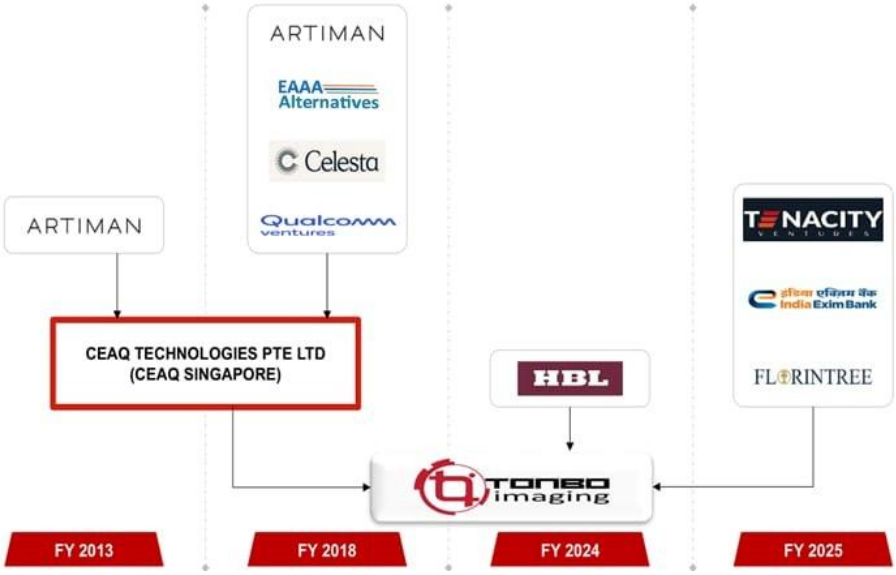


Evolution of the Company



Our investors include:

Investors in the Company



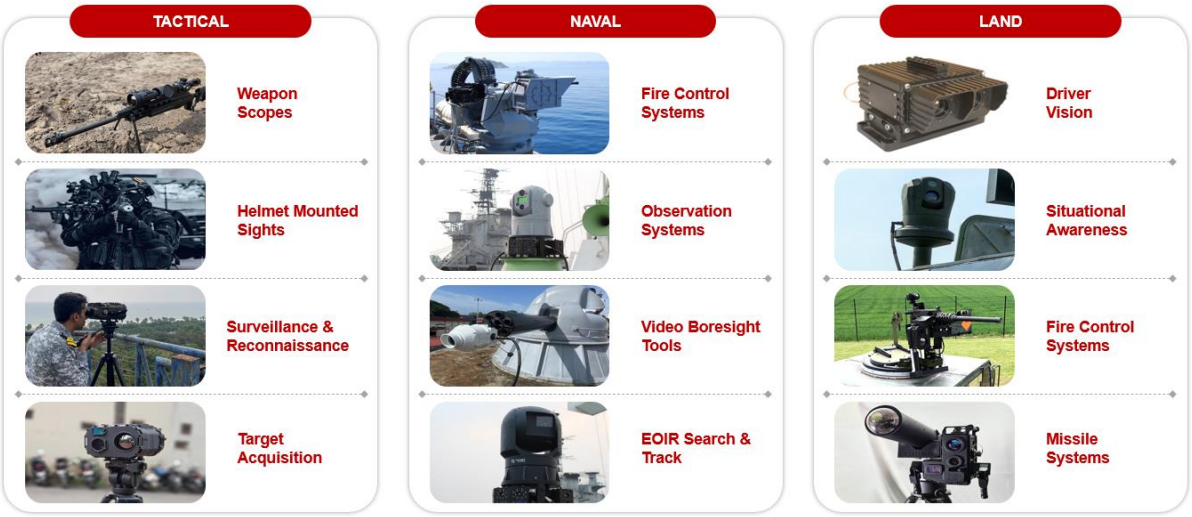
Our products are divided into tactical systems and platform systems. The table below sets forth the revenue from operations generated from each product vertical in the Fiscals 2026, 2025 and 2024, respectively:

Products	**Fiscal 2026**		**Fiscal 2025**		**Fiscal 2024**	
	Amount (₹ *million*)	**As a percentage of revenue from operations** (%)	**Amount** (₹ *million*)	**As a percentage of revenue from operations** (%)	**Amount** (₹ *million*)	**As a percentage of revenue from operations** (%)
Tactical systems	2,116.75	58.37	3,622.96	77.24	3,592.69	83.90
Platform systems	1,448.08	39.93	1,010.53	21.54	127.00	2.97
Others[*]	11.95	0.33	10.33	0.22	110.39	2.58
Total sale of products and solutions	**3,576.78**	**98.63**	**4,643.82**	**99.00**	**3,830.08**	**89.45**
Other Operating Revenue[$]	**49.70**	**1.37**	**46.98**	**1.00**	**451.81**	**10.55**
Revenue from operations[#]	**3,626.48**	**100.00**	**4,690.80**	**100.00**	**4,281.89**	**100.00**

Note: We are yet to book revenue for our directed energy systems which are currently in the development stage.
**Comprise certain OEM component sales.*
Our Revenue from operations is a sum of total sale of products and solutions and other operating revenue.
[$]Other Operating Revenue includes revenue from other ancillary services such as technical / post-sales support on products, component sales and foreign exchange gains.

Our portfolio of products span the electromagnetic spectrum – visible imaging based on what the human eye can see, to long wave infrared and multi-sensor imaging which are based on heat signatures of objects emitting infrared radiation. Our product portfolio is put forth below:

Products



Products



We are seeing an evolution of our business from being focussed on tactical systems and platform subsystems to offering integrated autonomous platform systems. These platform systems are solutions that bring together hardware and software components of multiple subsystems made by us into an integrated platform for battlefield deployment.

Our Company emphasizes miniaturisation, such as smallest form factor thermal weapon sights, scalable, modular payloads adaptable for remote weapons stations, loitering munitions, intelligence, surveillance, and reconnaissance ("**ISR**") balloons and soldier - wearable systems. Our products are deployed in programs ranging from remote weapon stations ("**RWS**") and missile seekers to situational awareness systems, optical reconnaissance payloads, and driver vision enhancement systems for armoured vehicles.

In the Fiscals 2026, 2025 and 2024, in addition to supply within India, we supplied our products to overseas customers in countries including Armenia, Romania, Slovenia, USA, Morocco, South Korea, UAE, Philippines, Singapore, North Macedonia, Australia and Taiwan. For further details, see "***Industry Overview – Tonbo Imaging's Position in the Ecosystem***" on page 224.

The table below sets our revenue from exports in the Fiscals 2026, 2025 and 2024, respectively:

Products	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ *million*)	As a percentage of revenue from operations (%)	Amount (₹ *million*)	As a percentage of revenue from operations (%)	Amount (₹ *million*)	As a percentage of revenue from operations (%)
Revenue from exports	202.13	5.57	3,073.38	65.52	2,081.46	48.61

Our customers include global militaries, law enforcement and homeland security agencies and other global defence OEMs. As of March 31, 2026, we have supplied to 24 countries including India, Armenia, Romania, Slovenia, USA, Morocco, South Korea, UAE, Philippines, Singapore, North Macedonia, Australia and Taiwan. The map below sets forth our geographical footprint across the world as of March 31, 2026:



As of June 30, 2026, we had an order book of ₹ 3,141.35 million. The table below sets forth the breakdown of our order book from our domestic and overseas customers as of June 30, 2026:

Particulars	Number of orders*	Value (₹ *million*)
Domestic customers	30	2,317.67
Overseas customers	6	823.68
Total	36	3,141.35

** Comprises only firm orders, which represent orders that have been contractually confirmed by customers, formally accepted by the Company, and are supported by binding documentation such as executed contracts or purchase orders.*

From July 1, 2026 to July 31, 2026, we have received orders aggregating to ₹ 70.98 million.

The table below sets forth the revenue bifurcation from government and private customers in Fiscal 2026, 2025 and 2024, respectively:

Customer Groups	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	As a percentage of Revenue from operations (%)	Amount (₹ million)	As a percentage of Revenue from operations (%)	Amount (₹ million)	As a percentage of Revenue from operations (%)
Private - System Integrators*	874.12	24.10	451.79	9.63	307.57	7.18
Indian Government	2,581.52	71.19	1,515.10	32.30	1,633.70	38.15
Foreign Government	121.14	3.34	2,676.93	57.07	1,888.81	44.12
Total sale of product and solutions	**3,576.78**	**98.63**	**4,643.82**	**99.00**	**3,830.08**	**89.45**

Customer Groups	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	As a percentage of Revenue from operations (%)	Amount (₹ million)	As a percentage of Revenue from operations (%)	Amount (₹ million)	As a percentage of Revenue from operations (%)
Other Operating Revenue	**49.70**	**1.37**	**46.98**	**1.00**	**451.81**	**10.55**
Total revenue from operations	**3,626.48**	**100.00**	**4,690.80**	**100.00**	**4,281.89**	**100.00**

*****_Includes both Indian and foreign system integrators._

As part of our efforts towards R&D, we have set up an R&D centre at Bengaluru, Karnataka where we have employed 133 engineers as of March 31, 2026, to undertake research, develop and experiment with new designs, technologies and equipment. Key technologies developed through our R&D efforts include, *inter alia*, micro-scanned optics, scene-based non-uniformity correction, thermal stereo vision systems for depth perception in low-light conditions, 3D imaging using single-detector thermal imagers, control systems for inertial stabilization and high accuracy pointing systems, fast steering mirror assemblies for dynamic beam alignment etc. Our R&D efforts also include use of alternative material such as polymers to reduce dependence on supply constraints in the defence sector as well as reducing costs to levels where commercial/consumer applications can be developed. We have ownership of a portfolio of intellectual property, which includes intellectual property solutions in relation to, *inter alia,* infrared imaging, night vision, computer vision and deep learning, precision stabilisation, autonomous fire control, directed energy, optical communications, high-altitude surveillance and missile seekers.

Our Company operates an asset light business model through horizontal integration: core design and intellectual property (both assigned to us and developed indigenously) ("**IP**"), while manufacturing is outsourced to certified electronics manufacturing services ("**EMS**") partners, including, Kaynes Technology India Limited and Avalon Technology and Services Private Limited. We prototype our pilot engineering units in our R&D centre, then scale production through EMS partners under non-exclusive contract manufacturing arrangements, issuing purchase orders that set out the required product specifications. Our R&D centre is ISO certified; it has the ISO 9001:2015 (quality management systems), ISO 14001:2015 (environmental management system) and ISO/IEC 27001:2022 (information security management system) and ISO 28000:2022 (security and resilience-security management systems requirements) for design, development, manufacture and servicing of electro optical systems and imaging cores in the areas of infrared imaging for use in defence, commercial, security and industrial applications. Our asset light business model minimises capital expenditure, enables scalable production, and keeps us lean and efficient, allowing us to focus on R&D.

We have received several awards including the '*Excellence in Tech Export Promotion - Medium Enterprises*' award by CNBC, '*Young Turks Startup of the Year*' award at the CNBC-TV 18 India Business Leader Awards and '*Marico Innovation Foundation*' award in the business category for 'India's Best Innovations'. Further, our operations comply with international standards for quality management system, environmental management system, information security management system and security and resilience-security management systems requirements for design, development, manufacture and servicing of electro optical systems and imaging cores in the areas of infrared imaging for use in defence, commercial, security and industrial applications.

Our Company was founded by technologists with prior experience in the U.S. Department of Defense and Sarnoff Corporation. Over the last 13 years, our Company has built a 339 member team including engineers with deep expertise in infrared imaging, optics, lasers, sensor fusion, and machine learning. The Promoters have worked together for over 21 years, overseeing multi-year global defence programs and pioneering next-generation military technologies. Our Promoter, Managing Director and Chief Executive Officer, Arvind Kondangi Lakshmikumar has over 21 years of experience in raising capital, running our product engineering teams globally and managing government and enterprise sales at our Company. Further, our Promoter, Executive Director and Chief Business and Revenue Officer, Ankit Kumar, has over 21 years of experience running our research and development programs in defence, surveillance and automotive safety globally and is a domain expert in optics, computer vision and machine learning automotive. Further, our Promoter, Executive Director and Chief Commercial Officer, Cecilia D'Souza has over 21 years of experience in finance, accounting and management of our multi-location international business and has a strong background in international accounting, mergers and acquisitions, procurement and operational logistics. We believe that the combined experience of our Promoters, our dynamic management team and our skilled employees position us well to capitalize on future growth opportunities.

The table below sets forth certain financial information for the Fiscals 2026, 2025 and 2024, respectively:

Particulars	Unit	As of/ For the year ended March 31,		
		2026	2025	2024
Revenue from Operations[1]	₹ million	3,626.48	4,690.80	4,281.89
Revenue Growth[2]	%	(22.69)	9.55	342.22
Gross Profit[3]	₹ million	1,851.26	2,644.69	2,082.60
Gross Profit Margin [4]	%	51.05	56.38	48.64
EBITDA[5]	₹ million	1,046.18	1,390.64	1,123.24
EBITDA Margin[6]	%	28.85	29.65	26.23
PAT[7]	₹ million	508.80	727.57	685.43
PAT Margin[8]	%	13.75	15.34	15.87
ROCE %[9]	%	14.54	27.41	67.76
ROE %[10]	%	9.75	20.20	52.72
Net Tangible Fixed Asset Turnover (x)[11]	Times	14.62	19.16	89.45
Working Capital Days[12]	No of Days	517	280	152

Notes:

1) *Revenue from Operations means the Revenue from Operations for the year as appears in the Restated Consolidated Financial Statements.*

2) *Revenue Growth is calculated as a percentage of Revenue from Operations for current year minus Revenue from Operations for previous year divided by Revenue from Operations for previous year multiplied by 100.*

3) *Gross Profit is calculated as Revenue From Operation minus COGS; COGS is calculated as Cost of Materials Consumed plus Changes In Inventories of Finished Goods for the relevant year.*

4) *Gross Profit % is calculated as Gross Profit divided by Revenue from Operations.*

5) *EBITDA is calculated as Profit / (Loss) before Exceptional and Extraordinary items and Tax plus Finance Cost, Depreciation and Amortisation minus Other Income.*

6) *EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.*

7) *PAT is Restated Profit for the year, net of tax as per Restated Consolidated Financial Statements.*

8) *PAT Margin is calculated as Restated Profit for the year, net of tax divided by Total Income.*

9) *Return on Capital Employed (ROCE) % is calculated as Earnings before Interest and Taxes ('EBIT') divided by Capital Employed; EBIT is calculated as EBITDA minus Depreciation and Amortization; Capital Employed is calculated as Total Equity minus Intangible Assets plus Long Term and Short Term Borrowings and Deferred Tax Liability.*

10) *Return on Equity (ROE) % is calculated as Restated Profit for the year, net of tax divided by Average Shareholder's Equity; Average Shareholder's Equity is calculated as Total Equity as of the current year plus Total Equity as of the previous year divided by 2.*

11) *Net Tangible Fixed Asset Turnover is calculated as Revenue from Operations divided by Property, Plant and Equipment for the relevant year.*

12) *Working Capital Days is calculated as Inventory Turnover Days plus Trade Receivable Days minus Trade Payable Days. Inventory Days is calculated as Average Inventories divided by Cost of Goods Sold multiplied by number of days for the year. Trade Receivables Days is calculated as Average Trade Receivables divided by Revenue from Operations multiplied by number of days in the year. Trade Payables Days is calculated as Average Trade Payables divided by Purchases and Incidental Expenses multiplied by number of days in the year.*

OUR STRENGTHS

Leading defence technology solutions provider with pioneering proprietary technologies

Our Company is one of the few companies in India with no dependence on external technology partners as it owns 100% of its intellectual property since Fiscal 2024, pursuant to assignment agreements dated March 11, 2024 through which our Company purchased intellectual property from CEAQ Singapore. The proprietary technology ranges from optics to embedded software and electronics including critical subsystems for sighting systems, including proprietary video engines, AI-accelerated image processing, and sub-5 µrad multi-axis gimbal stabilization, as per the F&S Report. For further details with respect to the intellectual property assigned/owned, please see "***-Intellectual Property Rights***" on page 268. Ownership of the intellectual properties we use, ensures full control over our technology roadmap and product evolution. We are a software-led company with a focus on product design and development. As per the F&S Report, by applying computational imaging, AI, and sensor

fusion, we build systems that are lighter, smarter, and significantly more cost-effective than conventional alternatives. For further details, see "***Industry Overview – Tonbo Imaging's Position in the Ecosystem***" on page 224.

This approach allows us to overcome limitations of traditional optics and infrared ("**IR**") sensors, embed edge AI in our systems for autonomous decision-making and deliver low-size weight and power ("**SWaP**"), high-performance platform systems across multiple domains. We own a portfolio of technologies, including advanced infrared sensors, AI-based computer vision algorithms, low- SWaP optics, free-space optical communications, and high-power microwave systems. Since Fiscal 2024, these assets are developed in-house with no material licensing dependencies, enabling rapid deployment and continuous innovation.

Our Company supplies and controls the technical aspects of building the core components; optical designs, infrared imaging engines, video processing electronics, target tracking/classification electronics, laser ranging modules stabilized gimbal platforms, software and hardware systems to control a variety of peripherals. Each of these is a module that can be combined to create different product configuration. This makes it modular and scalable across different end product platforms.

Our mission is to assist, augment and replace humans on the battlefield. As per the F&S Report, autonomous systems are transforming modern warfare by using AI, sensor fusion, and real-time decision-making to conduct faster, safer, and more precise operations with minimal human intervention. For further details, see "***Industry Overview – Evolution of Warfare and Industry***" on page 156.

They reduce risk to personnel by handling dangerous tasks like mine clearance, reconnaissance, and contested airspace surveillance, extend operational reach, and process data at machine speed for accurate targeting and reduced collateral damage. Capable of rapid, adaptive responses in electronic, cyber, and kinetic domains, they enable swarming tactics for resilience and mission continuity. Rather than replacing humans, autonomy shifts their role from operators to strategic decision-makers, allowing machines to manage routine, hazardous, or time-critical tasks. Towards this end of enabling autonomy on the battlefield, we have developed a diversified product portfolio including thermal cameras, thermal binoculars, targeting systems, seekers, fire control systems, missile guidance systems amongst others. Our products span the electromagnetic spectrum; some are based on heat signatures of objects emitting infrared radiation, some use visible light while others use proprietary image processing to fuse images from multiple sources.

Our vision is to own an "intelligence stack". The intelligence stack has multiple technology elements of sensing, understanding, communication and control and enables autonomy on the battle-field. This enables deployment of unmanned platform systems, smart munitions, and AI-driven weapon systems with enhanced ISR and battlefield survivability.

Driving innovation in defence electronics through in-house R&D with an asset light business model

We operate an asset-light business model with a focus on product design and development. Our Company is integrated horizontally: core design and IP are developed in-house, while manufacturing is outsourced to EMS. Our contract manufacturing model allows us to focus on our R&D capabilities. Our EMS partners include certified contract manufacturers such as Kaynes Technology India Limited ("**Kaynes**") and Avalon Technology and Services Private Limited ("**Avalon**"), who possess the technical expertise and required certifications.

Our in-house design and development capabilities also enable us to remain responsive to the changing requirements of our customers and introduce new systems that address the evolving challenges and opportunities in the defence electronics sector. We also customize our products and technologies to meet customer expectations and end user preference considering factors such as terrain adaptability or reduced size, weight, power and cost of systems.

As part of our efforts towards R&D, we have set-up an R&D centre at Bengaluru, Karnataka employing 133 engineers which constitute ~ 39% of our workforce as of March 31, 2026, to undertake research, develop and experiment with new designs, technologies and equipment. We intend to focus our technology development and R&D on cost reduction of our products to support larger industrial and commercial applications across safety, security and efficiency.

Some of our key projects include developing airborne systems with high performance EO/IR gimbal for an Indian defence R&D organisation, a multi-spectral infrared seeker and command launcher unit with advanced computer vision capabilities for a defence manufacturing company and a cost-effective, FSO communication system

suitable for terrestrial and naval applications, addressing the limitations of current FSO technologies in challenging environments for Indian armed forces.

A modern cooled thermal imaging camera has an imaging sensor that is integrated with a cryocooler to drastically lower the sensor temperature which in turn reduces thermally-induced noise to a level below that of the signal from the scene being imaged. Cooled cameras provide superior sensitivity, faster frame rates, and higher resolution for demanding applications like long-range surveillance and R&D, while uncooled thermal imagers, use microbolometers that operate at ambient temperature, are cheaper, simpler, more reliable, and have lower power consumption. We have undertaken R&D to enhance performance of uncooled cameras to defence grade performance standards. Our work has involved improving the sensitivity and resolution of uncooled thermal imagers so that they can be used in long range surveillance applications.

The table below sets forth the R&D expense incurred and R&D expense as a percentage of the total expenses in Fiscals 2026, 2025 and 2024, respectively:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
R&D cost (₹ *million*)	258.56	90.95	42.41
R&D cost as a percentage of total expenses (%)	8.62	2.43	1.26
No. of employees in the R&D team	133	70	41
No. of employees in the R&D team as a percentage of total number of employees (%)	39.23	27.13	24.55

Further, we purchased intellectual property aggregating ₹ 1,831.91 million (forming part of intangible assets on the restated consolidated statement of assets and liabilities) from CEAQ Singapore in March 2024.

Our asset light business model enables rapid adaptation, accelerated time to market and cost-effective deployment across global programs. Further, we leverage scale, flexibility, and technical capabilities due to our asset light business model which ensures full in-house control of core technology, design, and IP. By outsourcing manufacturing, we minimize the requirement for substantial capital investment in production facilities and equipment. It enables us to be capital-efficient and focussed on our core competence of design and R&D, which contributes to improved profitability and allows us to offer competitive pricing while maintaining high product standards for advanced military platform systems.

Among the few defence electronics OEMs with a wide acceptability across the globe

Our Company is a global defence electronics OEM with a clientele spanning both domestic and international markets. Our products have been sold globally to customers in EU, US and Israel, enabling adoption in India through the global first approach, underscoring their acceptance in some of the world's most advanced defence markets as per the F&S Report. As of March 31, 2026, we have deployed over 28,000 tactical systems and served customers across 24 countries. For further details, see "***Industry Overview – Tonbo Imaging's Position in the Ecosystem***" on page 224.

As per the F&S Report, over the period FY24 to FY26, our Company was the largest supplier of thermal imaging systems to government and defense agencies in India. In addition, our Company's market share of thermal imaging exports from India was 94.3% in terms of units, positioning it as the largest exporter of thermal imaging systems from India. For further details, see "***Industry Overview – Tonbo Imaging's Position in the Ecosystem***" on page 224.

Below are the details of our revenue from operations across various geographic regions and as a percentage of our revenue from operations for the Fiscals 2026, 2025 and 2024, respectively:

Geography	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ *million*)	Percentage of revenue from operations (%)	Amount (₹ *million*)	Percentage of revenue from operations (%)	Amount (₹ *million*)	Percentage of revenue from operations (%)
India	3,374.65	93.06	1,570.44	33.49	1,748.62	40.84
Europe	4.71	0.13	3,065.18	65.34	1,888.81	44.11
Asia – Pacific	32.93	0.91	7.69	0.16	13.88	0.32
United States	3.17	0.09	0.51	0.01	-	0.00

Geography	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ *million*)	Percentage of revenue from operations (%)	Amount (₹ *million*)	Percentage of revenue from operations (%)	Amount (₹ *million*)	Percentage of revenue from operations (%)
of America						
Rest of the world (Middle East/Africa)	161.32	4.44	-	0.00	178.77	4.18
Total sale of products and solutions	**3,576.78**	**98.63**	**4,643.82**	**99.00**	**3,830.08**	**89.45**
Revenue from operations*	**3,626.48**	**100.00**	**4,690.80**	**100.00**	**4,281.89**	**100.00**

** Our Revenue from operations is a sum of total sale of products and solutions and other operating revenue.*

The table below sets forth details of the customers served outside India and revenue generated from such customers in the Fiscals 2026, 2025 and 2024, respectively:

Particulars	For the year ended March 31,		
	2026	2025	2024
Revenue from customers located outside India (₹ *million*)	202.13	3,073.38	2,081.46
Revenue from customers located outside India as a percentage of the revenue from operations (%)	5.57	65.52	48.61

We design and supply ITAR-free strategic defence electronics, placing us among the few global OEMs able to deliver advanced technologies without geopolitical export constraints. This capability offers strategic leverage to countries pursuing defence autonomy and resilient supply chains and enable us to meet rising demand for unrestricted systems as militaries modernise. By providing non-ITAR imaging technologies, traditionally controlled by US, Israel, and Europe base companies, we bridge the gap that often hinders collaboration, delays approvals, and deters buyers due to compliance burdens and external oversight. Our ITAR-free portfolio thus makes us a preferred partner for nations seeking self-reliance in critical strategic electronics, and we will leverage this advantage to expand across Asia, Europe, and the Middle East amid higher defence spending and a focus on indigenous capability.

We operate a global delivery model that ensures efficient, cost-effective supply through comprehensive logistics and exports. Close coordination with customers and carriers enables timely worldwide delivery, while our broad customer base yields insights into emerging needs and trends, helping us anticipate and meet evolving requirements and unlock sustainable export growth.

Diversified defence product portfolio with deployability across all domains

As per the F&S Report, we are a global defence electronics OEM, with a track record of design and delivery of field tested defence systems, designing and developing products primarily catering to military and armed forces across the globe. For further details, see "***Industry Overview – Tonbo Imaging's Position in the Ecosystem***" on page 224. We have a portfolio of products addressing surveillance, reconnaissance and targeting applications for ground, air, naval and missile systems. For further details see, "***- Our Products***".

The products deployed by us are used across both developed and emerging markets for defence technology. As per the F&S Report, developed markets like the US and Israel set the benchmark for technological superiority and emerging markets like India, South East Asia and Africa are price sensitive. For further details, see "***Industry Overview – Key competitive advantages***" on page 227.

We design our products baselining our technology with developed markets and pricing them competitively for developing markets. Our products have been selected through globally competitive tenders, often prevailing over established international products. As of March 31, 2026, we have deployed over 28,000 tactical systems and served customers across 24 countries.

Domain Diversification: Battlefield Coverage

Our product lines have been designed to address the needs across special operations, infantry, land, air and naval systems covering the full spectrum of battlefield coverage:

- Tactical Systems - Our tactical optronics portfolio comprises a family of electro-optical sights engineered to provide dismounted soldiers with observation, target acquisition, and engagement capabilities in all light and weather conditions. These lightweight handheld, weapon-mounted, and helmet-mounted systems are built with a strong focus on modularity and optimized Size, Weight, and Power ("**SWaP**"), enabling soldiers to operate for longer durations with minimal load burden. Designed as deployable end-user products requiring no complex integration, our tactical sights deliver high-contrast thermal and day imaging, augmented situational awareness, and precise targeting support for infantry, special forces, and small tactical units. Their applications span reconnaissance, patrol, and close-quarters engagement to long-range surveillance and anti-ambush operations, giving frontline soldiers a decisive sensing and targeting advantage across diverse mission environments.

- Platform Systems – Our platform-grade optronics encompass a broad suite of stabilized multi-sensor gimbals and electro-optical/infrared (EO/IR) payloads designed for integration with ground vehicles, airborne platforms, naval assets, and weapon-station turrets. The aerial line includes miniature gimbals for small UAVs and light aircraft, as well as larger inertially-stabilized, 4-axis EO/IR gimbals capable of delivering high-resolution, multi-spectral imaging, real-time video processing, auto target-tracking and geo-referencing for surveillance, reconnaissance, and targeting from low-altitude tactical aircraft, helicopters, UAVs or aerostats. On the land-vehicle and remote-weapon-station side, our platform optronics enable enriched situational awareness, target detection and engagement from armoured vehicles or stationary posts — giving crews the ability to detect, identify, track, and designate threats day or night, even in degraded visibility or complex terrain. By offering a versatile, modular, multi-sensor architecture with robust stabilization, high-definition imaging, laser ranging/designating, and sensor-fusion capabilities, our platform optronics are suited for modern combined-arms operations — from over-the-horizon surveillance and ISR to real-time targeting for remote-weapon stations, armoured vehicles, C-UAS defense, border security, and maritime patrol. These Platform subsystems are generally sold to systems integrators who integrate them into land, air, naval, missile systems or sold to manufacturers of these systems. Our end effector platforms are designed for neutralization of aerial and ground threats. These comprise of advanced RF-based directed-energy systems and high-speed, jet-powered loitering-munition platforms equipped with state-of-the-art infrared seekers.

- Directed Energy Systems –These systems are designed to detect, track, and neutralize a wide spectrum of aerial and ground threats with precision, leveraging our proprietary sensing, targeting, and guidance technologies. The RF directed-energy solutions provide rapid-response suppression of hostile drones and electronic threats, while the jet-powered systems deliver long-range, high-manoeuvrability engagement capabilities against hardened ground targets and fast-moving airborne adversaries. Together, these capabilities enable armed forces to enhance situational awareness, extend defensive perimeters, and execute decisive, precision-guided effects in contested environments.

This diverse set of offerings allows us to support integrated mission operations where interoperability between platforms is critical.

Product Type Diversification: Depth Within Domains

Even within each domain, our offerings are diversified by mission objective, range of engagement, sensor modality type and platform of deployment.:

- Systems designed for long-range engagement (with cooled mid-wave infrared ("**MWIR**") and laser rangefinders) coexist with wide-field-of-view platforms optimized for situational awareness and persistent surveillance.

- Offerings vary from single-sensor imagers to multi-sensor fusion systems, with combinations of visible, non infrared ("**NIR**"), short-wave infrared ("**SWIR**"), long-wave infrared ("**LWIR**"), and MWIR bands.

- Deployment configurations: handheld, vehicle-mounted, weapon mounted, gimbal-based, and OEM modules, allowing rapid customization and deployment.

This flexibility ensures that our systems are relevant across use cases; from static surveillance to high-mobility operations, from urban combat to maritime interdiction.

Technology Diversification: Modular, Scalable, Smart

To address different needs for battlefield applications, our technology portfolio is diversified. The diversification includes

- Multi-sensor fusion to address imaging across a broad wavelength
- Low power electronics to address needs of SWaP
- Onboard deep learning and AI capabilities for real-time decision making
- Control systems for precision pointing and targeting
- Inertial stabilization systems for persistent imaging from shaky land and air platforms
- Unified sensor electronics to handle diverse sensor inputs and multiple control outputs

By building multiple modular blocks of imaging, video processing and multi-sensor platforms, we have been able to achieve smart, scalable products.

As per the F&S Report, our thermal weapon sight Spartan-S is a product in the defence technology industry. Benchmarked against comparable products in India, the Spartan-S is better in various features such as size, weight and power. For example, it is significantly smaller and lighter than competition, while offering better efficiency and performance. In addition to technologies mentioned above, a notable development is our development of HPM systems which has potential ability to take down large swarms of enemy drones. This is a clear and modern-day threat and every nation wants to own sovereign capabilities in this space.

As per the F&S Report, a growing global trend in modern battlefield digitisation is the adoption of Android Team Awareness Kit ("**ATAK**") as a de-facto standard for connected soldier systems and real-time information sharing. ATAK is a global standard for connected systems on the battlefield and information sharing. It provides better situational awareness by assimilating information from sights, handheld imagers and drone imagery. As per the F&S report, we have a portfolio of products which have ATAK compatible video/track.

For further details, see "***Industry Overview – Tonbo Imaging's Position in the Ecosystem***" on page 224.

Sound financials with healthy performance

The table below sets forth certain financial metrics of our Company for the Fiscals 2026, 2025 and 2024, respectively:

Particulars	**As of/ For the year ended March 31,**		
	2026	**2025**	**2024**
Revenue from operations (₹ million)	3,626.48	4,690.80	4,281.89
EBITDA (₹ million)	1,046.18	1,390.64	1,123.24
EBITDA Margin (%)	28.85	29.65	26.23
Profit after tax for the year (₹ million)	508.80	727.57	685.43
PAT Margin(%)	13.75	15.34	15.87
Net Worth (in ₹ million)	5,531.59	4,901.38	2,301.30

We strive to maintain a robust financial position with emphasis on having a strong, well-capitalised consolidated statement of assets and liabilities with moderate debt and sustainable profitability. We believe our financial position provides us with an advantage over our competitors with access to financing which is critical to our business. Our asset light business model has helped us in catering to the market demand without incurring additional capex and thus having reduced working capital requirements.

Experienced and dedicated promoters and key managerial personnel with extensive domain knowledge.

We are led by our Promoter, Managing Director and Chief Executive Officer, Arvind Kondangi Lakshmikumar who has over 21 years of experience in raising capital, running our product engineering teams globally and managing government and enterprise sales at our Company. Further, our Promoter, Executive Director and Chief Business and Revenue Officer, Ankit Kumar, has over 21 years of experience running our research and development programs in defence, surveillance and automotive safety globally and is a domain expert in optics, computer vision and machine learning automotive. Further, our Promoter, Executive Director and Chief Commercial Officer, Cecilia D'Souza has over 21 years of experience in finance, accounting and management of our multi-location international business and has a strong background in international accounting, mergers and acquisitions, procurement and operational logistics. Our Promoters are actively involved in the critical aspects of our business including engineering, operational systems, quality assurance, marketing and finance. Further, our Directors also have experience in technology, finance and management and technology sectors. The commitment and track record of our management team provides stability in the execution of our business plan.

Our management team has experience in artificial intelligence, computational imaging, robotics and computer vision and domain experience in military programs across developed and developing markets. Members of our management have managed multi-year defence programs and are leaders in defence technology programs. The experience, depth and diversity of our Promoters, Directors, management team and our engineering team has enabled our Company to be recognised as a leading provider of defence electronics systems across the globe. Their industry experience enables us to anticipate and address market trends, manage and grow our operations, maintain and leverage customer relationships and respond to changes in customer preferences. For further information on our Promoter, Directors and management team, see "***Our Promoter and Promoter Group***" and "***Our Management***" on pages 308 and 290, respectively.

OUR STRATEGIES

Continued investment in R&D to achieve defence modernization through development of new products

We believe that our focus on R&D has been critical to the growth of our business. and has improved our ability to address customer requirements effectively. As a result, we are continuously investing in technology, equipment and skilled employees to develop products that improve our customers' experience. Further, we believe that our focus on strategic areas such as product design, distribution and innovation will drive sustainable growth and maintain a strong pace of design-led product development. This will also provide us the opportunity to consolidate our position with our customers and increase the share of their supply needs that we fulfil.

We are also constantly exploring opportunities to collaborate with leading overseas technology companies around the world, which, among other benefits, allow us to enhance R&D. To further strengthen our innovation ecosystem, we are actively pursuing partnerships and joint ventures with global technology leaders. These collaborations are expected to accelerate the commercialization of new technologies and enhance our ability to address evolving defence electronics requirements.

Our R&D strategy is to maintain a pipeline of both customer-driven and internally initiated innovation.

This dual approach enables our Company to:

- Address the operational needs of defence customers through co-development,
- Build proprietary technologies that underpin scalable, cost-effective, and high-performance products,
- Support the government's indigenisation and self-reliance initiatives,
- Maintain technological leadership and competitiveness in both domestic and international markets.

The R&D function is thus positioned as a core driver of the company's growth, differentiation, and ability to deliver advanced, indigenous solutions for defence and security applications.

We also intend to increase our product centric R&D by exploring opportunities in designing, engineering and/or manufacturing products such as (a) short range canister launched loitering munitions; (b) jet turbine enabled long range reconnaissance platforms; (c) remote weapon stations for autonomous sentries; and (d) high altitude wind riding balloon platforms for reconnaissance and targeting.

We believe that a robust and agile R&D framework, supported by continuous investment and strategic collaborations, will position us to capitalize on new opportunities in the defence electronics industry. We intend to increase the number of patents and proprietary technologies developed in-house, underscoring our commitment to R&D and enhancing our competitive advantage and long-term growth prospects.

Continued diversification of product portfolio

We have built a diversified product portfolio that addresses a wide spectrum of mission requirements across tactical, land, naval, aerial, and missile operations. This diversification is not incidental, it is the result of deliberate, feedback-driven innovation to meet evolving global defence needs. In modern conflict environments, where mission objectives range from surgical long-range targeting to panoramic situational awareness, we ensure that defence forces are equipped with the right imaging technology for every scenario. For further details, see "-***Diversified defence product portfolio with deployability across all domains***"

We design modular, scalable technology platforms that interoperate across high-end defence programs and cost-sensitive deployments. Our roadmap is shaped by operational feedback from global customers, with new configurations, performance upgrades, and domain adaptations to stay ahead of tactical and strategic needs.

Over last few years we have accelerated our efforts to steer towards designing autonomous integrated platform systems to cater to the current market trends. We believe that the modularity and scalability of our designs facilitate seamless integration into next-generation combat platform systems. We endeavour to enhance business resilience and towards this end have developed a wide portfolio of platform systems which we believe will find acceptance across customer types, time periods and price points.

For instance, we are developing HPM systems. As per the F&S Report, the HPM systems have the potential ability to take down large swarms of enemy drones. This is a clear and modern-day threat and every nation wants to own sovereign capabilities in this space. For further details, see "***Industry Overview – Directed energy systems***" on page 165. We have built various components of intellectual property and design for a large scale HPM system that can potentially neutralize drone swarms in ranges exceeding 3 km. Our product (WaveStrike) is built on a portfolio of advanced technologies - multibeam Klystrons, high energy power supplies, long range antennae and precision stabilized positioning platforms. We are also in the process of signing a contract for a prototype system with one of our customers. As a part of this program, we have been selected to receive a grant from iDEX and will use this grant, internal accruals and bank term loan to fund the R&D project and productization of the HPM system. Further, we have received positive feedback on the technology from potential customers. While the final system is being developed, we are also negotiating contracts with customers for various subsystems that are being built by us and could be commercialized independent of the final HPM system.

Pursue strategic partnerships with OEMs

Our Company intends to focus on collaborative development with local government defence institutions and public sector OEMs to accelerate innovation and secure preferential access to large-scale procurement programs. It embeds our Company as a sovereign technology partner going beyond a transactional sale.

Such strategic partnerships have several advantages:

1. *Pathway to sole-source procurement*: A system or subsystem co-developed with a government lab or defence PSU, would allow our Company to become the default nominated supplier of that subsystem. This provides direct access to long-term acquisition programs without undergoing open tenders.

2. *Early integration into platform programs*: Joint development allows our Company to embed its technology at the platform architecture level, ensuring upstream integration into tanks, missiles, aircraft, UAVs, or surveillance systems.

As per the F&S Report, our Company supplies completely knocked down ("**CKD**") kits and electro-optic cores, allows white-labelling by local defence OEMs and ensures the final product qualifies as "domestically manufactured". For further details, see "***Industry Overview – Tonbo Imaging's Position in the Ecosystem***" on page 224. This enables, our Company to scale globally without compromising on local procurement sensitivities. While per-unit profit margins may be slightly lower from such arrangements than in direct sales, the volume and repeatability of white-labelled contracts often compensate for the deficit. It also ensures strategic alignment with governments seeking to build indigenous defence manufacturing capacity. Further, products assembled and branded locally can bypass restrictions related to defence offsets, import duties, or foreign procurement caps.

In exports, we pursue partnerships with domestic OEMs in each target country to ensure we do not invest in local manufacturing plants or full-scale operations in each target country. We leverage our partners' infrastructure and licenses, allowing us to scale globally with low capital expenditure. While we intend to supply technology (e.g., sensors, optics, AI modules) while keeping tight control over its proprietary IP in these proposed arrangements, assembly, branding, and sustainment will be handled locally without exposing sensitive core technologies. Further the burden of after-sales support, maintenance, and political lobbying is shared or delegated to local partners, which allows us to focus on R&D and supply of core modules, streamlining internal operations while expanding footprint. We intend to market ourselves as the core engine or technology provider to OEMs. As we build the trust of OEMs, we endeavour to reinforce our brand as a strategic core technology supplier even if the end product carries another label.

OEM partners bring with them knowledge of the local market trends, they can tailor the products to meet country-specific operational doctrines, vehicle interfaces, or certification standards. This adaptability strengthens our position in competitive tenders against rigid foreign imports.

We are pursuing international collaborations to strengthen our market position and are in active discussions with regional partners to form strategic alliances. These partnerships will leverage local manufacturing capabilities and infrastructure to accelerate market entry and enhance customer service. By working with global manufacturers, we aim to fortify our supply chain, broaden our product portfolio, and capture new market opportunities: sustaining high quality and driving growth.

Increasing our customer base through expansion into new geographies

We intend to expand our footprint in new geographies by catering to new customers. We anticipate that our product offerings, the quality thereof and leadership in key product segments will help us in increasing our customer base. We intend to continue to expand our international operations to enhance our global presence in the defence sector. We seek to identify markets where we believe we can provide cost and operational advantages for our customers and distinguish ourselves from other competitors. Through our experience and proven track record, we believe we are strongly positioned to provide products and solutions to international customers. We will continue to focus on our existing markets and intend to provide our products and solutions to other countries and markets.

Our endeavour to increase our geographical footprint is buttressed by our Promoters' direct engagement in marketing our credentials to international customers. We have added two people to our sales and marketing function – to cover South America, South East Asia, Africa, Middle East and Europe. Further, we have recently received an order from Africa for telescopic weapon sights designed for assault rifles and light / medium machine guns. We are also actively engaged with European system integrators to pursue new opportunities related to NATO procurement.

We believe that our engagement with suppliers, OEMs and partners will enable us to interact with a diverse range of foreign customers. We also intend to enter into partnership agreements with experienced agents to explore business opportunities in new international markets. For further details on our strategy to pursue strategic partnerships with OEMs and joint ventures to increase our geographic reach, see "***- Pursue strategic partnerships with OEMs***" on page 253.

OUR PRODUCTS

We believe the most critical part of enabling autonomy is the "eye" and the "brain". Seeing the environment clearly in all weather conditions, interpreting the dynamics of various objects in the environment in real-time and efficiently communicating the result of interpretation to drive closed loop control is the key to autonomy as per us. Thus, 'seeing', 'understanding', 'communication' and 'control' are the pillars of support for any completely autonomous system.

As per the F&S report, the integrated systems in modern day battlefield are changing:

- Missiles are being replaced by loitering munitions;

- Fighter aircrafts are making way for unmanned combat drones and need for counter-drone systems are becoming prevalent;

- Tanks and heavy infantry vehicles are being replaced by more nimble unmanned ground vehicles with autonomous weaponry;

For further details, see "***Industry Overview – Evolution of warfare and industry***" on page 156.

All of our products constitute some or all components of the intelligence stack to enable autonomy on the battlefield. Our products are classified into the following categories:

1) **Tactical systems** - These systems are focused on the functions of imaging, surveillance, reconnaissance and targeting. They are also used for detection, tracking, classification and neutralisation. They are typically used by dismounted soldiers, paramilitary, special operations and infantry for observation and target localization. Some examples of tactical systems include hand-held multi-sensor imaging systems (Bloodhound, Gazehound), driver vision systems (Minion), 360 degree situational awareness systems (WolfPack), thermal weapon sights (Spartan, Arjun), hand-held targeting systems (GeoUC).

2) **Platform systems** - We make two kinds of platform systems – (a) subsystems that can provide observation and fire control capabilities to a range of aerial, ground and weapon platforms and (b) end platforms that actually perform the task of threat neutralization.

   (a) *Platform subsystems* - The platform subsystems consist of hardware and software that can perform long range observation, enhanced targeting and guidance for weapons to neutralize threats. The subsystems are typically integrated on ground vehicles (tanks, reconnaissance vehicles), aerial vehicles (reconnaissance, fighter aircraft and combat UAV), weapon stations (air defence guns, remote controlled weapon systems), anti-tank guided missiles (hand or vehicle fired). Examples of products that fall under this category are Avenger S50, Hummingbird family of gimbals, AGS30/ELPEOS fire control systems, TRAP missile seekers. These platform subsystems are supplied to systems integrators or manufacturers of end platforms like tanks, UAVs and missiles.

   (b) *End platform systems* - We are now investing in the development of certain kinds of end platforms. One of these platforms is a loitering munition that can leverage our aerial targeting and seeker subsystem technologies. These end platforms are being designed to replace current aerial systems and as a defence against both ground and aerial threats.

3) **Directed energy systems** - To counter the threat of drone swarms, we have designed a portfolio of technology components that are being assembled into a high power microwave ("**HPM**") platform with the brand name - WaveStrike. The core of the weapon system includes the modulator, klystron, pulse compressor, and antenna system, all mounted on a motorized pan-tilt platform for precise directional control. The pan-tilt mechanism enables the antenna to slew accurately toward threats being tracked by the electro-optics subsystem, ensuring seamless target engagement. The entire system is designed to be deployed on stationary or mobile, ground and naval platforms, providing operational versatility. The HPM modules work together to generate, amplify, and direct high-power microwave energy with precision, ensuring effective neutralization of autonomous threats. The HPM system works in conjunction with our long-range detection and tracking system - TRex. TRex includes electro-optical ("**EO**") and infrared ("**IR**") sensors for handoff of threats from the radar and precise tracking of targets, ensuring high accuracy in dynamic environments. It supports day and night operations, maintaining continuous targeting feedback.

Set forth is a description of some of our key products which we design and develop under each of the categories:

S.no.	Name	Description	Core functionality	Application
Tactical Systems				
1.	Bloodhound and Bloodhound R	Compact, lightweight thermal binoculars built on a high-resolution shutterless TUVE core. The 640×480, 12 µm uncooled sensor delivers long-range imagery; tactile controls work with gloves. External input/output supports real-time wireless video streaming and remote control.	Observation 	Its primary applications include military and security applications, including infantry, special forces, forward observers, border and coastal surveillance, police and law enforcement units. Bloodhound is optimized for forward observation, intelligence, surveillance, and reconnaissance, shipboard observation, and land border surveillance.
2.	Gazehound	Cooled, high-resolution LWIR portable imager for demanding land and border surveillance. Operates handheld, tripod-mounted with biocular eyepiece, or on pan/tilt for remote surveillance. Remote control over ethernet (wired/wireless) with pan/tilt, display console, optional wireless links; advanced C2 with geographic information system ("**GIS**") for superior situational awareness.	Observation 	Its primary applications include military and security applications, including infantry, special forces, forward observers, border and coastal surveillance, police and law enforcement units. Gazehound is optimized for forward observation**,** intelligence, surveillance, and reconnaissance, shipboard observation**, and** land border surveillance.
3.	Wolfpack	Real-time, multi-aperture, multispectral 360° panoramic imaging for enhanced situational awareness and self-defence on land and marine platforms. Fuses visible, NIR, and LWIR sensors; enables robust detection/tracking in all weather and lighting; supports multiple consoles and shares tracks with radars and other EO systems.	Observation 	The primary application is closed hatch observation. It commanders and gunners to get a 360 degree perspective and complete situational awareness of the area surrounding the vehicle without having to put their head out of the hatch. Wolfpack seamlessly integrates with existing C2 / Combat Management System.

S.no.	Name	Description	Core functionality	Application
4.	Spartan	Compact, modular, low-power, uncooled thermal sight for weapon-mounted, handheld, or helmet-mounted use. 12 μm TUVE core and high-resolution display at ~50 Hz reduce blur and fatigue; diamond like carbon ("**DLC**") coated germanium optics and parallax-free viewfinder; long runtime on a single battery.	Targeting 	The key application is to provide dismounted soldiers and special-operations teams with compact night-vision and target-acquisition capability. It's low weight and small footprint minimize wearer fatigue and preserve mobility while delivering rapid detection, recognition and aiming cues in low-visibility conditions. Spartan enhances individual lethality and situational awareness during close-range engagements, room clearing, and covert reconnaissance, and it can be seamlessly integrated with standard helmets, optics and weapon rails to allow quick role changes between hands-free observation and precision aiming
5.	ARJUN	Rugged, compact LWIR thermal weapon sight for rifles, machine guns, and sniper systems. High-resolution display, multiple reticles, scene-based enhancement, video output, digital zoom, and optional ballistic rangefinding in a low-SWaP, MIL-STD-810G form factor.	Targeting 	Its primary applications include use by infantry and special forces in night operations, counter-insurgency, and low-visibility combat scenarios. Its ability to see through smoke, dust, and camouflage makes it ideal for urban warfare, border security, and reconnaissance missions. It enhances precision engagement at extended ranges and supports real-time situational awareness through integration with remote display and fire control systems.
6.	Geo UC	All-weather target acquisition system combining day camera, uncooled thermal imager, LRF, GPS, and compass in a compact unit. Operates handheld, remotely, or vehicle-mounted; remote package provides pan/tilt, console, and optional wireless links; C2 with GIS for faster, better-informed operations.	Targeting 	The main application of this system is that it enables a forward observer to rapidly detect, geolocate and transmit precise target coordinates to artillery and fire-support units. Designed for frontline use, it streamlines the observe-decide-engage cycle by providing accurate position data, mapping reference, and secure communication links to fire-control systems, reducing time-to-fire and improving first-round hit probability. Its portable form factor and intuitive interface make it suitable for dismounted teams operating in complex terrain, enabling coordinated indirect-fire missions, battle damage assessment, and

S.no.	Name	Description	Core functionality	Application
				dynamic target updates while minimizing exposure time for observers.
Platform Systems				
7.	ELPEOS	High-performance EO targeting system for Remote Weapon Station ("**RWS**") integration. Cooled MWIR, HD day camera, and LRF on a gyro-stabilized platform with continuous zoom, auto-tracking, and ballistic computation for high hit probability in dynamic conditions; real-time imagery and targeting data; MIL-grade ruggedness.	 Targeting	Its primary applications include target acquisition, identification, engagement, and post-shot assessment. It is particularly suited for asymmetric warfare environments where precision and responsiveness are critical.
8.	AGS30 Infinity	Night-vision fire-control thermal sight for AGS-30 and related weapons, built around a 640×480, 12 µm uncooled core. Compact, rugged, integrated sensors and algorithms deliver superior performance and a cost-effective alternative to legacy image-intensifier sights.	Targeting 	The main application is to significantly enhance target acquisition, tracking and engagement in low-visibility conditions. By delivering clear thermal imagery through smoke, darkness and foliage, these sights enable crews to detect and discriminate targets—dismounted personnel, light vehicles, or concealments—at tactically useful ranges and to engage more quickly and accurately. When paired with ballistic aiming aids and range inputs, thermal sights reduce time-to-effect and ammunition expenditure by improving first-shot hit probability and limiting collateral damage. Their rugged, compact designs also support vehicle-mounted and static emplacements in urban, jungle, and night-ops environments, increasing crew survivability by allowing engagements from covered positions and during limited-visibility windows.
9.	Avenger	Avenger-S airborne imaging/targeting gimbals with matched field of view ("**FOVs**"), GPU-based high definition ("**HD**") video processing, and intuitive overlays. AVG-S8 (8 kg, up to four EO sensors) for small/low-altitude aircraft and aerostats; AVG-S25 (25 kg, up to six sensors incl. HD day) for medium-altitude ISR/SAR; AVG-S50 (50 kg, up to	Guidance and control	Its primary applications include catering to aerial reconnaissance, low visibility navigation and targeting for a wide variety of flying vehicles. Avenger-S series is for fixed-wing aircrafts, helicopters, UAVs, aerostats for border and coastal surveillance, forward operating bases, airfields etc.

S.no.	Name	Description	Core functionality	Application
		seven sensors incl. HD thermal, SWIR, laser designator/illuminator/pointers) for high-altitude and maritime/persistent missions.		
10.	TRAP	Dual/tri-band EO/IR stabilized seeker for next-gen fire-and-forget weapons. Combines cooled/uncooled TI and day imager on a two-axis gimbal; advanced tracking maintains lock on moving/stationary targets; supports fire-and-forget or control loop unit ("**CLU**") assisted control; accepts target images from CLU/gunner's sight/preload.	Guidance and control 	Its primary applications include enabling autonomous terminal guidance in man-portable and vehicle-launched anti-tank missile systems, use in tactical missiles, glide bombs, and loitering munitions requiring thermal image-based end-phase targeting. It can be retrofitted onto legacy systems or integrated into next-generation smart munitions.
Directed Energy Systems				
11.	**TRex**	High-performance multi-sensor EO system for long-range detection, tracking, and geolocation of aerial/ground threats. Cooled MWIR, full-HD day camera, LRF, GPS, compass on a rugged stabilized pan/tilt with auto-tracking, video stabilization, and embedded analytics for 24/7, all-weather fixed or mobile deployment.	Integrated end platform – counter drone and directed energy systems 	Its primary applications include counter-UAS operations, where early detection, long-range classification, and precise tracking of drones are critical. It is deployed on forward observation posts, border security platforms, armoured vehicles, and static surveillance towers to monitor and respond to low, slow, and small drone threats. It supports threat identification, target cueing, and sensor-to-shooter workflows, enabling integration with radar systems, RF detectors, and kinetic or directed-energy countermeasures. Its geo-referencing capabilities allow operators to relay precise target coordinates for neutralization, making Trex a vital component in layered defence against evolving aerial threats.

S.no.	Name	Description	Core functionality	Application
12.	**WaveStrike**	Third-generation high-power microwave directed-energy weapon using Multi-Beam Klystron technology to disable drone swarms and enemy electronics. Higher efficiency and scalability reduce size/power for land, naval, and airborne deployment; integrates search/track radars and EO for precise engagements, including simultaneous multi-UAV defeat in all conditions.	Integrated end platform – counter drone and directed energy systems 	Its primary applications include counter-drone and swarm defence electronic warfare suppression, and protection of critical infrastructure. It can be deployed to defend airbases, command centers, and key assets from UAV and electronic attacks. In naval defence, WaveStrike protects warships from drone and electronic threats at sea. For mobile operations, it ensures real-time battlefield defence for moving military units and secures borders and airspace by eliminating unauthorized UAV incursions.

RESEARCH AND DEVELOPMENT

As on March 31, 2026, our R&D team comprise of 133 engineers with an average experience of 9 years. Our R&D activities are integral to our strategy of delivering advanced, indigenised solutions for defence and security applications. We pursue R&D through two principal streams: (i) customer-driven external development programmes, and (ii) internal product development and technology improvement.

1. External Development Programs

These programs are undertaken in response to specific operational needs articulated by customers, typically government or defence agencies. Our Company collaborates with customers to design and develop technologies for new products or product families but only pursues such projects where there is significant overlap with its own product roadmap. This approach ensures that customer-funded R&D also contributes to our Company's long-term technological capabilities.

Key Case Studies:

A centre for airborne systems for an Indian defence R&D organisation – High performance EO/IR gimbal: Our Company was selected through a global tender to design and develop a precision stabilised, multi-sensor gimbal for integration into a surveillance aircraft, to be manufactured in India. The project involved full product design, qualification, and potential integration, demonstrating our Company's ability to compete with global leaders in advanced optronics.



Uncooled missile seeker: In response to the requirement for indigenous anti-tank guided missile seekers, our Company developed a multi-spectral infrared seeker and command launcher unit with advanced computer vision capabilities. This system was offered to a state-run missile manufacturer for integration, supporting the government's indigenisation drive.



Optical communication system for free space communication: Our Company is developing an FSO communication system suitable for terrestrial and naval applications, addressing the limitations of current FSO technologies in challenging environments.

2. Internal Product R&D and Improvement

This stream is focused on in-house R&D, independent of customer involvement, with two main objectives: (a) developing new technologies to reduce material costs, and (b) enabling large-scale deployment of complete end

platform systems. Our Company's internal R&D targets fundamental improvements in sensor performance, information extraction, communication, and system integration.

Key Focus Areas and Innovations:

A. Better Data:

- Innovations in sensor architecture for infrared imaging, including micro scanned and micro-optics, polymer optics, and scene-based non-uniformity correction.
- Reduction in size, weight, and cost of thermal optics, and elimination of traditional mechanical components.
- Real-time pixel-level fusion of visible and LWIR images on low-power hardware.

B. Better Information:

- Development of metric scene information technologies, such as low-power laser ranging, thermal stereo imagers, 3D thermal imaging, panoramic image intensifiers, and advanced object tracking/classification algorithms.

C. *Better Communication*:

- Core innovations in lightweight, high-precision inertial stabilisation, fast steering mirror-based beam steering, and multi-band optical systems for robust, long-range communication.

D. *Better End Platform Systems*:

- Integration of R&D outputs into advanced end products, such as lightweight tactical sights, multi-sensor handheld observation systems, wideband driver vision systems, high-resolution stabilisation systems, and multiband seekers.
- Development of high-altitude payload stabilisation and pointing systems for demanding defence applications.

Selected Internal R&D Projects:

Sensor Fusion for visible and LWIR imaging:

- Designed and built a sensor package combining visible and thermal imaging, with advanced optical alignment and pixel-level fusion algorithms, enhancing situational awareness in all conditions.

Wide Field of View Imaging Systems:

- Developed multi-sensor panoramic imagers with real-time computer vision fusion, enabling both wide perspective and long-range imaging.

OUR CUSTOMERS AND ORDER BOOK

We supply our products to a diverse customer base. We have developed a portfolio of products that cater to the safety and surveillance equipment requirements of the armed forces, police, paramilitary and other security forces, thereby seeking to serve national interests. Our customers include NATO forces and US Special Operations Command, law enforcement and homeland security agencies and other global defence OEMs. Further, we have a diversified customer base with customers across countries such as India, Armenia, Spain, Morocco, Philippines, Israel and USA.

As of June 30, 2026, we had an order book of ₹ 3,141.35 million. The table below sets forth the breakdown of our order book from our domestic and overseas customers as of June 30, 2026:

Particulars	Number of orders*	Value (₹ *million*)
Domestic customers	30	2,317.67
Overseas customers	6	823.68
Total	36	3,141.35

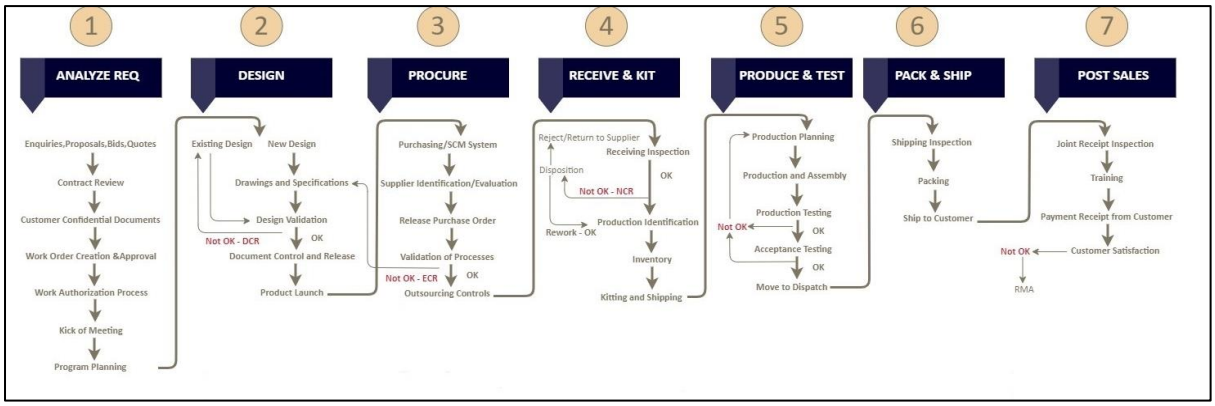
** Comprises only firm orders, which represent orders that have been contractually confirmed by customers, formally accepted by the Company, and are supported by binding documentation such as executed contracts or purchase orders.*

From July 1, 2026 to July 31, 2026, we have received orders aggregating to ₹ 70.98 million.

BIDDING AND SALES

We participate in competitive bidding processes, wherein we compete for contracts based on, among other things, pricing, product trials, reputation for quality, financing capabilities and track record. Once the request for proposal document is published by the prospective clients, we prepare a proposal in accordance with the requirements of the project, outlining the proposed cost and timelines. Our bid is further evaluated basis a predetermined evaluation criteria involving technical as well as financial aspects and the past performance of our Company, basis which the bidders are awarded the contract.

The flowchart below sets out the process flow:



The table below sets out details of number of bids submitted, bids won, bids lost and bid to win ratio in the Fiscals 2026, 2025 and 2024, respectively:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024	Total
Number of bids submitted#	131	64	66	261
Bids Won*	41	23	27	91
Bids Lost	44	23	33	100
Bid to win ratio	**31.30%**	**35.94%**	**40.91%**	**34.87%**

**Comprises bids for which purchase orders were awarded to our Company during the relevant year end and includes bids where (i) our Company was the lowest bidder as at the relevant year end and the corresponding purchase orders for such bids were placed with our Company subsequent to such year end; and (ii) our Company had submitted bids as at the relevant year end, thereafter it was declared the lowest bidder and the corresponding purchase orders for such bids were placed with our Company subsequent to such year end.*

#No. of bids submitted also include active bids which are still not assigned.

Further, for its overseas business, our Company engages with local partners such as resellers, distributors, value added resellers, system integrators in the region or makes sales through direct enquiries. Where sales are made through system integrators, the system integrators directly participate in the tender/bid process, and if they win the bid, our Company acts as a subsystem or component supplier to the system integrator.

While our Company typically does not participate directly in overseas tenders, however, in Fiscal 2025, it has participated in one overseas bid directly for a value of ₹ 474.55 million, which it won in July 2025 for entire value. It has not participated in overseas bid directly in Fiscals 2024 or Fiscal 2026

CONTRACT MANUFACTURING

Our Company focuses on design, creation and ownership of technology, intellectual property, product engineering and the customer. The manufacturing process leverages contract electronic manufacturing services and is completely outsourced. This allows us to utilize the economies of scale that come with EMS/CMS services and

build a wide portfolio of products in less time. Having an elastic manufacturing process, our production capacity can scale faster and increase to meet the market demand for military systems.

We manufacture pilot engineering units of our products at our R&D centre and outsource the large scale manufacturing of these products to EMS partners under non-exclusive manufacturing agreement. Currently, we work with Kaynes and Avalon, who are certified electronic manufacturing service providers possessing the expertise to manufacture our proprietary designs.

The EMS partners manufacture products as per our specifications, using raw materials supplied by us or purchased by them with our approval. Under the manufacturing agreement, we can issue specific purchase orders detailing specifications, quantities, timelines, and costs to the EMS partners. The EMS partners are required to ensure all products meet specified quality standards and provide 12-24 months warranty against defects.

We evaluate our EMS partners based on factors such as (a) technical and manufacturing capability, (b) lead-time needed in satisfying our orders and delivery schedules, (c) price, (d) quality and ability to comply with our standards, and (e) results of our on-site inspections. We review and monitor our arrangements with our EMS partners at regular intervals, taking into account factors such as product quality, performance, defects, services and responsiveness as well as price competitiveness and other key commercial terms. Our agreements with EMS partners are structured to ensure strict adherence to our quality standards, protection of our IP, and flexibility to scale production as required.

The table below sets out the number of units sold by each of the EMS partner as a percentage of total units sold in Fiscals 2026, 2025 and 2024, respectively:

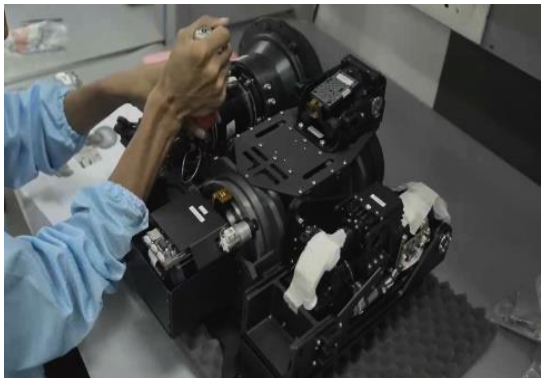
Particulars	**Fiscal, 2026**				**Fiscal 2025**				**Fiscal 2024**			
	Number of units sold	**% of total number of units sold**	**Revenue generated from units sold** (₹ million)	**% of revenue from operations**	**Number of units sold**	**% of total number of units sold**	**Revenue generated from units sold** (₹ million)	**% of revenue from operations**	**Number of units sold**	**% of total number of units sold**	**Revenue generated from units sold** (₹ million)	**% of revenue from operations**
Kaynes	4,163	45.26	1,212.78	33.44	4,669	52.52	2,261.44	48.21	3,586	50.52	2,272.96	53.08
Avalon	2,544	27.66	765.31	21.10	2,946	33.14	1,084.21	23.11	-	NA	NA	NA
Partner 3*	-	NA	NA	NA	-	NA	NA	NA	2,153	30.33	794.73	18.56

**Due to confidentiality requirements applicable to such contracts, the name of such partner has not been disclosed.*

- *Inhouse assembly and testing*

While we leverage contract electronic manufacturing services (EMS) for large-scale production, all prototype development, system integration, and qualification testing are conducted in-house. We maintain facilities for optical and electronic subsystem assembly, including cleanroom environments that support precision alignment, sensor packaging, and electronics integration. This setup allows the engineering team to rapidly iterate on designs, validate new concepts, and maintain full control over the core technologies during early product development stages.

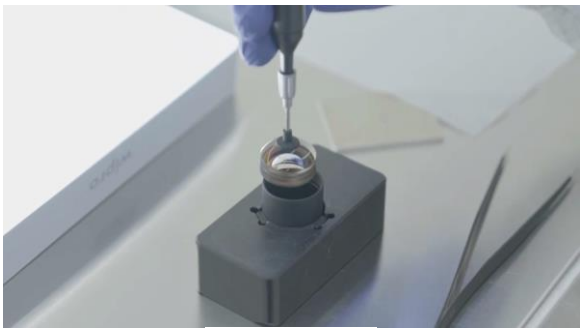
Our in-house infrastructure supports end-to-end performance validation of electro-optic and stabilization systems. The facilities include collimators and laser range test equipment for optical calibration and long-range targeting verification, as well as gun shock and vibration testing setups that replicate real-world battlefield stresses. Additionally, multi-axis rate tables are used to measure and characterize stabilization performance and line-of-sight accuracy. Together, these capabilities ensure that every prototype meets defense standards before transitioning to scalable EMS-based manufacturing.



Assembly



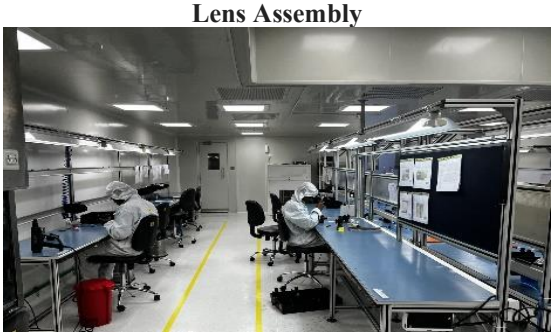
View Finder Assembly



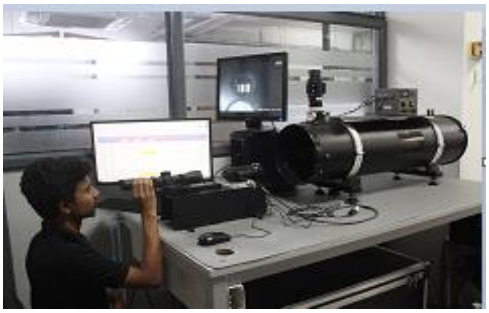
Lens Assembly



System Assembly



Clean Room



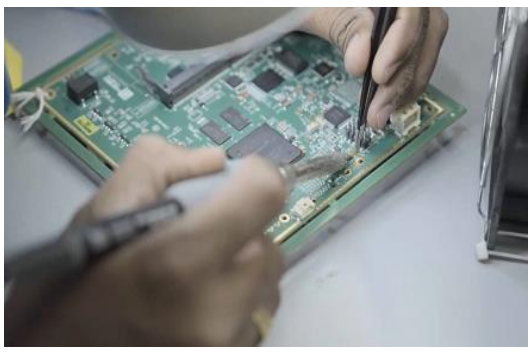
Collimator



Mechanical



Painting





PCB Stack



Sensor Assembly

Purging and Sealing



Shock Testing

RAW MATERIALS AND PROCUREMENT

The principal raw materials that we use in our operations include detectors, lenses, and OLEDs. Our agreements with other suppliers are based on purchase orders and we do not have any purchase agreements or firm commitments executed with them.

The table below sets out the cost incurred in procurement of raw materials from domestic and international suppliers as a percentage of our total expenses in Fiscals 2026, 2025 and 2024, respectively:

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ *million*)	As a percentage of total purchases (%)	Amount (₹ *million*)	As a percentage of total purchases (%)	Amount (₹ *million*)	As a percentage of total purchases (%)
Cost of raw material procured from domestic suppliers	1,043.61	36.51	917.74	44.97	1,574.89	53.93
Cost of raw material procured from international suppliers	1,815.04	63.49	1,122.94	55.03	1,345.41	46.07

INFRASTRUCTURE AND UTILITIES

Our operations require adequate supply of electricity and water. We primarily source our electricity requirements from Bengaluru Electricity Supply Company Limited and we currently source our water requirements from the Bangalore Water Supply and Sewerage Board.

INFORMATION TECHNOLOGY

Investment in information technology ("**IT**") infrastructure is essential to improve our operational efficiencies, improve scale and enhance productivity. The table below sets forth our investment in information and technology as a percentage of total expenses in Fiscals 2026, 2025 and 2024, respectively:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
IT expenses (₹ *in million*)	18.17	8.70	3.54
As a percentage of our total expenses (%)	0.61	0.23	0.11

Further, in order to maintain data security and comply with data protection laws, we have strengthened our cyber security environment by building layered cyber defences, implementing internal controls, critical transactions logging and monitoring mechanisms. We have implemented an IT policy to maintain a robust framework that safeguards the confidentiality, integrity and availability of our Company's information assets, technology

infrastructure, and defense-related manufacturing processes. The IT policy aims to protect sensitive data including employee data, intellectual property, and operational systems from unauthorized access, disclosure, alteration, and destruction. By implementing comprehensive security controls and ensuring compliance with applicable government regulations and industrial standards. The IT policy aims to ensure the security, wellbeing, and sustainable growth of both the company and its workforce. We revise our IT policy and upgrade our technology infrastructure and applications to keep pace with the changing and dynamic environment. We will continue to focus on increasing operational efficiency through technology initiatives. Our operations also comply with the international standards on information security management system (ISO/IEC 27001:2022). Also, see "***Risk Factors – Technology failures could disrupt our operations and adversely affect our business operations and financial performance.***" on page 54.

QUALITY CONTROL, TESTING AND CERTIFICATIONS

We focus on process and product quality in our manufacturing operations. We adhere to strict quality control processes and standards, ensuring every product meets appropriate quality and safety standards. We have been granted the ISO 9001:2015 certification for quality management systems.

As of March 31, 2026, we had a team of 39 quality control personnel responsible for ensuring quality standards. We have put in place internal quality assurance and quality control systems to ensure that our products will be able to satisfy our customers' quality standards. Our internal quality test is conducted on the prototype designed by us in our centre prior to dispatch to our contract manufacturing facilities for mass production. Certain of our customers also conduct a pre-dispatch inspection of the finished products through third parties at the manufacturing facilities. Further, the products may also be subjected to a third level of quality check in certain instances where the finished product delivered by us is validated by our customers upon delivery. As a part of acceptance process, our products may undergo testing. For details with respect to risks associated with failures in quality standards, see "***Risk Factors - We are measured against high quality standards and stringent performance requirements by our customers. Any failure by us to comply with these standards or performance requirements may lead to the cancellation of existing and future orders, recalls, liquidated damages or warranty and indemnity or liability claims, which could adversely affect our reputation, business, results from operations, financial conditions and cash flows***" on page 28.

Our operations comply with international standards for quality management system (ISO 9001:2015), environmental management system (ISO 14001:2015), information security management system (ISO/IEC 27001:2022) and security and resilience-security management systems requirements (ISO 28000:2022) for design, development, manufacture and servicing of electro optical systems and imaging cores in the areas of infrared imaging for use in defence, commercial, security and industrial applications.

HUMAN RESOURCES

As of March 31, 2026, we had 339 permanent employees. The table below sets forth details of our permanent employees, as of March 31, 2026, March 31, 2025 and March 31, 2024, respectively:

S. No.	Particulars	Number of Employees as of		
		March 31, 2026	March 31, 2025	March 31, 2024
1.	Management	8	10	10
2.	Sales and Marketing	21	16	10
3.	Finance and Accounts	20	19	12
4.	HR and Administration	14	6	3
5.	Product Design and Development	133	70	41
6.	Production	132	125	82
7.	Project Management	11	12	9
Total		**339**	**258**	**167**

Our employees are not unionised into any labour or workers' unions and have not experienced any major work stoppages due to labour disputes or cessation of work during the last three Fiscals.

The table below sets forth the employee benefits expenses incurred in Fiscals 2026, 2025 and 2024, respectively:

Particulars	As of/for the year ended March 31, 2026	As of/ for the year ended March 31, 2025	As of/ for the year ended March 31, 2024
Employee benefit expenses (*in ₹ million*)	495.83	444.35	130.55
Employee benefit expenses as percentage of total expenses (%)	16.53	11.87	3.87

The following table sets forth the attrition rate in Fiscals 2026, 2025 and 2024, respectively:

Particulars	As of/for the year ended March 31, 2026	As of/ for the year ended March 31, 2025	As of/ for the year ended March 31, 2024
Number of permanent Employees	339	258	167
Number of Employees Exited	23	20	7
Attrition Rate[*]	7.71	9.41	6.09
Number of Key Managerial Personnel	5	3	3
Key Managerial Personnel attrition rate	Nil	Nil	Nil
Number of Senior Management	4	4	4
Senior Management attrition rate	Nil	Nil	Nil
Number of skilled/unskilled employees	330	251	160
Skilled/Unskilled employees attrition rate	7.92	9.73	6.31

[*]*Attrition rate is calculated as number of exits divided by average number of employees in the relevant year.*

Also, see "***Risk Factors – We depend on our Promoters, Key Managerial Personnel, and other senior management and skilled and qualified personnel with technical expertise, and if we are unable to recruit and retain them, our business and our ability to operate or grow our business may be adversely affected.*****"** on page 40.

AWARDS AND ACCREDITATIONS

For details of the awards and accreditations received by our Company, see "***History and Certain Corporate Matters – Key awards, accreditations, certifications and recognitions received by our Company***" on page 284.

INTELLECTUAL PROPERTY RIGHTS

As of the date of this Draft Red Herring Prospectus, our Company has been granted five patent registrations by the United States Patent and Trademark Office and has made four patent applications each dated May 31, 2025 before the Indian Patent Office and four patent applications each dated May 12, 2026 before the United States Patent and Trademark Office. The five patents in United States of America were transferred to us by way of assignment agreements with CEAQ Singapore. Further, as of the date of this Draft Red Herring Prospectus, we have one trademark under class 9 which was transferred to us from CEAQ Singapore by way of an assignment agreement dated July 26, 2024. An application dated August 2, 2024 for transfer of this trademark from CEAQ Singapore to our Company was submitted to the Registrar of Trademarks under the Trademarks Act, 1999 and one application for registration of a new trademark under Class 9, which are currently pending approval. Additionally, we have a domain name registered in our Company's name. For further details, see "***History and Certain Corporate Matters – Other material agreements"*** and ***"Government and Other Approvals – Intellectual Property***" on pages 286 and 441. Also, see, "***Risk Factors - Any failure to protect or enforce our rights to own or use trademarks and brand name and identity could have an adverse effect on our business, goodwill and competitive position.***" on page 30.

Furthermore, pursuant to five assignment agreements, each dated March 11, 2024, CEAQ Singapore has assigned to our Company for an aggregate consideration as set out below:

Intangible asset	Aggregate consideration (in ₹ million)
Design of polymer material for infrared optics	788.50
Design of infractive and etched optical lenses	
Computational imaging techniques for infrared imaging	
Design of shutterless infrared imaging	
Design of super resolution based micro-scanning for higher resolution imaging	

Intangible asset	Aggregate consideration (in ₹ million)
Design of low power electronics for mid wave and long wave infrared	
Design of laser ranging transceivers	248.22
Design of algorithms for 3D scene analysis	
Design of single imager stereo for depth from single images	
Design of machine learning and classification algorithms from low resolution data	239.95
Design of software architecture to ingest data from heterogenous sensors	
Design of control systems for inertial stabilization	273.04
Design of optical alignment system for sensor fusion	282.20
Design of sensor fusion techniques to fuse visible and infrared imagery	
Design of multi-aperture wide field of view imagers	
Design of mirror based fine stabilisation	
Design of zero blur rotating imager	
Design of multi-sensor panoramic imaging for 360 degree imaging	
Design of sensor fusion techniques to combine inertial and video data	
Design of holographic display system	

For further details, see "***History and Certain Corporate Matters – Other material agreements - Assignment agreements each dated March 11, 2024 entered into between CEAQ Singapore and our Company"*** on page 286.

PROPERTIES

All of our premises have been held on a leasehold basis. The table below sets forth details of material premises of our Company:

S No.	Description	Location	Date of expiry of the lease/leave and license deed	Tenure	Lessor	Rent per month (₹ million)^	Area (Sq. ft.)	Whether lessor is a related party, if yes, whether it is a promoter/promoter group	Whether lease deed is adequately stamped/registered
1.	Registered Office[#]	No.3 Chikkayellappa Tower-II, 1st C Main, Chikkayellappa Industrial Layout, Jakkasandra Extension, Sarjapura Main Road, Bengaluru - 560 034, Karnataka	August 31, 2030	5 years	C Muniramaiah, J. Dhanush, M. Guruprasad, M. Jyothilakshmi	0.66	11,000	No	Registered and stamped
2.	Corporate Office[*]	No.235, 18th Main, 6th Block, Koramangala, Bengaluru, Bengaluru Urban 560 095, Karnataka	September 30, 2026	11 months	Arvind Kondangi Lakshmikumar	0.18	2,400	Yes, the lessor is the Promoter of our Company.	Agreement is stamped. Registration is not required as the lease is for 11 months.
3.	Engineering	Ground Floor and cafeteria space,	October 31, 2028	2 year and 4 mont	K Rama Krishna Reddy	0.48	4,500	No	Agreement is stamped. Registration is pending as the

S No.	Description	Location	Date of expiry of the lease/leave and license deed	Tenure	Lessor	Rent per month (₹ million)^	Area (Sq. ft.)	Whether lessor is a related party, if yes, whether it is a promoter/promoter group	Whether lease deed is adequately stamped/registered
		No.9, 1st C Main, Koramangala 1st Block, Sarjapura Main Road, Bengaluru 560 034 Karnataka		hs					E-khata certificate from Bruhat Bengaluru, Mahanagara Palike is pending.
4.	Stores	No 6 (old no 97/1-A), 1st C-Main, Sarjapura Main Road, Jakkasandra Extension, Bengaluru 560 034, Karnataka	February 14, 2029	5 years	Dhanalakshmi S, Purushotham M, Nagaraj M, Jagdish Muniyappa	0.21	3,800	No	Agreement is stamped. Registration is pending as the E-khata certificate from Bruhat Bengaluru, Mahanagara Palike is pending.
5.	Engineering and Operations	No 1, 1st Main Road, 1st Block, Koramangala, Bengaluru 560 034, Karnataka	October 31, 2029	5 years	Vasudeva Gurumurthy Reddy and Nagaraja Muni Reddy	0.42	7,300	No	Registered and stamped
6.	Tech Support	Third Floor, No.306B, ABW Tower, MG Road, Gurugram 122 002, Haryana	April 30, 2029	5 years	Archana Securities Private Limited	0.14	1,364	No	Registered and stamped
7.	Car parking	1st C Main Jakkasandra Village, Begur Hobli, Bengaluru, South Taluk, 560034, Karnataka	February 18, 2028	3 years	Sivakumar S.P.	0.06	3,800	No	Stamped but not registered
8.	Car parking	Site no. 8, 1st C Main Road, Chikkayellappa Industrial Layout, Jakkasandra Extension, Bengaluru - 560034, Karnataka	August 31, 2030	5 years	M Guruprasad and M Jyothilakshmi	0.06	6,020	No	Stamped but not registered

**Except our Corporate Office, which has been leased by our Company on an arm's length basis from our Promoter, Managing Director and Chief Executive Officer, Arvind Kondangi Lakshmikumar, a related party of our Company, none of our properties have been leased from*

*related parties of our Company. For further details, see "**Our Promoters and Promoter Group – Interest of Promoters - Interest in land and property**" and "**Our Management – Interest of Directors – Interest in land and property**" on pages 309 and 296 respectively.*
Also our research centre.
^Rent applicable for the month of June 30, 2026.

Also, see, "***Risk Factors – Our Registered Office (which is also our research centre) and Corporate Office are not located on land owned by us and we have only leasehold rights. In the event we lose or are unable to renew such leasehold rights, our business, financial condition and results of operations may be adversely affected***" on page 53.

COMPETITION

We face competition from domestic as well as overseas companies which either operate in the same line of business as us or in a closely related domain. As per the F&S Report, to assess our positioning within both the Indian and global defence electro-optics (Electro-Optical/Infrared) landscape, it is essential to benchmark against companies that operate in closely related domains and demonstrate comparable technological relevance. Epirus (US), Teledyne FLIR (US), Hensoldt (Germany), Theon International, and Controp (Israel), represent established players in Electro-Optical/Infrared, thermal imaging, and advanced defence electronics in the global market. They provide a meaningful reference for evaluating technology integration, global market penetration, and intellectual property ownership. Similarly, in the Indian defence companies, Astra Microwave, Zen Technologies, Data Patterns, Paras Defence, and Bharat Electronics, are leading domestic peers in defence electronics, radar, simulation, and subsystem integration. Together, these companies represent the relevant ecosystem within which our Company operates and highlight the gaps it fills by offering proprietary, end-to-end Electro-Optical/Infrared subsystems. For more information, see "***Industry Overview***" on page 149. To remain competitive in our markets, we must continuously strive to reduce our costs of production, through automation and innovation and improve our operating efficiencies. Some of our competitors have greater financial and other resources and better access to capital than we do, which may enable them to compete more effectively, or better geographical reach which gives them the ability to quote competitively as the transportation costs are limited. However, depending on various factors and the extent of our presence in the relevant geographical region, we are able to leverage our experience and familiarity with the industry to provide cost effective products than our competitors or offer a better value proposition.

For risks with respect to the competition faced by the Company, see "***Risk Factors – Failure to compete effectively against our competitors and new entrants to the industry may adversely affect our business, financial condition and results of operations"*** on page 41.

INSURANCE

Our operations are subject to risks inherent in the designing and development of defence electronic equipments, such as work accidents, explosions including hazards that may cause severe damage, including the physical destruction of property, breakdown of machinery and other force majeure events. We maintain insurance cover for standard fire and special perils, fire floater policy and also obtain marine insurance policies for transit of goods, like the marine cargo (open policy and sales turnover policy), package insurance and standalone terrorism policy and insurance policies covering directors' and officers' liability. We have also obtained a group mediclaim, group term life policy and group personal accident policy. We also maintain a keyman insurance policy for certain of our 'key men' essential to our business. These insurance policies are generally valid for a year and are renewed annually. In our experience, the amount of insurance currently maintained by us represents an appropriate level of coverage required to insure our business and operations. For further information on risks related to our insurance policies, see "***Risk Factors – Our insurance coverage may not be adequate or we may incur uninsured losses or losses in excess of our insurance coverage which may impact on our financial condition, cash flows and results in operations***." on page 59.

HEALTH, SAFETY AND ENVIRONMENT

We adhere to the environment, health and safety regulations and standards set forth by Indian regulatory authorities. Our activities are subject to the environmental laws and regulations of India and other jurisdictions, which govern, among other aspects, air emissions, waste water discharge, the handling, storage and disposal of hazardous substances and waste, the remediation of contaminated sites, natural resource damage, and employee health and employee safety. We are committed to providing a safe and healthy working environment to our employees.

We have received ISO 9001:2015 (quality management system) and ISO 14001:2015 (environmental management system) certifications for our operations.

CORPORATE SOCIAL RESPONSIBILITY

We have constituted a Corporate and Social Responsibility Committee of our Board and have adopted and implemented a CSR policy in Fiscal 2024, pursuant to which we carry out our CSR activities. Our CSR initiatives are aligned with the requirements under the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014. We strive to meet our commitment towards the community by committing our resources and energies to social development. Our CSR initiatives are focused on development/improvement of the environment, healthcare, sanitation, traffic safety, education and youth and women empowerment. We have undertaken projects for promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled; livelihood enhancement; gender equality; empowering women; setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens; implementing measures for reducing inequalities faced by socially and economically backward groups in Karnataka, Telangana, Tamil Nadu, New Delhi.

The table below sets forth the expenses incurred from the corporate social responsibility related activities undertaken by our Company in Fiscals 2026, 2025 and 2024, respectively:

Particulars	As of/for the year ended March 31, 2026	As of/ for the year ended March 31, 2025	As of/ for the year ended March 31, 2024
Corporate social responsibility expenses (*in ₹ million*)	17.26	13.00	6.53
Corporate social responsibility expenses as percentage of total expenses (%)	0.58	0.35	0.19

KEY REGULATIONS AND POLICIES IN INDIA

The following is a brief overview of certain sector specific laws and regulations in India which are applicable to the business and operations of our Company. The information in this section has been obtained from legislations, including rules, regulations, guidelines and circulars promulgated and issued by regulatory bodies that are available in the public domain. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative actions, regulatory, administrative or judicial decisions. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions. The description of laws and regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice.

Laws in relation to our business

Defence Acquisition Procedure 2020, as amended ("DAP")

The Ministry of Defence ("**MoD**") has announced the Defence Acquisition Procedure 2020 ("**DAP**"), which came into effect from 1 October 2020, superseding the Defence Procurement Procedure, 2016. The DAP remains in force until amended or replaced by the MoD. The DAP focuses on indigenous production and aims to transform India into a global manufacturing hub for weapons and military platforms. It is aligned with the Government's Aatmanirbhar Bharat (self-reliant India) initiative and seeks to empower the Indian domestic defence industry through 'Make in India' projects. The Department of Military Affairs ("**DMA**"), MoD, has prepared a list of items subject to an import embargo (Import Embargo List), as initially set out in the press release dated 9 August 2020. This list, which is periodically updated, now covers more than 101 items, including high-technology weapon systems such as artillery guns, assault rifles, sonar systems, transport aircraft, light combat helicopters (LCHs), radars, and other items to fulfil the needs of the defence services. The DAP also encourages foreign companies to establish manufacturing in India. The DAP contains detailed guidelines relating to: (i) acquisition categories, planning, and indigenous content; (ii) acquisition procedures for 'Buy' and 'Buy and Make' schemes; (iii) procurement under 'Make' and 'Innovation' categories; (iv) acquisition of systems designed and developed by DRDO/DPSUs/OFB; (v) fast track procedure; (vi) standardisation of contract documents; (vii) revitalising the defence industrial ecosystem through strategic partnerships; (viii) acquisition of system products and information and communication technology systems; (ix) leasing; (x) other capital procurement procedures; (xi) post-contract management; and (xii) procedure for defence shipbuilding. It also contains guiding principles on the intellectual property rights of the government in 'Make-I' projects funded by the MoD, including the government's right to work patents if a contractor fails to do so within a reasonable period.

The DAP outlines the defence offset policy, which aims to leverage capital acquisitions and technology to develop the Indian defence industry by fostering internationally competitive enterprises and augmenting research, design, and development capacity. Offset provisions now apply only to 'Buy (Global)' procurements through competitive bidding, where the estimated Acceptance of Necessity (AoN) cost is ₹20,000 million or more. The required value of such offset obligations is generally 30% of the estimated cost of the acquisition, and these obligations are typically imposed on foreign vendors.

Draft Defence Production & Export Promotion Policy, 2020 ("Draft DPEPP")

The MoD released the Draft DPEPP to provide further impetus to realise the goal of self-reliance under the goal of Aatmanirbhar Bharat, which is to develop a dynamic, robust and competitive defence industry, including aerospace and naval shipbuilding industry, to cater to the needs of armed forces, along with giving end to end solutions ranging from design to production, with active participation from the public and private sectors, thus fulfilling the twin objectives of self-reliance as well as exports. The Draft DPEPP aims to implement measures so as to achieve a turnover of ₹ 1,750,000 million (US$ 25 billion) including export of ₹ 350,000 million (US$ 5 billion) in aerospace and defence goods and services by 2025. Further, its objective is to reform as well as standardize defence procurement by providing support to micro, small and medium enterprises/ start-ups in order to indigenize the manufacturing of imported components. Additionally, the Draft DPEPP has the following goals: (i) to reduce dependence on imports and take forward the "Make in India" initiative through domestic design and development; (ii) to promote export of defence products and become part of the global defence value chains; (iii) to create an environment that encourages research and development, rewards innovation, creates Indian intellectual property ownership and promotes a robust and self-reliance defence industry; (iv) enhance investment promotion in the aviation sector with the association of the Ministry of Civil Aviation by offering incentives to global and domestic original equipment manufacturers to set up design and manufacturing facilities in India; and

(v) liberalize foreign direct investment in the defence sector for attracting global original equipment manufacturers to shift manufacturing facilities and expand India's presence in international supply chains.

Industries (Development and Regulation) Act, 1951, as amended ("IDAR Act")

The IDAR Act has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing except for certain industries. The IDAR Act is administered by the Ministry of Commerce and Industries through the Department for Promotion of Industry and Internal Trade.

Digital Personal Data Protection Act, 2023 (the "DPDP Act")

The Parliament passed the DPDP Act on August 9, 2023. The DPDP Act received the assent of the President and was notified on August 11, 2023. The DPDP Act, which supersedes certain provisions of the Information Technology Act, 2000 (on compensation for failure to protect data) provides for collection and processing of digital personal data by persons, including companies. The DPDP Act seeks to balance the rights of individuals to protect their personal data with the need to process personal data for lawful and other incidental purposes. All data fiduciaries, determining the purpose and means of processing personal data, are mandated to provide an itemised notice to data principals in plain and clear language containing a description of the personal data sought to be collected along with the purpose of processing such data. The DPDP Act further provides that personal data may be processed only for a lawful purpose after obtaining the consent of the individual. A notice must be given before seeking consent. The notice should contain details about the personal data to be collected and the purpose of processing. Consent may be withdrawn at any point in time. Any individual whose data is being processed (data principal), will have the right to: (i) obtain information about processing, (ii) seek correction and erasure of personal data, (iii) nominate another person to exercise rights in the event of death or incapacity, and (iv) grievance redressal. Data principals have certain duties. They must not: (i) register a false or frivolous complaint (ii) furnish any false particulars or impersonate another person in specified cases and (iii) to ensure not to suppress any material information while providing personal data for any document issued by the State. Violation in observance of duties by a data principal will be punishable with a penalty of up to ₹ 10,000. The Central Government has established the Data Protection Board of India (the "**Data Protection Board**"), whose key functions include (i) monitoring compliance and imposing penalties, (ii) directing data fiduciaries to take necessary measures in the event of a data breach, and (iii) hearing grievances made by affected persons.

The DPDP Act further imposes certain obligations on data fiduciaries including (i) make reasonable efforts to ensure the accuracy and completeness of data, (ii) build reasonable security safeguards to prevent a data breach, (iii) inform the Data Protection Board of India and affected persons in the event of a breach, and (iv) erase personal data as soon as the purpose has been met and retention is not necessary for legal purposes (storage limitation). In case retention is necessary for compliance with law, storage limitation and the right of the data principal to erasure will not apply. The Data Protection Board members will be appointed for two years and will be eligible for reappointment. The Central Government has prescribed details such as the number of members of the Data Protection Board and the selection process.

The Central Government has notified the Digital Personal Data Protection Rules, 2025 (the "**DPDP Rules**") on November 14, 2025. The DPDP Rules facilitate the implementation of the DPDP Act. It aims to strengthen the legal framework for the protection of digital personal data by providing necessary details and an actionable framework. The DPDP Rules lays down various implementation aspects such as a phased 18-month period for implementation and compliance of the DPDP Rules, clear protocols for data fiduciaries for ensuring reasonable security safeguards and intimation of personal data breaches, registration and obligations of consent managers, independent audits and impact assessments by significant data fiduciaries, processing of personal data for issuance of subsidy, benefit, services, certificates, licenses or permits by the State and its instrumentalities, providing details about availing rights by data principals, processing of personal data of child or of person with disability, additional obligations of significant data fiduciaries, setting up the Data Protection Board, appointment and service conditions of the chairperson and other members of the Data Protection Board, functioning of the Data Protection Board as digital office, and procedure to appeal to appellate tribunal.

Foreign investment and trade legislations

Foreign investment in India is governed by the provisions of Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("**FEMA Non-Debt Instrument Rules**") along with the Consolidated FDI Policy issued by the DPIIT, from time to time. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which regulate the mode of payment and reporting requirements for investments in India by a person resident outside India.

Under the Consolidated FDI Policy, infusion of fresh foreign investment up to 49%, in a company not seeking industrial license or which already has government approval for FDI, will need to submit a declaration with the Ministry of Defence in cases of: (a) change in equity/shareholding pattern; or (b) transfer of stake by existing investor to new foreign investor, within a period of 30 days of such change. Any proposal for raising FDI beyond 49% from such companies can be made through the government approval route. In terms of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-Debt Instrument Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 49% under the automatic route and government approval route beyond 49%).

Further, in accordance with the Consolidated FDI Policy read with the Press Note No. 2 (2026 Series), dated March 15, 2026, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, or where the beneficial owner of an investment into India is a citizen of any such country, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy and FEMA Rules.

Foreign Trade Policy 2023 ("FTP")

The foreign trade policy of India is governed and regulated by the Foreign Trade (Development and Regulation) Act, 1992, as amended ("**FTA**"). The FTA empowered the Central Government to make provisions for the development and regulation of foreign trade by way of facilitating imports into as well as augmenting exports from the country and in all other matters related to foreign trade. The government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. It is authorised to periodically formulate the FTP and amend it thereafter whenever it deems fit. All exports and imports are required to be in compliance with this policy. The FTP focuses on increased thrust for emerging areas such as e-commerce exports, developing export hubs across districts and streamlining the policy for SCOMET category of products. SCOMET stands for Special Chemicals, Organisms, Materials, Equipment and Technologies and refers to nine categories of products and technologies which have civil as well as military applications, such as nuclear materials, micro-organisms, material processing equipment, and aerospace systems, etc. The FTP provides for certain schemes for the promotion of export of finished goods and import of inputs. The FTP shall continue to be in operation unless otherwise specified or amended. The FTA, read with the FTP, also provides that no person or company can make exports or imports without having obtained an importer exporter code number ("**IEC**") granted by the Director General of Foreign Trade, Ministry of Commerce ("**DGFT**") pursuant to Section 7 of the FTA unless exempted from doing so. Any person who makes any export or import in contravention of any provision of the FTA or any rules or orders made thereunder, or the foreign trade policy would become liable to a penalty of not less than ₹10,000 and not more than five times the value of the goods or services or technology in respect of which any contravention is made or is attempted to be made, whichever is made.

Customs Act, 1962 ("Customs Act"), Customs Tariff Act, 1975, and rules made thereunder

The provisions of the Customs Act and rules made there under are applicable to imported goods i.e. goods brought into India from a place outside India (except goods cleared for home consumption) and export goods i.e. goods which are to be taken out of India to a place outside India. Imported goods and export goods are subject to duties of customs as specified under the Customs Tariff Act, 1975.

Labour and welfare-related legislations

Factories Act, 1948, as amended ("Factories Act")

The Factories Act defines a "factory" to cover any premises including precincts which employs 10 or more workers on any day of the preceding 12 months and in which a manufacturing process is carried on with the aid of power or any premises where at least 20 workers are employed, and where a manufacturing process is carried on without the aid of power. Each State Government has enacted rules in respect of the prior submission of plans and their approvals for the establishment of factories and registration/licensing thereof. The Factories Act requires the 'occupier' of a factory to ensure the health, safety and welfare of all workers while they are at work in the factory. Further, the 'occupier' of a factory is also required to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage

and transport of factory articles and substances; (iii) provision of adequate instruction, training, and supervision to ensure worker' health and safety; and (iv) cleanliness and safe working conditions in the factory premises. If there is a contravention of any of the provision of the Factories Act or rules framed thereunder, the 'occupier' and 'manager' of the factory as defined under the Factories Act may be punished with imprisonment or with a fine or both and enhanced penalties for repeat offences and contravention of certain provisions relating to the use of the hazardous materials.

Other labour law legislations

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws, including the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972, the Payment of Bonus Act, 1965, Maternity Benefit Act, 1961, the Child Labour (Prohibition and Regulation) Act, 1986, the Right of Persons with Disabilities Act, 2016, Contract Labour (Regulation and Abolition) Act, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the rules made thereunder and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In order to rationalise and reform labour laws in India, the Government has enacted the following codes:

Code on Wages, 2019

The Code on Wages, 2019, which regulates and amalgamates laws relating to wages and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. It regulates, among other things, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. Through its notification dated December 18, 2020, and November 21, 2025, the Government of India brought into force certain sections of the Code on Wages, 2019.

Industrial Relations Code, 2020

Industrial Relations Code, 2020, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes received the assent of the President of India on September 28, 2020. It subsumes the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947. Through its notification dated November 21, 2025, the Government of India brought into force the Industrial Relations Code, 2020.

Code on Social Security, 2020

The Code on Social Security, 2020 ("**Social Security Code**"), which amends and consolidates laws relating to social security, and subsumes various social security related legislations, among other things, including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 ("**EPF Act**"), the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Cine Workers Welfare Fund Act, 1981, the Building and Other Construction Workers' Welfare Cess Act, 1966 and the Unorganized Workers' Social Security Act, 2008. It governs the constitution and functioning of social security organisations such as the Employees Provident Fund and the Employees State Insurance Corporation which regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees may suffer, among others. The Social Security Code received the assent of the President of India on September 28, 2020. Section 142 of the Social Security Code has been brought into force from May 3, 2021, by the Ministry of Labour and Employment, Government of India, ("**MLE**") through a notification dated April 30, 2021. The MLE, vide a notification dated May 3, 2023, appointed May 3, 2023 as the effective date for enforcing certain provisions of the Social Security Code relating to the employees' pension scheme, inter alia, (a) to empower the Central Government to frame a scheme to be called the employees' provident fund scheme; and (b) to subsume certain provisions of the Employees' Pension Scheme, 1995 ("**EPS**") with the Social Security Code, and repeal the corresponding provisions pertaining to EPS under the EPF Act. The remaining provisions of this code became effective pursuant to a notification dated November 21, 2025.

Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code, 2020, received the assent of the President of India on September 28, 2020. It consolidates and amends the laws regulating the occupational safety and health and working conditions of the persons employed in an establishment. It replaces certain old central labour laws including the Contract Labour (Regulation and Abolition) Act, 1970, the Factories Act, 1948, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code have been brought into force by the Government of India, through its notification dated November 21, 2025. The Government of India had also issued the draft rules under the Occupational Safety, Health and Working Conditions Code, 2020. The draft rules provide for operationalisation of provisions in the Occupational Safety, Health and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labour, journalists, audio-visual workers and sales promotion employees. Such draft rules were notified on December 30, 2025, and have come into effect between May 8, 2026 and May 9, 2026.

Intellectual property laws

Trade Marks Act, 1999 ("Trade Marks Act") and Trade Mark Rules, 2017 ("Trade Mark Rules")

The Trade Marks Act governs the registration, statutory protection of trademarks for goods and services and prevention of the use of fraudulent marks. It also provides for exclusive right to marks such as brand, label, and heading and to obtain relief in case of infringement. Under the provisions of the Trade Marks Act, an application for trademark registration may be made with the Trade Marks Registry by any person or persons claiming to be the proprietor of a trademark, whether individually or as joint applicants, and can be made on the basis of either actual use or proposed to be used. Once granted, a trademark registration is valid for 10 years unless cancelled, after which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored to gain protection under the provisions of the Trade Marks Act, within the time period prescribed under the Trade Marks Act. The Trade Marks Act prohibits registration of trademarks that are similar to an earlier trademark and the identity or similarity of the goods or services covered by the trademark and there exists a likelihood of confusion on the part of the public and provides for penalties for infringement, falsifying and falsely applying trademarks among others. The Trade Marks Rules, lay down certain guidelines regarding procedure for trade mark registration and enforcement. Some of the salient features of the Trade Marks Rules include the process for determination of 'well-known' trademarks, representation of sound marks, recognition of e-mail as a mode of service, new registration fees and mandatory filing of statements of users. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. It also seeks to simplify the law relating to the transfer of ownership of trademarks by assignment or transmission and to bring the law in line with international practices.

Patents Act, 1970, as amended ("Patents Act")

The Patents Act governs the patent regime in India. A patent under the Patents Act is an intellectual property right relating to inventions for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling and importing the patented product or process for producing that product for those purposes without his consent. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention must satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

Designs Act, 2000 ("Designs Act"), as amended

The Designs Act prescribes for the registration of designs. The Designs Act specifically lays down the essentials of a design to be registered and inter alia, provides for application for registration of designs, copyright in registered designs, etc. A 'Design' means only the features of shape, configuration, pattern, ornament or composition of lines or colour applied to any article whether two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye, but does not include any mode or principle or construction or anything which is in substance a mere mechanical device, and expressly excludes works accorded other kinds of protection like property marks, trademarks and copyrights. Any person claiming to be the proprietor of a new or original design may apply for registration of the same before the Controller-General of Patents, Designs and Trade Marks. On registration, the registered proprietor of the design attains a copyright over the

same. The duration of the registration of a design in India is initially ten years from the date of registration. No person may sell, apply for the purpose of sale or import for the purpose of sale any registered design or fraudulent or obvious imitation thereof.

Environmental law legislations

Environment (Protection) Act, 1986 ("Environment Act")

The Environment Act has been enacted with the objective of protection and improvement of the environment, control, reduce and abate pollution and empowers the government to take measures in this regard. Further, the Environment Protection Rules specifies, amongst other things, the standards for emission or discharge of environmental pollutants, and restrictions on the handling of hazardous substances in different areas. For contravention of any of the provisions of the Environment Protection Act or the rules framed thereunder, the punishment includes either imprisonment or fine or both.

E-Waste (Management) Rules, 2022, as amended ("E-Waste Rules")

The E-Waste Rules apply to every manufacturer, producer, consumer, bulk consumer, collection centres, dealers, e-retailer, refurbisher, dismantler and recycler involved in manufacture, sale, transfer, purchase, collection, storage and processing of e-waste or electrical and electronic equipment as classified under the E-Waste Rules, including their components, consumables, parts and spares which make the product operations. The E-Waste Rules mandate that a manufacturer must register with the Central Pollution Control Board ("**CPCB**") and also submit annual returns to the same authority. Producers of such e-waste also have extensive responsibilities and obligations and may come under the scrutiny of either the CPCB or the state pollution control board. Manufacturers, unregistered producers, refurbishers, and recyclers shall be liable to pay environmental compensation for any violation of the provisions under these rules as laid down by the CPCB.

Battery Waste Management Rules, 2022, as amended

The Battery Waste Management Rules, 2022, establish a comprehensive framework for the environmentally sound management of waste batteries. These rules apply to all types of batteries, including electric vehicle, portable, automotive, and industrial batteries. The rules mandate Extended Producer Responsibility (EPR), requiring manufacturers, importers, and assemblers to ensure the collection, recycling, and proper disposal of used batteries. The rules also set targets for collection and recycling, promote the use of recycled materials in new batteries, and prohibit the disposal of batteries in landfills or through incineration. They further emphasise the need for public awareness, proper labelling, and the maintenance of records to ensure transparency and accountability throughout the battery lifecycle. The Central Pollution Control Board (CPCB) is tasked with maintaining a centralised online portal, publishing a consolidated list of producers using digital labelling, and updating it quarterly making it easier to track batteries throughout their lifecycle.

Other applicable legislations

Micro, Small and Medium Enterprises Development Act, 2006, as amended

The Micro, Small and Medium Enterprises Development Act, 2006 ("**MSMED Act**") is a key legislation aimed at promoting and regulating MSMEs in India by providing a legal framework for their classification, development and protection. As per the latest amendment by Union Budget 2024–25 and effective from 1st April 2025, the classification criteria for the legal entities under various categories are revised as under: Micro Enterprises – investment up to ₹2.5 crore and turnover up to ₹10 crore; Small Enterprises – investment up to ₹25 crore and turnover up to ₹100 crore; and Medium Enterprises – investment up to ₹125 crore and turnover up to ₹500 crore. These updated thresholds are applicable on all the units/companies registered under the Act for the purpose of availing various benefits, protection and considerations under the MSMED Act and government subsidies & schemes.

Consumer Protection Act, 2019

The Consumer Protection Act, 2019 which repealed the Consumer Protection Act, 1986, was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, inter alia, to promote and protect the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers, and traders. It provides for the establishment of consumer dispute redressal forums and commissions for the purposes of redressal of consumer grievances. One of the substantial changes introduced by the Consumer Protection Act is the inclusion

of the e-commerce industry under the Consumer Protection Act with "e-commerce" defined to refer to the buying and selling of goods or services over a digital or electronic network. Therefore, the Consumer Protection Act aims to cover entities that are involved in the process of selling goods or services online.

Shops and Establishments legislations in various states

Under the provisions of local shops and establishment legislations applicable in the states in which establishments are set up, establishments are required to be registered under the respective legislations. These legislations regulate the condition of work and employment in shops and commercial establishments and generally prescribe obligations in respect of, among others, registration, opening and closing hours, daily and weekly working hours, rest intervals, overtime, holidays, leave, health and safety measures, termination of service and wages for overtime work. There are penalties prescribed in the form of monetary fine or imprisonment for violation of these legislations.

SEBI Act and regulations

From time to time, post listing of our Equity Shares on the Stock Exchanges, our Company will be required to comply with various regulations notified by the SEBI including the SEBI Act, SCRA, SEBI Listing Regulations, SEBI Insider Trading Regulations, SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003, SEBI ICDR Regulations, SEBI SBEBSE Regulations and SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, to the extent applicable. Set out below is a summary of these regulations:

(i) Securities and Exchange Board of India Act, 1992 ("**SEBI Act**")

SEBI Act establishes SEBI as the principal regulatory authority overseeing India's securities markets. It confers comprehensive powers upon SEBI to regulate all facets of securities markets, including issuance, listing, and trading activities. The SEBI Act authorizes SEBI to safeguard investor interests, maintain market integrity, and foster market development through regulations, circulars, and guidelines. Furthermore, it empowers SEBI to conduct investigations into potential violations, impose administrative and monetary sanctions, and pursue enforcement actions against non-compliant market participants.

(ii) Securities Contracts (Regulation) Act, 1956 ("**SCRA**")

SCRA regulates securities transactions and establishes the legal infrastructure for stock exchanges within India. It comprehensively defines securities and financial instruments while governing listing requirements and prohibiting unauthorized trading. The SCRA establishes parameters for recognition of exchanges and empowers the central government and SEBI to implement measures for intervention when necessary to protect investor interests or preserve market stability. It also provides the statutory basis for regulation of derivatives and other complex financial instruments.

(iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**")

SEBI Listing Regulations delineate ongoing compliance obligations and disclosure requirements for companies with listed securities. It establishes requirements for financial disclosures, corporate governance standards, investor grievance mechanisms, and timely reporting of material events. The SEBI Listing Regulations mandates specific committee compositions, independent director requirements, and related party transaction approvals. It prescribes formats and timelines for periodic submissions to exchanges and requires the appointment of qualified compliance officers to ensure adherence to regulatory requirements.

(iv) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("**SEBI PIT Regulations**")

SEBI PIT Regulations prohibit trading in securities while in possession of unpublished price-sensitive information ("**UPSI**"). It deals with insider trading offenses, establishes trading restrictions for designated persons, and mandates disclosure requirements for promoters, directors, and key management personnel of a company. It requires companies to formulate a code of conduct, implement trading plans for insiders, and establish mechanisms for identifying and protecting UPSI. The SEBI PIT Regulations further prescribe structured digital databases to track UPSI recipients and specify procedures for legitimate communications with stakeholders.

(v) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 ("**SEBI PFUTP Regulations**")

SEBI PFUTP Regulations prohibit manipulative, fraudulent, and unfair practices in connection with securities markets. It defines various categories of prohibited activities including market manipulation, price rigging, misleading statements, and artificial transactions designed to create false market impressions. The SEBI PFUTP Regulations empowers SEBI to investigate suspected violations, issue cease-and-desist orders, and impose monetary penalties and market access restrictions. It also establishes the basis for disgorgement of ill-gotten gains and provide for restitution to affected investors harmed by fraudulent practices.

(vi) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**SEBI ICDR Regulations**")

SEBI ICDR Regulations regulate the issuance of equity and convertible securities and disclosure requirements for companies raising funds through various channels including, inter alia, initial public offer, further public offer, rights issue and qualified institutional placement. It sets out the guidelines and framework that companies must follow to issue equity and convertible securities to the public. It also outlines the disclosure requirements pertaining to all material information, risks, and details about the financial health of the company to undertake such issuances.

(vii) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI SBEB Regulations**")

SEBI SBEB Regulations govern the share-based employee benefit schemes of equity listed companies. It is applicable to an equity listed company that seeks to issue sweat equity shares or has a scheme: (i) for direct or indirect benefit of employees; (ii) involving dealing in or subscribing to or purchasing securities of the company, directly or indirectly; and (iii) satisfying, directly or indirectly, any one of the following conditions: the scheme is set up by the company or any other company in its group; the scheme is funded or guaranteed by the company or any other company in its group; and the scheme is controlled or managed by the company or any other company in its group.

(viii) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2012 ("**SEBI ILNCS Regulations**")

SEBI ILNCS Regulations govern the issuance and listing of debt securities and non-convertible securities by an issuer by way of public issuance, or on private placement basis which are proposed to be listed and listing of commercial paper issued by an issuer in compliance with the guidelines framed by the Reserve Bank of India. It also outlines the disclosure requirements pertaining to all material information, risks, and details about the financial health of the company to undertake such issuances.

Other Laws

In addition to the above, our Company is required to comply with the provisions of the Companies Act, 2013 various tax related legislations i.e., the Income Tax Act 1961, Central Goods and Services Tax Act, 2017, relevant state legislations for goods and services tax, Indian Stamp Act, 1899, relevant state legislations for value added tax and various state-specific legislations made thereunder, and other applicable statutes promulgated, and regulations imposed by the Central Government and state governments and other authorities for our day-to-day business, operations and administration.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as "Sarnoff Innovative Technologies Private Limited" as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated December 18, 2003, issued by the Registrar of Companies, Karnataka at Bengaluru ("**RoC**"). Subsequently, the name of our Company was changed to "Serial Innovations India Private Limited" pursuant to a certificate of incorporation dated August 14, 2008 issued by the RoC due to a change in management and thereafter, the name of our Company was further changed to "Tonbo Imaging India Private Limited" due to a change in branding and strategy pursuant to a certificate of incorporation dated May 13, 2016 issued by the RoC. Upon the conversion of our Company from a private limited company to a public limited company, pursuant to a resolution passed by our Board of Directors and Shareholders each dated August 15, 2025, the name of our Company was changed to "Tonbo Imaging India Limited", and a fresh certificate of incorporation dated September 11, 2025 was issued by the RoC. Subsequently, pursuant to an addition to the main objects clause of the Memorandum of Association of our Company, a fresh certificate of incorporation dated June 2, 2026 was issued by the RoC.

Changes in the Registered Office of our Company

Except as disclosed below, there has been no change in the Registered Office of our Company since its incorporation.

Date of change	Address of registered office	Reason for change
January 6, 2004	Changed from *"No.202, Prestige Meridian II, 30 M.G. Road, Bangalore 560 001, Karnataka, India"* to *"Unit 2A, Left Wing, First Floor, Frontline Grandeur, No - 14, Walton Road, Bangalore 560 001, Karnataka, India"*	To carry out business operation more efficiently
August 10, 2005	Changed from *"Unit 2A, Left Wing, First Floor, Frontline Grandeur, No. 14, Walton Road, Bangalore 560 001, Karnataka, India" to "Asha Arch, No.1, Magrath Road, Bangalore 560 025, Karnataka"*	To facilitate better operational efficiency and to accommodate the growing business requirements
July 5, 2008	Changed from *"Asha Arc No. 1, Magrath Road, Bangalore 560 025, Karnataka, India"* to *"2nd Floor, No. 38, KH Circle, Hosur Road, PO Wilson Garden, Bangalore 560 027, Karnataka, India"*	To provide improved facilities reduce overhead costs and ensure better accessibility
June 20, 2009	Changed from *"2nd Floor, No. 38, KH Circle, Hosur Road, PO Wilson Garden, Bangalore 560 027, Karnataka, India"* to *"Vajram Complex, 2nd Floor, No. 1, 17th Main, 4th B Block, 100 Ft Road, Koramangala, Bangalore 560 034, Karnataka, India"*	To facilitate better operational efficiency and reduce overhead costs
May 12, 2010	Changed from *"Vajram Complex, 2nd Floor, No. 1, 17th Main, 4th B Block, 100 Ft Road, Koramangala, Bangalore 560 034, Karnataka, India"* to *"No. 104, Shivalaya, I Floor, 17th 'C' Main Road, 5th Cross, Koramangala 5th Block Extension, Bangalore 560 095, Karnataka, India"*	To facilitate better operational efficiency and to accommodate the growing business requirements
July 30, 2020	Changed from "*No. 104, Shivalaya, I Floor, 17th 'C' Main Road, 5th Cross, Koramangala 5th Block Extension, Bangalore 560 095, Karnataka, India*" to "*No.3 Chikkayellappa Tower-II, 1st C Main, Sarjapur Main Road, Jakkasandra Extension, Chikkayellappa Industrial Layout, Bengaluru 560 034, Karnataka, India*"	To improve administrative efficiency, reduce overhead costs, and streamline business operations

Main objects of our Company

The main objects contained in the Memorandum of Association of our Company are as set forth below:

1. *"To engage in the business of research, design, product development, systems integration, implementation, fabrication, manufacturing, processing, assembly, environmental and reliability testing, characterization, offering and providing consultancy wafer lab and turnkey services and other related activities and services in order to develop and provide breakthrough technology innovation solutions for various industries such as Integrated Circuits, Optoelectronics, Communications and Networking and Digital Television and Internet Convergence industries including but not limited to reconfigurable integrated circuits design, development and production of advanced system-on-chip (SOC) devices, silicon-oninsulator (SOI) integrated circuits, electronic static discharge (ESD) protection, advanced emulation, optoelectronic system design, manufacturing and packaging of all kinds of custom wavelength lasers, diodes, amplifiers, thermos photovoltaics, infra-red (IR) and ultraviolet (UV) imaging systems, charged-coupled services (CCD) and complementary metaloxide semiconductor (CMOS) imagers,*

specialty cameras, sensors, optical diagnostics, adhoc networking, wireless and satellite communications, smart antennas, wireless broadband, digital rights management, targeted advertising, multimedia databases, etc.

2. *To engage in the business of research and development and to provide consulting and customized solutions to the healthcare and life sciences industry including but not limited to medical product innovation, disposable product design, biopharmaceuticals, diagnostic systems, drug discovery, powder handling, informatics, imaging and image analysis, micro fluidic processing, dissolution control instrumentation, etc.*

3. *To carry on the business of providing, offering, research and development, implementation and integration of various solutions, products, services and applications for several industries including but not limited to those in the automotive, transportation, health care, life sciences, entertainment, media, communication, networking, electronics, surveillance and security and silicon IP industry and to develop and produce information technology and computer software, video processing and vision software, computer programs, object and source codes, hardware, middle ware, firm ware, to create and develop custom based and cutting edge technology, end to end solutions.*

4. *To carry on the business of research, design, development, engineering, manufacture, fabrication, assembly, testing, validation, integration, supply, import, export, installation, commissioning, marketing, modernization, maintenance and lifecycle support of defence, aerospace, homeland security, surveillance, electronic warfare and strategic technology systems, platforms and equipment, either independently or in collaboration with government bodies, armed forces, public sector undertakings, research institutions or private entities in particular to design, develop, manufacture, assemble, test and market advanced defence and security systems including unmanned aerial vehicles (UAVs), remotely piloted and autonomous aerial platforms, thermal, infra-red and electro-optical communication, sensing and surveillance equipment, high power microwave and directed energy based systems, projectile launchers and associated control technologies, high velocity kinetic energy based systems, loitering munitions, remotely operated weapon stations (RCWS), targeting and stabilization systems, holographic sight, laser designator system, target acquisition system, infrared and laser pointer and illuminator, laser ranger finding system together with all allied software, firmware, embedded electronics, artificial intelligence modules, propulsion systems, navigation technologies, imaging and sensor systems, materials, components, subsystems and assemblies, and to undertake all activities incidental or ancillary thereto including consultancy, system integration, technology transfer, training, repair, overhaul, maintenance, servicing, support and related services in connection therewith."*

Amendments to our Memorandum of Association in the last ten years

Set forth below are the amendments to our Memorandum of Association in the last ten years:

Date of Shareholder's resolution	Details of the amendments
December 18, 2018	Clause V of the Memorandum of Association was amended to reflect the increase in authorized share capital of our Company from ₹6,000,000 divided into 475,000 equity shares of face value of ₹10 and 125,000 preference shares of face value of ₹10 each to ₹152,080,000 divided into 475,000 equity shares of face value of ₹10 each, 125,000 preference shares of face value of ₹10 each and 160,000 preference shares of face value of ₹913 each.
March 31, 2023	Clause V of the Memorandum of Association was amended to reflect the increase in authorized share capital of our Company from ₹152,080,000 divided into 475,000 equity shares of face value of ₹10 each, 125,000 preference shares of face value of ₹10 each and 160,000 preference shares of face value of ₹913 each to ₹172,080,000 divided into 475,000 equity shares of face value of ₹10 each, 125,000 preference shares of face value of ₹10 each, 160,000 preference shares of face value of ₹913 each and 200,000 preference shares of face value of ₹100 each.
March 4, 2024	Clause V of the Memorandum of Association was amended to reflect the increase in authorized share capital of our Company from ₹172,080,000 divided into 475,000 equity shares of face value of ₹10 each, 125,000 preference shares of face value of ₹10 each, 160,000 preference shares of face value of ₹913 each and 200,000 preference shares of face value of ₹100 each to ₹629,775,000 divided into 475,000 equity shares of face value of ₹10 each, 125,000 preference shares of face value of ₹10 each, 160,000 preference shares of face value of ₹913 each, 200,000 preference shares of face value of ₹100 each and 45,000 preference shares of ₹10,171 each.
July 8, 2024	Clause V of the Memorandum of Association was amended to reflect the increase in authorized share capital of our Company from ₹629,775,000 divided into 475,000 equity shares of face value of ₹10 each, 125,000 preference shares of face value of ₹10 each, 160,000 preference shares of face value of ₹913 each, 200,000 preference shares of face value of ₹100 each and 45,000

Date of Shareholder's resolution	Details of the amendments
	preference shares of ₹10,171 each to ₹634,025,000 divided into 900,000 equity shares of ₹10 each, 125,000 preference shares of face value of ₹10 each, 160,000 preference shares of face value of ₹913 each, 200,000 preference shares of face value of ₹100 each and 45,000 preference shares of face value of ₹10,171 each.
June 30, 2025	Clause V of the Memorandum of Association was amended to reflect the increase in authorized share capital of our Company from ₹ 63,40,25,000 divided into 900,000 equity shares of ₹10 each, 125,000 preference shares of face value of ₹10 each, 160,000 preference shares of face value of ₹913 each, 200,000 preference shares of face value of ₹100 each and 45,000 preference shares of face value of ₹10,171 each to ₹74,00,00,000 divided into 1,14,97,500 equity shares of ₹10 each, 125,000 preference shares of face value of ₹10 each, 160,000 preference shares of face value of ₹913 each, 200,000 preference shares of face value of ₹100 each and 45,000 preference shares of face value of ₹10,171 each.
August 15, 2025	Clause I of the Memorandum of Association was amended to delete the word "Private" before the word "Limited" in the name of the Company, pursuant to the conversion of the company from a private limited company to a public limited company.
September 16, 2025	Clause V of the Memorandum of Association was amended to reflect the increase in authorized share capital of our Company from ₹74,00,00,000 divided into 11497,500 equity shares of ₹10 each, 125,000 preference shares of face value of ₹10 each, 160,000 preference shares of face value of ₹913 each, 200,000 preference shares of face value of ₹100 each and 45,000 preference shares of face value of ₹10,171 each to ₹74,00,00,000 divided to 57,487,500 equity shares of ₹2 each, 125,000 preference shares of face value of ₹10 each, 160,000 preference shares of face value of ₹913 each, 200,000 preference shares of face value of ₹100 each and 45,000 preference shares of face value of ₹10,171 each
April 23, 2026	The following clause was included in Clause III (A) of the Memorandum of Association: *"4. To carry on the business of research, design, development, engineering, manufacture, fabrication, assembly, testing, validation, integration, supply, import, export, installation, commissioning, marketing, modernization, maintenance and lifecycle support of defence, aerospace, homeland security, surveillance, electronic warfare and strategic technology systems, platforms and equipment, either independently or in collaboration with government bodies, armed forces, public sector undertakings, research institutions or private entities in particular to design, develop, manufacture, assemble, test and market advanced defence and security systems including unmanned aerial vehicles (UAVs), remotely piloted and autonomous aerial platforms, thermal, infra-red and electro-optical communication, sensing and surveillance equipment, high power microwave and directed energy based systems, projectile launchers and associated control technologies, high velocity kinetic energy based systems, loitering munitions, remotely operated weapon stations (RCWS), targeting and stabilization systems, holographic sight, laser designator system, target acquisition system, infrared and laser pointer and illuminator, laser ranger finding system together with all allied software, firmware, embedded electronics, artificial intelligence modules, propulsion systems, navigation technologies, imaging and sensor systems, materials, components, subsystems and assemblies, and to undertake all activities incidental or ancillary thereto including consultancy, system integration, technology transfer, training, repair, overhaul, maintenance, servicing, support and related services in connection therewith.*"

Major events and milestones

The table below sets forth certain key events and milestones in our history:

Calendar Year	Milestone
2012	Changed strategic focus from sale of intellectual property services to product company
2015	Achieved first production order
2018	Crossed ₹ 300.00 million in export orders in Israel and Philippines
2019	Won iDEX challenge to design multi sensor see through armour for 360° situational awareness
2024	Secured ₹ 4,527.00 million in export orders from Europe
	Successful integration of multimode imaging seeker in anti-tank guided missiles developed by the Indian government
	Crossed domestic revenues of ₹ 1,700.00 million
	Raised equity of ₹ 1,323.00 million from investors including Artiman Ventures and Ramesh Radhakrishnan
	Established in-house clean room for prototype development
2025	Successful deployment of long range missile tracking system
	Crossed ₹ 4,500.00 million in revenue from operations and achieved profits of ₹ 727.57 million
	Raised capital of ₹ 1,750.00 million from investors including CEAQ Singapore and Artiman Ventures

Calendar Year	Milestone
	Won iDEX challenge to design High Power Microwave System for counter unmanned aerial vehicles

Key awards, accreditations and recognition

The table below sets forth certain key awards, accreditations and recognition received by our Company:

Calendar Year	Awards, accreditations and recognition
2017	Awarded Young Turks Startup of the year by CNBC-TV18
2018	Awarded the Marico Innovation Foundation Award at the MIF Awards 2018
2025	Excellence in Tech Export Production (Medium Enterprises) awarded at the SME Champion Awards

Significant financial and strategic partnerships

As of the date of this Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partnerships.

Time/cost overrun in setting up projects

As on the date of this Draft Red Herring Prospectus, there has been no time or cost over-run in setting up any projects.

Defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks

As on the date of this Draft Red Herring Prospectus, there has been no instance of rescheduling/ restructuring of borrowings with financial institutions/ banks in respect of our borrowings from lenders as on the date of this Draft Red Herring Prospectus.

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/facility creation, location of projects

For details of launch of key products or services, entry in new geographies or exit from existing markets, capacity or facility creation and the location of plants, see "***Our Business***" on page 239.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last ten years

Our Company has not made any material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last ten years.

Guarantees provided to third parties by our Promoter Selling Shareholders offering its Equity Shares of face value of ₹2 each in the Offer for Sale

Except as disclosed below, as on date of this Draft Red Herring Prospectus, our Promoters have not given any guarantee to third parties in relation to our Company:

S. No.	Guarantee issued in favour of	Guarantee amount*# (in ₹ million)	Type of facility
Arvind Kondangi Lakshmikumar			
1.	Axis Bank Limited	790.00	Working capital/cash credit facilities
2.	EXIM Bank	300.00	Working capital/cash credit facilities
3.	HDFC Bank Limited	1,355.00	Working capital/cash credit facilities
Ankit Kumar			
1.	Axis Bank Limited	790.00	Working capital/cash credit facilities
2.	EXIM Bank	300.00	Working capital/cash credit facilities
3.	HDFC Bank Limited	1,355.00	Working capital/cash credit facilities
Cecilia D'Souza			
1.	Axis Bank Limited	790.00	Working capital/cash credit facilities
2.	EXIM Bank	300.00	Working capital/cash credit facilities
3.	HDFC Bank Limited	1,355.00	Working capital/cash credit facilities

** Excludes any amounts payable towards interest, commission, costs, charges and expenses and other monies due and payable by the borrower to the lender.*

[#]*As certified by our Statutory Auditor, by way of the certificate dated August 4, 2026.*
For further details see, "***Financial Indebtedness***" on page 432.

Summary of key agreements and shareholders' agreements

As on the date of this Draft Red Herring Prospectus, other than as disclosed below, there are no other subsisting shareholders' agreements, arrangements or agreements that our Company is aware of, and there are no clauses/covenants which are material and which need to be disclosed in this Draft Red Herring Prospectus or non-disclosure of which may have a bearing on the investment decision in connection with the Offer. Further, there are no other clauses/covenants that are adverse or prejudicial to the interest of the minority/public Shareholders of our Company.

Subscription and restated shareholders' agreement dated February 6, 2025 entered into between our Company, HBL Engineering Limited, our Promoters, CEAQ Singapore, CEAQ India, Timothy Guy Mitchell, Serial Innovations Employee Stock Option Trust, Artiman Partners LLC, Artiman Ventures Select 2014 L.P., Artiman Ventures Select 2014 Principals Fund L.P., Amit Dilip Shah (as registered owner for Amit Shah Family Trust as the beneficial owner), Ramesh Radhakrishnan, Meghaa Karnani (as registered owner for Palita Associates as the beneficial owner), SSV Advisory Services LLP, Vinimaya Advisory LLP, Tiruvidaimarudhur Srivatsan Sivashankar and Meera Sivashankar, Neville Manuel Fernandes and Mellita Fernandes, Nitin Agarwal (HUF), Anand Ladsariya, Shereen Bhan, Florintree Flowtech LLP, Yali Deeptech Fund I, Tenacity Ventures Fund – I, Export-Import Bank of India, Pranav Parikh, Paramjit Singh, Tonbo Imaging Inc and UAB Tonbo Imaging as amended by the amendment and waiver agreement dated December 20, 2025 read with the letter dated August 4, 2026 issued by our Company to the parties to the Shareholders' Agreement

Our Company, our Promoters, CEAQ Singapore, CEAQ India, Timothy Guy Mitchell, Serial Innovations Employee Stock Option Trust (together referred to as the "**Existing Investors**"), Artiman Partners LLC ("**Artiman Partners**"), Artiman Ventures Select 2014 L.P. ("**Artiman Select**"), Artiman Ventures Select 2014 Principals Fund L.P. ("**Artiman Select Principals**"), Amit Dilip Shah (registered owner for Amit Shah Family Trust as the beneficial owner) ("**Amit Shah**"), Ramesh Radhakrishnan, Meghaa Karnani (registered owner for Palita Associates as the beneficial owner), SSV Advisory Services LLP, Vinimaya Advisory LLP ("**Vinimaya**"), Tiruvidaimarudhur Srivatsan Sivashankar & Meera Sivashankar (together, "**Sivashankar TS**"), Neville Manuel Fernandes and Mellita Fernandes, Nitin Agarwal (HUF), Anand Ladsariya, Shereen Bhan (collectively referred to as "**C1 Investors**"), Florintree Flowtech LLP ("**Florintree**"), Yali Deeptech Fund I, Tenacity Ventures Fund – I, Export-Import Bank of India, Pranav Parikh, Paramjit Singh, (together with Artiman Select, Artiman Select Principals, Amit Shah, Vinimaya and Sivasankar TS, "**New Investors**") and HBL Engineering Limited ("**HBL**"), Tonbo Imaging Inc. and UAB Tonbo Imaging ("**Confirming Parties**") (collectively referred to as the "**Parties**") have entered into a subscription and restated shareholders' agreement dated February 6, 2025 as amended by the amendment and waiver agreement dated December 20, 2025 read with the letter dated August 4, 2026 issued by our Company to the parties to the Shareholders' Agreement ("***Shareholders' Agreement***") to record certain rights and obligations with respect to the management and operations of our Company.

In terms of the Shareholders' Agreement, the Parties have certain rights and obligations, including, among others:

A. **Board nomination rights:** (a) each of our Promoters shall be nominated as executive directors on our Board; and (b) each of Florintree, HBL and CEAQ Singapore shall have a right to nominate one director on our Board, for so long as each of them hold 5.00% of the total shareholding of our Company on a fully diluted basis.

B. **Quorum:** The quorum for a meeting of the Shareholders of our Company shall consist of four shareholders, provided that one representative of our Promoters, one representative of HBL, one representative of CEAQ Singapore and one representative of Florintree shall be present to constitute a quorum.

C. **Observers:** Each of Florintree, HBL, Celesta Capital II LP, Edelweiss Value and Growth Fund and Artiman Ventures shall have the right to appoint an observer on our Board.

D. **Information and inspection:** Our Company is required to provide to the New Investors (*other than Vinimaya and Sivashankar TS*), C1 Investors (other than Vinimaya), HBL and CEAQ Singapore certain information and related rights, including (a) unaudited quarterly standalone and consolidated financial statements of our Company; (b) annual budget and operating plans; (c) information regarding any event

which may entitle a customer of our Company to initiate liquidation damages under its contract; and (d) any other information which is reasonably required by such investors (*other than Vinimaya and Sivashankar TS*), C1 Investors (*other than Vinimaya*), HBL or CEAQ Singapore.

E. **Reserved matters:** Our Company and its Shareholders are required to undertake certain actions only with the prior written consent of each of Florintree, HBL and CEAQ Singapore for so long as each of them hold 5.00% of the total shareholding of our Company on a fully diluted basis.

F. **Right of first refusal:** Transfers by any shareholder other than the New Investors (*other than Vinimaya and Sivashankar TS*), C1 Investors (*other than Vinimaya*), HBL, CEAQ Singapore and CEAQ India as identified in the Shareholders' Agreement ("**ROFR Holders**") of the Equity Shares held by them (other than certain exempted transfers) shall be subject to a right of first refusal in favour of the ROFR Holders.

G. **Tag-along rights:** In the event any of our Promoters proposes to transfer any or all of their respective Equity Shares to a third party, then the New Investors, C1 Investors *(other than Vinimaya),* HBL and CEAQ Singapore, as identified in the Shareholders' Agreement ("**Tag Holders**") shall have a right to sell such number of their shares as maybe determined in accordance with the Shareholders' Agreement to such third party along with our Promoters.

For facilitating the Offer, the parties have provided certain waivers from provisions of the Shareholders' Agreement and consents, including, inter alia: (i) right to receive reports, information and inspection; (ii) right of first refusal and tag along rights; and (iii) right to appoint observers.

Further, in terms of the Shareholders' Agreement, on and after the date of receipt of final listing and trading approvals by our Company from the Stock Exchanges pursuant to the Offer, the nomination rights as set out above shall become effective only upon receipt of the approval of the Shareholders by way of a special resolution at the first general meeting held by our Company post the listing of Equity Shares on the Stock Exchanges pursuant to Offer, as soon as practically possible. Such nomination rights, post receipt of the approval of the Shareholders at the first shareholders meeting, will be incorporated in the Articles of Association of our Company.

The Shareholders' Agreement shall terminate in its entirety without any further act required by any party automatically upon receipt of final listing and trading approvals from the Stock Exchanges for the listing and trading of the Equity Shares of our Company pursuant to the Offer, except for certain clauses such as board compositions as set out above and confidentiality, that will continue to survive the termination of the Shareholders Agreement.

All provisions of Part B of the Articles of Association of our Company shall automatically, and without any further action by our Company or by the Shareholders, terminate and shall cease to have any force and effect upon the listing and trading of the Equity Shares of our Company pursuant to the Offer.

Other material agreements

Assignment agreements each dated March 11, 2024 entered into between CEAQ Singapore and our Company

Our Company has entered into five assignment agreements with CEAQ Singapore, each dated March 11, 2024 for transfer of all intellectual property rights in relation to the following intangible assets for an aggregate consideration as set out below:

Intangible asset	Aggregate consideration (in ₹ million)
Design of polymer material for infrared optics	788.50
Design of infractive and etched optical lenses	
Computational imaging techniques for infrared imaging	
Design of shutterless infrared imaging	
Design of super resolution based micro-scanning for higher resolution imaging	
Design of low power electronics for mid wave and long wave infrared	
Design of laser ranging transceivers	248.22
Design of algorithms for 3D scene analysis	
Design of single imager stereo for depth from single images	
Design of machine learning and classification algorithms from low resolution data	239.95
Design of software architecture to ingest data from heterogenous sensors	

Intangible asset	Aggregate consideration (in ₹ million)
Design of control systems for inertial stabilization	273.04
Design of optical alignment system for sensor fusion	282.20
Design of sensor fusion techniques to fuse visible and infrared imagery	
Design of multi-aperture wide field of view imagers	
Design of mirror based fine stabilisation	
Design of zero blur rotating imager	
Design of multi-sensor panoramic imaging for 360 degree imaging	
Design of sensor fusion techniques to combine inertial and video data	
Design of holographic display system	

For further details, see "***Government and Other Approvals – Intellectual Property***" on page 441.

Deed of assignment dated July 26, 2024 between our Company and CEAQ Singapore

Our Company has entered into a deed of assignment dated July 26, 2024 with CEAQ Singapore for transfer and assignment of the "Tonbo imaging" trademark with the goodwill of the business in relation to which such trademark was being used by CEAQ Singapore, for an aggregate consideration of ₹83,740.00.

For further details, see "***Government and Other Approvals – Intellectual Property***" on page 441.

Deed of assignment dated April 25, 2025 between our Company and CEAQ Singapore

Our Company has entered into a deed of assignment dated April 25, 2025 with CEAQ Singapore for transfer and assignment of five patents and patent applications to our Company, for an aggregate consideration of ₹85.30.

For further details, see "***Government and Other Approvals – Intellectual Property***" on page 441.

Agreements with Key Managerial Personnel or Senior Management or Directors or Promote or any other employee

As on the date of this Draft Red Herring Prospectus, there are no agreements entered into by our Key Managerial Personnel or Senior Management or Directors or Promoter or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Agreements required under Clause 5A of paragraph A of part A of Schedule III of the SEBI Listing Regulations

As on the date of this Draft Red Herring Prospectus, except as disclosed under "- ***Summary of key agreements and shareholders' agreements***" on page 285, there are no agreements with our Shareholders, our Subsidiaries, our Promoters, members of our Promoter Group, our related parties, our Directors, our Key Managerial Personnel, our employees, entered into among themselves or with our Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of our Company or impose any restriction or create any liability upon our Company.

Holding company and associates

As on the date of this Draft Red Herring Prospectus, our Company has no holding company or associates.

Subsidiaries and joint ventures

Our Subsidiaries

As of the date of this Draft Red Herring Prospectus, our Company has the following Subsidiaries in accordance with the Companies Act and SEBI ICDR Regulations:

(a) Tonbo LLC; and

(b) Tonbo Systems Pty Ltd

Tonbo LLC ("Tonbo Armenia")

Corporate Information

Tonbo Armenia was incorporated as a limited liability company on September 3, 2024 under the State Register of Legal Entities with the Ministry of Justice, Republic of Armenia. Its registration number is 264.110.1408176, and its registered office is situated at Building 329, Adonts Street, 4/3, Arabkir, Yerevan, Armenia – 0014.

Nature of Business

Tonbo Armenia is authorized to engage in the business of providing technical and customer support services in relation to maintenance and repair operations of electro-optics and imaging systems.

Capital Structure

The authorised, issued and paid-up share capital of Tonbo Armenia is AMD 40,000 divided into 10 shares of AMD 4,000 each.

Shareholding Pattern

S. No.	Name of shareholders	No. of shares of AMD 4,000 each	Percentage of share capital (%)
1.	Our Company	10	100.00
	Total	**10**	**100.00**

Brief financial highlights

The brief financial highlights for the Fiscals 2026, 2025, and 2024 of Tonbo Armenia, as extracted from the audited financial statements of Tonbo Armenia, prepared under Ind AS, of the respective years are as follows:

(in AMD million, unless otherwise disclosed)

Particulars	As of / for the Fiscal Year/ period ended		
	March 31, 2026	March 31, 2025*	March 31, 2024*
Reserves and surplus	11.55	3.80	NA
Revenue from operations	55.89	28.06	NA
Profit before tax	9.59	5.96	NA
Profit after tax	7.74	3.80	NA

**Since Tonbo Armenia was incorporated on September 3, 2024, financial statements have been prepared for the period from September 3, 2024 to March 31, 2025.*

Tonbo Systems Pty Ltd ("Tonbo Australia")

Corporate Information

Tonbo Australia was incorporated as a company with limited liability on July 10, 2024 with the Australian Securities & Investment Commission, under the laws of Australia. Its company number is 678 996 364, and its registered office is situated at Level 1, 5A South Drive, Bentleigh East Victoria 3165, Australia.

Nature of Business

Tonbo Australia is authorized to engage in the business of electro-optics and imaging systems.

Capital Structure

The issued, subscribed and paid-up share capital of Tonbo Australia is AUD 1 divided into 1 share of AUD 1 each.

Shareholding Pattern

S. No.	Name of shareholders	No. of shares of AUD 1 each	Percentage of share capital (%)
1.	Our Company	1	100.00
	Total	**1**	**100.00**

Brief financial highlights

The brief financial highlights for the Fiscals 2026, 2025, and 2024 of Tonbo Australia, as extracted from the audited financial statements of Tonbo Australia, prepared under Ind AS, of the respective years are as follows:

(in AUD million, unless otherwise disclosed)

Particulars	As of / for the Fiscal Year/ period ended		
	March 31, 2026	March 31, 2025*	March 31, 2024*
Reserves and surplus	0.14	(0.00)	NA
Revenue from operations	1.01	-	NA
Profit before tax	0.18	(0.00)	NA
Profit after tax	0.14	(0.00)	NA

**Since Tonbo Australia was incorporated on July 10, 2024, financial statements have been prepared for the period from July 10, 2024 to March 31, 2025.*

There are no amounts of accumulated profits or losses of our Subsidiaries that are not accounted for by the Company.

Our Joint Venture

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint ventures.

We had made certain investments in an entity, namely, HBL Tonbo Private Limited which is in the process of being struck-off, and an application dated March 17, 2023, has been filed for removal of its name from the register of companies.

OUR MANAGEMENT

In terms of the Companies Act, 2013 and the Articles of Association, our Company is authorised to have a minimum of three Directors and a maximum of 15 Directors. As of the date of this Draft Red Herring Prospectus, our Board has nine Directors, comprising three Executive Directors, three Non-Executive Directors (being Nominee Directors) and three Independent Directors (including one woman Chairperson and Independent Director). The present composition of our Board and its committees is in accordance with the corporate governance requirements prescribed under the Companies Act, 2013 and the SEBI Listing Regulations.

The following table sets forth details regarding our Board as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name, designation, address, occupation, date of birth, term, period of directorship and DIN	Age (in years)	Directorships in other companies
1.	**Sonal Shrivastava** *Designation*: Chairperson and Independent Director *Address:* D302, Oberoi Splendor, JVLR, Opposite Majas Bus Depot, Jogeshwari East, Mumbai 400 060, Maharashtra, India *Occupation*: Service *Date of birth:* June 7, 1970 *Term:* Two years with effect from September 29, 2025 *Period of directorship:* Since September 29, 2025 *DIN:* 06497446	56	*Indian companies* International Asset Reconstruction Company Private Limited *Foreign companies* Nil
2.	**Arvind Kondangi Lakshmikumar** *Designation*: Managing Director and Chief Executive Officer *Address:* 235, 18th Main 6th Block, Koramangala Club, Koramangala, Bangalore South, Bengaluru 560 095, Karnataka, India *Occupation*: Business *Date of birth:* July 12, 1976 *Term:* Five years with effect from December 1, 2025 and liable to retire by rotation *Period of directorship:* Since July 4, 2008 *DIN:* 02261469	50	*Indian companies* HBL Tonbo Private Limited*; and *Foreign companies* Tonbo Systems Pty Ltd; and UAB Tonbo Imaging * *Under striking off.*
3.	**Ankit Kumar** *Designation*: Executive Director and Chief Business and Revenue Officer *Address:* #124, Concorde Cuppertino, Neeladri Road, Opp Wipro Gate No.16, Electronic City Phase 1, Bangalore South, Electronics City, Bengaluru 560 100, Karnataka, India *Occupation*: Business *Date of birth*: July 13, 1982 *Term:* Five years with effect from August 1, 2025 and liable to retire by rotation	44	*Indian companies* Nil *Foreign companies* Nil

Sr. No.	Name, designation, address, occupation, date of birth, term, period of directorship and DIN	Age (in years)	Directorships in other companies
	Period of directorship: Since December 28, 2012 *DIN*: 02953852		
4.	**Cecilia D'Souza** *Designation*: Executive Director and Chief Commercial Officer *Address:* #48 Marcelle Ville, Netaji Road, Near Coles Park, Bangalore North, Bengaluru 560 005, Karnataka, India *Occupation*: Business *Date of birth*: July 30, 1974 *Term:* Five years with effect from August 1, 2025 and liable to retire by rotation *Period of directorship:* Since August 14, 2012 *DIN:* 06380429	52	*Indian companies* Nil *Foreign companies* Nil
5.	**Amit Dilip Shah** *Designation*: Nominee Director[*] *Address:* 13818, La Paloma Road, Los Altos Hills, CA 94022, California, United States *Occupation*: Business *Date of birth:* December 15, 1964 *Term:* Liable to retire by rotation *Period of directorship:* Since June 29, 2023 *DIN:* 00994870	61	*Indian companies* Matter Motor Works Private Limited. *Foreign companies* CEAQ Singapore
6.	**Sai Ram Edara** *Designation*: Nominee Director[#] *Address:* 2-2-647/284/A, Dwarakamayee Flat no. 2A, C E Colony, Bagh Amberpet, Opp Ayappa Temple, Hyderabad 500 013, Telangana, India *Occupation*: Employment *Date of birth:* August 27, 1964 *Term:* Liable to retire by rotation *Period of directorship:* Since June 29, 2023 *DIN:* 00538026	61	*Indian companies* Nil *Foreign companies* Nil
7.	**Mathew Cyriac** *Designation*: Nominee Director[^] *Address:* Flat No. 1908, The Imperial, B B Nakashe Marg, AC Market Tardeo, Tulsiwadi, Mumbai 400 034, Maharashtra, India *Occupation*: Business	57	*Indian companies* Access Engineering Products Private Limited; Data Patterns (India) Limited; Elimath Advisors Private Limited; Elimath Strategies Private Limited; Florintree Advisors Private Limited; Florintree Evolution Private Limited;

Sr. No.	Name, designation, address, occupation, date of birth, term, period of directorship and DIN	Age (in years)	Directorships in other companies
	Date of birth: May 20, 1969 *Term:* Liable to retire by rotation *Period of directorship:* Since March 27, 2025 *DIN:* 01903606		Florintree Managers Private Limited; Flortintree Value Studio Private Limited; Gokaldas Exports Limited; Ideaforge Technology Limited; Nutrifresh Farm Tech India Private Limited; Nvest Solution Private Limited; and Synapsewave Innovations Private Limited. *Foreign companies* Nil
8.	**Rishikesha Thiruvenkata Krishnan** *Designation*: Independent Director *Address:* 302, Lost in the Greens, 7/10 Crescent Road, High Grounds, Bangalore North, Bangalore G.P.O, Bengaluru 560 001, Karnataka, India *Occupation*: Service *Date of birth:* February 6, 1964 *Term:* Two years with effect from September 29, 2025 *Period of directorship:* Since September 29, 2025 *DIN:* 00064067	62	*Indian companies* Forum for Indian Accounting Research; Higher Education Financing Agency; IIMB Development Foundation; IIMBX Digital Learning Foundation; Samshiksha Private Limited[*]; and Wheels India Limited. *Foreign companies* Nil [*]*Struck off – awaiting publication.*
9.	**Lakshminarayana R Kollengode** *Designation*: Independent Director *Address:* #68/1, Rainbow Drive Sarjapur Road, Doddakannelli, Chikkabellandur, Carmelaram, South Bangalore, Bangalore 560 035, Karnataka India *Occupation*: Service *Date of birth:* June 4, 1966 *Term:* Two years with effect from September 29, 2025 *Period of directorship:* Since September 29, 2025 *DIN:* 06365409	60	*Indian companies* Azim Premji Foundation for Development; Azim Premji Foundation; Azim Premji Philanthropic Initiatives Private Limited; Azim Premji Trust Services Private Limited; Azim Premji Trustee Company Private Limited; Fab India Limited; and Hasham Premji Private Limited. *Foreign companies* Nil

[*]*Appointed as a Nominee Director of CEAQ Singapore.*
[#]*Appointed as a Nominee Director of HBL Engineering Limited.*
[^]*Appointed as a Nominee Director of Florintree Flowtech LLP.*

Brief profiles of our Directors

Sonal Shrivastava is the Chairperson and Independent Director of our Company. She has been associated with our Company since September 29, 2025. She holds a bachelor's degree in science (chemical engineering) from Vinoba, Bhave University, Hazaribag and a master's degree in management studies from Jamnalal Bajaj Institute of Management Studies, University of Mumbai. She has over 26 years of experience in the finance and management sectors. She was previously associated with Waaree Energy Limited and Indosolar Limited as their chief financial officer. Earlier experiences include regional chief financial officer – Asia Pacific at Ambuja Cement Limited, chief financial officer at Lafarge Aggregates & Concrete India Private Limited, country chief financial officer and Head – IT at Lafarge India Limited, where she also previously served as senior manager – business development. Additionally, she also served at Suzlon Energy Limited as their deputy general manager of corporate finance, Duet Capital as their chief financial officer, Holcim Services (South Asia) Limited as the chief financial officer for Asia, Middle East & Africa and the Asia Pacific regions, and Vedanta Limited as the their president and

group chief financial officer.

Arvind Kondangi Lakshmikumar is the Managing Director and Chief Executive Officer of our Company. He has been associated with our Company since April 11, 2005. He is responsible for providing overall strategic direction to our Company ensuring that our Company's technology development aligns with our long-term business goals. He holds a master's degree in engineering (software systems) from The Birla Institute of Technology and Science, Pilani. He has also won the '*SME Entrepreneur of the Year*' by CNBC on July 25, 2025. He has over 21 years of experience in raising capital, running our product engineering teams globally and managing government and enterprise sales at our Company.

Ankit Kumar is the Executive Director and Chief Business and Revenue Officer of our Company. He has been associated with our Company since June 13, 2005. Ankit leads our global revenue growth by executing our Company's business strategy, driving international sales including in NATO countries, and expanding market presence across the defence sector. He is responsible for cultivating strategic customer and government relationships, identifying opportunities to align our Company's offerings with evolving operational needs in global defence markets. He holds a bachelor's degree of technology (honours) in computer science and engineering from the International Institute of Information Technology, Hyderabad. He has over 21 years of experience in running our research and development programs in defence, surveillance and automotive safety globally and is a domain expert in optics, computer vision and machine learning.

Cecilia D'Souza is the Executive Director and Chief Commercial Officer of our Company. She has been associated with our Company since June 15, 2005. She is responsible for developing long-term strategic commercial plans, managing commercial teams and budgets and identifying commercial opportunities for the long-term growth of our Company. She has passed the final examination for bachelor's degree in science from Bangalore University and is a qualified chartered accountant and member of the Institute of Chartered Accountants of India. She has over 21 years of experience in finance, accounting and management of our multi-location international business and has a strong background in international accounting, mergers and acquisitions, procurement and operational logistics.

Amit Dilip Shah is a Nominee Director of our Company. He has been associated with our Company since June 29, 2023. He holds a bachelor's degree in engineering from the Maharaja Sayajirao University of Baroda. He has over 26 years of experience in venture capital. He is currently associated with Artiman Management LLC as their managing member.

Sai Ram Edara is a Nominee Director of our Company. He has been associated with our Company since June 29, 2023. He holds a bachelor's degree in commerce and law from Osmania University, Hyderabad. He holds membership of the Institute of Chartered Accountants of India and Institute of Company Secretaries of India as a fellow. He also holds a certificate as a Certified Public Accountant issued by Guam Board of Accountancy. He has over 31 years of experience in the manufacturing, finance and legal sectors. He was previously associated with Tyche Electronics Limited, Shaw Wallace & Co. Limited, Alembic Limited, Neuland Laboratories as the general manager - finance, and The Andhra Pradesh Paper Mills Limited as the chief financial officer. He was also associated with NSL Sugars Limited and Ganga Kaveri Seeds Private Limited as their chief financial officer and with the Archean Group as the group chief financial officer. He is currently associated with HBL Engineering Limited as their chief financial officer.

Mathew Cyriac is a Nominee Director of our Company. He has been associated with our Company since March 27, 2025. He holds a bachelor's degree in engineering (mechanical engineering) from Anna University, Madras and a post graduate diploma in management from the Indian Institute of Management, Bangalore where he was awarded the "IIMB Medal" for securing the first rank in his programme. He has over 27 years of experience in finance and management sectors. He was previously associated with Blackstone Advisors India Private Limited as their senior managing director and co-head of their India private equity group. He was also associated with Bank of America, Credit Suisse First Boston Corporation and DLJ Merchant Banking Partners.

Rishikesha Thiruvenkata Krishnan is an Independent Director of our Company. He has been associated with our Company since September 29, 2025. He holds a master's degree in science (physics) from the Indian Institute of Technology, Kanpur and a master's degree in science from Stanford University. He has also completed the fellow programme in management from the Indian Institute of Management, Ahmedabad and has been conferred the title of "Fellow of the Indian Institute of Management Ahmedabad". He has over 28 years of experience in the fields of management and corporate strategy. He was a member of the faculty at the Indian Institute of Management Bangalore from May 1996 to July 2026 and the director of the Indian Institute of Management, Bangalore from July 2020 to July 2025. He has also served as the director of the Indian Institute of Management, Indore from January 2014 to December 2018. He is currently serving as the vice-chancellor of Ashoka University.

Lakshminarayana R Kollengode is an Independent Director of our Company. He has been associated with our Company since September 29, 2025. He holds a bachelor's degree in commerce from Bangalore University and a post graduate diploma in management and a Ph.D. equivalent from the Indian Institute of Management, Lucknow. He has also passed the final examination of the Institute of Cost Accountants of India. He has over 31 years of experience in strategy and risk management and was previously associated with Wipro Limited as their chief strategy officer and is currently associated with Azim Premji Foundation for Development as their chief endowment officer.

Relationship between Directors, Key Managerial Personnel and Senior Management

None of our Directors, Key Managerial Personnel and Senior Management are related to each other.

Arrangement or understanding with major shareholders, customers, suppliers or others

Other than Amit Dilip Shah, Sai Ram Edara and Mathew Cyriac, who have been appointed pursuant to the Shareholders' Agreement, there is no arrangement or understanding with major Shareholders, customers, suppliers or others, pursuant to which any of our Directors have been appointed. For further details, see "***History and Certain Corporate Matters – Summary of key agreements and shareholders' agreements - Subscription and restated shareholders' agreement dated February 6, 2025 entered into between our Company, HBL Engineering Limited, our Promoters, CEAQ Singapore, CEAQ India, Timothy Guy Mitchell, Serial Innovations Employee Stock Option Trust, Artiman Partners LLC, Artiman Ventures Select 2014 L.P., Artiman Ventures Select 2014 Principals Fund L.P., Amit Dilip Shah (as registered owner for Amit Shah Family Trust as the beneficial owner), Ramesh Radhakrishnan, Meghaa Karnani (as registered owner for Palita Associates as the beneficial owner), SSV Advisory Services LLP, Vinimaya Advisory LLP, Tiruvidaimarudhur Srivatsan Sivashankar and Meera Sivashankar, Neville Manuel Fernandes and Mellita Fernandes, Nitin Agarwal (HUF), Anand Ladsariya, Shereen Bhan, Florintree Flowtech LLP, Yali Deeptech Fund I, Tenacity Ventures Fund – I, Export-Import Bank of India, Pranav Parikh, Paramjit Singh, Tonbo Imaging Inc and UAB Tonbo Imaging as amended by the amendment and waiver agreement dated December 20, 2025 read with the letter dated August 4, 2026 issued by our Company to the parties to the Shareholders' Agreement"*** on page 285.

Terms of Appointment of Directors

Terms of appointment of our Managing Director and Chief Executive Officer

Pursuant to an appointment letter dated December 1, 2025, a resolution passed by our Board at its meeting dated December 20, 2025 and a special resolution passed by our Shareholders at their meeting dated December 20, 2025, Arvind Kondangi Lakshmikumar, our Managing Director and Chief Executive Officer is entitled to receive the following remuneration and perquisites:

(in ₹ million)

Particulars	Remuneration*
Fixed remuneration	30.00
Other benefits	0.76
Performance linked bonus	30.76

Terms of appointment of our Executive Directors

Pursuant to appointment letters dated April 1, 2025 and December 1, 2025 and a resolution passed by our Board at its meeting dated December 20, 2025 and a special resolution passed by our Shareholders at their meeting dated December 20, 2025, Ankit Kumar, our Executive Director and Chief Business and Revenue Officer, in his capacity as our Chief Business and Revenue Officer, is entitled to receive the following remuneration and perquisites:

(in ₹ million)

Particulars	Remuneration*
Fixed remuneration	15.00
Other benefits	0.40
Performance linked bonus	15.00

Pursuant to appointment letters dated March 1, 2024 and December 1, 2025 and a resolution passed by our Board at its meeting dated December 20, 2025 and a special resolution passed by our Shareholders at their meeting dated

December 20, 2025, Cecilia D'Souza, our Executive Director and Chief Commercial Officer in her capacity as our Chief Commercial Officer, is entitled to receive the following remuneration and perquisites:

(in ₹ million)

Particulars	Remuneration*
Fixed remuneration	15.00
Other benefits	0.40

Terms of appointment of our Nominee Directors and Independent Directors

Pursuant to a Board resolution dated September 29, 2025 and an ordinary Shareholders' resolution dated October 17, 2025, Lakshminarayana R Kollengode and Rishikesha Thiruvenkata Krishnan, our Independent Directors, are entitled to (a) sitting fees of ₹ 0.10 million for each meeting of our Board; and (ii) ₹ 0.075 million for each meeting of any duly constituted committee of our Board. Further, pursuant to a Board resolution dated September 29 , 2025 and an ordinary Shareholders' resolution dated October 17, 2025, Sonal Shrivastava, our Chairperson and Independent Director, is entitled to (a) sitting fees of ₹ 0.10 million for each meeting of our Board; and (b) ₹ 0.075 million for each meeting of any duly constituted committee of our Board.

The Nominee Directors of our company are not entitled to any remuneration or sitting fee. Accordingly, the Nominee Directors of our Company has not been paid any remuneration in Financial Year 2026.

Payment or benefit to our Directors

Remuneration paid to our Managing Director and Chief Executive Officer and our Executive Directors

Details of remuneration paid to our Managing Director and Chief Executive Officer and our Executive Directors for Fiscal 2026 is set forth below:

S. No.	Name of the Director	Remuneration (*in ₹ million)*
1.	Ankit Kumar	28.14
2.	Arvind Kondangi Lakshmikumar	10.04
3.	Cecilia D'Souza	13.89

Remuneration paid to our Nominee Directors

Our Nominee Directors have not received any compensation from our Company in Fiscal 2026.

Remuneration paid to our Independent Directors

Details of remuneration paid to our Independent Directors for Fiscal 2026 is set forth below:

S. No.	Name of the Director	Remuneration (*in ₹ million)*
1.	Sonal Shrivastava	0.40
2.	Lakshminarayana R Kollengode	0.60
3.	Rishikesha Thiruvenkata Krishnan	0.80

Remuneration paid or payable to our Directors from our Subsidiaries

None of our Directors have received or were entitled to receive any remuneration, sitting fees or commission from any of our Subsidiaries for Fiscal 2026.

Bonus or profit sharing plan for our Directors

None of our Directors are party to any bonus or profit-sharing plan of our Company.

Shareholding of our Directors in our Company

Except as stated in "***Capital Structure - Shareholding of our Promoters, members of our Promoter Group, Directors, Key Managerial Personnel, Senior Management and Selling Shareholders***" on page 108, none of our Directors hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus. None of our Directors hold or are required to hold any qualification shares.

Contingent and deferred compensation payable to our Directors

No contingent or deferred compensation was accrued or payable to our Directors in Fiscal 2026.

Service contracts with Directors

There are no service contracts entered into with any Directors, which provide for benefits upon termination of employment.

Interest of Directors

Our Directors may be deemed to be interested to the extent of (i) remuneration and other benefits, if any, to which they are entitled in accordance with the terms of their appointment, reimbursement of expenses incurred by them in the ordinary course of business, if any, payable to them by our Company as well as sitting fees, if any, payable to them for attending meetings of our Board or a committee thereof; (ii) transactions in the ordinary course of business with companies in which our Directors hold directorship; (iii) Equity Shares, if any (together with dividends in respect of such Equity Shares), held by them or entities in which they are associated as partners, promoters, directors, proprietors, members or trustees, or that may be Allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer and any dividend and other distributions payable in respect of such Equity Shares; and (iv) their directorship on the board of directors of, and/ or their shareholding in our Subsidiaries.

Interest in land and property

Except as stated below, none of our Directors have any interest in property acquired or proposed to be acquired of or by our Company:

Our Corporate Office is situated on premises that is leased to our Company by Arvind Kondangi Lakshmikumar, our Promoter, Managing Director and Chief Executive Officer pursuant to a lease deed dated December 2, 2024 read with the renewal lease deed dated November 1, 2025 and is valid up to September 30, 2026.

For further details, please refer to *"**Restated Consolidated Financial Statements – Note 46 - Related Party Disclosures**"* on page 384.

As of the date of this Draft Red Herring Prospectus, none of our Directors have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Interest in promotion or formation of our Company

Except Ankit Kumar, Arvind Kondangi Lakshmikumar and Cecilia D'Souza, who are also the Promoters of our Company, none of our Directors have an interest in the promotion or formation of our Company, as on the date of this Draft Red Herring Prospectus.

Confirmations

Our Directors are not, and during the five years prior to the date of this Draft Red Herring Prospectus, have not been on the board of any listed company whose shares have been/ were suspended from being traded on the stock exchange(s) during the term of their directorship in such company.

None of our Directors have been or are directors on the board of any listed companies which was or has been delisted from any stock exchange(s) during the term of their directorship in such companies.

No sum in cash or shares or otherwise has been paid, or agreed to be paid to any of our Directors, or to the firms or companies in which they are interested as a member by any person either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him/her or by the firm or company in which he/she is interested, in connection with the promotion or formation of our Company.

Changes in our Board during the last three years

The changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below.

Name of Director	Date of change	Reasons
Rishikesha Thiruvenkata Krishnan	September 29, 2025	Appointment as an Independent Director(1)
Lakshminarayana R Kollengode	September 29, 2025	Appointment as an Independent Director(1)
Sonal Shrivastava	September 29, 2025	Appointment as an Independent Director(1)
Matthew Cyriac	March 27, 2025	Appointment as Nominee Director(2)

(1) Regularised as an Independent Director by way of an ordinary resolution of our Shareholders passed at their meeting dated October 17, 2025.

(2) Regularised as a Nominee Director of Florintree Flowtech LLP by way of an ordinary resolution of our Shareholders passed at their meeting dated June 13, 2025.

Borrowing Powers

Our Board is empowered to borrow money in accordance with Section 179 and Section 180 of the Companies Act 2013.

Corporate Governance

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations (as applicable to equity listed companies), the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance, including in relation to the constitution of our Board and committees thereof.

Board committees

Our Company has constituted the following Board committees in terms of the SEBI Listing Regulations, and the Companies Act, 2013:

a. Audit Committee;

b. Nomination and Remuneration Committee;

c. Stakeholders' Relationship Committee;

d. Risk Management Committee; and

e. Corporate Social Responsibility Committee.

Audit Committee

The Audit Committee was constituted pursuant to a resolution passed by our Board at its meeting dated October 17, 2025 and further re-constituted pursuant to a resolution passed by our Board at its meeting dated August 3, 2026. The composition and terms of reference of the Audit Committee are in compliance with Section 177 and other applicable provisions of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. The Audit Committee currently comprises:

S. No.	Name	Designation	Position in the Committee
1.	Lakshminarayana R Kollengode	Independent Director	Chairman
2.	Rishikesha Thiruvenkata Krishnan	Independent Director	Member
3.	Sonal Shrivastava	Independent Director	Member
4.	Sai Ram Edara	Nominee Director	Member

The Company Secretary shall act as the secretary to the Audit Committee.

Scope and terms of reference:

The Audit Committee shall have powers, including the following:

- to investigate any activity within its terms of reference;
- to seek information from any employee;
- to obtain outside legal or other professional advice;

- to secure attendance of outsiders with relevant expertise, if it considers necessary as may be prescribed under the Companies Act, 2013 (together with the rules thereunder) and the SEBI Listing Regulations; and

- such other powers as may be prescribed under the Companies Act, 2013 and the SEBI Listing Regulations.

The Audit Committee shall be responsible for, among other things, as may be required by the stock exchange(s) from time to time, the following:

(a) oversight of the Company's financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;

(b) recommendation to our Board for appointment, re-appointment, replacement, remuneration and other terms of appointment of statutory auditors of the Company and the fixation of the audit fee;

(c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(d) examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

  (1) matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;

  (2) changes, if any, in accounting policies and practices and reasons for the same;

  (3) major accounting entries involving estimates based on the exercise of judgment by management;

  (4) significant adjustments made in the financial statements arising out of audit findings;

  (5) compliance with listing and other legal requirements relating to financial statements;

  (6) disclosure of any related party transactions; and

  (7) qualifications and modified opinion(s) in the draft audit report.

(e) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(f) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter.

(g) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(h) approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed, by the independent directors who are members of the Audit Committee;

  (1) Recommend criteria for omnibus approval or any changes to the criteria for approval of the Board;

  (2) Make omnibus approval for related party transactions proposed to be entered into by the Company for every financial year as per the criteria approved;

  (3) Review of transactions pursuant to omnibus approval;

(4) Make recommendation to the Board, where Audit Committee does not approve transactions other than the transactions falling under Section 188 of the Companies Act, 2013.

Explanation: *The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.*

(i) scrutiny of inter-corporate loans and investments;

(j) valuation of undertakings or assets of the Company, wherever it is necessary;

(k) approval of related party transactions to which the subsidiary(ies) of the Company is party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ₹10,000 million or 10% of the annual consolidated turnover as per the last audited financial statements of the Company, whichever is lower, subject to such other conditions prescribed under the SEBI Listing Regulations;

(l) evaluation of internal financial controls and risk management systems;

(m) reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

(n) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(o) discussion with internal auditors of any significant findings and follow-up thereon;

(p) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(q) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(r) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(s) reviewing the functioning of the whistle blower mechanism;

(t) monitoring the end use of funds raised through public offers and related matters;

(u) overseeing the vigil mechanism established by the Company, with the chairperson of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

(v) approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(w) reviewing the utilization of loans and/or advances from/investment by the Company in its subsidiary(/ies) exceeding ₹1,000.00 million or 10% of the asset size of the subsidiary(/ies), whichever is lower including existing loans/ advances/ investments;

(x) review the financial statements, in particular, the investments made by any unlisted subsidiary;

(y) considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

(z) approving the key performance indicators ("**KPIs**") for disclosure in the offer documents, and approval of KPIs once every year, or as may be required under applicable law; and

(aa) carrying out any other functions required to be carried out by the Audit Committee as may be decided by the Board and/or as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted pursuant to a resolution passed by our Board at its meeting dated October 17, 2025. The composition and the terms of reference of the Nomination and Remuneration Committee are in compliance with Section 178 and other applicable provisions of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee currently comprises:

S. No.	Name	Designation	Position in the Committee
1.	Rishikesha Thiruvenkata Krishnan	Independent Director	Chairman
2.	Lakshminarayana R Kollengode	Independent Director	Member
3.	Amit Dilip Shah	Nominee Director	Member

Scope and terms of reference:

The Nomination and Remuneration Committee shall be responsible for, among other things, the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to our Board a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**");

2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

   (a) use the services of external agencies, if required;

   (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and

   (c) consider the time commitments of the candidates.

3. Formulation of criteria for evaluation of performance of independent directors and the Board;

4. Devising a policy on Board diversity;

5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);

6. Analysing, monitoring and reviewing various human resource and compensation matters;

7. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

8. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

9. recommend to the board, all remuneration, in whatever form, payable to senior management;

10. Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;

11. The Nomination and Remuneration Committee, while formulating the Remuneration Policy, should ensure that:

1. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

2. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

3. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

12. Perform such functions as are required to be performed under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, including the following:

(a) administering any existing and proposed employee stock option schemes formulated by the Company from time to time (the "**Plan**");

(b) determining the eligibility of employees to participate under the Plan;

(c) granting options to eligible employees and determining the date of grant;

(d) determining the number of options to be granted to an employee;

(e) determining the exercise price under the Plan; and

(f) construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan.

13. Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

1. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

2. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.

14. Carrying out any other activities as may be delegated by the Board of Directors of the Company, functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted pursuant to a resolution passed by our Board at its meeting dated October 17, 2025. The composition and terms of reference of the Stakeholders' Relationship Committee are in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee currently comprises:

S. No.	Name	Designation	Position in the Committee
1.	Rishikesha Thiruvenkata Krishnan	Independent Director	Chairman
2.	Cecilia D'Souza	Executive Director	Member
3.	Matthew Cyriac	Nominee Director	Member

Scope and terms of reference

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required by the under applicable law, the following:

1. considering and looking into various aspects of interest of shareholders, debenture holders and other security holders;

2. resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, approving issue of new/duplicate certificates, general meetings etc.;

3. giving effect to allotment of equity shares, approval of transfer or transmission of equity shares, debentures or any other securities;

4. issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;

5. review of measures taken for effective exercise of voting rights by shareholders;

6. review of adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent;

7. review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

8. resolving grievances of debenture holders related to creation of charge, payment of interest/principal, maintenance of security cover and any other covenants; and

9. carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the Companies Act, 2013 or the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Risk Management Committee

The Risk Management Committee was constituted pursuant to a resolution passed by our Board at its meeting dated October 17, 2025. The composition and terms of reference of the Risk Management Committee are in compliance with Regulation 21 of the SEBI Listing Regulations. The Risk Management Committee currently comprises:

S. No.	Name	Designation	Position in the Committee
1.	Lakshminarayana R Kollengode	Independent Director	Chairperson
2.	Sonal Shrivastava	Independent Director	Member
3.	Cecilia D'Souza	Executive Director	Member
4.	Ankit Kumar	Executive Director	Member

Scope and terms of reference:

1. Review, assess and formulate the risk management system and policy of the Company from time to time and recommend for an amendment or modification thereof, which shall include:

    1. a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, environment, social and governance related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee;

    2. measures for risk mitigation including systems and processes for internal control of identified risks; and

    3. business continuity plan;

2. Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity, and recommend for any amendment or modification thereof, as necessary;

5. Keep the Board of the Company informed about the nature and content of its discussions, recommendations and actions to be taken;

6. Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);

7. To implement and monitor policies and/or processes for ensuring cyber security;

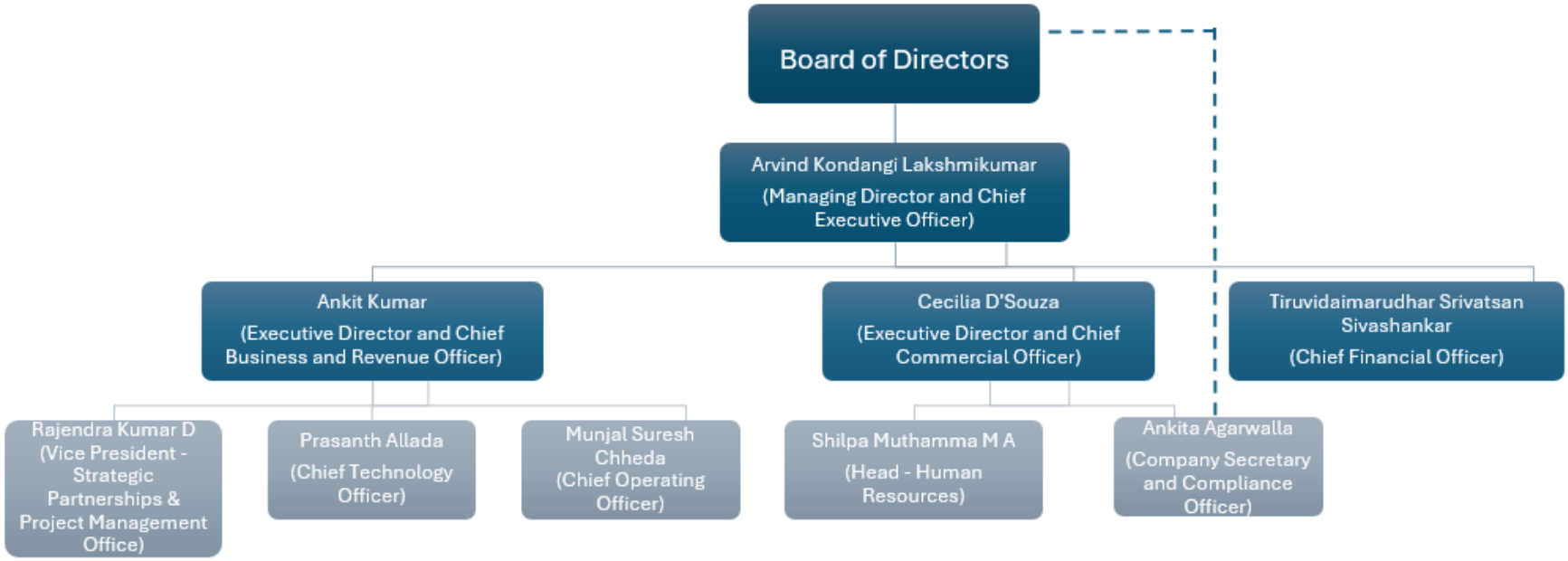
8. To coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board; and

9. Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

In addition to the above, our Company has also constituted the Corporate Social Responsibility Committee and an IPO Committee.

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Management Organization Chart



Key Managerial Personnel and Senior Management

Key Managerial Personnel

In addition to Arvind Kondangi Lakshmikumar, our Managing Director and Chief Executive Officer, Ankit Kumar, our Executive Director and Chief Business and Revenue Officer and Cecilia D'Souza, our Executive Director and Chief Commercial Officer whose details are provided in "- ***Brief Profiles of our Directors***" on page 292, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are set forth below.

Ankita Agarwalla is the Company Secretary and Compliance Officer of our Company. She has been associated with our Company since January 18, 2024. She is responsible for managing corporate governance matters, ensuring compliance with applicable regulations, and associated administrative support for our Company. She holds a bachelor's degree in commerce from Osmania University and a bachelor's degree in law from Osmania University. She is an associate member of the Institute of Company Secretaries of India. Prior to joining our Company, she has been associated with Spinnmax Tyres Private Limited as their company secretary and Absolute Barbecue Private Limited as their senior manager-1 in finance and accounts department. She received a gross compensation of ₹ 2.93 million in Fiscal 2026.

Tiruvidaimarudhur Srivatsan Sivashankar is the Chief Financial Officer of our Company. He has been associated with our Company since October 3, 2023. He is responsible for overall finance operations including accounting, banking and investor relationships, development of annual and long-term operating and strategic plans and management interface with our Board. He holds a bachelor's degree in technology (electrical engineering) from the Indian Institute of Technology, Madras and a post-graduate diploma in management from the Indian Institute of Management, Lucknow. He was previously associated with Citibank and Arpwood Capital Private Limited as Operating Partner. He received a gross compensation of ₹ 70.74 million (inclusive of value of benefits including stock options) in Fiscal 2026.

Senior Management

In addition to our Chief Financial Officer and our Company Secretary and Compliance Officer, who are also our Key Managerial Personnel and whose details have been disclosed above, the details of our Senior Management as on the date of this Draft Red Herring Prospectus are set forth below.

Munjal Suresh Chheda is the chief operating officer of our Company. He has been associated with our Company since July 1, 2016. He is responsible for oversight and management of our Company's day-to-day operations and implementing its business strategy, including developing operational strategies, optimizing production processes, and setting performance metrics across our departments. He holds a bachelor's degree in engineering (honours) in mechanical engineering and a master's degree in science (honours) in chemistry from the Birla Institute of Technology & Science, Pilani and a master's degree in science (materials science and engineering) from the University of Washington. He was previously associated with Ceradyne India Private Limited as their general manager. He received a gross compensation of ₹ 23.98 million (inclusive of value of benefits including stock options) in Fiscal 2026.

Prasanth Allada is the chief technology officer of our Company. He has been associated with our Company since October 30, 2008 and has been appointed as the chief technology officer of our Company since December 18, 2023. He is responsible for formulating the internal technology strategy of our Company and managing technical operations, overseeing research and development and driving revenue through technical expertise. He holds a bachelor's degree in technology (honours) in computer science and engineering from the International Institute of Information Technology, Hyderabad and a post graduate diploma in management from the Indian Institute of Management, Bangalore. He received a gross compensation of ₹ 19.71 million (inclusive of value of benefits including stock options) in Fiscal 2026.

Rajendra Kumar D is the vice president – strategic partnerships & project management office of our Company. He has been associated with our Company since December 8, 2016 and has been appointed as vice president – strategic partnerships & project management office since April 1, 2024. He is responsible for developing and managing key relationships with defence, government, and international partners of our Company. His role focuses on evaluating and executing partnerships, and collaborations to ensure alignment with our Company's long-term business objectives. He holds a bachelor's degree in engineering (electronics and communication) from Bangalore University and a certificate in business management from Management Development Institute, Gurgaon. He has completed the security assistance management international course from Defence Institute of

Security Assistance Management, New Delhi. He has also completed a post graduate programme in management from Institute of Management Technology, Ghaziabad. He was previously associated with the Indian Navy and Larsen & Toubro Limited. He received a gross compensation of ₹ 9.10 million (inclusive of value of benefits including stock options) in Fiscal 2026.

Shilpa Muthamma M A is the head - human resources of our Company. She has been associated with our Company since January 23, 2017 and has been appointed as head – human resource since April 1, 2022. She is responsible for developing and executing our human resource strategy in alignment with our Company's business goals, leading talent acquisition and employee relations of our Company. She holds a bachelor's degree in commerce (financial management, financial service & markets) from Bangalore University and a post graduate diploma in business administration from Mount Carmel Institute of Management, Bangalore. She was previously associated with Shrujan, Mcube Investment Software Private Limited Emerson Network Power (India) Private Limited, and Tavant Technologies India Private Limited. She has been recognised by Transformedia Private Limited for her emerging leadership and innovative contributions to the HR landscape. She received a gross compensation of ₹ 4.51 million (inclusive of value of benefits including stock options) in Fiscal 2026.

Status of Key Managerial Personnel and Senior Management

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

Bonus or profit sharing plan for the Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel or Senior Management are party to any bonus or profit-sharing plan of our Company.

Shareholding of our Key Managerial Personnel and Senior Management in our Company

Except as disclosed in ***"Capital Structure – Shareholding of our Promoters, members of our promoter Group, Directors, Key Managerial Personnel, Senior Management and Selling Shareholders"*** on page 108, none of our Key Managerial Personnel or Senior Management hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.

Service Contracts with Key Managerial Personnel and Senior Management

Other than statutory benefits upon termination of employment in our Company or superannuation available to certain of our Key Managerial Personnel and Senior Management, our Company has not entered into any service contracts, pursuant to which its Key Managerial Personnel or Senior Management are entitled to benefits upon termination of employment.

Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management

There is no contingent or deferred compensation payable to our Key Managerial Personnel or Senior Management, which accrued in Fiscal 2026.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of the Key Managerial Personnel or Senior Management of our Company have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Interest of Key Managerial Personnel and Senior Management

Other than as provided in "– ***Interest of Directors***" on page 296 and to the extent of (i) their remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business; and (ii) the Equity Shares and stock options, if any (together with dividends in respect of such Equity Shares) held by them in our Company, none of our Key Managerial Personnel or Senior Management have any interest in our Company. Our Key Managerial Personnel or Senior Management may also be deemed to be interested to the extent of options to be granted to them under the ESOP Scheme. For details, see "***Capital Structure – Employee Stock Option Scheme***" on page 121.

Changes in Key Managerial Personnel or Senior Management during the last three years

Other than as set forth below, there are no other changes in our Key Managerial Personnel or Senior Management in the three years immediately preceding the date of this Draft Red Herring Prospectus:

Name	Date	Reason
Arvind Kondangi Lakshmikumar	December 1, 2025	Appointment as Managing Director and Chief Executive Officer
Ankita Agarwalla	January 18, 2024	Appointment as Company Secretary of our Company*
Sadhana Inderchandji	January 18, 2024	Resignation as company secretary of our Company due to change in role within the Company
Tiruvidaimarudhur Srivatsan Sivashankar	October 3, 2023	Appointment as the Chief Financial Officer of our Company

**Subsequently appointed as Compliance Officer on September 29, 2025.*

Employee stock option and stock purchase schemes

For details of the ESOP Scheme, see "***Capital Structure – Employee Stock Option Scheme***" on page 121.

Payment or benefit to Key Managerial Personnel and Senior Management of our Company

No amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are as follows:

(a) Ankit Kumar;

(b) Arvind Kondangi Lakshmikumar; and

(c) Cecilia D'Souza.

As on the date of this Draft Red Herring Prospectus, our Promoters hold in aggregate 9,982,600 Equity Shares of face value ₹2 each, which constitutes 17.43% of the issued, subscribed and paid-up Equity Share capital of our Company. For details on shareholding of our Promoters in our Company, see "***Capital Structure – History of the share capital - Build-up of Promoters' shareholding in our Company***" on page 107.

Details of our Promoters

Ankit Kumar



Ankit Kumar, born on July 13, 1982, aged 44 years, is the Executive Director and Chief Business Revenue Officer of our Company. His permanent residence is at #124, Concorde Cuppertino, Neeladri Road, Opp Wipro Gate No.16, Electronic City Phase 1, Bangalore South, Electronics City, Bengaluru 560 100, Karnataka, India.

For Ankit Kumar's complete profile, along with details of his educational qualifications, experience in the business, special achievements, directorships in other entities, business and financial activities, see "***Our Management – Brief profiles of our Directors***" on page 292. For details of other ventures, see "***Entities forming part of the Promoter Group***" and "***Our Management***" on pages 310 and 290.

His PAN is AQCPK0124H.

Arvind Kondangi Lakshmikumar



Arvind Kondangi Lakshmikumar, born on July 12, 1976, aged 50 years, is the Managing Director and Chief Executive Officer of our Company. His permanent residence is at 235, 18th Main 6th Block, Koramangala Club, Koramangala, Bangalore South, Bengaluru 560 095, Karnataka, India.

For Arvind Kondangi Lakshmikumar's complete profile, along with details of his educational qualifications, special achievements, experience in the business, directorships in other entities, business and financial activities, see "***Our Management – Brief profiles of our Directors***" on page 292. For details of other ventures, see "***Entities forming part of the Promoter Group***" and "***Our Management***" on pages 310 and 290 respectively.

His PAN is AAJPA7701R.

Cecilia D'Souza



Cecilia D'Souza, born on July 30, 1974, aged 52 years, is the Executive Director and Chief Commercial Officer of our Company. Her permanent residence is #48 Marcelle Ville, Netaji Road, Near Coles Park, Bangalore North, Bengaluru 560 005, Karnataka, India.

For Cecilia D'Souza's complete profile, along with details of her educational qualifications, experience in the business, special achievements, directorships in other entities, business and financial activities, see "***Our Management – Brief profiles of our Directors***" on page 292. For details of other ventures, see "***Entities forming part of the Promoter Group***" and "***Our Management***" on pages 310 and 290 respectively.

Her PAN is AEQPD5167D.

Our Company confirms that the permanent account number, bank account number(s), Aadhaar card number, driving license number and passport number of each of our Promoters will be submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus.

Details of change in control of our Company

There has been no change in control in our Company in the five years preceding the date of this Draft Red Herring Prospectus. Further, pursuant to the resolution of our Board at their meeting dated September 29, 2025, Ankit Kumar, Arvind Kondangi Lakshmikumar, and Cecilia D'Souza have been identified as the Promoters of our Company. We are a supplier under "*Indigenously-Designed, Developed and Manufactured*" ("**IDDM"**) under India's Defence Acquisition Procedure 2020 ("**DAP 2020**"). IDDM is a part of India's 'Make in India' initiative for defence. In order to be an eligible IDDM vendor under the DAP 2020, our Company is required to ensure that the control of the Company is with Indian citizens and it must comply with the conditions that the final product be indigenously designed, developed and manufactured with a minimum of 50% indigenous content on cost basis of the base contract price i.e. total contract price less taxes and duties.

Interests of Promoters

Our Promoters are interested in our Company to the extent (i) that they have promoted our Company; (ii) of their shareholding in our Company, and any dividend declared thereon; and (iii) directorships and positions that they hold or may hold in our Company, Subsidiaries and Group Companies and to the extent of remuneration or reimbursement of expenses payable to them, if any, in this regard.

For further details, see "***Capital Structure – Notes to capital structure – History of buildup of the Promoter's shareholding in our Company***" and "***Our Management – Interest of Directors***" on pages 107 and 296 respectively.

Except as set out in "***Our Management – Interest of Directors - Interest in land and property***" on page 296, our Promoters have no interest in any property acquired by our Company during the three years preceding the date of this Draft Red Herring Prospectus, or property proposed to be acquired by our Company.

As on the date of this Draft Red Herring Prospectus, our Promoter does not have any interest in any transaction by our Company in acquisition of land, construction of building or supply of machinery, etc.

Further, no sum has been paid or agreed to be paid to any of our Promoters or to any firm or company in which any of our Promoters are interested as a member, in cash or shares or otherwise by any person either to induce any of our Promoters to become, or qualify them as a director, or otherwise for services rendered by any our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Payments or benefits to our Promoters or members of our Promoter Group

Except in the ordinary course of business, no amount or benefit has been paid or given to our Promoters or members of our Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoter or members of our Promoter Group.

Material guarantees given by our Promoters to third parties with respect to the Equity Shares

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares of our Company, as on the date of this Draft Red Herring Prospectus.

Companies or firms with which our Promoter have disassociated in the last three years

Name of Promoter	Name of the company or firm from which the Promoter has disassociated	Reasons and circumstances	Terms of disassociation	Date of disassociation
Ankit Kumar	CEAQ Singapore	Divestment of stake	Not applicable	November 20, 2025
	CEAQ India	Cessation of directorship	Not applicable	November 6, 2025
Arvind Kondangi Lakshmikumar	CEAQ Singapore	Divestment of stake and cessation of directorship	Not applicable	December 4, 2025
	CEAQ India	Cessation of directorship	Not applicable	November 6, 2025
Cecilia D'Souza	CEAQ Singapore	Divestment of stake	Not applicable	November 20, 2025
	CEAQ India	Cessation of directorship	Not applicable	December 17, 2025

Promoter Group

Natural persons forming part of our Promoter Group

The natural persons who are part of the Promoter Group (due to their relationship with our Promoter), are as follows:

Name of Promoter	Name of relative	Relationship
Ankit Kumar	Ashwani Kumar	Father
	Suman Arora	Mother
	Nancy Chakravarty	Spouse
	Kanishk Kumar	Brother
	Meenal Kumar	Sister
	Kian Kumar	Son
	Jagdish Kumar	Spouse's father
	Shashi Bala	Spouse's mother
	Himanshu	Spouse's brother
	Mansi Chakravarty	Spouse's sister
Arvind Kondangi Lakshmikumar	Kondangi Srinivasan Lakshmikumar	Father
	Priya Narasimhan	Spouse
	Dhruv Arvind	Son
	Maya Arvind	Daughter
	Narayanan Narasimhan	Spouse's father
	Jaya Narasimhan	Spouse's mother
	Mukund Narasimhan	Spouse's brother
Cecilia D'Souza	Natalia D'Souza	Mother
	Sunil D'Souza	Brother
	Cynthia Goveas	Sister
	Maria Sunithi D'Souza	Sister

Entities forming part of the Promoter Group

The entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

Vinimaya Advisory LLP.

DIVIDEND POLICY

The dividend policy of our Company was approved and adopted by our Board on October 17, 2025. The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association and the applicable laws including the Companies Act, 2013 together with the applicable rules notified thereunder, as amended.

In accordance with the Dividend Policy, any future determination as to the declaration and payment of dividends, if any, will be at the discretion of the Board and , will depend on a number of factors, including but not limited to internal factors such as working capital requirements, capital expenditure in technology and funds required for acquisitions and external factors such as significant changes in macro-economic, political, tax and regulatory changes in the geographies in which our Company operates, any changes in the competitive environment which may require significant investment and other factors considered relevant by our Board.

Accordingly, our Company may not distribute dividends when there is absence or inadequacy of profits. Our Company may also, from time to time, pay interim dividends.

The consolidated profits earned by the Company can either be retained in the business and used for such purposes as the Board may determine from time to time including those outlined above or can be distributed to the shareholders.

We have neither declared nor paid any dividends on the Equity Shares in any of the three Financial Years preceding the date of this Draft Red Herring Prospectus and from the period from April 1, 2026 until the date of this Draft Red Herring Prospectus. However, neither is this necessarily indicative of any dividend declaration or our Dividend Policy in the future, nor is there a guarantee that any dividends will be declared or paid in the future on the Equity Shares. For details in relation to risks involved in this regard, see *"**Risk Factors – Our Company may not be able to pay dividends in the future. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, profit after tax available for distribution, cash flows, working capital requirements and capital expenditure and the terms of our financing arrangements**"* on page 71.

SECTION V – FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL STATEMENTS

[*Remainder of the page has been left intentionally blank.*]

INDEPENDENT AUDITOR'S REPORT ON RESTATED CONSOLIDATED FINANCIAL STATEMENTS

To,
The Board of Directors
Tonbo Imaging India Limited
No. 3, Chikkayellappa Tower II, 1st C Main, Sarjapura Main Road,
Jakkasandra Extension, Chikkayellappa Indl. Layout, Bangalore - 560034
Karnataka, India

Dear Sir,

We have examined the Restated Consolidated Financial Statements of Tonbo Imaging India Limited *(formerly known as Tonbo Imaging India Private Limited)* (the "Company"), which comprises the Restated Consolidated Financial Statement of Assets and Liabilities, Restated Consolidated Financial Statement of Profit and Loss, Restated Consolidated Financial Statement of Changes in Equity, and Restated Consolidated Statement of Cash Flows for the years ended March 31, 2026 and for March 31, 2025, Restated Standalone Financial Statement of Assets and Liabilities, Restated Standalone Financial Statement of Profit and Loss, Restated Standalone Financial Statement of Changes in Equity, and Restated Standalone Financial Statement of Cash Flows for the year ended March 31, 2024, the related Financial Statement of Significant Accounting policies and other explanatory information (together referred to as the "**Restated Consolidated Financial Statements**"), prepared by the Company in accordance with the requirements of:

a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations");
b. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI") ("Guidance Note");
c. Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act");

The Restated Consolidated Financial Statements have been approved by the Board of Directors of the Company at their meeting held on August 3, 2026.

1. Responsibility of Management

The preparation of these Restated Consolidated Financial Statements is the responsibility of the Company's Management and Board of Directors. The Company's Management has prepared the Restated Consolidated Financial Statements to give a true and fair view of the assets, liabilities, equity, cash flows, and results of operations of the Company and its subsidiaries for the respective periods, in accordance with Ind AS and the requirements of the ICDR Regulations. The Restated Consolidated Financial Statements have been prepared by the management of the Company on the basis of preparation stated in Note 2 to the Restated Consolidated Financial Statements.The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Statements. The management is also responsible for ensuring that the Company

complies with the applicable provisions of the Companies Act, 2013 and other applicable laws and regulations.

2. Auditor's Responsibility

Our responsibility is to examine and report on the Restated Consolidated Financial Statements based on our audit and examination in accordance with the Guidance Note issued by ICAI. We conducted our examination in accordance with the Standards on Auditing issued by ICAI. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Restated Consolidated Financial Statements are free from material misstatement. We have obtained sufficient and appropriate audit evidence to issue this report.

We have examined such Restated Consolidated Financial Statements taking into consideration:

(a) The terms of reference and terms of our engagement agreed with you vide our engagement letter dated August 07, 2025, requesting us to carry out the assignment, in connection with the proposed IPO of the Company;
(b) E-mail dated August 18, 2025 received from Book Running Lead Managers ("BRLMs"), which confirms that the Company should prepare financial statements in accordance with Indian Accounting Standards (Ind AS) and that these financial statements are required for all the three years, based on email dated October 28, 2021 from Securities and Exchange Board of India ("SEBI") to Association of Investment Bankers of India ("SEBI Letter").
(c) The Guidance Note. The Guidance Note also requires that we comply with ethical requirements of the Code of Ethics Issued by ICAI;
(d) Concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Consolidated Financial Statements; and
(e) The requirements of Section 26 of the Act and the ICDR Regulations.

3. Restated Consolidated Financial Statements

These Restated Consolidated Financial Statements have been compiled by the management of the Company from:

3.1 Audited consolidated financial statements of the Company along with its Subsidiaries Tonbo Systems Pty Ltd, Australia and Tonbo LLC, Armenia (hereinafter referred to as the 'Group') as at and for the year ended March 31, 2026 which were prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind-AS compliant Schedule III), as applicable, which have been approved by the Board of Directors at their meeting held on May 15, 2026;

3.2 Audited special purpose consolidated financial statements of the Group as at and for the year ended March 31, 2025, which were prepared in accordance with Indian Accounting Standards (Ind AS) after taking into consideration the requirements of the SEBI letter and were approved by the Board of Directors at their meeting held on November 4, 2025.

3.3 Audited standalone financial statements of the Company as at and for the year ended March 31, 2024 which were prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind-AS compliant Schedule III), as applicable, which have been approved by the Board of Directors at their meeting held on May 24, 2024.

4. Auditors' report

For the purpose of our examination, we have relied on:

Auditors' reports issued by us, dated May 15, 2026 on the Audited Consolidated financial statements of the Group for the year ended March 31, 2026, as referred in Paragraph 3.1 above

Auditors' reports issued by us, dated November 4, 2025 on the special purpose Consolidated financial statements of the Group for the year ended March 31, 2025, as referred in Paragraph 3.2 above.

Auditors' report issued by us, dated May 24, 2024, on the Audited Standalone financial statements of the Company as at and for the year ended March 31, 2024 as referred in Paragraph 3.3 above.

The Audited Consolidated financial statements for the year ended March 31, 2026 of the Group include the financial statements of two subsidiaries Tonbo Systems Pty Ltd, Australia and Tonbo LLC, Armenia which are not required to be audited under the local laws of the respective jurisdictions. We have relied on the financial statements certified by the management. In our opinion, and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

5. Opinion

Based on our examination and according to the information and explanations given to us, we report that the Restated Consolidated Financial Statements:

a. Have been prepared in accordance with the requirements of the ICDR Regulations, Act, the Guidance Note, and the terms of our engagement and the SEBI Letter; and

b. Give a true and fair view of the assets and liabilities, profits and losses, changes in equity, and cash flows for the years ended March 31, 2026, March 31, 2025 and March 31, 2024, in accordance with Ind AS and other applicable financial reporting frameworks.

c. There are no qualifications in the auditors' reports on the Audited Consolidated financial statements of the Group as at and for the years ended March 31, 2026 and March 31, 2025, the Standalone audited financial statements of the Company as at and for the year ended March 31, 2024, which require any adjustments to the Restated Consolidated Financial Statements.

d. Have been prepared after incorporating adjustments for changes in accounting policies, if any, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2025 and March 31, 2024 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2026.

6. Other Matters

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

We have not audited or reviewed any financial statements of the Company as of any date or for any period subsequent to March 31, 2026. Accordingly, we do not express any opinion or conclusion on the financial position, results of operations or cash flows of the Company for any period after March 31, 2026.

This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

7. Restriction on use

Our report is intended solely for use of the Board of Directors for inclusion in the UDRHP/RHP and Prospectus to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited and RoC in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose, except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Kalyanasundaram and Associates
Chartered Accountants
(Firm Registration No.005455S)

Place: Bangalore
Date: August 3,2026

K M Ranjith
Partner
Membership No.:219645
UDIN: 262I 9645SL VNBB4090

TONBO IMAGING INDIA LIMITED
(Formerly known as Tonbo Imaging India Private Limited)
CIN: U26700KA2003PLC033043

RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(All amounts are in Million of Indian Rupees, unless otherwise stated)

		Consolidated		Standalone
		As at	As at	As at
Particulars	**Notes No.**	**March 31, 2026**	**March 31, 2025**	**March 31, 2024**
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	3	248.03	244.84	47.87
Right of Use Assets	4	75.74	90.68	85.76
Intangible Assets	4	1,627.01	1,651.92	1,838.81
Capital Work-In-Progress	4	123.96	7.21	-
Financial Assets				
Investments	5	-	0.03	0.03
Other Financial Assets	6	605.92	792.97	142.08
Other Non-Current Assets	7	28.80	17.98	1.05
Total Non-Current Assets		**2,709.46**	**2,805.63**	**2,115.60**
Current assets				
Inventories	8	2,194.85	1,111.44	1,116.86
Financial Assets				
Trade Receivables	9	2,116.63	2,103.12	936.43
Cash and Bank Balances	10	161.79	1,009.72	856.74
Other Bank Balances	11	224.53	9.52	299.99
Loans	12	7.26	4.34	5.45
Other Financial Assets	13	79.21	5.50	6.40
Other Current Assets	14	331.25	214.31	409.34
Total Current Assets		**5,115.52**	**4,457.95**	**3,631.21**
Total Assets		**7,824.98**	**7,263.58**	**5,746.81**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	15	114.56	7.33	2.99
Other Equity - attributable to owners of the Company	17	5,417.03	4,894.05	1,689.87
Instruments entirely equity in nature	16	-	-	608.44
Total Equity		**5,531.59**	**4,901.38**	**2,301.30**
Liabilities				
Non-Current liabilities				
Financial Liabilities				
Long Term Borrowings	18	-	-	152.72
Long Term Lease Liabilities	19	68.54	87.83	83.75
Deferred Tax Liabilities (net)	20	99.97	80.47	33.89
Provisions	21	187.70	338.79	301.08
Total Non-Current Liabilities		**356.21**	**507.09**	**571.44**

TONBO IMAGING INDIA LIMITED
(Formerly known as Tonbo Imaging India Private Limited)
CIN: U26700KA2003PLC033043

RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES
(All amounts are in Million of Indian Rupees, unless otherwise stated)

		Consolidated		Standalone
		As at	As at	As at
Particulars	**Notes No.**	**March 31, 2026**	**March 31, 2025**	**March 31, 2024**
Current liabilities				
Financial Liabilities				
Short Term Borrowings	22	1,160.64	781.35	810.86
Short Term Lease Liabilities	23	18.50	11.33	7.03
Trade Payables	24			
- Total outstanding dues of micro and small enterprises		61.06	22.74	29.59
- Total outstanding dues of creditors other than micro and small enterprises		273.37	188.71	173.86
Other Financial Liabilities	25	0.90	0.90	1.50
Short Term Provisions	26	185.53	139.77	162.66
Other Current Liabilities	27	237.18	710.31	1,688.57
Total Current Liabilities		**1,937.18**	**1,855.11**	**2,874.07**
Total Liabilities		**2,293.39**	**2,362.20**	**3,445.51**
Total Equity and Liabilities		**7,824.98**	**7,263.58**	**5,746.81**

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For Kalyanasundaram and Associates
Chartered Accountants
Firm Registration No. 005455S

For and on behalf of the Board of Directors

ARVIND KONDANGI LAKSHMIKUMAR
Managing Director
DIN: 02261469

Place:
Date:

CECILIA D'SOUZA
Director
DIN: 06380429

Place: Bangalore
Date:

K.M. RANJITH
Partner
Membership No: 219645

Place: Bangalore
Date:

ANKITA AGARWALLA
Company Secretary and
Compliance Officer
Membership No: A61777

Place:
Date:

SIVASHANKAR T S
Chief Financial Officer

Place:
Date:

TONBO IMAGING INDIA LIMITED

(Formerly known as Tonbo Imaging India Private Limited)

CIN: U26700KA2003PLC033043

RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(All amounts are in Million of Indian Rupees, unless otherwise stated)

Particulars	Notes No.	Consolidated		Standalone
		For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from Operations	28	3,626.48	4,690.80	4,281.89
Other Income	29	72.91	53.10	37.07
Total Income		**3,699.39**	**4,743.90**	**4,318.96**
Expenses				
Cost of Materials Consumed	30	1,655.54	2,153.09	2,132.75
Changes in Inventories of Finished Goods	31	119.69	(106.98)	66.55
Employee Benefits Expenses	32	495.83	444.35	130.55
Finance Costs	33	106.16	177.42	76.81
Depreciation and Amortisation Expenses	34	313.35	265.91	133.95
Other expenses	35	309.24	809.70	828.80
Total expenses		**2,999.80**	**3,743.49**	**3,369.41**
Profit / (Loss) before exceptional and extraordinary items and tax		**699.59**	**1,000.41**	**949.55**
Exceptional items		-	7.76	4.05
Restated Profit before tax		**699.59**	**992.65**	**945.50**
Tax expense	36			
Current tax		170.62	218.50	211.50
MAT Credit		-	-	15.02
Deferred tax		20.16	46.58	33.55
Restated Profit for the year, net of tax		**508.80**	**727.57**	**685.43**
Other Comprehensive Income				
(i) Items that will not be reclassified to profit or loss Remeasurement of the Gain / (Loss) of defined benefit plans		(2.59)	(0.38)	1.37
(ii) Income tax relating to items that will not be reclassified to profit or loss Tax relating to remeasurement of defined benefit plans		0.65	0.10	(0.36)
(iii) Items that will be reclassified to profit or loss Exchange Differences arrising on Translation of Foreign Operations		2.16	0.37	-
Total Other Comprehensive Income		0.22	0.08	1.01
Total Comprehensive Income for the period		**509.02**	**727.65**	**686.45**

TONBO IMAGING INDIA LIMITED

(Formerly known as Tonbo Imaging India Private Limited)

CIN: U26700KA2003PLC033043

RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(All amounts are in Million of Indian Rupees, unless otherwise stated)

Particulars	Notes No.	Consolidated		Standalone
		For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Earnings per equity share	**37**			
Basic Earnings per share of Face Value of Rs. 2 each		9.19	13.38	62.61
Diluted Earnings per share of Face Value of Rs. 2 each		8.88	12.70	13.63

The accompanying notes form an integral part of the financial statements.

As per our Report of even date attached

For Kalyanasundaram and Associates
Chartered Accountants
Firm Registration No. 005455S

For and on behalf of the Board of Directors

K.M. RANJITH
Partner
Membership No: 219645

Place: Bangalore
Date:

ARVIND KONDANGI LAKSHMIKUMAR
Managing Director
DIN: 02261469

Place:
Date:

CECILIA D'SOUZA
Director
DIN: 06380429

Place: Bangalore
Date:

ANKITA AGARWALLA
Company Secretary and
Compliance Officer
Membership No: A61777

Place:
Date:

SIVASHANKAR T S
Chief Financial Officer

Place:
Date:

TONBO IMAGING INDIA LIMITED

(Formerly known as Tonbo Imaging India Private Limited)

CIN: U26700KA2003PLC033043

RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts are in Million of Indian Rupees, unless otherwise stated)

	Consolidated		Standalone
Particulars	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**
Cash flow from Operating Activities			
Net Profit Before Tax	699.59	992.65	945.50
Adjustments for:			
Depreciation and amortisation expense	313.35	265.91	133.95
Finance costs	43.66	125.61	53.96
Interest income	(70.80)	(41.30)	(33.39)
Net loss on sale/discarding of Investment	0.03	-	0.05
Transfer to / (from) Share Options Outstanding account	122.80	102.40	(7.30)
Other comprehensive income for the year	(2.59)	(0.28)	1.01
Translation Reserve	2.16	0.37	-
Operating Profit before Working Capital changes	1,108.20	1,445.36	1,093.78
Adjustments for changes in working capital			
- (Increase)/decrease in other financial assets (non-current)	187.05	(650.89)	(32.47)
- (Increase)/decrease in other non-current assets	(10.82)	(16.93)	0.24
- (Increase)/decrease in inventories	(1,083.41)	5.42	(721.00)
- (Increase)/decrease in trade receivables	(13.51)	(1,166.70)	(524.83)
- (Increase)/decrease in other current assets	(116.94)	195.03	(215.10)
- (Increase)/decrease in other financial assets (current)	(73.71)	0.90	(3.13)
- (Increase)/decrease in loans	(2.92)	1.12	(2.26)
- Increase/(decrease) in trade payables	122.98	8.01	(82.63)
- Increase/(decrease) in other financial liabilities	-	(0.60)	(1.29)
- Increase/(decrease) in provisions (non current)	(151.09)	37.71	213.94
- Increase/(decrease) in current provisions	27.14	90.80	11.77
- Increase/(decrease) in Deferred Income	-	-	(0.18)
- Increase/(decrease) in other current liabilities	(473.13)	(978.26)	1,100.45
Cash generated from Operating Activities	**(480.16)**	**(1,029.03)**	**837.28**
- Income taxes paid (net)	(152.00)	(332.17)	(53.95)
Net Cash from Operating Activities (A)	**(632.16)**	**(1,361.19)**	**783.33**
Cash flow from Investing Activities:			
Payments for purchase of property, plant and equipment	(47.88)	(216.10)	(26.85)
Payments for purchase of intangible assets and capital work in progress	(341.70)	(50.63)	(1,845.86)
Payments for purchase of Right of use of assets	(3.87)	(21.44)	(62.34)
Proceeds from sale of Investment	0.00	-	-
Interest received	70.80	41.30	33.39
Net Cash from / (used in) Investing Activities (B)	**(322.65)**	**(246.86)**	**(1,901.66)**

TONBO IMAGING INDIA LIMITED

(Formerly known as Tonbo Imaging India Private Limited)

CIN: U26700KA2003PLC033043

RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts are in Million of Indian Rupees, unless otherwise stated)

	Consolidated		Standalone
Particulars	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**
Cash flow from Financing Activities:			
Proceeds / (repayment) from short term borrowings	537.18	(29.51)	427.84
Proceeds / (Repayment) of long term borrowings	(157.89)	(152.72)	125.54
Principal repayment of lease liabilities	(12.13)	8.38	55.64
Finance cost paid	(43.66)	(125.61)	(53.96)
Issue of Equity shares	-	1,750.00	-
Issue of Preference Shares	-	20.01	1,322.99
Buyback of Equity shares	(1.60)	-	-
Net Cash from / (used in) Financing Activities (C)	**321.90**	**1,470.56**	**1,878.06**
Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	**(632.91)**	**(137.49)**	**759.73**
Cash and cash equivalents at the beginning of the year	1,019.24	1,156.73	397.00
Cash and cash equivalents at the end of the year	**386.32**	**1,019.24**	**1,156.73**

The accompanying notes form an integral part of the financial statements.

As per our Report of even date attached

For Kalyanasundaram and Associates
Chartered Accountants
Firm Registration No. 005455S

For and on behalf of the Board of Directors

K.M. RANJITH
Partner
Membership No: 219645

Place: Bangalore
Date:

ARVIND KONDANGI LAKSHMIKUMAR
Managing Director
DIN: 02261469

Place:
Date:

CECILIA D'SOUZA
Director
DIN: 06380429

Place: Bangalore
Date:

ANKITA AGARWALLA
Company Secretary and
Compliance Officer
Membership No: A61777

Place:
Date:

SIVASHANKAR T S
Chief Financial Officer

Place:
Date:

TONBO IMAGING INDIA LIMITED
(Formerly known as Tonbo Imaging India Private Limited)
CIN: U26700KA2003PLC033043

RESTATED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(All amounts are in Million of Indian Rupees, unless otherwise stated)

A. Equity share capital

Particulars	Amount
Balance as at April 1, 2023	2.99
Changes in Equity Share Capital Due to Prior Period Errors	-
Restated Balances as at April 1, 2023	**2.99**
Changes in equity share capital during the year	-
Balance as at March 31, 2024	**2.99**
Balance as at April 1, 2024	2.99
Changes in Equity Share Capital Due to Prior Period Errors	-
Restated Balances as at April 1, 2024	**2.99**
Changes in equity share capital during the year	4.34
Balance as at March 31, 2025	**7.33**
Balance as at April 1, 2025	7.33
Changes in Equity Share Capital Due to Prior Period Errors	-
Restated Balances as at April 1, 2025	**7.33**
Changes in equity share capital during the year	107.23
Balance at March 31, 2026	**114.56**

B. Instruments entirely equity in nature

Particulars	Amount
Balance as at April 1, 2023	140.97
Changes in Compulsorily Convertible Preference Share Capital Due To Prior Period Errors	-
Restated Balances as at April 1, 2023	**140.97**
Changes in compulsorily convertible preference shares	467.47
Balance as at March 31, 2024	**608.44**
Balance as at April 1, 2024	608.44
Changes in Compulsorily Convertible Preference Share Capital Due To Prior Period Errors	-
Restated Balances as at April 1, 2024	**608.44**
Changes in compulsorily convertible preference shares	(608.44)
Balance as at March 31, 2025	**-**
Balance as at April 1, 2025	-
Changes in Compulsorily Convertible Preference Share Capital Due To Prior Period Errors	-
Restated Balances as at April 1, 2025	**-**
Changes in compulsorily convertible preference shares	-
Balance at March 31, 2026	-

TONBO IMAGING INDIA LIMITED
(Formerly known as Tonbo Imaging India Private Limited)
CIN: U26700KA2003PLC033043
RESTATED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts are in Million of Indian Rupees, unless otherwise stated)

C. Other Equity

	Reserves and Surplus						
Particulars	**Securities premium reserve**	**Share Options Outstanding account**	**Debenture Redemption Reserve**	**Capital Redemption Reserve**	**Retained earnings**	**Other comprehensive Income**	**Total**
Restated Balance as at April 1, 2023	**19.83**	**7.30**	**14.74**	**0.60**	**112.93**	**(0.19)**	**155.21**
Profit for the year	-	-	-	-	685.43	-	685.43
Transfers on allotment of shares	855.52	-	-	-	-	-	855.52
Other comprehensive income for the year, net of income tax	-	-	-	-	-	1.01	1.01
Payment of dividend	-	-	-	-	-	-	-
Tax on Dividend	-	-	-	-	-	-	-
Transfer to / (from) Share Options Outstanding account	-	(7.30)	-	-	-	-	(7.30)
Transfer to Debenture Redemption Reserve on account of issue of NCDs	-	-	16.85	-	(16.85)	-	-
Balance at March 31, 2024	**875.35**	**-**	**31.59**	**0.60**	**781.51**	**0.82**	**1,689.87**

TONBO IMAGING INDIA LIMITED
(Formerly known as Tonbo Imaging India Private Limited)
CIN: U26700KA2003PLC033043
RESTATED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(All amounts are in Million of Indian Rupees, unless otherwise stated)

C. Other Equity

	Reserves and Surplus						
Particulars	**Securities premium reserve**	**Share Options Outstanding account**	**Debenture Redemption Reserve**	**Capital Redemption Reserve**	**Retained earnings**	**Other comprehensive Income**	**Total**
Balance at April 1, 2024	**875.35**	**-**	**31.59**	**0.60**	**781.51**	**0.82**	**1,689.87**
Changes in Accounting Policy or Prior Period Errors	-	-	-	-	-	-	-
Restated Balance as at April 1, 2024	**875.35**	**-**	**31.59**	**0.60**	**781.51**	**0.82**	**1,689.87**
Profit for the year	-	-	-	-	727.57	-	727.57
Translation reserve for the year	-	-	-	-	-	0.37	0.37
Transfers on allotment of shares	1,749.30	-	-	-	-	-	1,749.30
Transfers on conversion of shares	624.80	-	-	-	-	-	624.80
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(0.28)	(0.28)
Payment of dividend	-	-	-	-	-	-	-
Tax on Dividend	-	-	-	-	-	-	-
Transfer to Share Options Outstanding account	-	102.40	-	-	-	-	102.40
Transfer to Debenture Redemption Reserve on account of issue of NCDs	-	-	15.79	-	(15.79)	-	-
Transfer from Debenture Redemption Reserve on redemption of NCDs	-	-	(31.59)	-	31.59	-	-
Balance at March 31, 2025	**3,249.45**	**102.40**	**15.79**	**0.60**	**1,524.88**	**0.91**	**4,894.05**
Balance at April 1, 2025	**3,249.45**	**102.40**	**15.79**	**0.60**	**1,524.88**	**0.91**	**4,894.05**
Changes in Accounting Policy or Prior Period Errors	-	-	-	-	-	-	-

TONBO IMAGING INDIA LIMITED
(Formerly known as Tonbo Imaging India Private Limited)
CIN: U26700KA2003PLC033043
RESTATED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(All amounts are in Million of Indian Rupees, unless otherwise stated)

C. Other Equity

	Reserves and Surplus						
Particulars	**Securities premium reserve**	**Share Options Outstanding account**	**Debenture Redemption Reserve**	**Capital Redemption Reserve**	**Retained earnings**	**Other comprehensive Income**	**Total**
Restated Balance as at April 1, 2025	**3,249.45**	**102.40**	**15.79**	**0.60**	**1,524.88**	**0.91**	**4,894.05**
Profit for the period	-	-	-	-	508.80	-	508.80
Translation reserve for the period	-	-	-	-	-	2.16	2.16
Transfers on allotment of bonus shares	(106.63)	-	-	(2.20)	-	-	(108.84)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(1.94)	(1.94)
Payment of dividend	-	-	-	-	-	-	-
Tax on Dividend	-		-	-	-	-	-
Transfer to Share Options Outstanding account	-	122.80	-	-	-	-	122.80
Transfer from Share Options Outstanding account	98.06	(98.06)	-	-	-	-	-
Transfer from Debenture Redemption Reserve on redemption of NCDs	-	-	(15.79)	-	15.79	-	-
Transfer from Retained Earnings for Buyback of Shares	-	-	-	1.60	(1.60)	-	-
Balance at March 31, 2026	**3,240.88**	**127.14**	**-**	**-**	**2,047.89**	**1.12**	**5,417.03**

The accompanying notes form an integral part of the financial statements.
As per our Report of even date attached

For and on behalf of the Board of Directors

For Kalyanasundaram and Associates
Chartered Accountants
Firm Registration No. 005455S

K.M. RANJITH
Partner
Membership No: 219645

Place: Bangalore
Date:

ARVIND KONDANGI LAKSHMIKUMAR
Managing Director
DIN: 02261469

Place:
Date:

CECILIA D'SOUZA
Director
DIN: 06380429

Place: Bangalore
Date:

ANKITA AGARWALLA
Company Secretary and Compliance Officer
Membership No: A61777
Place:
Date:

SIVASHANKAR T S
Chief Financial Officer

Place:
Date:

TONBO IMAGING INDIA LIMITED
(Formerly known as Tonbo Imaging India Private Limited)
CIN: U26700KA2003PLC033043

RESTATED CONSOLIDATED FINANCIAL STATEMENTS

Notes forming part of the Restated Consolidated Financial Statements

1 Notes to the Restated Consolidated Financial Statements

1.1 Company Overview

Tonbo Imaging India Limited (Formerly known as Tonbo Imaging India Private Limited) (the 'Company') was incorporated on December 18, 2003, as a private limited company under the provisions of the Companies Act, 1956 as Sarnoff Innovative Technologies Private Limited. The registered office of the Company is at No. 3, Chikkayellappa Tower II, 1st C Main, Sarjapura Main Road, Jakkasandra Extension, Chikkayellappa Industrial Layout, Bangalore, Karnataka, India 560034.

The Company pursuant to Board and Shareholders' resolutions dated August 15, 2025 approved the conversion of the Company to a public limited company. Consequently the name change of the Company to Tonbo Imaging India Limited was duly approved by the Registrar of Companies, Karnataka on September 11, 2025.

The Company pursuant to Board and Shareholders' resolutions dated April 23, 2026 approved the modification in the Objects clause of the Company to align with the current business . Consequently the updated CIN of the Company was duly approved by the Registrar of Companies, Karnataka on June 02, 2026.

The Company engages in providing vision technology based products and solutions.

1.2 Information about the subsidiaries associates and joint ventures

The Restated Consolidated Summary Statements of the Company along with its Subsidiaries (the 'Group') include the subsidiaries listed below:

Subsidiaries

		Percentage of Ownership Interest		
Name of Investee	**Principal Place of Business**	**March 31, 2026**	**March 31, 2025**	**March 31, 2024 ***
TONBO LLC	Armenia	100%	100%	NA
TONBO SYSTEMS PTY LTD	Australia	100%	100%	NA

* The above listed subsidiaries were incorporated in the financial year 2024-25.

2 Basis of Preparation of the Restated Consolidated Financial Statements

a. Statement of compliance to Ind AS

The Restated Consolidated Financial Information of the Group comprises of the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2026 and March 31, 2025 and Standalone Statement of Assets and Liabilities as at March 31, 2024, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash Flows for the financial year ended March 31, 2026 and March 31, 2025 and the Restated Standalone Statement of Profit and Loss (including other comprehensive income), the Restated Standalone Statement of Changes in Equity and the Restated Standalone Statement of Cash Flows for the financial year ended March 31, 2024, the Summary Statement of Significant Accounting Policies, and Notes to the Restated Consolidated Financial Information (collectively, the "Restated Consolidated Financial Information").

These Statements have been prepared by the Management of the Company in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, issued by the Securities and Exchange Board of India ('SEBI) in pursuance of the Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") for the purpose of inclusion in the Draft Red Herring Prospectus (DRHP)/ Red Herring Prospectus (RHP)/Prospectus in connection with its proposed initial public offering of equity shares prepared by the Company in terms of the requirements of:

i. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act"), as amended from time to time;

ii. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the "SEBI ICDR Regulations") issued by the Securities and Exchange Board of India (the "SEBI"); and

iii. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

iv. E-mail dated August 18, 2025 received from Book Running Lead Managers (“BRLMs”), which confirms that the Company should prepare financial statements in accordance with Indian Accounting Standards (Ind AS), based on email dated October 28, 2021 from Securities and Exchange Board of India (“SEBI”) to Association of Investment Bankers of India (“SEBI Letter”).

RESTATED CONSOLIDATED FINANCIAL STATEMENTS

Notes forming part of the Restated Consolidated Financial Statements

a. Statement of compliance to Ind AS (Continued)

The Restated Consolidated Financial Information have been prepared to contain information/disclosures and incorporating adjustments set out below in accordance with the ICDR Regulations:

i. Adjustments to the profits or losses of the earlier years for the changes in accounting policies if any to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years and of material errors, if any;

ii. Adjustments for reclassification/regroupings of the corresponding items of income, expenses, assets and liabilities retrospectively in the financial year ended March 31, 2025 and March 31, 2024, in order to bring them in line with the groupings as per the Restated Consolidated Financial Information of the Company for the financial year ended March 31, 2026 and the requirements of the SEBI Regulations, if any; and

iii. The resultant impact of tax due to the aforesaid adjustments, if any.

The Restated Summary Statements have been compiled from:

(a) Audited Consolidated financial statements of the Group as at and for the financial year ended March 31, 2026, which were prepared in accordance with Ind AS, as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III), as applicable, which have been approved by the Board of Directors at their meeting held on May 15, 2026.

(b) Audited Special purpose Consolidated Ind AS financial statements of the Group as at and for the financial year ended March 31, 2025, which were prepared after taking into consideration the requirements of the SEBI Letter and were approved by the Board of Directors at their meeting held on November 4, 2025.

c) Audited Standalone Ind AS financial statements of the Company as at and for the year ended March 31, 2024, which were prepared in accordance with Ind AS, as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III), as applicable, which have been approved by the Board of Directors at their meeting held on May 24, 2024.

Pursuant to the Companies (Indian Accounting Standard) Second Amendment Rules, 2015, the Group adopted March 31, 2024 as reporting date for first time adoption of Indian Accounting Standard (Ind AS) – notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and consequently April 01, 2022 as the transition date for preparation of its statutory financial statements as at and for the year ended March 31, 2024. The financial statements as at and for the year ended March 31, 2024, were the first financial statements prepared in accordance with Ind AS.

The Group follows historical cost convention and accrual method of accounting in the preparation of the financial statements, except otherwise stated.

The Restated Consolidated Financial information are presented in Indian Rupees (INR) in Millions except otherwise stated.

These Restated Financial Statements of the Group are prepared in accordance with Indian Accounting Standard ("Ind AS") notified under the Companies Act, 2013 ("the Act").

b. Basis of Preparation and Presentation

The Consolidated Financial Statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value amount

(a) Certain Financial Assets and Liabilities (including derivative instruments, if any), and

(b) Defined Benefit Plans - Plan Assets

The financial statements of the Group have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

The Group's Financial Statements are presented in Indian Rupees, in Millions, which is also its functional currency

RESTATED CONSOLIDATED FINANCIAL STATEMENTS

Notes forming part of the Restated Consolidated Financial Statements

b. Basis of Preparation and Presentation (Contd)

Standards notified but not yet effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Financial Statements.

The Restated Summary Statements

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors, if any, adjustments to the earnings per share due to the issuance of bonus shares, buyback of shares and subdivision of shares being events that occured in financial year 2026 and regrouping/reclassifications retrospectively in the years ended March 31, 2025 and March 31, 2024 to reflect the same accounting treatment as per the accounting policies.

Reclassification / regrouping adjustments
During the preparation of the Restated Financial Information included in this Draft Red Herring Prospectus/Red Herring Prospectus, certain balances in the financial statements for Fiscals 2025 and 2024 have been regrouped/reclassified to conform to the presentation adopted in Fiscal 2026. These regroupings/reclassifications do not have any impact on the total assets, total liabilities, equity, profit after tax, earnings per share or cash flows of the Company.

b) do not require any adjustment for qualification in the underlying audit reports.

These Restated Summary Statements were authorised for issue by the Company's Board of Directors on August 03, 2026.

c. Basis of Consolidation

The Restated Summary Statements comprise of the financial statements of the Company and its subsidiaries. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Company controls an investee if and only if the Company has:
- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the restated summary statements from the date the Group gains control until the date the Group ceases to control the subsidiary. The restated summary statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the restated summary statements for like transactions and events in similar circumstances, appropriate adjustments are made to the restated summary statements in preparing the restated summary statements to ensure conformity with the Group's accounting policies.

Consolidation procedure:

(a) The restated summary statements have been prepared using the principles of consolidation as per Ind AS 110 – Consolidated financial statements, to the extent applicable.

(b) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Ind AS restated summary statements at the acquisition date.

(c) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

RESTATED CONSOLIDATED FINANCIAL STATEMENTS

Notes forming part of the Restated Consolidated Financial Statements

Consolidation procedure (Contd):

(d) Eliminate in full Intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from Intra-Group transactions that are recognised in assets, such as inventory and property, plant and equipment are eliminated in full). Intra-Group losses may indicate an impairment that requires recognition in the Ind AS restated summary statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of Profit and Loss resulting from Intra-Group transactions.

(e) Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the equity attributable to shareholders of the Company. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the summary statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All Intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
-Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.1 Fair Value Measurement

Some of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a financial reporting team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The financial reporting team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as pricing services, is used to measure fair values, then the financial reporting team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (ie. as prices) or indirectly (ie. derived from prices)
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible if the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.2 Current and Non-Current Classification

An asset is classified as current if:

a) It is expected to be realized or sold or consumed in the Group's normal operating cycle;

b) It is held primarily for the purpose of trading;

c) It is expected to be realized within twelve months after the reporting period; or It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current if:

a) It is expected to be settled in normal operating cycle;

b) It is held primarily for the purpose of trading;

c) It is expected to be settled within twelve months after the reporting period;

d) It has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between acquisition of assets for processing / trading / assembling and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

2.3 Property, Plant and Equipment

(a) Tangible Assets

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Subsequent costs relating to day-to-day servicing of the item are not recognised in the carrying amount of an item of property, plant and equipment; rather, these costs are recognised in profit or loss as incurred.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work in Progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation methods, estimated useful lives and residual value

Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives as prescribed under Part C of Schedule Il of the Companies Act 2013, using the straight-line method, except in respect of leasehold improvement for which the Group has estimated the useful life of Ten years based on the initial lease term. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation for assets purchased / sold during a period is proportionately charged for the period of use.
Assets individually costing less than Rs. 10,000 are fully depreciated in the year of acquisition.

The useful life has been assessed based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from those classes of assets

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.3. (a) Tangible Assets (Contd)

Derecognition

An item of Propert plant and Equipment is derecognized on disposal, or when no future economic benefits are expected from continued use of the asset.

Gains or losses arising from derecognition of a Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(b) Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discounts and rebates less accumulated amortisation/depletion and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the Intangible Assets.
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Cost of intangible assets under development as at the reporting date are disclosed as intangible assets under development.

Amortization
The amortization expenses on Intangible assets with the finite lives are recognized in the Statement of Profit and Loss. The Group's intangible assets comprises assets with finite useful life which are amortised on a straight-line basis over the period of their expected useful life as tabulated below:

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at each financial year end and adjusted prospectively, if appropriate.

Derecognition

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from continued use of intangible asset. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in statement of profit and loss when the asset is de-recognized.

(c) Capital Work-in-Progress and Capital Advances
Cost of Property, Plant and Equipment or intangible asset not ready for intended use, as on the balance sheet date, is shown as a "Capital Work-in-Progress". The Capital Work-in-Progress is stated at cost. Any expenditure in relation to survey and investigation of the properties is carried as Capital Work-in-Progress. Such expenditure is either capitalized as cost of the projects on completion of construction project or the same is expensed in the period in which it is decided to abandon such project. Any advance given towards acquisition of Property, Plants and Equipment or intangible asset outstanding at each balance sheet date is disclosed as "Other Non-Current Assets".

Capital Work-in-Progress (CWIP) comprises of expenditure incurred on assets that are not yet ready for their intended use as at the reporting date.

CWIP pertaining to intangible assets comprises expenditure incurred toward development of technology / software / products including employee benefit expenses of research and development personnel, technical consultancy charges, software -related costs and other directly attributable expenses pending completion and capitalization.

CWIP is carried at cost, comprising:

a) Purchase price (including import duties and non-refundable taxes, net of discounts)
b) Directly attributable costs necessary to bring the asset to its working condition for intended use (such as site preparation, installation, professional fees, and trial run expenses)
c) Borrowing costs, where applicable, capitalized in accordance with the Company's policy on borrowing costs

Treatment of Expenses:
a) Expenditure directly attributable to construction or acquisition of qualifying assets is capitalized to CWIP until the asset is ready for its intended use.
b) General administrative and overhead expenses are not capitalized unless they are directly attributable to the construction activity.

Foreign Exchange Differences:
Exchange differences arising on foreign currency monetary items relating to CWIP are recognized in the Statement of Profit and Loss in accordance with applicable accounting standards.

2.3 (c) Capital Work-in-Progress and Capital Advances (Contd)

Capitalization:

a) Upon completion and when the asset is ready for its intended use, the cost accumulated under CWIP is transferred to the relevant category of Property, Plant and Equipment (PPE) or Intangible Assets.
b) Depreciation/amortization commences from the date the asset is ready for its intended use.

Review for Impairment:

CWIP is reviewed annually for impairment and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, impairment loss is recognized in accordance with the Company's impairment policy.

2.4 Impairment of Non-Financial Assets - Property, Plant and Equipment and Intangible Assets

Cash Generating Unit (CGU)
For the purpose of impairment testing in accordance with Ind AS 36, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (Cash Generating Units).

The Group is engaged in the business of defence manufacturing, development of defence technologies and integrated system solutions. The operations of the Company and its foreign subsidiaries are highly integrated in terms of manufacturing processes, technology development, procurement, engineering support, program management and execution of customer contracts.

The Group's manufacturing facilities, research and development infrastructure, intellectual property, and operational resources are utilized collectively across multiple defence programs and contracts. Cash inflows are generated from integrated defence projects and are not independently attributable to individual plants, products, subsidiaries or specific asset groups.

Accordingly, management has determined that there are no separately identifiable Cash Generating Units capable of generating independent cash inflows. Therefore, for the purpose of impairment assessment, the recoverable amount is determined at the level of the Group as a whole or at the level of integrated operations representing the smallest identifiable group of assets generating substantially independent cash inflows.
The Group assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of assets may be impaired. If any such indication exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized directly in other comprehensive income and presented within equity.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. There are no losses from impairment of assets to be recognized in the financial statements.

2.5 Inventories

Inventories comprise of Raw Materials and Finished Goods are stated at the lower of cost or net realizable value.

Cost of inventory comprises all costs of purchase including duties and taxes, freight inwards and other expenditure directly attributable to acquisition and to bring the inventories to its present location and condition. Cost of finished goods include cost of materials consumed and cost of conversion. Cost of raw materials is determined on FIFO basis.

Net realizable value represents the estimated selling price for inventories less estimated cost necessary to make the sale.

2.6 Cash and cash equivalents

Cash and cash equivalents in the Restated Consolidated Statement of Assets and Liabilities comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.7 Share Capital

Equity share capital represents the amount received from shareholders towards subscribed capital, net of share issue expenses (if any).

Any premium received over and above the face value of shares is classified under securities premium reserve.

The Company is a public limited company and its shares are not publicly traded.

2.8 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease i.e., if the contract conveys the right to control the use of an identified asset for a period in exchange of consideration.

(a) The Group as a Lessee

The Group, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Group has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate cannot be readily determined, the Group uses incremental borrowing rate

(b) The Group as a Lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

2.9 Borrowing Costs

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

2.10 Employee Benefits

(A) Short Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

(B) Post-Employment Benefits

(i) Defined Contribution Plans

The group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service, if the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

2.10 (B) Post-Employment Benefits (Contd)

ii) Defined Benefit Plans

(a) Gratuity Scheme: The group pays gratuity to the employees who have completed five years of service with the group at the time of resignation/superannuation. The gratuity is paid at 15 days basic salary and cearness allowances for every completed year of service as per the Payment of Gratuity Act, 1972. The lability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Company has taken a Master Policy with the ICICI Prudential Life Insurance Co. Ltd to cover its liability towards employees' gratuity. Provisions in respect of liabilities of gratuity is made based on actuarial valuation made by an independent actuary as at the balance sheet date. Gains and Losses through re-measurements of the net defined benefit liability are recognized in other comprehensive income. The actual return of the plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in Other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit and loss as an Expense.

Remeasurement gains and losses arising from adjustments and changes in actuarial assumptions are recognised in the period in which they occur in Other Comprehensive Income.

(iii) Other Long Term Employee Benefits

Entitlement to annual leave is recognized when they accrue to employees.

2.11 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax

a) Current tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income Tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

b) Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised and carried forward only if it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax.

Current and deferred tax for the year

Current and deferred tax is recognised in statement of profit and loss, except to the extent that it relates to items recognised in Other comprehensive income. In this case, the tax is also recognised in Other comprehensive income.

2.12 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre tax rates that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are not recognized in the Ind AS Financial Statements but are disclosed in notes.

Contingent asset is neither recognized nor disclosed in the Ind AS Financial Statements.

2.13 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

The Group has generally typically controls the goods or services before transferring them to the customer.

Revenue from sale of goods is recognised at a point in time when control is transferred to the customer, generally on despatch / delivery of the goods or terms as agreed with the customer. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

Revenue from rendering of services is recognised when the services are rendered and related costs are incurred over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Group expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

Export Incentives

Export incentive revenues are recognized when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection.

Interest Income
Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the deposits and at the interest rate settled with the Banks/Financial Institutions.

Dividend Income

Dividend Income is recognised when the Group's right to receive the amount has been established.

Surplus / (Loss) on disposal of Property, Plant and Equipment / Investment

Surplus or loss on disposal of property, plant and equipment or investment is recorded on transfers of title from the Group, and is determined as the difference between the sale price and carrying value of the property, plant and equipment or investment and other incidental expenses.

Rental Income

Rental income arising from operating lease on investments properties is accounted for on a straight-line basis over the lease term except the case where the incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

Insurance Claim
Claim receivable on account of insurance is accounted for to the extent the Group is reasonably certain of their ultimate collection.

Other Income
Revenue from other income is recognized when the payment of that related income is received or credited.

2.14 Foreign Currency Transactions and Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates on the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e, translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or the Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

2.15 Government Grants and Subsidies

Grants in the nature of subsidies which are non-refundable are recognized as income where there is reasonable assurance that the group will comply with all the necessary conditions attached to them. Income from grants is recognized on a systematic basis over periods in which the related costs that are intended to be compensated by such grants are recognized

Refundable government grants are accounted in accordance with the recognition and measurement principle of Ind AS 109, "Financial Instruments". It is recognized as income when there is a reasonable assurance that the group will comply with all necessary conditions attached to the grants. Income from such benefit is recognized on a systematic basis over the period of the grants during which the group recognizes interest expense corresponding to such grants.

2.16 Financial Instruments Financial Assets

(A) Initial Recognition and Measurement

All Financial Assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value through Profit and Loss, are adjusted to the fair value on initial recognition.

Purchase and sale of Financial Assets are recognised using trade date accounting.

(B) Subsequent Measurement

a) Financial Assets measured at Amortised Cost (AC)

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise to cash flows on specified dates that represent solely payments of principal and interest on the principal amount outstanding.

b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories is measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Group changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business niodel in accordance with principles laid down under Ind AS 109-Financial instruments.

2.16 Financial Instruments Financial Assets (Contd)

(C) Investments

Investments are classified into Current or Non-Current Investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as Current Investments. All other Investments are classified as Non-Current Investments. However, that part of Non-Current Investments which are expected to be realized within twelve months from the Balance Sheet date is also presented under "Current Investments" under "Current portion of Non-Current Investments" in consonance with Current/Non-Current classification of Schedule-l of the Act.

All the equity investments which are covered under the scope of Ind AS 109, 'Financial Instruments" are measured at fair value. Investment in mutual funds is measured at fair value through profit and loss (FVTPL). Trading Instruments are measured at fair value through profit and loss (FVTPL)

(D) investment in Subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in Subsidiaries, associates and joint ventures at cost less impairment loss (if any).

2.17 Performance Warranties

Provisions for an estimated cost of performance warranties are recorded on booking of revenue. The provisions are later written back over the elapsed warranty period. The estimations towards warranty are based on historical warranty trends and technical evaluation. It is measured at the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The estimates used are reviewed periodically and adjusted as appropriate.

2.18 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average numbers of shares outstanding during the year are adjusted for the effects of dilutive potential equity shares, if any.

3 Property, Plant and Equipment

Particulars	Data Processing Equipment	Furniture & Fixtures	Office Equipment	Plant & Machinery	Leasehold Improvements	Total	Capital work in progress	Total
Gross Block								
As at April 1, 2023	**2.89**	**5.50**	**4.43**	**33.95**	**11.08**	**57.85**	**-**	**-**
Additions	12.48	0.96	2.17	6.29	4.95	26.86	-	-
Disposals/Adjustments	-	-	-	-	-	-	-	-
As at March 31, 2024	**15.37**	**6.46**	**6.60**	**40.24**	**16.03**	**84.71**	**-**	**-**
Additions	17.51	4.47	22.36	6.42	165.36	216.10	-	-
Disposals/Adjustments	-	-	-	-	-	-	-	-
As at March 31, 2025	**32.88**	**10.93**	**28.96**	**46.66**	**181.39**	**300.81**	**-**	**-**
Additions	17.55	3.57	10.10	9.79	6.48	47.49	-	-
Disposals/Adjustments	-	-	-	-	-	-	-	-
Translation Reserve	0.14		0.09	0.30	-	0.53	-	-
As at March 31, 2026	**50.56**	**14.50**	**39.15**	**56.75**	**187.87**	**348.83**	**-**	**-**

3 Property, Plant and Equipment

Particulars	Data Processing Equipment	Furniture & Fixtures	Office Equipment	Plant & Machinery	Leasehold Improvements	Total	Capital work in progress	Total
Accumulated Depreciation								
As at April 1, 2023	**2.30**	**1.97**	**2.36**	**16.82**	**3.34**	**26.79**	-	-
Depreciation charge for the year	1.42	0.60	0.91	5.83	1.29	10.05	-	-
Reversal on Disposal/Adjustments	-	-	-	-	-	-	-	-
As at March 31, 2024	**3.72**	**2.57**	**3.27**	**22.65**	**4.63**	**36.84**	-	-
Depreciation charge for the year	6.51	0.87	2.67	6.45	2.63	19.13	-	-
Reversal on Disposal/Adjustments	-	-	-	-	-	-	-	-
As at March 31, 2025	**10.23**	**3.44**	**5.94**	**29.10**	**7.26**	**55.97**	-	-
Depreciation charge for the Year	12.75	1.37	5.71	6.21	18.72	44.77	-	-
Reversal on Disposal/Adjustments	-	-	-	-	-	-	-	-
Translation Reserve	0.03	-	0.01	0.02	-	0.07		
As at March 31, 2026	**22.98**	**4.81**	**11.66**	**35.31**	**25.98**	**100.80**	-	-
Net Block								
Balance as on March 31, 2024	11.65	3.89	3.32	17.60	11.41	**47.87**	-	-
Balance as on March 31, 2025	22.65	7.49	23.01	17.56	174.13	**244.84**	-	-
Balance as on March 31, 2026	27.58	9.69	27.49	21.44	161.90	**248.03**	-	-

4 Right of Use Assets, Intangible Assets and Capital Work in Progress

Particulars	Right of use assets	Total	Computer Software	Intellectual Property	Total	Capital work in progress	Total
Gross Block							
As at April 1, 2023	**38.91**	**38.91**	**114.16**	**-**	**114.16**	**-**	**-**
Additions	62.34	62.34	13.95	1,832	1,846	-	-
Disposals/Adjustments	**-**	**-**	-	-	**-**	**-**	**-**
As at March 31, 2024	**101.25**	**101.25**	**128.11**	**1,831.91**	**1,960.02**	**-**	**-**
Additions	29.25	29.25	43.42	-	43.42	7.21	7.21
Disposals/Adjustments	(7.81)	(7.81)	-	-	-	**-**	-
As at March 31, 2025	**122.69**	**122.69**	**171.53**	**1,831.91**	**2,003.44**	**7.21**	**7.21**
Additions	3.88	3.88	224.95	-	224.95	262.73	262.73
Disposals/Adjustments	-	-	-	-	-	-	-
Capitalisation of Intangible Assets	-	-	-	-	-	**(145.98)**	(145.98)
As at March 31, 2026	**126.56**	**126.56**	**396.48**	**1,831.91**	**2,228.39**	**123.96**	**123.96**

4 Right of Use Assets, Intangible Assets and Capital Work in Progress

Particulars	Right of use assets	Total	Computer Software	Intellectual Property	Total	Capital work in progress	Total
Accumulated Depreciation							
As at April 1, 2023	**5.99**	**5.99**	**6.81**	**-**	**6.81**	**-**	**-**
Depreciation charge for the year	9.50	9.50	38.32	76.08	114.40	-	-
Reversal on Disposal/Adjustments	-	-	-	-	-	-	-
As at March 31, 2024	**15.49**	**15.49**	**45.13**	**76.08**	**121.21**	**-**	**-**
Depreciation charge for the year	16.52	16.52	47.12	183.19	230.31	-	-
Reversal on Disposal/Adjustments	-	-	-	-	-	-	-
As at March 31, 2025	**32.01**	**32.01**	**92.25**	**259.27**	**351.52**	**-**	**-**
Depreciation charge for the Year	18.81	18.81	66.66	183.19	249.85	-	-
Reversal on Disposal/Adjustments	-	-	-	-	-	-	-
As at March 31, 2026	**50.82**	**50.82**	**158.92**	**442.46**	**601.38**	**-**	**-**
Net Block							
Balance as on March 31, 2024	85.76	**85.76**	82.98	1,755.83	**1,838.81**	-	**-**
Balance as on March 31, 2025	90.68	**90.68**	79.28	1,572.64	**1,651.92**	7.21	**7.21**
Balance as on March 31, 2026	75.74	**75.74**	237.56	1,389.45	**1,627.01**	123.96	**123.96**

Notes forming part of the Restated Consolidated Financial Statements

(All amounts are in Million of Indian Rupees, unless otherwise stated)

Note 5 - Financials Assets - Non Current Investment

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
UNQUOTED INVESTMENTS			
In Equity Shares at cost			
Unquoted - Fully paid up			
Nil (2025, 2024 - 2,600) equity shares of Rs. 10 each of MEIL ICOMM Tonbo Tech Private Limited - Fully paid up	-	0.03	0.03
Total	**-**	**0.03**	**0.03**
Note:			
Aggregate Carrying Value of Unquoted Investment	-	0.03	0.03

Note 6 - Other Financial Assets - Non Current

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Unsecured- Considered Good			
Rental Deposits	9.18	10.85	5.66
Sales Tax Deposits	0.01	0.01	0.01
Earnest Money Deposits	0.12	0.07	-
Term Deposit with maturity of more than 12 months	596.51	782.02	136.41
Others	0.11	0.02	0.00
Total	**605.92**	**792.97**	**142.08**

Note 7 - Other Non Current Assets

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Advance Tax including refunds receivable (Net)	-	-	-
Prepayments - Lease	2.52	2.98	1.02
Prepayments - EMD	0.02	0.02	0.03
Gratuity Fund*	26.26	14.98	-
Total	**28.80**	**17.98**	**1.05**

*The Company has invested in ICICI Pru Group Suraksha Plus vide Policy Number 00013121. This is an annually renewable, non participating, non linked, life group savings product. Employer can hold the master policy, can make contributions in one or more instalments. Interest will be accrued on yearly basis. The policy has death benefit payable and member benefit payable options. Policy can be surrendered at any time with the applicable surrender charges. Policy holders have to pay for mortality cost, extra allocation charges, surrender charges etc. The Investment is classified as Other Non Current Asset since it is a non refundable fund and intended to fund future Gratuity.

Notes forming part of the Restated Consolidated Financial Statements
(All amounts are in Million of Indian Rupees, unless otherwise stated)

Note 8 - Inventories

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Raw materials	2,153.36	950.26	1,062.66
Work-in-progress	-	-	-
Finished goods/Stock in Trade	41.49	161.18	54.20
Total	**2,194.85**	**1,111.44**	**1,116.86**

Note: Raw materials, Work in progress and Stores and spares are valued at Cost. Finished Goods are valued at cost or net realisable value whichever is less.

Note 9 - Trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Trade receivables considered good - unsecured			
Debts outstanding for a period exceeding six months	58.81	-	8.38
Other Debts	2,058.41	2,103.12	928.05
Total Trade Receivables	**2,117.22**	**2,103.12**	**936.43**
Less: Allowance for Bad and Doubtful debts	(0.59)	-	-
Net Trade Receivables	**2,116.63**	**2,103.12**	**936.43**

Trade Receivable ageing schedule as at March 31, 2026

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 6 months	6 months to 1 year	1 to 2 years	More than 3 years	
Undisputed Trade receivables - considered good	2,058.41	58.81	-	-	2,117.22
Undisputed Trade Receivables - considered doubtful	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-
Disputed Trade Receivables - considered doubtful	-	-	-	-	-
Sub total	**2,058.41**	**58.81**	**-**	**-**	**2,117.22**
Undue - considered good					-
Undue - considered doubtful					-
Provision for doubtful debts					(0.59)
Total					**2,116.63**

Notes forming part of the Restated Consolidated Financial Statements
(All amounts are in Million of Indian Rupees, unless otherwise stated)

Trade Receivable ageing schedule as at March 31, 2025

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 6 months	6 months to 1 year	1 to 2 years	More than 3 years	
Undisputed Trade receivables - considered good	2,103.12	-	-	-	2,103.12
Undisputed Trade Receivables - considered doubtful	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-
Disputed Trade Receivables - considered doubtful	-	-	-	-	-
Sub total	**2,103.12**	**-**	**-**	-	**2,103.12**
Undue - considered good					-
Undue - considered doubtful					-
Provision for doubtful debts					-
Total					**2,103.12**

Trade Receivable ageing schedule as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 6 months	6 months to 1 year	1 to 2 years	More than 3 years	
Undisputed Trade receivables - considered good	928.05	3.67	4.71	-	936.43
Undisputed Trade Receivables - considered doubtful	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-
Disputed Trade Receivables - considered doubtful	-	-	-	-	-
Sub total	**928.05**	**3.67**	**4.71**	-	**936.43**
Undue - considered good					-
Undue - considered doubtful					-
Provision for doubtful debts					-
Total					**936.43**

Note 10 - Cash and Cash Equivalents

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Cash and Cash Equivalents			
Cash in hand	0.23	0.14	0.07
Balance with Scheduled Banks:			
- Current Account	11.50	706.52	519.91
- Export Earners Foreign Currency (EEFC) Account	0.06	0.66	4.99
- In Deposit Accounts (maturity within 3 months from reporting date)	150.00	302.40	331.77
Total	**161.79**	**1,009.72**	**856.74**

Notes forming part of the Restated Consolidated Financial Statements

(All amounts are in Million of Indian Rupees, unless otherwise stated)

Note 11 - Other Bank Balances

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Balance with Scheduled Banks:			
Balance with bank in Fixed Deposit accounts (maturity more than 3 months but less than 12 months from reporting date)	224.53	9.52	299.99
Total	**224.53**	**9.52**	**299.99**

Note 12 - Loans and Advances

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Loans to Employees	7.26	2.45	3.56
Loans to Related Parties			
- Serial Innovations Employee Stock Option Trust	-	1.89	1.89
Total	**7.26**	**4.34**	**5.45**

Note 13 - Other Financial Assets

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Rental Deposits	0.20	0.17	-
Earnest Money Deposits	1.14	0.66	2.10
Interest Accrued on Term Deposits	6.32	4.67	4.30
Others	71.55	-	-
Total	**79.21**	**5.50**	**6.40**

Note 14 - Other Current Assets

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Advance to Suppliers	83.19	27.53	229.14
Prepaid Expenses	15.43	7.37	13.25
Capital Advances	-	2.51	-
Other Advances	2.05	11.77	0.07
GST Refund Receivable	1.51	58.74	0.16
GST Input Tax Credit	229.06	106.39	166.72
Total	**331.25**	**214.31**	**409.34**

Notes forming part of the Restated Consolidated Financial Statements

(All amounts are in Million of Indian Rupees, unless otherwise stated)

Note 15 - Equity Share Capital

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Authorised Share Capital			
5,74,87,500 Equity Shares of Rs. 2 each (2025: 900,000, 2024 : 475,000 Equity Shares of Rs. 10 each)	114.98	9.00	4.75
	114.98	**9.00**	**4.75**
Issued, Subscribed and Paid up share capital			
5,72,82,100 Equity Shares of Rs.2 each (2025: 733,272, 2024 : 298,914 Equity Shares of Rs. 10 each) fully paid up	114.56	7.33	2.99
	114.56	**7.33**	**2.99**

Rights, preferences and restrictions attached to the equity shares

The Company has one class of equity shares having a par value of Rs.2 each. Each shareholder is eligible for one vote per share held. Dividends proposed by the Board of Directors are subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

a Reconciliation of the number of Equity Shares outstanding and the amount of share capital

Particulars	March 31, 2026		March 31, 2025		March 31, 2024	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Equity Shares						
Number of shares at the beginning of the year	7,33,272	7.33	2,98,914	2.99	2,98,914	2.99
Add: Shares issued during the year	-	-	70,000	0.70	-	-
Add: Shares issued upon conversion of preference shares	-	-	3,64,358	3.64	-	-
Add: Bonus Shares issued during the year	1,08,83,599	108.84	-	-	-	-
Less: Shares bought back	(1,60,451)	(1.60)	-	-	-	-
Less: Shares cancelled upon stock split / subdivision	(1,14,56,420)	(114.56)	-	-	-	-
Add: Shares issued upon stock split / subdivision	5,72,82,100	114.56	-	-	-	-
Number of shares at the end of the year	**5,72,82,100**	**114.56**	**7,33,272**	**7.33**	**2,98,914**	**2.99**

Notes forming part of the Restated Consolidated Financial Statements
(All amounts are in Million of Indian Rupees, unless otherwise stated)

b Details of the Shareholders and Percentage of Shares

	March 31, 2026		March 31, 2025		March 31, 2024	
Particulars	**No of Shares**	**Percentage**	**No of Shares**	**Percentage**	**No of Shares**	**Percentage**
Equity Shareholders						
(i) Mr. Timothy Guy Mitchell	4,17,400	0.73	4,174	0.57	4,174	1.40
(ii) Serial Innovations Employee Stock Option Trust	19,04,700	3.33	1,89,442	25.84	1,89,442	63.38
(iii) Mr. Arvind Kondangi Lakshmikumar, Managing Director	49,68,400	8.67	49,684	6.78	49,684	16.62
(iv) Mr. Ankit Kumar, Director	30,36,700	5.30	30,367	4.14	30,367	10.16
(v) Ms. Cecilia D'Souza, Director	19,77,500	3.45	19,775	2.70	19,775	6.62
(vi) CEAQ Technologies Private Limited (Formerly known as Tonbo Imaging Private Limited)	1,01,64,500	17.74	1,01,645	13.86	5,472	1.83
(vii) CEAQ Technologies Pte Ltd (Formerly known as Tonbo Imaging Pte Ltd)	1,53,35,000	26.77	1,53,350	20.91	-	-
(viii) HBL Engineering Limited	81,63,000	14.25	81,630	11.13	-	-
(ix) Florintree Flowtech LLP	29,60,000	5.17	29,600	4.04	-	-
(x) Yali Deeptech Fund I	24,00,000	4.19	24,000	3.27	-	-
(xi) Export-Import Bank of India	4,00,000	0.70	4,000	0.55	-	-
(xii) Others holding less than 5% stake	55,54,900	9.70	45,605	6.22	-	-
Total	**5,72,82,100**	**100**	**7,33,272**	**100**	**2,98,914**	**100**

c Details of Promoter Shareholding and Percentage of Shares

Name of the Promoter	March 31, 2026		
	No of Shares	% of shares	% change
(i) Mr. Arvind Kondangi Lakshmikumar, Managing Director	49,68,400	8.67	99%
(ii) Mr. Ankit Kumar, Director	30,36,700	5.30	99%
(iii) Ms. Cecilia D'Souza, Director	19,77,500	3.45	99%

Name of the Promoter	March 31, 2025		
	No of Shares	% of shares	% change
(i) Mr. Arvind Kondangi Lakshmikumar, Managing Director	49,684	6.78	0%
(ii) Mr. Ankit Kumar, Director	30,367	4.14	0%
(iii) Ms. Cecilia D'Souza, Director	19,775	2.70	0%

Name of the Promoter	March 31, 2024		
	No of Shares	% of shares	% change
(i) Mr. Arvind Kondangi Lakshmikumar, Managing Director	49,684	16.62	-44%
(ii) Mr. Ankit Kumar, Director	30,367	10.16	100%
(iii) Ms. Cecilia D'Souza, Director	19,775	6.62	100%

d Buy Back of Equity Shares:

On June 26, 2025, the Company completed buyback of 160,451 Equity shares of face value of Rs.10 per share pursuant to a resolution of the Board of Directors dated May 29, 2025 and a resolution of the shareholders dated May 29, 2025. Post buy back number of equity shares of the Company is 572,821.

e Issuance of Bonus shares :

On June 30, 2025, the shareholders of the Company approved issuance of bonus shares in the ratio of 19:1, i.e.,19 bonus shares for each fully paid equity share through capitalisation of Capital redemption and Securities premium reserves of the Company. Accordingly, 10,883,599 bonus shares were issued. The number of shares prior to the bonus issue was 572,821. Accordingly, the post Bonus issue the number of equity shares is 11,456,420.

f Stock Split

The Company has undertaken sub-division of its Equity Shares bearing face value of Rs. 10 each into five Equity Shares bearing face value of Rs. 2 each pursuant to a resolution of our Board dated September 16, 2025 and a resolution of the Shareholders dated September 16, 2025.

Notes forming part of the Restated Consolidated Financial Statements
(All amounts are in Million of Indian Rupees, unless otherwise stated)

Note 16 - Instruments entirely equity in nature

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Authorised Share Capital			
125,000 (2025, 2024 : 125,000) Preference Shares of Rs. 10 each	1.25	1.25	1.25
160,000 (2025, 2024 : 160,000) Preference Shares of Rs. 913 each	146.08	146.08	146.08
200,000 (2025, 2024 : 200,000) Preference Shares of Rs. 100 each	20.00	20.00	20.00
45,000 (2025, 2024: 45,000) Preference Shares of Rs. 10,171 each	457.70	457.70	457.70
	625.03	**625.03**	**625.03**
Issued, Subscribed and Paid up share capital			
Nil (2025: Nil, 2024 : 96,173) Series A Preference Shares of Rs.10 each fully paid up	-	-	0.96
Nil (2025: Nil, 2024 : 153,350) Series B Preference Shares of Rs. 913 each fully paid up	-	-	140.01
Nil (2025: Nil, 2024 : 3044) Series B1 Preference Shares of Rs. 10 each fully paid up	-	-	0.00
Nil (2025: Nil, 2024: 112,156) Series C Preference Shares of Rs. 100 each fully paid up	-	-	11.22
Nil (2025: Nil, 2024: 44,858) Series C1 Preference Shares of Rs. 10171 each fully paid up	-	-	456.25
	-	**-**	**608.44**

Notes forming part of the Restated Consolidated Financial Statements

(All amounts are in Million of Indian Rupees, unless otherwise stated)

Rights, preferences and restrictions attached to the Preference Shares

The Series A Preference shares are compulsorily convertible, cumulative, preference shares of the Company. The conversion ratio is 1:1. The preference shares would be convertible into equity shares at the option of the Series A preference shareholders at any time within 20 (twenty) years from the date of allotment i.e. 6 June 2011 for 59,884 shares and 19 January 2012 for 48,093 shares. These shares carry a cumulative dividend of 10 (ten) percent per annum and entitled to participate in the distributable profits of the Company prorata with equity shareholders. In the event of liquidation, the preference shareholders are entitled to receive such amount that shall be available for distribution after distribution of the liquidation proceeds to Series C and Series C1 investors. 96,173 Series A preference shares have been converted to 96,173 equity shares as of March 27, 2025.

The Series B Preference shares are compulsorily convertible, cumulative, preference shares of the Company. The conversion ratio is 1:1. The preference shares would be convertible into equity shares at the option of the Series B preference shareholders at any time within 20 (twenty) years from the date of allotment i.e. 15 January 2019. These shares carry a cumulative dividend of 10 (ten) percent per annum and entitled to participate in the distributable profits of the Company prorata with equity shareholders. In the event of liquidation, the preference shareholders are entitled to receive such amount that shall be available for distribution after distribution of the liquidation proceeds to Series C and Series C1 preference shareholders. 153,350 Series B preference shares have been fully converted to 153,350 equity shares as of March 27, 2025.

The Series B1 Preference shares are compulsorily convertible preference shares of the Company. The Series B1 preference shares are convertible at a 15% discount to the fair value of the equity shares of the Company prevailing as on the date of conversion or on the date of allotment i.e. May 31, 2022, of such preference shares, whichever is higher. The Series B1 preference shares are not redeemable. These shares carry a non-cumulative dividend of 0.001 (zero -point zero zero one) percent per annum. These are non-participatory and will not be entitled to participate in the distributable profits of the Company. In the event of liquidation, the Series B1 preference shareholders shall rank pari passu with Series C preference shareholders. 3,044 Series B1 preference shares have been fully converted to 2,206 equity shares as of March 27, 2025.

The Series C Preference shares are compulsorily convertible preference shares of the Company. The preference shares are convertible 1:1 subject to such adjustments as stated in the shareholders agreement. The Series C preference shares are not redeemable and would be convertible into equity shares at the option of the Series C preference shareholders at any time within 20 (twenty) years from the date of allotment i.e. 11 April 2023 for 64,700 shares and 21 July 2023 for 47,456 shares . These shares carry a cumulative dividend of 0.01 (zero point zero one) percent per annum and entitled to participate in the distributable profits of the Company. In the event of liquidation, the preference shareholders are entitled to receive an amount equal to the investment amount in preference to the Series A and Series B preference shareholders and shall rank pari passu with Series C1 preference shares. 112,156 Series C preference shares have been fully converted to 81,630 equity shares as of March 27, 2025.

The Series C1 Preference shares are compulsorily convertible preference shares of the Company. The preference shares are convertible 1:1 subject to such adjustments as stated in the shareholders agreement. The Series C1 preference shares are not redeemable and would be convertible into equity shares at the option of the Series C1 preference shareholders at any time within 20 (twenty) years from the date of allotment i.e. March 31, 2024. These shares carry a cumulative dividend of 0.01 (zero point zero one) percent per annum and entitled to participate in the distributable profits of the Company. In the event of liquidation, the preference shareholders are entitled to receive an amount equal to the investment amount in preference to the Series A and Series B preference shareholders and shall rank pari passu with Series C preference shares. 44,858 Series C1 preference shares have been fully converted to 30,999 equity shares as of March 27, 2025.

Notes forming part of the Restated Consolidated Financial Statements

(All amounts are in Million of Indian Rupees, unless otherwise stated)

a Reconciliation of the number of Preference Shares outstanding and the amount of share capital

Particulars	March 31, 2026		March 31, 2025		March 31, 2024	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Series A Preference Shares						
Balance at the beginning of the year	-	-	96,173	0.96	96,173	0.96
Add: Shares issued during the year	-	-	-	-	-	-
Less: Shares converted to equity shares during the year	-	-	96,173	0.96	-	-
Balance at the end of the year	**-**	**-**	**-**	**-**	**96,173**	**0.96**
Series B Preference Shares						
Balance at the beginning of the year	-	-	1,53,350	140.01	1,53,350	140.01
Add: Shares issued during the year	-	-	-	-	-	-
Less: Shares converted to equity shares during the year	-	-	1,53,350	140.01	-	-
Balance at the end of the year	**-**	**-**	**-**	**-**	**1,53,350**	**140.01**
Series B1 Preference Shares						
Balance at the beginning of the year	-	-	3,044	0.00	3,044	0.00
Add: Calls made during the year	-	-	-	0.03	-	-
Add: Shares Issued during the year	-	-	-	-	-	-
Less: Shares converted to equity shares during the year	-	-	3,044	0.03	-	-
Balance at the end of the year	**-**	**-**	**-**	**-**	**3,044**	**0.00**

Notes forming part of the Restated Consolidated Financial Statements
(All amounts are in Million of Indian Rupees, unless otherwise stated)

Particulars	March 31, 2026		March 31, 2025		March 31, 2024	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Series C Preference Shares						-
Balance at the beginning of the year	-	-	1,12,156	11.22	-	-
Add: Shares Issued during the year	-	-	-	-	1,12,156	11.22
Less: Shares converted to equity shares during the year	-	-	1,12,156	11.22	-	-
Balance at the end of the year	**-**	**-**	**-**	**-**	**1,12,156**	**11.22**
Series C1 Preference Shares						
Balance at the beginning of the year	-	-	44,858	456.25	-	-
Add: Shares Issued during the year	-	-	-	-	44,858	456.25
Less: Shares converted to equity shares during the year	-	-	44,858	456.25	-	-
Balance at the end of the year	**-**	**-**	**-**	**-**	**44,858**	**456.25**

b Details of the Preference Shareholders and Percentage of Shares

Particulars	March 31, 2026		March 31, 2025		March 31, 2024	
	No of Shares	Percentage	No of Shares	Percentage	No of Shares	Percentage
i. Series A Preference Shareholders						
(i) CEAQ Technologies Private Limited (Formerly known as Tonbo Imaging Private Limited)	-	-	-	-	96,173	100
ii. Series B Preference Shareholders						
(i) CEAQ Technologies Pte Ltd (Formerly known as Tonbo Imaging Pte Ltd)	-	-	-	-	1,53,350	100
iii. Series B1 Preference Shareholders						
(i) Blacksoil India Credit Fund	-	-	-	-	1,522	50
(ii) Blacksoil Capital Private Limited	-	-	-	-	1,522	50
iv. Series C Preference Shareholders						
(i) HBL Engineering Limited	-	-	-	-	1,12,156	100
v. Series C1 Preference Shareholders						
(i) Others with less than 5% stake	-	-	-	-	44,858	100

c Employee Stock Option Plan

The Company's ESOP is administered and managed through a trust, Serial Innovations Employee Stock Option trust, formed for the purpose in 2008. The Company issues shares to the trust from time to time and grants credit to enable the trust to purchase the said shares. The ESOP regulations were amended and restated in 2024. The stock option scheme is equity settled, where employees are granted options with a graded vesting over a period of three years. Upon vesting the employees are eligible to convert the options into equity shares. The options normally expire at the end of 8 years from the vesting date. At the grant date the Company estimates the fair value of the options expected to vest at the end of the vesting period and the share based compensation .is recognized with a corresponding credit to a Stock option outstanding Account

On exercise of the options, proportionate shares held by the Trust are transferred to the said employee, who pays the exercise price to the Trust. The shares so transferred / issued to the employees are considered to have been issued at a consideration comprising the exercise price and the corresponding amount standing to the credit of Stock Option Outstanding Account. ..Accordingly an amount equivalent to the value of the option exercised is transferred from the Stock Option outstanding account to the Share Premium account

Particulars	March 31, 2026	March 31, 2025	March 31, 2024
Options outstanding at the beginning of the year (no.)	20,876	-	1,92,000
Options granted during the year (no.)	6,70,400	20,876	-
Adjustment for bonus shares issued during the year	20,66,724	-	-
Weighted average fair value per option granted to employees (Rs.)	181.47	10,051.00	NA
Weighted average fair value per option granted to directors (Rs.)	NA	NA	NA
Options forfeited and lapsed during the year	(13,000)	-	1,92,000
Options exercised during the year (no.)	9,94,400	-	-
Weighted average share price at the date of exercise per option exercised (Rs.)	183.47	NA	NA
Total number of shares arising as a result of exercise of options	9,94,400	NA	NA
Money received on exercise of options during the year (Rs. Million)	1.99	NA	NA
Total number of Options in force at the end of the year (no.)	17,50,600	20,876	-
Options exercisable at the end of the year (no.)	-	-	-
The total employee share based compensation expense recognized / (written back) during the year (Rs. Million)	122.80	102.40	(7.30)

The ESOP regulations were amended and restated in July 2024 and the maximum number of options that may be granted under the current scheme shall not be more than 28,99,100 (after adjusting for bonus shares issued).

d Aggregate number of shares issued for consideration other than cash

The Company has not issued any shares for consideration other than cash since incorporation. The Company has bought back 1,60,451 equity shares in June 2025. The Company also issued bonus shares to all existing shareholders in the ratio of 19:1 i.e. 19 bonus shares for each equity share in June 2025.

Notes forming part of the Restated Consolidated Financial Statements
(All amounts are in Million of Indian Rupees, unless otherwise stated)

Note 17 - Other Equity

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Securities Premium Reserve			
Balance at the beginning of the year	3,249.45	875.35	19.83
Add: Securities premium credited on share issue	-	1,749.30	855.52
Add: Securities premium on conversion on shares	-	624.80	-
Add: Securities premium on exercise of stock options	98.06	-	-
Less: Utilised towards issue of bonus shares during the year	(106.63)	-	-
Balance at the end of the year	**3,240.88**	**3,249.45**	**875.35**
Retained Earnings			
Balance at the beginning of the year	1,524.88	781.51	112.93
Add: Net Profit/(Loss) for the year	508.80	727.57	685.43
Add: Remeasurement of defined benefit plan transferred from OCI	-	-	-
Less: Transfer to Capital Redemption Reserve on buy back of shares	(1.60)	-	-
Add: Transfer from Debenture Redemption Reserve on redemption of NCDs	15.79	31.59	-
Less: Transfer to Debenture Redemption Reserve on account of issue of NCDs	-	(15.79)	(16.85)
Prior Period Expenses	-	-	-
Other Adjustments (IND-AS Transition)	-	-	-
Balance at the end of the year	**2,047.89**	**1,524.88**	**781.51**
Capital Redemption Reserve			
Balance at the beginning of the year	0.60	0.60	0.60
Add: Transfer from Retained Earnings on buyback of shares	1.60	-	-
Less: Appropriations during the year for allotment of bonus shares	(2.20)	-	-
Balance at the end of the year	**-**	**0.60**	**0.60**
Debenture Redemption Reserve			
Balance at the beginning of the year	15.79	31.59	14.74
Add: Transfer from Retained Earnings	-	15.79	16.85
Less: Transfer to Retained Earnings	(15.79)	(31.59)	-
Less: Appropriations during the year	-	-	-
Balance at the end of the year	**-**	**15.79**	**31.59**
Share Options Outstanding account			
Balance at the beginning of the year	102.40	-	7.30
Changes during the year	24.74	102.40	(7.30)
Balance at the end of the year	**127.14**	**102.40**	**-**
Other Comprehensive Income (OCI)			
Balance at the beginning of the year	0.90	0.82	(0.19)
Other comprehensive income for the year , net of income tax	0.22	0.08	1.01
Balance at the end of the year	**1.12**	**0.90**	**0.82**
Total Other Equity	**5,417.03**	**4,894.05**	**1,689.87**

Notes forming part of the Restated Consolidated Financial Statements
(All amounts are in Million of Indian Rupees, unless otherwise stated)

Note 18 - Long Term Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Secured Borrowings			
From Banks	-	-	-
Less: IND AS Transaction Cost Adjustment	-	-	-
Total	**-**	**-**	**-**
Unsecured Borrowings			
From Banks	-	-	-
Less: IND AS Transaction Cost Adjustment	-	-	-
Total	**-**	**-**	**-**
Non Convertible Secured Debentures			
Non Convertible Secured Debentures	-	-	152.72
Nil (2025: 600, 2024: 1000) Non Convertible Debentures of Rs. 0.5 Mil each			
Less: IND AS Transaction Cost Adjustment	-	-	-
Total	**-**	**-**	**152.72**
Grand Total	-	**-**	**152.72**

Particulars of Long term Borrowings

Name of Lender/Type of Loan	Rate of Interest	Monthly Instalments	No. of Instalments Outstanding as of March 31, 2026	March 31, 2025	March 31, 2024
i. Non convertible Debentures					
Non Convertible Secured Debentures I	15.00%	10.53	-	-	2.00
Non Convertible Secured Debentures II	14.00%	15.79	-	10.00	19.00
Nature of Security: Second charge on all current assets, personal guarantee and share pledge of promoters					
ii Unsecured Loans					
a. HDFC Bank - term loan	12.50%	0.20	-	-	10
Nature of Security: Not applicable					
iii Secured Loans					
a. HDFC Bank - term loan	8.25%	1.04	-	-	4
Nature of Security: Government guaranteed under ECLG Scheme					

Note 19 - Long Term Lease Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Arvind Kondangi Lakshmikumar	-	-	7.79
Guruprasad and others	12.40	21.01	26.22
Ilindra Workspace Private Limited	31.68	35.87	39.40
Purushottam and others	4.90	7.54	10.34
Archana Securities Pvt Ltd	3.54	5.25	-
Vasudeva and Nagaraja	13.17	18.16	-
Bhavya J	2.84	-	-
Total	**68.54**	**87.83**	**83.75**

Refer Note 42 for details of the right-of-use assets, reconciliation of lease liabilities and maturity analysis of expected undiscounted cash flows for lease liabilities.

Notes forming part of the Restated Consolidated Financial Statements
(All amounts are in Million of Indian Rupees, unless otherwise stated)

Note 20 - Deferred Tax Assets / Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
The balances comprise temporary differences attributable to:			
Deferred tax liability			
Property, plant and equipment	-	(0.59)	(38.10)
Intangible Asset / Right of Use Asset	(117.04)	(87.43)	(21.59)
Provision for warranty	(6.97)	-	-
Deferred tax asset			
Provision for Compensated Absences and Gratuity	11.70	6.17	2.95
Property, plant and equipment	2.58	-	-
Provision for Expenses	7.55	-	-
Lease liabilities	2.20	1.38	22.85
Deferred tax asset / (liability) Closing Balance	**(99.97)**	**(80.47)**	**(33.89)**
Closing DTA / (DTL) at the year end	(99.97)	(80.47)	(33.89)
Opening DTA / (DTL)	(80.47)	(33.89)	(0.34)
(DTA) / DTL created during the year	**(19.50)**	**(46.58)**	**(33.55)**

Note 21 - Long-term provisions

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Provision for Gratuity	24.94	14.98	6.84
Provision for Compensated absences	15.64	8.29	4.30
Provision - Warranties	147.12	315.51	289.94
Total	**187.70**	**338.79**	**301.08**

Note 22 - Short Term Borrowings

Particulars	March 31, 2026	March 31, 2025	March 31, 2024
Secured Borrowings			
Cash Credit facility/ Working capital demand loan	1,160.64	610.65	641.70
From Banks - Current Maturities of Long Term Loans	-	-	0.41
Less: Ind AS Transaction Cost Adjustment	-	-	-
Total	**1,160.64**	**610.65**	**642.11**
Non Convertible Secured Debentures			
Non Convertible Secured Debentures Nil (2025: 600, 2024: 1000) Non Convertible Debentures of Rs. 0.5 Mn each	-	157.89	166.84
Total	**-**	**157.89**	**166.84**

Refer Note No: 18 For terms and conditions related to Non Convertible Secured Debentures issued by the Company.

Unsecured Borrowings			
From Banks - Current Maturities of Long Term Loans	-	-	1.91
Term loan from Related Parties	-	12.81	-
Total	**-**	**12.81**	**1.91**
Grand Total	**1,160.64**	**781.35**	**810.86**

Particulars of Short term Borrowings

Name of Lender/Type of Loan	Rate of Interest	Monthly Instalments	No. of Instalments Outstanding as of		
			March 31, 2026	March 31, 2025	March 31, 2024
i Unsecured Loans					
a. CEAQ Technologies Pte Ltd (Formerly known as Tonbo Imaging Pte Ltd)	2.00%	NA	-	-	-
ii Secured Loans					
Working capital facilities					
a. India Exim Bank	7.75%	NA	-	-	-
b. HDFC Bank	7.75%	NA	-	-	-
c. Axis Bank	8.50%	NA	-	-	-

Nature of Security:
Axis bank and HDFC facilities: First pari-passu charge by way of hypothecation on the current assets.
Exim Bank facility: First pari-passu charge by way of hypothecation on the current assets and movable fixed assets

Collateral Security / Other Conditions
i. 20% cash margin to be held with respective banks for cash credit / working capital demand loan facilities
ii. Escrow of entire receivables of the borrower pertaining to the project / contract being financed by Exim bank

Note 23 - Short Term Lease Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Arvind Lakshmikumar	-	-	1.48
Guruprasad & Others	7.00	4.45	4.46
ILINDRA Workspace Private Limited	3.38	2.03	0.93
Purushottam & Others	2.15	1.36	0.16
Archana Securities Pvt Ltd	1.39	0.90	-
Vasudeva & Nagaraja	4.05	2.59	-
Bhavya J	0.53	-	-
Total	**18.50**	**11.33**	**7.03**

Refer Note 42 for details of the right-of-use assets, reconciliation of lease liabilities and maturity analysis of expected undiscounted cash flows for lease liabilities.

Note 24 - Trade Payables

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	61.06	22.74	29.59
Total outstanding dues of creditors other than micro enterprises and small enterprises	273.37	188.71	173.86
Total	**334.43**	**211.46**	**203.45**

Trade Payable ageing schedule as at March 31, 2026

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
MSME	61.06	-	-	-	61.06
Others	273.37	-	-	-	273.36
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Sub total	**334.43**	**-**	**-**	**-**	**334.43**
MSME - Undue					-
Others - Undue					-
Total					**334.43**

Notes forming part of the Restated Consolidated Financial Statements
(All amounts are in Million of Indian Rupees, unless otherwise stated)

Trade Payable ageing schedule as at March 31, 2025

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
MSME	22.74	-	-	-	22.74
Others	185.06	3.66	-	-	188.71
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Sub total	**207.80**	**3.66**	**-**	**-**	**211.46**
MSME - Undue					-
Others - Undue					-
Total					**211.46**

Trade Payable ageing schedule as at 31 March 2024

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
MSME	29.59	-	-	-	29.59
Others	173.06	0.80	-	-	173.86
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Sub total	**202.65**	**0.80**	**-**	**-**	**203.45**
MSME - Undue					-
Others - Undue					-
Total					**203.45**

Notes forming part of the Restated Consolidated Financial Statements
(All amounts are in Million of Indian Rupees, unless otherwise stated)

Note 25 - Other Financial Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Related Party			
Security Deposit - CEAQ Technologies Private Limited (Formerly known as Tonbo Imaging Private Limited)	0.90	0.90	1.50
Total	**0.90**	**0.90**	**1.50**

Note 26 - Short term provisions

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Provision for taxes (net of advance taxes paid and refunds receivable)	49.98	35.01	149.04
Provision for Gratuity	4.40	0.39	0.21
Provision for Compensated absences	1.52	0.85	0.38
Provision - Warranties	129.63	103.52	13.03
Total	**185.53**	**139.77**	**162.66**

Note 27 - Other Current Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Advance from Customers	91.22	85.84	290.89
Statutory Liabilities	32.80	20.65	21.76
Other Payables	113.16	603.82	1,375.92
Total	**237.18**	**710.31**	**1,688.57**

Notes forming part of the Restated Consolidated Financial Statements
(All amounts are in Million of Indian Rupees, unless otherwise stated)

Note 28 - Revenue from operations

	For the year ended		
Particulars	**March 31, 2026**	**March 31, 2025**	**March 31, 2024**
Sale of Product			
Export Sales	202.13	3,073.38	2,081.46
Domestic Sales	3,374.65	1,570.44	1,748.62
Other Operating Revenues	49.70	46.98	451.81
Total	**3,626.48**	**4,690.80**	**4,281.89**

Note 29 - Other Income

	For the year ended		
Particulars	**March 31, 2026**	**March 31, 2025**	**March 31, 2024**
Interest Earned	70.80	41.30	33.39
Rental Income	1.43	1.80	3.15
Gain on Settlement of Liabilities	-	8.30	-
Finance Income - Ind AS Impact	0.61	0.64	0.53
Miscellaneous Income	0.07	1.06	-
Total	**72.91**	**53.10**	**37.07**

Note 30 - Cost of Materials Consumed

	For the year ended		
Particulars	**March 31, 2026**	**March 31, 2025**	**March 31, 2024**
Opening Stock of Raw Material	950.26	1,062.66	275.11
Add: Purchases and incidental expenses (Net of returns, claims/discount if any)	2,858.64	2,040.68	2,920.30
Less: Closing Stock of Raw Material	(2,153.36)	(950.26)	(1,062.66)
Total	**1,655.54**	**2,153.09**	**2,132.75**

Note 31 - Changes In Inventories of Finished Goods

	For the year ended		
Particulars	**March 31, 2026**	**March 31, 2025**	**March 31, 2024**
Opening Stock of Finished Goods	161.18	54.20	120.75
Less: Closing Stock of Finished Goods	(41.49)	(161.18)	(54.20)
Total	**119.69**	**(106.98)**	**66.55**

Note 32 - Employee Benefits Expense

	For the year ended		
Particulars	**March 31, 2026**	**March 31, 2025**	**March 31, 2024**
Salaries and bonus	276.79	281.27	109.30
Gratuity (Net of reversal, if any)	11.41	8.23	5.24
Leave Encashment (Net of reversal, if any)	8.58	4.89	3.15
Contribution to Provident and Other Funds	33.08	20.67	8.09
Insurance	14.90	9.21	6.18
Staff Welfare expenses	28.26	17.68	5.89
Expense on ESOP / (Written back)	122.80	102.40	(7.30)
Total	**495.83**	**444.35**	**130.55**

Note 33 - Finance Cost

	For the year ended		
Particulars	**March 31, 2026**	**March 31, 2025**	**March 31, 2024**
Financing Charges to Banks			
Interest Expenses	43.66	125.61	53.96
Bank Charges	8.77	9.56	6.45
Financing Charges to Others			
Financing Charges - Ind AS Impact	53.73	42.25	16.40
Total	**106.16**	**177.42**	**76.81**

Note 34 - Depreciation and Amortisation

	For the year ended		
Particulars	**March 31, 2026**	**March 31, 2025**	**March 31, 2024**
Depreciation			
On Property Plant and Equipment	44.68	19.08	10.05
On Right of Use of Asset	18.81	16.52	9.50
Amortisation			
On Intangible Assets	249.85	230.31	114.40
Total	**313.35**	**265.91**	**133.95**

Note 35 - Other expenses

	For the year ended		
Particulars	**March 31, 2026**	**March 31, 2025**	**March 31, 2024**
Technical Support Services	60.40	115.63	120.26
Rent	7.59	2.12	0.79
Repairs and Maintenance			
- Buildings	23.15	14.98	3.50
- Others	27.81	16.08	7.27
Provision for Warranty / (Write back)	(188.40)	81.49	208.20
Insurance	5.34	2.83	7.78
Rates and Taxes	5.72	4.57	9.02
Electricity and Water	4.78	4.44	1.11
Communication	4.87	2.84	1.33
Travel and Conveyance	160.45	102.46	45.45
Legal and Professional Fees	55.39	40.48	46.74
Freight	11.84	37.83	15.16
Royalty Fees/Technical Know-how	-	-	105.13
Debtors Written off	33.45	190.51	218.21
Provision for Doubtful Debts	0.59	-	-
Consumables	8.80	7.06	2.16
Printing and Stationery	2.65	2.16	2.12
Recruitment and Training	7.46	4.92	1.56
Sales and Marketing expenses	55.71	150.29	25.09
Corporate Social Responsibility	17.26	13.00	6.53
Loss on Disposal of Assets	-	7.95	-
Loss on sale of investment	0.03	-	-
Miscellaneous expenses	4.34	8.02	1.38
Total	**309.24**	**809.70**	**828.80**

Note 36 - Tax Expenses

	For the year ended		
Particulars	**March 31, 2026**	**March 31, 2025**	**March 31, 2024**
Tax Expenses	170.62	218.50	211.50
Deferred Tax Expenses/(Reversal)	20.16	46.58	33.55
MAT Credit	-	-	15.02
Total	**190.80**	**265.08**	**260.07**

Notes forming part of the Restated Consolidated Financial Statements
(All amounts are in Million of Indian Rupees, unless otherwise stated)

Note 37 - Earnings per share (EPS)

Particulars	March 31, 2026	March 31, 2025	March 31, 2024
Net profit/ (loss) for the year attributed to equity shareholders	508.80	727.57	685.43
Number of equity shares used for calculation of basic earnings per share	5,53,77,400	5,43,83,000	1,09,47,200
Number of potential equity shares	19,04,700	28,99,100	3,93,34,900
Earnings per share - Basic (Rs.)	9.19	13.38	62.61
Earnings per share - Diluted (Rs.)	8.88	12.70	13.63
Nominal Value of Equity share per Share (Rs.)	2.00	2.00	2.00

The Basic and Diluted Earnings per Share (EPS) have been computed in accordance with the requirements of Ind AS 33, Earnings per Share as notified under the Companies (Indian Accounting Standard) Rules, 2015.

In accordance with Paragraph 64 of Ind AS 33, the earnings per Share for all the periods presented have been restated retrospectively to reflect the impact of any changes in number of equity shares resulting from the Bonus Issue, Stock Split, Buy back of equity shares, any other similar Capital reorganisation.

These adjustments have been made as if the events had occurred at the beginning of the earliest period presented (i.e., retrospectively adjusted for all comparative periods).

Basic EPS: Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Company by the number of equity shares outstanding at the end of the relevant period, as restated.

Diluted EPS: Diluted earnings per share is calculated by adjusting the earnings and the number of equity shares at the end of the relevant period for the effects of all dilutive potential equity shares such as employee stock options, convertible instruments etc.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the number of shares outstanding at the end of the relevant period are adjusted for the effects of all dilutive potential equity shares. In case of compulsorily convertible preference shares, the equity shares issuable upon conversion are included in the calculation of basic earnings per share upon such conversion of shares.

Also the following events have been considered for calculating the earnings per share:

i. Conversion of the Series A, Series B, Series B1, Series C and Series C1 CCPS at ratios 1:1, 1:1, 1:0.7244, 1:0.7278 and 1:0.6911 respectively pursuant to resolutions of the Board of Directors dated March 27, 2025.

ii. Buy back of 160,451 Equity Shares bearing face value of Rs. 10 each on June 26, 2025 pursuant to a resolution of the Board of Directors dated May 29, 2025 and a resolution of the shareholders dated May 29, 2025.

iii. Bonus issuance of 19:1 new shares per Equity Share, pursuant to a resolution of the Board of Directors dated June 30, 2025 and a resolution of the shareholders dated June 30, 2025.

iv. Sub-division of the Equity Shares bearing face value of Rs. 10 each into five Equity Shares bearing face value of Rs. 2 each pursuant to a resolution of the Board of Directors dated September 16, 2025 and a resolution of the Shareholders dated September 16, 2025.

The impact of the above are retrospectively considered for the computation of earnings per Equity Share of face value of Rs. 2 each (basic and diluted) as per the requirement / principles of Ind AS 33, as applicable. The earnings per Equity Share of face value of Rs. 2 each (basic and diluted) has been calculated for all periods presented after giving effect to such conversion, buy back, bonus issuance and sub-division in accordance with applicable accounting standards.

Note 38 - Employee Benefits

The Group has the following post-employment benefit plans:

I. Defined Contribution Plan

Contribution to defined contribution plan recognised as expense for the year is as under:

The Group's contributions to provident fund, pension scheme and employee state insurance scheme are made to the relevant government authorities as per the prescribed rules and regulations. The Group's contributions to the above defined contribution plans are recognised as employee benefit expenses, the employee contribution normally based on a certain proportion of the employee's salary and are recognised in the statement of profit and loss for the year in which they are due.

The Group's contribution to provident, pension, superannuation funds and to employees state insurance scheme as stated in the below table has been recognised in the statement of profit and loss under the head employee benefits expense [Refer Note 32]

Rs. in Million

Particulars	March 31, 2026	March 31, 2025	March 31, 2024
Contributions to provident fund and other funds	33.08	20.67	8.09

Note 38 - Employee Benefits (contd)

II. Defined Benefit Plan - Gratuity:

The Company offers gratuity plan for its qualified employees which is payable as per the requirements of Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Characteristics of defined benefit plans and risks associated with them:

Valuation of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit plans which are as follows:

A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption then the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Group there can be strain on the cashflows.

D. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to a decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

(i) The following tables set out the status of Compensated Absence benefit:

	Particulars	Compensated Absence		
		31-Mar-26	31-Mar-25	31-Mar-24
a	**Statement of profit and loss**			
	Current Service cost	8.58	4.89	3.15
	Interest cost (net)	-	-	-
	Immediate Recognition of (Gain)/Losses	-	-	-
	Net benefit expense	**8.58**	**4.89**	**3.15**

Note 38 - Employee Benefits (contd)

Particulars	Compensated Absence		
	31-Mar-26	31-Mar-25	31-Mar-24
b Balance Sheet			
Defined benefit obligations	(17.15)	(9.14)	(4.68)
Fair value of plan assets	-	-	-
Net plan liability	**(17.15)**	**(9.14)**	**(4.68)**
[Surplus/(Deficit)]			
Current defined benefit obligations	(1.52)	(0.85)	(0.38)
Non-current defined benefit obligations	(15.63)	(8.29)	(4.30)
c Changes in present value of the defined benefit obligations are as follows:			
Opening defined benefit obligations	(9.14)	(4.68)	(1.97)
Current service cost	(8.58)	(4.89)	(3.15)
Interest cost	-	-	-
Re-measurement gains (losses) in OCI	-	-	-
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	-	-	-
Experience adjustments	-	-	-
Benefits paid	0.56	0.44	0.43
Closing defined benefit obligations	**(17.15)**	**(9.14)**	**(4.68)**

d The principal assumptions used in determining Compensated Absence for the Company are shown below:

Discount rate	7.53%	7.13%	7.23%
Estimated Rate of salary increases	10.00%	10.00%	10.00%
Attrition Rate	9.00%	9.00%	9.00%
Expected rate of return on assets	0.00%	0.00%	0.00%

We understand that level of inflation, career promotions, productivity gains and other relevant factors, such as supply and demand in the employment market are factored in the assumption of future salary increases.
No allowance has been made for discretionary payments in the assumptions as the company has not notified such practices

Particulars	Compensated Absence		
	31-Mar-26	31-Mar-25	31-Mar-24
Discount Rate			
Impact of increase	-13.50%	-12.91%	-12.84%
Impact of decrease	16.97%	16.13%	16.14%
Salary Escalation Rate			
Impact of increase	15.98%	15.10%	15.08%
Impact of decrease	-13.00%	-12.36%	-12.26%
Mortality Rate	-0.19%	0.15%	-0.14%
Attrition Rate			
Impact of increase	-4.46%	-4.40%	-4.34%
Impact of decrease	4.87%	5.01%	4.99%

P.U.C method has been used. If an employee's service in later years will lead to a materially higher level of benefit than in earlier years, these benefits are attributed on a straight-line basis. The limitations are that in assessing the change other parameters are kept constant. As some of the assumptions may be correlated, it is unlikely that changes in assumptions will occur in isolation of one another.

There is no change from the previous period in the methods and assumptions used in the preparation of above analysis, except that the base rates have changed.

Note 38 - Employee Benefits (contd)

e The defined benefit obligations are expected to mature after March 31, 2026 as follows:

	Compensated Absence	
Year ended March 31,	**PV**	**Actual Value**
2027	0.72	0.78
2028	0.67	0.78
2029	0.60	0.75
2030	1.02	1.49
2031	0.50	0.72
Thereafter	2.92	5.73

(ii) The following tables set out the status of the Gratuity benefit

Particulars	**Gratuity**		
	31-Mar-26	**31-Mar-25**	**31-Mar-24**
a Statement of profit and loss			
Current Service cost	11.79	7.77	2.61
Interest cost (net)	1.09	0.50	0.25
Immediate Recognition of (Gain)/Losses	-	-	-
Net benefit expense	12.88	**8.27**	**2.86**
b Balance Sheet			
Defined benefit obligations	(29.34)	(15.36)	(7.05)
Fair value of plan assets	24.94	14.98	-
Net plan liability	**(4.40)**	**(0.38)**	**(7.05)**
[Surplus/(Deficit)]			
Current defined benefit obligations	(4.40)	(0.38)	(0.21)
Non-current defined benefit obligations	-	-	(6.84)

c Changes in present value of the defined benefit obligations are as follows:

Particulars	**Gratuity**		
	31-Mar-26	**31-Mar-25**	**31-Mar-24**
Opening defined benefit obligations	(15.37)	(7.05)	(3.71)
Current service cost	(11.79)	(7.77)	(2.61)
Interest cost	(1.09)	(0.50)	(0.25)
Re-measurement gains (losses) in OCI	(1.13)	(0.24)	(1.37)
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	-	-	-
Experience adjustments	-	-	-
Benefits paid	0.03	0.19	0.89
Closing defined benefit obligations	**(29.34)**	**(15.37)**	**(7.05)**

d Changes in fair value of the plan assets are as follows:

Particulars	**Gratuity**		
	31-Mar-26	**31-Mar-25**	**31-Mar-24**
Opening fair value of plan assets	14.98	-	-
Interest income	1.42	0.52	-
Contributions	10.03	14.79	-
Re-measurement gains (losses) in OCI	(1.47)	(0.14)	-
Benefits paid	(0.03)	(0.19)	-
Closing fair value of plan assets	**24.94**	**14.98**	**-**

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

e The principal assumptions used in determining Gratuity for the Company are shown below:

Particulars	Gratuity		
	31-Mar-26	31-Mar-25	31-Mar-24
Discount rate	7.53%	7.13%	7.23%
Estimated Rate of salary increases	10.00%	10%	10%
Attrition Rate	9.00%	9%	9%
Expected rate of return on assets	7.13%	7.23%	0%

We understand that level of inflation, career promotions, productivity gains and other relevant factors, such as supply and demand in the employment market are factored in the assumption of future salary increases.
No allowance has been made for discretionary payments in the assumptions as the company has not notified such practices

Particulars	Gratuity		
	31-Mar-26	31-Mar-25	31-Mar-24
Discount Rate			
Impact of increase	-13.00%	-12.97%	-12.86%
Impact of decrease	16.05%	15.98%	15.93%
Salary Escalation Rate			
Impact of increase	10.52%	12.06%	10.33%
Impact of decrease	-10.06%	-10.54%	-9.68%
Mortality Rate	**0.08%**	0.09%	-0.08%
Attrition Rate			
Impact of increase	-3.54%	-4.27%	-3.79%
Impact of decrease	2.16%	4.77%	4.27%

P.U.C method has been used. If an employee's service in later years will lead to a materially higher level of benefit than in earlier years, these benefits are attributed on a straight-line basis. The limitations are that in assessing the change other parameters are kept constant. As some of the assumptions may be correlated, it is unlikely that changes in assumptions will occur in isolation of one another.

There is no change from the previous period in the methods and assumptions used in the preparation of above analysis, except that the base rates have changed.

f The defined benefit obligations are expected to mature after March 31, 2026 as follows:

	Gratuity	
Year ending March 31,	PV	Actual Value
2027	0.48	0.51
2028	0.53	0.59
2029	0.40	0.47
2030	1.02	1.24
2031	0.37	0.48
Thereafter	3.29	4.95

Weighted average duration for the payment of these cash flows is as per table below:

Particulars	31-Mar-26	31-Mar-25	31-Mar-24
Weighted average duration (in years)	20.68	20.29	19.83

Notes forming part of the Restated Consolidated Financial Statements

(All amounts are in Million of Indian Rupees, unless otherwise stated)

Note 39 - Provision for warranties

Particulars	31-Mar-26	31-Mar-25	31-Mar-24
Provision for warranties at the beginning of the year	419.04	302.97	83.31
Add: Provisions created during the year	192.23	362.50	299.79
Less: Write back of provisions during the year	(334.51)	(246.43)	(80.13)
Provision for warranties at the end of the year	**276.75**	**419.04**	**302.97**

Nature of Obligation and Expected Timing of Outflows

The Company provides warranties for its products sold, under contractual terms and conditions. The warranty provision represents management's best estimate of the expenditure required to settle the Company's obligation for repair and/or replacement of products already sold as at the reporting date.

The provision has been estimated based on historical claim trends, technical evaluation of products, nature and frequency of defects, estimated rectification costs and management's experience of warranty claims.

The Company reassesses the adequacy of the warranty provision at each reporting date and adjusts the provision to reflect the current best estimate. Revisions to estimates are recognised in the Statement of Profit and Loss in the period in which such changes are identified.

The timing of outflows is generally expected to arise within the standard warranty period ranging from 12 to 60 months from the date of sale. However, the actual timing and amount of expenditure may vary depending on the nature of defects identified and the extent of corrective actions required.

There are inherent uncertainties in estimating warranty provisions, particularly relating to:

i. frequency and nature of product failures;
ii. future repair and replacement costs;
iii. technological and engineering assessments;
iv. customer usage patterns and operating conditions; and
v. effectiveness of corrective actions undertaken by the Company.

Based on information currently available, management believes that the provision recognised is adequate to meet future warranty obligations.

Note 40 - Contingent Liabilities and Capital Commitments

Particulars	March 31, 2026	March 31, 2025	March 31, 2024
Contingent Liabilities			
a) Bank Guarantees	687.12	468.60	426.77
Commitments			
a) Capital Commitments	23.70	9.47	12.50
b) Other Commitments (expenditure related to contractual commitments apart from capital commitments)	1,597.16	615.36	824.49

**To the extent quantifiable and ascertainable*

The Company has not provided for the following Contingent Liabilities:

Name of the Statute	Amount	Period to which it relates	Forum where Dispute is
Goods and Services Tax Act, 2017	5.78	2018-19	J&K State High Court
Goods and Services Tax Act, 2017	2.54	FY 2017 - FY 2022	Commissioner of CGST Appeal

Considering the facts and nature of the transaction, the Company believes that the final outcome of the above dispute should be in favour of the Company and there should not be any material adverse impact on the financial statement.

Note 41 - Segment Reporting

Operating Segments

The Company is engaged in a single line of business of vision technology based products and solutions and operates from a single geographical location (Bangalore, India). The Chief Business and Revenue Officer monitors the business as a whole for the purposes of making decisions on resource allocation and performance assessment.

Accordingly, the Company has only one reportable segment, and the segment reporting requirements under IND AS 108 – Operating Segments are not applicable beyond the entity-wide disclosures presented below.

A. Revenue from External Customers by geographical location

Geography	31-Mar-26	31-Mar-25	31-Mar-24
India (Domestic)	3,374.65	1,570.44	1,748.62
Outside India (Exports)	202.13	3,073.38	2,081.46
	3,576.78	**4,643.82**	**3,830.08**

B. Information About Non-Current Assets

Non-current assets (excluding financial instruments, deferred tax assets, and post-employment benefit assets) by geographical location is as follows:

Geography	31-Mar-26	31-Mar-25	31-Mar-24
India	2,569.54	2,653.38	2,115.60
Outside India	139.92	152.26	-
	2,709.46	**2,805.63**	**2,115.60**

C. Information About Major Customers

Revenue from major customers (in excess of 10% of revenues) is as under. This revenue pertains to the Company's primary service offerings in vision technology based products and solutions.

Particulars	31-Mar-26	31-Mar-25	31-Mar-24
Revenue from major customers	982.07	3,373.09	2,344.62
Percentage	27.46%	72.64%	61.22%
No of Customers	Two	Two	Two

D. Information About Product Category

Product Category	31-Mar-26	31-Mar-25	31-Mar-24
Tactical	2,116.75	3,622.96	3,592.69
Platform	1,448.08	1,010.53	127.00
Others	11.95	10.33	110.39
	3,576.78	**4,643.82**	**3,830.08**

Notes forming part of the Restated Consolidated Financial Statements

(All amounts are in Million of Indian Rupees, unless otherwise stated)

Note 42 Leases (Right to Use of Assets)

Group as a Lessee

The Group's significant leasing arrangements are in respect of buildings and office premises taken on lease and license basis.

The Group has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU assets at its carrying amount. The weighted average incremental borrowing rate applied to lease liabilities - Highest is 7.25 and Lowest is 7.10

The details of the right-of-use assets held by the Company are as follows:

Leasehold land Buildings	**31-Mar-26**	**31-Mar-25**	**31-Mar-24**
Opening Balance	90.69	85.77	32.93
Additions	3.87	29.25	62.34
Derecognition	-	7.81	-
Depreciation for the year	18.81	16.52	9.50
Closing Balance	**75.74**	**90.69**	**85.77**

The reconciliation of lease liabilities for the year ended is as follows:

Particulars	**31-Mar-26**	**31-Mar-25**	**31-Mar-24**
Balance at the beginning of the year	99.17	90.78	35.14
Additions	3.87	29.25	62.34
Amounts recognized in the statement of profit and loss as Finance Charges	6.97	7.12	4.37
Payment of lease liabilities	(22.98)	(19.68)	(11.07)
Deduction/ Reversal during the year	-	(8.30)	-
Translation exchange differences	-	-	-
Balance as at end of the year	**87.03**	**99.17**	**90.78**

The lease rental expense relating to short-term leases recognized in the statement of profit and loss for the year amounted to Rs. 2.79 Million (2025: 1.54 Million, 2024 : Rs. 0.71 Million)

The following table presents a maturity analysis of expected undiscounted cash flows for lease liabilities:

Particulars	**31-Mar-26**	**31-Mar-25**	**31-Mar-24**
Within one year	18.50	15.52	8.40
One to two years	21.06	17.96	15.52
Two to three years	18.90	20.45	17.96
Three to five years	8.64	18.20	20.45
Thereafter	19.93	27.04	28.45
Total lease liabilities	**87.03**	**99.17**	**90.78**

The break-up of current and non-current lease liabilities is as follows:

Particulars	**31-Mar-26**	**31-Mar-25**	**31-Mar-24**
Current Lease Liabilities	18.50	11.33	7.03
Non Current Lease Liabilities	68.53	87.84	83.75
Total	**87.03**	**99.17**	**90.78**

Certain lease agreements include options to terminate or extend the leases. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Notes forming part of the Restated Consolidated Financial Statements

(All amounts are in Million of Indian Rupees, unless otherwise stated)

Note 43 - Financial Instruments

The Group's financial liabilities mainly comprise loans and borrowings, lease liabilities, money related to capital expenditures, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets comprise mainly of investments, deposits, cash and cash equivalents, other balances with banks, trade and other receivables that derive directly from its business operations.

A. Financial Assets and Liabilities

As at March 31, 2026

Particulars	Fair value through profit and loss	Fair value through other comprehensive income	Amortized cost	Total carrying value
Financial assets				
Trade receivables (including unbilled)	-	-	2,116.63	2,116.63
Cash and cash equivalents	-	-	161.79	161.79
Other bank balances	-	-	224.53	224.53
Loans	-	-	7.26	7.26
Others	-	-	685.13	685.13
Total	**-**	**-**	**3,195.34**	**3,195.34**
Financial liabilities				
Borrowings	-	-	1,160.64	1,160.64
Lease liabilities	-	-	87.03	87.03
Trade payables (including unbilled and accruals)	-	-	334.43	334.43
Others	-	-	0.90	0.90
Total	**-**	**-**	**1,583.00**	**1,583.00**

As at March 31, 2025

Particulars	Fair value through profit and loss	Fair value through other comprehensive income	Amortized cost	Total carrying value
Financial assets				
Trade receivables (including unbilled)	-	-	2,103.12	2,103.12
Cash and cash equivalents	-	-	1,009.72	1,009.72
Other bank balances	-	-	9.52	9.52
Loans	-	-	4.34	4.34
Others	-	-	798.47	798.47
Total	**-**	**-**	**3,925.17**	**3,925.17**
Financial liabilities				
Borrowings	-	-	781.35	781.35
Lease liabilities	-	-	99.16	99.16
Trade payables (including unbilled and accruals)	-	-	211.45	211.45
Others	-	-	0.90	0.90
Total	**-**	**-**	**1,092.86**	**1,092.86**

Note 43 - Financial Instruments (Contd)

As at March 31, 2024

Particulars	Fair value through profit and loss	Fair value through other comprehensive income	Amortized cost	Total carrying value
Financial assets				
Trade receivables (including unbilled)	-	-	936.43	936.43
Cash and cash equivalents	-	-	856.74	856.74
Other bank balances	-	-	299.99	299.99
Loans	-	-	5.45	5.45
Others	-	-	148.48	148.48
Total	**-**	**-**	**2,247.09**	**2,247.09**
Financial liabilities				
Borrowings	-	-	963.58	963.58
Lease liabilities	-	-	90.78	90.78
Trade payables (including unbilled and accruals)	-	-	203.44	203.44
Others	-	-	1.50	1.50
Total	**-**	**-**	**1,259.30**	**1,259.30**

B. Fair Value Hierarchy of Financial Instruments

March 31, 2026

Particulars	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Rental Deposit	-	9.18	-	9.18
Long Term Deposit	-	0.12	-	0.12
	-	**9.29**	**-**	**9.29**
Financial liabilities				
Lease liabilities	-	87.03	-	87.03
Total	**-**	**87.03**	**-**	**87.03**

As at March 31, 2025

Particulars	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Rental Deposit	-	10.85	-	10.85
Long Term Deposit	-	0.07	-	0.07
Total	**-**	**10.92**	**-**	**10.92**
Financial liabilities				
Lease liabilities	-	99.16	-	99.16
Total	**-**	**99.16**	**-**	**99.16**

Note 43 - Financial Instruments (Contd)

As at March 31, 2024

Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Rental Deposit	-	5.66	-	5.66
Long Term Deposit	-	-	-	-
Total	**-**	**5.66**	**-**	**5.66**
Financial liabilities				
Lease liabilities	-	90.78	-	90.78
Total	**-**	**90.78**	**-**	**90.79**

The fair values have been determined using discounted cash flow techniques using observable market-based discount rates and accordingly have been classified as Level 2.

The fair values of security deposits, lease liabilities and other long-term financial instruments have been determined using discounted cash flow techniques. Significant inputs used in the valuation include market borrowing rates and discount rates that are observable in the market. Accordingly, these instruments have been classified under Level 2 of the fair value hierarchy.

The carrying amounts of cash and cash equivalents, bank balances, trade receivables, trade payables and other current financial assets and liabilities approximate their fair values due to the short-term maturities of these instruments and therefore separate fair value hierarchy disclosures have not been presented

(i) Fair value hierarchy

The fair value of financial instruments is categorized into three levels based on the inputs used in the valuation techniques, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and other market-observable inputs such as interest rates, yield curves, credit spreads and foreign exchange rates.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). These inputs reflect the assumptions that market participants would use in pricing the asset or liability and are developed based on the best information available in the circumstances.

The Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization at the end of each reporting period.

The carrying amounts of cash and cash equivalents, bank balances, trade receivables, trade payables and other current financial assets and liabilities approximate their fair values due to the short-term nature of these instruments.

Notes forming part of the Restated Consolidated Financial Statements
(All amounts are in Million of Indian Rupees, unless otherwise stated)

Note 44 - Financial Risk Management

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board has established the key management personnel, who are responsible for developing and monitoring the Group's risk management policies. The key management personnel hold regular meetings and report to the board on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The board of directors oversee how key management personnel monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

This note explains the sources of risk which the Group is exposed to and how the Group manages the risk.

Exposure arising from	Risk	Measurement	Management of risk
Cash and cash equivalents, loans, Financial assets measured at amortized cost.	Credit risk	Aging analysis	Diversification of funds to bank deposits, Liquid funds and Regular monitoring of credit limits.
Borrowings and other liabilities	Liquidity risk	Rolling Cash flow forecasts	Availability of surplus cash, committed credit lines and borrowing facilities
Borrowed fund at Interest Rate	Market risk	Cash flow forecasting Sensitivity analysis	Regular monitoring to keep the net exposure at an acceptable level.

A. Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks

The Group measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Financial instruments that are subject to concentration of credit risk principally consist of trade receivables, investments, derivative financial instruments and other financial assets. None of the financial instruments of the Company results in material concentration of credit risk

i) Cash and Cash Equivalents

Credit risk on cash and cash equivalents and other deposits with banks is limited as the Company generally invests in deposits with banks with high credit ratings assigned by external credit rating agencies; accordingly the Company considers that the related credit risk is low.

ii) Trade receivables

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rate reflecting future economic conditions. In this approach assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

A. Credit risk (contd.)

Key assumptions

a) Customers are primarily Central / State Government defence organisations including public sector undertakings.
b) Low default risk, but high delay risk
c) Losses arise mainly from:
i. Disputes / deductions
ii. Contractual penalties
iii. Documentation issues

Provision Matrix

The expected credit loss is estimated using a provision matrix based on historical credit loss experience adjusted for forward-looking

Ageing	ECL %
0 - 180 days	0%
181 - 365 days	1%
1 - 2 years	2.50%
above 2 years	5%

Significant Assumptions

a) Historical loss rates are based on past 5 years data
b) Disputes/deduction based on contractual penalties
c) Forward-looking adjustments include:
i. Budget allocation trends in defence sector
ii. Payment cycle delays
d) No significant defaults observed historically

Write-off Policy

Receivables are written off when:
a) There is no reasonable expectation of recovery
b) Matter is concluded legally or contractually

Concentration of Credit Risk

The Company has significant concentration of credit risk towards Government entities; however, the risk is mitigated due to the

iii) Other financial assets:

Other financial assets are tested for impairment and expected credit losses are measured at an amount equal to 12 month expected credit loss. If the credit risk on the financial asset has increased significantly since initial recognition, then the expected credit losses are measured at an amount equal to life-time expected credit loss.

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors monthly rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried in accordance with standard guidelines. The Company has liquidity reserves in the form of highly liquid assets in the form of cash and cash equivalent, deposit accounts, etc.

C.Market risk

Market risk is the risk arising from changes in market prices such as interest rates will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including long term debt. The Group is exposed to market risk primarily related to Interest Rate Risk, Currency Risk and the Other prices Risk and the market value of the investments. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities.

D.Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, USD being its prime foreign currency. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

i) Foreign currency risk exposure

The following foreign currency exposures have not been hedged by derivative instruments or otherwise at the balance sheet date:

Nature of Exposure:	Currency	March 31, 2026		March 31, 2025		March 31, 2024	
		In Foreign Currency (Million)	In Rs. Million	In Foreign Currency (Million)	In Rs. Million	In Foreign Currency (Million)	In Rs. Million
Receivables in foreign currency							
- Trade Receivables	USD	0.64	59.92	16.42	1,403.54	6.42	535.26
- Trade Receivables	EUR	-	-	0.51	46.75	-	-
- Advances to Suppliers	USD	0.53	50.47	0.05	4.44	1.11	92.21
- Advances to Suppliers	EUR	0.03	2.96	0.08	7.64	0.03	2.49
- Advances to Suppliers	CHF	-	-	-	-	0.05	4.95
- Advances to Suppliers	GBP	-	-	-	-	0.00	0.30
- Other Advances	USD	-	-	0.00	0.05	-	-
	USD	**1.17**	**110.39**	**16.47**	**1,408.03**	**7.53**	**627.47**
	EUR	**0.03**	**2.96**	**0.59**	**54.40**	**0.03**	**2.49**
	CHF	**-**	**-**	**-**	**-**	**0.05**	**4.95**
	GBP	**-**	**-**	**-**	**-**	**0.00**	**0.30**
Payables in foreign currency							
-Trade payables	USD	1.26	119.01	0.70	59.41	0.37	30.87
-Trade payables	EUR	0.13	14.06	0.02	2.15	0.07	6.07
-Trade payables	GBP	0.00	0.06	-	-	-	-
- Other Payables	USD	-	-	5.07	433.42	15.85	1,320.94
- Advances from Customers	USD	0.85	79.76	0.16	13.41	0.13	10.57
- Advances from Customers	EUR	-	-	0.01	0.63	0.11	10.35
	USD	**2.10**	**198.78**	**5.92**	**506.24**	**16.35**	**1,362.38**
	EUR	**0.13**	**14.06**	**0.03**	**2.78**	**0.18**	**16.41**
	GBP	**0.00**	**0.06**	**-**	**-**	**-**	**-**

Note 44 - Financial Risk Management (contd)

Sensitivity

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

	Impact on profit after tax		
Particulars	**31-Mar-26**	**31-Mar-25**	**31-Mar-24**
USD Sensitivity			
INR/USD - Increase by 2 % (2025, 2024 - 2%)*	1.76	18.04	(14.70)
INR/USD - Decrease by 2 % (2025, 2024 - 2%)*	(1.76)	(18.04)	14.70
EURO Sensitivity	-	-	-
INR/EURO - Increase by 2 % (2025, 2024 - 2%)*	0.22	1.03	(0.28)
INR/EURO - Decrease by 2 % (2025, 2024 - 2%)*	(0.22)	(1.03)	0.28
CHF Sensitivity	-	-	-
INR/CHF - Increase by 2 % (2025, 2024 - 2%)*	-	-	0.10
INR/CHF - Decrease by 2 % (2025, 2024 - 2%)*	-	-	(0.10)
GBP Sensitivity	-	-	-
INR/GBP - Increase by 2 % (2025, 2024 - 2%)*	0.00	-	0.01
INR/GBP - Decrease by 2 % (2025, 2024 - 2%)*	(0.00)	-	(0.01)

* Holding all other variable constant

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates and investments. However the Group does not have any borrowings with floating rate of interest.

All of the Group's borrowings are on a fixed rate of interest. The Group has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR). The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term credit lines besides internal accruals.

The exposures of the Group's financial liabilities at the end of the reporting period are as follows:

Particulars	**31-Mar-26**	**31-Mar-25**	**31-Mar-24**
Fixed Rate Borrowings	1,160.64	781.35	963.58
Floating Rate Borrowings	-	-	-

Other Price Risk

Other Price Risk is the Risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. The Company is exposed to price risk arising mainly from investments in equity/equity-oriented instruments recognized at FVTPL/FVTOCI.

Note 44 - Financial Risk Management (contd)

Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks

The Group measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Financial instruments that are subject to concentration of credit risk principally consist of trade receivables, investments, derivative financial instruments and other financial assets. None of the financial instruments of the Company results in material concentration of credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and other Financial assets measured at amortized cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets. (i) Low credit risk, (ii) Moderate credit risk, (iii) High credit risk.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Financial assets (other than trade receivables) that expose the entity to credit risk are managed and categorized as follows:

Basis of categorisation	Asset class exposed to credit	Provision for expected credit loss
Low credit risk	Cash and cash Equivalents, other bank balances, loans and . other financial assets	12 month expected credit loss
Moderate credit risk	other financial assets	12 month expected credit loss, unless credit risk has increased significantly since initial recognition, in which case allowance is measured at life time expected credit loss
High credit risk	other financial assets	Life time expected credit loss (when there is significant deterioration) or specific provision whichever is higher

Note 44 - Financial Risk Management (contd)

Credit Risk

Financial assets (other than trade receivables) that expose the entity to credit risk (Gross exposure):

Particulars	31-Mar-26	31-Mar-25	31-Mar-24
Low Credit Risk			
Cash and cash equivalents	161.79	1,009.72	856.74
Bank Balances other than above	224.53	9.52	299.99
Loans	7.26	4.34	5.45
Other Financial Assets	78.08	4.84	6.40
Moderate Credit Risk			
Other Financial Assets	1.14	0.66	-
Higher Credit Risk	-	-	-
Total	**472.80**	**1,029.08**	**1,168.58**

(i) Cash and cash equivalent and bank balance:

Credit risk on cash and cash equivalents and other deposits with banks is limited as the Company generally invests in deposits with banks with high credit ratings assigned by external credit rating agencies; accordingly the Company considers that the related credit risk is low. Credit risk related to cash and cash equivalents and bank balance is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

(ii) Other financial assets measured at amortized cost:

Other financial assets measured at amortized cost includes Security Deposit to various authorities, Loans to staff and other receivables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

(iii) Trade receivables:

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rate reflecting future economic conditions. In this approach assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

The Company expects to realise all the receivables in full, accordingly no provision has been made in the books of account.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors monthly rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried in accordance with standard guidelines. The Company has liquidity reserves in the form of highly liquid assets in the form of cash and cash equivalent, deposit accounts, etc.

Note 44 - Financial Risk Management (contd)

Liquidity Risk

i. Financing arrangements:

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	31-Mar-26	31-Mar-25	31-Mar-24
Expiring within One Year			
-Non Convertible Secured Debentures	-	-	100.00
-Cash Credit Facility	554.32	779.30	1,820.00
Expiring beyond One Year	-	-	-

The cash credit and other facilities may be drawn at any time and may be terminated by the bank without notice.

ii. Maturities of Financial Liabilities:

The tables below analyse the Company's financial liabilities into relevant maturity based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant as per the table below:

Maturity Table of Financial Liabilities

As at March 31, 2026

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
Borrowings (including current maturities of non-current	1,160.64	-	-	-	1,160.64
Less: IND AS Effect	-	-	-	-	-
Total Borrowings	**1,160.64**	**-**	**-**	**-**	**1,160.64**
Trade payables	334.43	-	-	-	334.43
Other financial liabilities	0.90	-	-	-	0.90
Total	**1,495.97**	**-**	**-**	**-**	**1,495.97**

As at March 31, 2025

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
Borrowings (including current maturities of non-current borrowing and excluding lease liabilities)	781.35	-	-	-	781.35
Less: IND AS Effect	-	-	-	-	-
Total	**781.35**	**-**	**-**	**-**	**781.35**
Trade payables	207.80	3.66			211.46
Other financial liabilities	0.90				0.90
Total	**990.05**	**3.66**	**-**	**-**	**993.72**

Note 44 - Financial Risk Management (contd)

As at March 31, 2024

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
Borrowings (including current maturities of non-current borrowing and excluding lease liabilities)	810.86	152.72	-	-	963.58
Less: IND AS effect	(7.32)	-	-	-	(7.32)
Borrowings	803.54	152.72	-	-	956.26
Trade payables	203.44	-	-	-	203.44
Other financial liabilities	1.50	-	-	-	1.50
Total	**1,008.48**	**152.72**	**-**	**-**	**1,161.21**

Capital Management

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern, to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet. Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company manages its capital on the basis of Net Debt to Equity Ratio which is Net Debt (Total Borrowings net of Cash and Cash Equivalents and Term Deposits) divided by total equity

Particulars	31-Mar-26	31-Mar-25	31-Mar-24
Total Borrowings	1,160.64	781.35	963.58
Less: Cash and Cash Equivalents	(161.79)	(1,009.72)	(856.74)
Less: Other bank balances	(224.53)	(9.52)	(299.99)
Less: Term Deposit with maturity of more than 12 months	(596.51)	(782.02)	(136.41)
Net Debt (A)	**177.80**	**(1,019.91)**	**(329.55)**
Total Equity (B)	5,531.59	4,901.38	2,301.30
Capital Gearing Ratio (A/B)	**0.03**	**(0.21)**	**(0.14)**

The Company has complied with the covenants as per the terms and conditions of the major borrowing facilities throughout the Reporting Period.

Note 45 - Events occurring after the Balance sheet Date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements.

There has been no material development subsequent to March 31, 2026, that will have an impact on the Restated Consolidated Financial Information.

Notes forming part of the Restated Consolidated Financial Statements
(All amounts are in Million of Indian Rupees, unless otherwise stated)

Note 46 - Related Party Disclosures

A. Names of related parties and description of relationship

Name of Related Party	Description of Relationship
Tonbo LLC, Armenia (w.e.f - September 3, 2024)	Wholly owned Subsidiary
Tonbo Systems Pty Ltd., Australia (w.e.f - July 10, 2024)	Wholly owned Subsidiary
CEAQ Technologies Pte Ltd (Formerly known as Tonbo Imaging Pte Ltd)	Enterprise having Substantial Interest
CEAQ Technologies Private Limited (Formerly known as Tonbo Imaging Private Limited)	Subsidiary of Enterprise having Substantial Interest
UAB Tonbo Imaging, Lithuania	Subsidiary of Enterprise having Substantial Interest
HBL Engineering Limited (w.e.f - April 11, 2023)	Investing company
Arvind Kondangi Lakshmikumar	Managing Director
Ankit Kumar	Director
Cecilia D'Souza	Director
Aram Dolkhanyan	Director of a Subsidiary

B. Summary of transactions during the year with related parties

Name of Related Party	Nature of transactions	31-Mar-26	31-Mar-25	31-Mar-24
Transactions with the related parties, which are eliminated on consolidation				
a. Tonbo LLC to Tonbo Imaging India Limited	Services - Payable	10.87	8.08	-
	Balances outstanding at the year end - Payable	-	-	-
b.Tonbo Systems Pty Ltd to Tonbo Imaging India Limited	Sales	11.51	-	-
	Services - Payable	26.48	-	-
	Purchases of Project Material / Equipment	0.25	-	-
	Balances outstanding at the year end - Receivable	9.11	-	-
Enterprise having Substantial Interest				
c. CEAQ Technologies Pte Ltd (Formerly known as Tonbo Imaging Pte Ltd)	Sales	0.42	0.25	-
	Purchases of Project Material / Equipment	789.80	439.79	488.23
	Purchases of Intangible Assets	70.98	-	1,831.91
	Services - Payable	0.21	80.00	105.13
	Reimbursement of expenses - payable	11.30	-	-
	Loan availed	9.01	12.83	-
	Balances outstanding at the year end - Payable	101.51	425.20	1,246.30

B. Summary of transactions during the year with related parties (contd)

Name of Related Party	Nature of transactions	31-Mar-26	31-Mar-25	31-Mar-24
Subsidiary of Enterprise having Substantial Interest				
d. CEAQ Technologies Private Limited (Formerly known as Tonbo Imaging Private Limited)	Sales	-	-	5.31
	Reimbursement of expenses - receivable	-	-	2.21
	Reimbursement of expenses - payable	-	16.00	0.55
	Purchases of Project Material / Equipment	-	-	41.78
	Software / Technical support - payable	6.25	106.83	103.42
	Sublease rentals - receivable	1.43	1.80	3.15
	Balances outstanding at the year end - Receivable	0.04	-	108.07
	Balances outstanding at the year end - Payable	-	76.99	-
e. UAB Tonbo Imaging, Lithuania	Purchases of Project Material / Equipment	-	-	153.06
	Balances outstanding at the year end - Payable	-	-	0.38
Investing Company				
f. HBL Engineering Limited	Sales	-	-	416.78
	Reimbursement of expenses - payable	-	-	2.53
	Purchases of Project Material / Equipment	-	-	684.16
	Services - Payable	-	-	1.80
	Balances outstanding at the year end - Receivable	-	0.41	0.41
g. Managerial Personnel				
i. Arvind Kondangi Lakshmikumar	Service and Other Payable	2.10	2.10	1.75
	Managerial Remuneration	10.04	-	-
ii. Cecilia D'Souza	Managerial Remuneration	13.89	13.87	1.22
iii. Ankit Kumar	Managerial Remuneration	28.14	-	-
iv. Aram Dolkhanyan	Managerial Remuneration	1.36	1.13	-

The Company has set up a wholly owned subsidiary Tonbo LLC in the Republic of Armenia on 3rd September 2024 . In the FY 2025-26, the Company has remitted the funds towards the share subscription.

The Company has setup a wholly owned subsidiary in Australia. The subsidiary was incorporated on July 10, 2024, and one of the Directors, Arvind Kondangi Lakshmikumar, had subscribed to 100% of the share capital. In the FY 2025-26, the share capital of Tonbo Systems Pty Ltd has been transferred to the Company.

Notes forming part of the Restated Consolidated Financial Statements
(All amounts are in Million of Indian Rupees, unless otherwise stated)

Note 47- Disclosure of dues/ payments to Micro and Small enterprises to the extent such enterprises are identified by the Company

The Management has a process of identifying enterprises which have provided goods and services to the Company and which qualify under the definition of Micro and Small Enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	31-Mar-26	31-Mar-25	31-Mar-24
Principal amount and the Interest due there on remaining unpaid as at the end of the accounting year	61.06	22.74	29.59
The amount of interest paid by the Company along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-	-
The amount of interest accrued and remaining unpaid at the end of the year in respect of principal amount settled during the year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-	-

Note 48 - Auditors Remuneration (included in Legal and Professional Fees)*

Particulars	31-Mar-26	31-Mar-25	31-Mar-24
As Auditors	0.50	0.50	0.50
For other services	2.00	0.75	0.45

(excludes GST / Service tax)*

Note 49 - Value of Imports on CIF basis

Particulars	31-Mar-26	31-Mar-25	31-Mar-24
Capital Goods			
Office equipment	0.31	11.90	0.77
Furniture & Fixtures	0.15	-	-
Plant and Machinery	3.02	0.11	2.88
Intellectual Property	-	-	1,831.91
Computer Software	143.24	-	-
Data Processing Equipment	0.07	-	-
Purchases - Hardware, project material	1,644.12	1,032.13	1,283.20
Total	**1,790.91**	**1,044.14**	**3,118.76**

Note 50 - Earnings in foreign currency

Particulars	31-Mar-26	31-Mar-25	31-Mar-24
Export Sales	202.13	3,073.38	2,081.46
Total	**202.13**	**3,073.38**	**2,081.46**

Notes forming part of the Restated Consolidated Financial Statements
(All amounts are in Million of Indian Rupees, unless otherwise stated)

Note 51 - Expenditure in foreign currency

Particulars	31-Mar-26	31-Mar-25	31-Mar-24
Foreign travel expenses	10.64	2.02	0.53
Royalty fees	-	-	105.13
Others	51.29	168.61	3.20
Total	**61.93**	**170.62**	**108.86**

Note 52- Managerial Remuneration

Particulars	31-Mar-26	31-Mar-25	31-Mar-24
i. Cecilia D'Souza - Director			
Salaries and benefits	12.99	12.97	1.15
Contribution to Provident and other funds	0.90	0.90	0.08
ii. Ankit Kumar - Director			
Salaries and benefits	4.71	-	-
Contribution to Provident and other funds	0.30	-	-
- as Director			
Salaries and benefits	22.53	-	-
Contribution to Provident and other funds	0.60	-	-
iii. Arvind Kondangi Lakshmikumar - Managing Director			
Salaries and benefits	9.44	-	-
Contribution to Provident and other funds	0.60	-	-
iv. Aram Dolkhanyan - Director of a Subsidiary			
Salaries and benefits	1.33	1.13	-
Contribution to Provident and other funds	0.02	-	-
Total	**53.42**	**15.00**	**1.23**

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Notes forming part of the Restated Consolidated Financial Statements
(All amounts are in Million of Indian Rupees, unless otherwise stated)

Note 53 - Statement of Tax Shelter

Particulars	31-Mar-26	31-Mar-25	31-Mar-24
Profit Before Tax – Indian Operations (A)	**688.63**	**991.58**	**945.50**
Adjustments			
Permanent differences			
Other Expenses	-	-	-
Adjustment on account of Section 36 & 37 under Income tax Act, 1961	19.29	20.76	10.57
Bad debts Written off	-	-	-
Loss on Sale of Fixed Assets	0.03	-	-
Pertaining to IND AS Adjustment	-	-	-
Addition under section 28 to 44DA	-	-	-
Total permanent differences (B)	**19.31**	**20.76**	**10.57**
Timing differences			
Depreciation difference as per books and as per income tax	(106.41)	(190.82)	(129.55)
Profit on Sale of Fixed Assets	-	-	-
Capital gain	-	-	-
Adjustment on account of Section 40A(7) - Provision for gratuity	11.41	8.19	5.24
Adjustment on account of Section 43B	8.20	4.32	2.30
other Additions	12.08	27.67	(40.75)
Total timing differences (C)	**(74.70)**	**(150.64)**	**(162.76)**
Deduction under Chapter VI-A (D)			
Other deduction	-	-	-
Gross adjustments (E)=(A+B+C-D)	**633.23**	**861.71**	**793.30**
Brought Forward Business Loss (F)	-	-	(3.21)
Net adjustments (G)=(E+F)	**633.23**	**861.71**	**790.09**
Tax Rate for India operations (H)	25.17%	25.17%	25.17%
Tax impact of adjustments on Indian operations (I) = (G)*(H)	159.37	216.87	198.84
Tax for the Subsidiary entities (computed as per respective tax laws) (J)	2.72	0.50	-
Total Tax Payable (K) = (I+J)	**162.09**	**217.36**	**198.84**

Notes:

1. The above statement is in accordance with Accounting Standard - 22, "Accounting for Taxes on Income" prescribed under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014 (as amended).

2. The consolidated profit before tax includes the results of overseas subsidiaries incorporated in Australia and Armenia. Since such entities are subject to taxation in their respective jurisdictions, their taxable income and corresponding tax liabilities have been computed separately based on the applicable local tax laws and tax rates. Accordingly, profits of such subsidiaries have been excluded from the computation of Indian taxable income and their respective tax liabilities have been added separately to arrive at the total tax liability of the Group.

3. The permanent/timing differences for the financial years ended 31 March 2025 and 2024 have been computed based on the Income-tax returns filed, while for the year ended March 31, 2026 have been computed based on the tax computations for the respective reporting periods, and after giving effect to adjustments for restatements, if any.

4. Statutory tax rate of India includes applicable surcharge, education cess and higher education cess of the year concerned.

5. The above statement should be read with the Statement of Notes to the Consolidated Financial Information of the Company.

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Notes forming part of the Restated Consolidated Financial Statements
(All amounts are in Million of Indian Rupees, unless otherwise stated)

Note 54 - Accounting Ratios

	Ratios	March 31, 2026	% change	March 31, 2025	% change	March 31, 2024
a	**Revenue Growth**	3,626.48	-22.69%	4,690.80	9.55%	4,281.89
b	**Gross Profit**					
	Revenue from Operations	3,626.48		4,690.80		4,281.89
	Cost of Goods Sold	1,775.23		2,046.11		2,199.29
	Gross Profit (In Value)	1,851.26	-30.00%	2,644.69	26.99%	2,082.60
c	**Gross Profit Margin**					
	Gross Profit	1,851.26		2,644.69		2,082.60
	Revenue from Operations	3,626.48		4,690.80		4,281.89
		51.05%	-9.46%	56.38%	15.92%	48.64%
d	**EBITDA**					
	Profit Before Tax and Exceptional and Extraordinary items	699.59		1,000.41		949.55
	Finance Cost	106.16		177.42		76.81
	Depreciation and Amortisation	313.35		265.91		133.95
	Other Income	(72.91)		(53.10)		(37.07)
	EBITDA	1,046.18	-24.77%	1,390.64	23.81%	1,123.24
e	**EBITDA Margin**					
	EBITDA	1,046.18		1,390.64		1,123.24
	Revenue from Operations	3,626.48		4,690.80		4,281.89
	EBITDA Margin	28.85%	-2.69%	29.65%	13.01%	26.23%
f	**PAT Margin (in %)**					
	PAT	508.80		727.57		685.43
	Total Income	3,699.39		4,743.90		4,318.96
	PAT Margin	13.75%	-10.32%	15.34%	-3.36%	15.87%
g	**Return on Capital employed (in %)**					
	Earning Before Interest and Taxes	732.84		1,124.72		989.28
	Capital Employed	5,041.23		4,104.08		1,459.96
	Return on Capital employed	14.54%	-46.96%	27.41%	-59.56%	67.76%
h	**Return on Equity Ratio (in %)**					
	Net Profit After Tax	508.80		727.57		685.43
	Average Shareholder's Equity	5,216.49		3,601.34		1,300.24
	Return on Equity Ratio	9.75%	-51.72%	20.20%	-61.68%	52.72%
i	**Net Debt to EBITDA (x)**					
	Net Debt	774.31		(237.89)	`	(193.15)
	EBITDA	1,046.18		1,390.64		1,123.24
		0.74	-532.66%	(0.17)	-0.52%	(0.17)
j	**Net Tangible Fixed Asset Turnover (x)**					
	Turnover	3,626.48		4,690.80		4,281.89
	Net Tangible Fixed Asset	248.03		244.84		47.87
	Net Tangible Fixed Asset Turnover	14.62	-23.68%	19.16	-78.58%	89.45

Note 54 - Accounting Ratios (Contd)

Ratios	March 31, 2026	% change	March 31, 2025	% change	March 31, 2024
k Working Capital Days					
Receivables Days (on average)	212		118		57
Inventory Days (on average)	340		199		126
Payables Days (on average)	35		37		31
Working Capital Days	517	84.85%	280	83.68%	152
l R&D Spend % of Total Expense					
R&D cost	258.56		90.95		42.41
Total Expenses	2,999.80		3,743.49		3,369.41
	8.62%	254.77%	2.43%	93.02%	1.26%

Reason for variance between FY 2025 and FY 2026 more than 25%

b. Gross Profit Ratio: Variance is due to decrease in the revenue during the year

g. Return on Capital employed Ratio: Variance is due to decrease in revenue and resulting profitability.

h. Return on Equity Ratio: Variance is due to decrease in revenue and resulting profitability.

i. Net Debt to EBITDA: Variance is due to increase in debt and decrease in cash and bank balances.

k. Working Capital Days: Variance is due to increase in the Inventory days.

l. R&D Spend% of Total Expense: Variance is due to increase in R&D Spend during the year

Reason for variance between FY 2024 and FY 2025 more than 25%

a. Gross Profit Ratio: Variance is due to decrease in the cost of goods sold.

g. Return on Capital employed Ratio: Variance is due to increase in the Shareholder's equity

h. Return on Equity Ratio: Variance is due to increase in the Shareholder's equity

j. Net Tangible Fixed Asset Turnover: Variance is due to increase in the tangible assets

k. Working Capital Days: Variance is due to increase in the Receivable days.

l. R&D Spend% of Total Expense: Variance is due to increase in R&D Spend during the year

Notes:

1) The ratios have been computed in the following manner:

Gross Profit	:	Revenue From Operation - COGS COGS = Cost of Materials Consumed + Changes In Inventories of Finished Goods
Gross Profit Margin	:	Gross Profit / Revenue from Operations
EBITDA	:	Profit Before Tax and Exceptional and Extraordinary items + Finance Cost + Depreciation and Amortisation - Other Income
EBITDA Margin	:	EBITDA / Revenue from operations
PAT Margin	:	Net Profits after taxes / Total Income

Note 54 - Accounting Ratios (Contd)

Notes:

ROCE %	:	Earning before interest and taxes / Capital Employed Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability
ROE %	:	Net Profits after taxes / Average Shareholder's Equity
Net Debt to EBITDA (x)	:	Net Debt / EBITDA Net Debt = Long Term Borrowings + Short Borrowings - Cash and Bank Balances - Other Bank Balances
Net Tangible Fixed Asset Turnover (x)	:	Revenue from operations / Property, Plant & Equipment
Working Capital Days	:	Inventory Turnover Days + Receivable Days - Payable Days Inventory Days = Average Inventory / COGS *365 Receivable Days = Average Trade Receivables / Sales *365
R&D Spend % of Total Expense	:	R&D Spends / Total Spends

2) The figures disclosed above are based on the Restated Financial Information of the Group.

3) Shareholders' Equity for the ratios represents sum of share capital and reserves and surplus.

Note 55 - Corporate social responsibility

Particulars	**31-Mar-26**	**31-Mar-25**	**31-Mar-24**
(i) Amount required to be spent by the Company during the year	13.00	6.50	-
(ii) Amount of expenditure incurred:			
(a) Construction/acquisition of any assets	-	-	-
(b) On purpose other than (a) above	12.35	3.00	3.61
(iii) Shortfall/(Excess) at the end of the year	(0.06)	(0.71)	(4.21)
(iv) Total of previous years shortfall		-	-
(v) Reason for shortfall		-	-
(vi) Nature of CSR activities	Activities specified in Schedule Vll of the Act		
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Nil	Nil	Nil
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Nil	Nil	Nil

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Note 56 - Taxation

a) Current Tax:
The Group calculates its tax liability based on the provisions of tax laws of the respective countries. The income tax provision for the year is included under the head ' Current Liabilities - Provisions '.

b) Transfer Pricing
The Group has adhered to the relevant Transfer Pricing regulations applicable to respective countries and maintained necessary documentation and complied with associated compliances.
The Management is of the opinion that its international transactions with associated enterprises are at arm's length and accordingly there will not be any impact on the financial statements, particularly on the tax liability.

Note 57 - List of Subsidiaries:

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Statements of Assets and Liabilities to Schedule III to the Companies Act, 2013

Name of the Entity	Country of Incorporation	Relationship as at March 31, 2026	% of effective ownership interest held (directly and indirectly)	% of voting rights held	Net Asset (total assets minus total liabilities)		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
					% of consolidated net assets	Amount	% of consolidated profit and loss	Amount	% of other comprehensive income	Amount	% of total comprehensive income	Amount
Tonbo LLC	Armenia	Wholly owned Subsidiary	100%	100%	0.05%	2.86	0.36%	1.85	0%	-	0.36%	1.85
Tonbo Systems Pty Ltd	Australia	Wholly owned Subsidiary	100%	100%	0.32%	17.62	1.64%	8.36	0%	-	1.64%	8.36

Note 58 - Statement of Restatement adjustments made in restated consolidated financial statements

Part A: Statement of restatement adjustments to audited financial statements:
(a) Reconciliation between total equity as per Audited financial statements and restated consolidated financial statements

	Consolidated		Standalone
Particulars	**March 31, 2026[(1)]**	**March 31, 2025[(1)]**	**March 31, 2024[(2)]**
Total Equity (as per audited financial statements)	5,531.59	4,901.38	2,301.30
Restatement adjustments	-	-	-
Total Equity as per restated consolidated financial statements	5,531.59	4,901.38	2,301.30

(b) Reconciliation of total comprehensive income / (loss) as per Audited Consolidated financial statements and restated consolidated financial statements

	Consolidated		Standalone
Particulars	**March 31, 2026[(1)]**	**March 31, 2025[(1)]**	**March 31, 2024[(2)]**
Total comprehensive income/(loss) for the year as per audited financial statements	509.02	727.65	684.43
Restatement adjustments	-	-	2.02
Total comprehensive income/(loss) for the year as per restated consolidated financial statements	509.02	727.65	686.45

Notes:

(1) The financial information as at and for the financial year ended March 31, 2026 are based on audited consolidated financial statement of the company and March 31, 2025 are based on audited special purpose consolidated financial statements of the Company

(2) The financial information for the financial year ended March 31, 2024 is based on audited financial statements of the Company.

Part B: Non-adjusting events

There are no audit qualifications in the Auditor's reports for the financial year's ended March 31, 2026, March 31, 2025, and March 31, 2024 and hence there are no adjustments required in the restated consolidated financial statements.

Note 59 - Additional regulatory information

a. The Group has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. The borrowings were applied for the purpose for which the same were obtained.

b. The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c. The Group has no transactions with the companies struck off under Companies Act, 2013.

d. The Group has not entered into any scheme of arrangement which has an accounting impact on the financial year's ended March 31, 2026,March 31, 2025, and March 31, 2024.

e. There is no income surrendered or disclosed as income during the financial year ended March 31, 2026, March 31, 2025, and March 31, 2024 in the tax assessments under respective income tax laws, that has not been recorded in the books of account.

f. The Group has not traded or invested in crypto currency or virtual currency during the financial year ended March 31, 2026, March 31, 2025, and March 31, 2024.

g. The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

h. The Group does not hold any Immovable properties. The Group has not revalued its property, plant and equipment or intangible assets or both during the financials year's ended March 31, 2026 , March 31, 2025, and March 31, 2024.

i. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Group does not have any CICs, which are part of the Group.

j. The Company has not made any investments and hence compliance with respect to number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction of number of layers) Rules, 2017 is not applicable. There have been no corresponding violations by the subsidiaries, as per the respective local regulations.

k. Utilisation of borrowed funds and share premium

(A) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(B) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

l. There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory

m. The Company has obtained working capital limit on the basis of security of current assets from bank and the quarterly returns / statements filed by the Company are materially in agreement with the books of accounts.

Note 59 - Additional regulatory information (Contd)

n. The Group has not granted any loans or advances to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

o. No proceedings have been initiated on or are pending against the Company under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder. There have been no such proceedings initiated against the subsidiaries, as per the respective local regulations.

For and on behalf of the Board of Directors

For Kalyanasundaram and Associates
Chartered Accountants
Firm Registration No. 005455S

ARVIND KONDANGI LAKSHMIKUMAR
Managing Director
DIN: 02261469

Place:
Date:

CECILIA D'SOUZA
Director
DIN: 06380429

Place: Bangalore
Date:

K.M. RANJITH
Partner
Membership No: 219645

Place: Bangalore
Date:

ANKITA AGARWALLA
Company Secretary and Compliance Officer
Membership No: A61777
Place:
Date:

SIVASHANKAR T S
Chief Financial Officer

Place:
Date:

OTHER FINANCIAL INFORMATION

The audited standalone financial statements of our Company as at and for the financial years ended March 31, 2026, March 31, 2025, and March 31, 2024 ("**Standalone Financial Statements**") are available at https://tonboimaging.com/main/financials/ Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Standalone Financial Statements and the reports thereon, do not and will not constitute, (i) a part of this Draft Red Herring Prospectus, (ii) the Red Herring Prospectus, or (iii) the Prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Standalone Financial Statements and the reports thereon, should not be considered as part of information that any investor should consider for subscribing or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. Due caution is advised when accessing and placing reliance on any historic or other information available in the public domain. Neither the Company or any of its advisors, nor any of the BRLMs or the Selling Shareholders nor any of their respective employees, directors, affiliates, agents, trustees or representatives, as applicable, accept any liability whatsoever for any loss, direct or indirect, arising from reliance placed on any information presented or contained in the Audited Standalone Financial Statements, or the opinions expressed therein.

The details of accounting ratios derived from our Restated Consolidated Financial Statements required to be disclosed under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are set forth below:

(₹ in million, unless stated otherwise)

Particulars	As at and for the Fiscal ended		
	March 31, 2026	March 31, 2025	March 31, 2024
Basic earnings per share (in ₹)	9.19	13.38	62.61
Diluted earnings per share (in ₹)	8.88	12.70	13.63
EBITDA (in ₹ million)	1,046.18	1,390.64	1,123.24
Net Worth (in ₹ million)	5,531.59	4,901.38	2,301.30
Return on Net Worth (%)	9.75	20.20	52.72
Net Asset Value per Equity Share (in ₹)	96.57	85.57	45.77

Notes:

1. *Basic Earnings per share is calculated by dividing Restated profit for the period/year attributable to equity Shareholders by the number of equity shares outstanding at the end of the period/year reduced by the ESOP Trust shares.*
2. *Diluted earnings per share is calculated by dividing Restated profit for the period/year attributable to equity Shareholders by the number of equity shares outstanding at the end of the period/year adjusted for the effect of dilutive potential equity shares.*
3. *Return on Net Worth (%) for our Company is calculated as Net profit after tax divided by Average Net worth as at year end.*
4. *Net Asset Value per share is calculated as Net worth divided by Number of equity shares outstanding at the end of the financial year. Net Asset Value per Equity Share has been adjusted for the effects of bonus issue, share split, and share buyback.*
5. *EBITDA is calculated as Profit / (Loss) before Exceptional and Extraordinary items and Tax plus Finance Cost, Depreciation and Amortisation minus Other Income.*

Reconciliation of Non-GAAP measures

For a reconciliation of Non-GAAP financial measures, see *"**Management's Discussion and Analysis of our Results of Operations – Non-GAAP Measures**"* on page 416.

Related Party Transactions

For details of the related party transactions, as per the requirements under applicable Accounting Standards, i.e., Ind AS 24 -Related Party Disclosures, read with the SEBI ICDR Regulations for the Financial Years ended March 31, 2026, March 31, 2025 and March 31, 2024 and as reported in the Restated Consolidated Financial Statements, see "***Restated Consolidated Financial Statements – Note 46 – Related Party Disclosures"*** on page 384.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey the management's perspective on our financial condition and results of operations for the Fiscals 2026, 2025 and 2024. Unless otherwise stated or unless the context requires otherwise, the financial information in this section has been derived from the Restated Consolidated Financial Statements.

*Our Company's financial year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular fiscal year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information for the Fiscals 2026, 2025 and 2024, included herein is based on or derived from our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus. For further information, see "**Restated Consolidated Financial Statements**" on page 312. The Restated Consolidated Financial Statements is based on our audited financial statements and is restated in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations. Our audited financial statements are prepared in accordance with Indian Accounting Standards, which differs in certain material respects with IFRS and U.S. GAAP. For details, see "**Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition**" on page 70.*

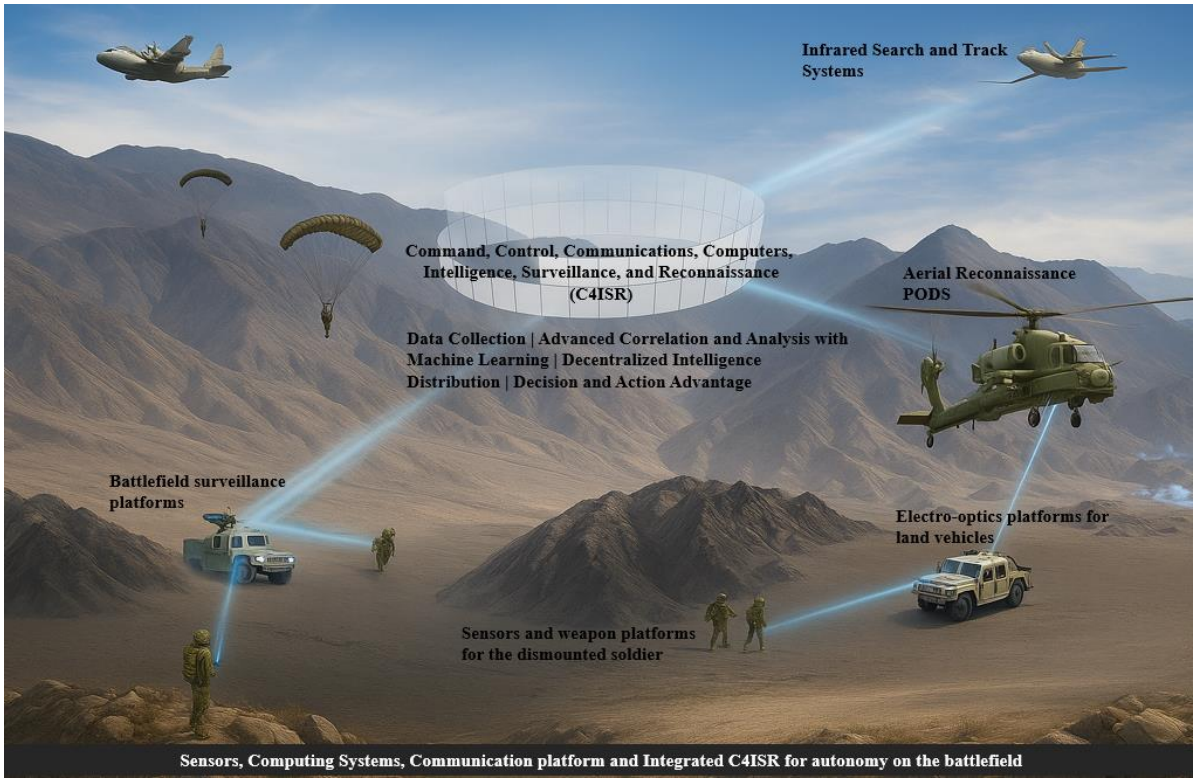
Unless otherwise stated or the context otherwise requires, references in this section to "we", "us", or "our" are to Tonbo Imaging India Limited and our Subsidiaries on a consolidated basis while "our Company" or "the Company" are to Tonbo Imaging India Limited on a standalone basis.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Assessment of Global and Indian Defence Electronics and Technology Industry" dated August 2026 (the "**F&S Report**") prepared and issued by Frost and Sullivan (India) Private Limited, appointed by us and exclusively commissioned and paid for by us to enable investors to understand the industry in which we operate in connection with the Offer. The data included herein includes excerpts from the F&S Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular calendar year/ Fiscal refers to such information for the relevant calendar year/ Fiscal. Further, the F&S Report was prepared on the basis of information as of specific dates and opinions in the F&S Report may be based on estimates, projections, forecasts and assumptions that may be as of such dates. F&S Report has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and has further advised that it has taken due care and caution in preparing the F&S Report based on the information obtained by it from sources which it considers reliable. A copy of the F&S Report is available on the website of our Company at https://tonboimaging.com/main/industry-report/. For further information, see "**Risk Factors – Internal Risks – Certain sections of this Draft Red Herring Prospectus disclose information from the industry report titled "Assessment of Global and Indian Defence Electronics and Technology Industry" which is a paid report and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.**" on page 62. Also see, "**Certain Conventions, Currency of Presentation, Use of Financial Information and Market Data –Industry and Market Data**" and "**Industry Overview**" on pages 18 and 149, respectively.*

OVERVIEW

We are a global defence electronics original equipment manufacturer ("**OEM**"). We design, develop and manufacture sensing, processing, communication and guidance systems for surveillance, reconnaissance, targeting, and control. We have developed a diversified product portfolio including thermal imaging cores, weapon sights, hand-held thermal imaging binoculars, targeting systems, missile seekers, fire control systems, missile guidance systems amongst others to enable autonomy on the battlefield.

The image below depicts the various functions of our product portfolio:



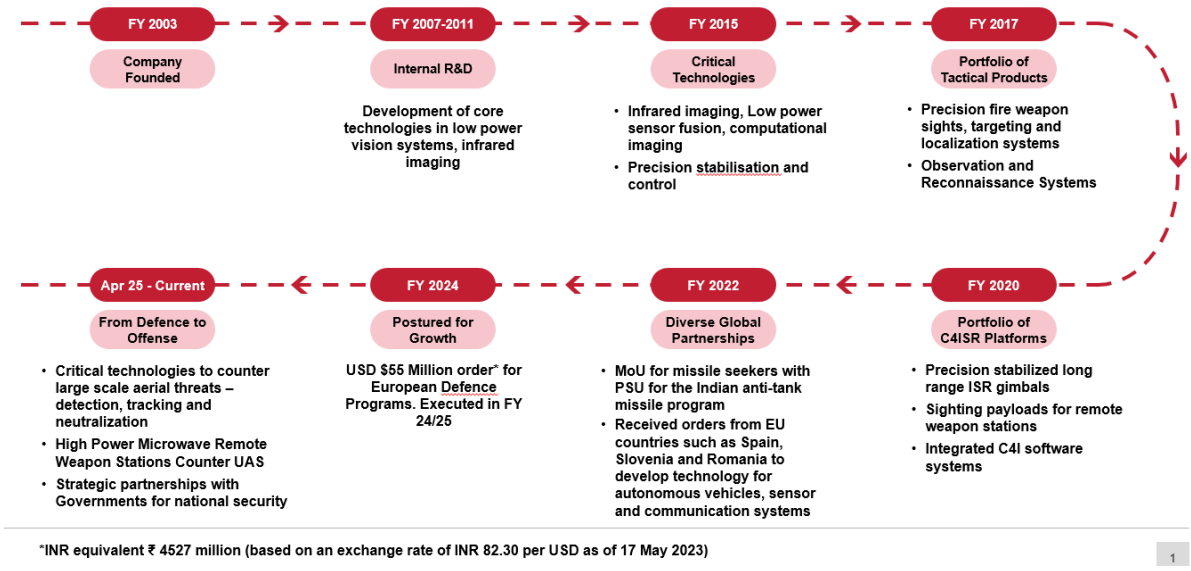
Our expertise spans design capabilities across electro optics and infrared systems ("**EO/IR**") and embedded vision systems serving both – Indian and global companies. As per the F&S Report, over the period FY24 to FY26, our Company was the largest manufacturer, in terms of sales value of thermal imaging systems to government and defense agencies in India. In addition, our Company's market share of thermal imaging exports from India was 94.3% in terms of units, positioning it as the largest exporter of thermal imaging systems from India in FY24-26. For further details, see "***Industry Overview – Tonbo Imaging's Position in the Ecosystem***" on page 224.

With over 28,000 systems deployed across 24 countries, as of March 31, 2026, our Company is a recognized OEM providing a diverse suite of field-proven electro-optic products free from export restrictions under International Traffic in Arms Regulations ("**ITAR**"). ITAR is a U.S. export control framework governing the sale, transfer, and sharing of defence related technology, data, and services. Our EO/IR portfolio is free from ITAR, enabling it to serve non-aligned and export sensitive markets more flexibly, as we design and develop our products within India, making us one of the few global OEMs capable of supplying cutting-edge technologies without geopolitical export limitations.

As per the F&S Report, our Company is one of the few companies in India with no dependence on external technology partners as we own 100% of our intellectual property since Fiscal 2024, pursuant to assignment agreements dated March 11, 2024 through which our Company purchased intellectual property from CEAQ Singapore. The proprietary technology ranges from optics to embedded software and electronics. For further details, see *"**Industry Overview – Strategic Comparison**"* on page 231 and for details with respect to the intellectual property assigned/owned, please see "-***Intellectual Property Rights***" on page 268. The Government of India has introduced numerous policies under the 'Make in India' initiative and the 'Atmanirbhar' vision, introducing reforms to promote the indigenous design, development and manufacturing of defence equipment in the country, thereby reducing reliance on defence imports. Introduced in 2020, India's Defence Acquisition Procedure 2020 ("**DAP 2020**"), "*Indigenously-Designed, Developed and Manufactured*" ("**IDDM"**) is a part of India's 'Make in India' initiative for defence. In order to be an eligible IDDM vendor under the DAP 2020, our Company is required to ensure that the control of the Company is with Indian citizens and at least half of the ex-factory cost of the products needs to originate from Indian design, development, production or value-addition, and limits the permissible foreign or non-indigenous content in the final product to a maximum of 50% of the overall contract value. We are a supplier under IDDM.

We were incorporated in 2003 as a subsidiary of a research company initially providing R&D and technology development services focused on designing intellectual property. In 2012, post the buyout of the erstwhile subsidiary of the research company by our Promoters, we transitioned into a defense-focused product manufacturing company, developing and supplying advanced electro-optic and electronic systems. As per the F&S Report, with over 28,000 systems deployed across 24 countries as of March 31, 2026, our Company offers a diverse suite of field-proven electro-optical solutions. Field-proven denotes systems that have been operationally validated in live combat and security environments, demonstrating reliability, durability, and mission effectiveness under real-world conditions. For further details, see "***Industry Overview – Tonbo Imaging's Position in the Ecosystem***" on page 224.

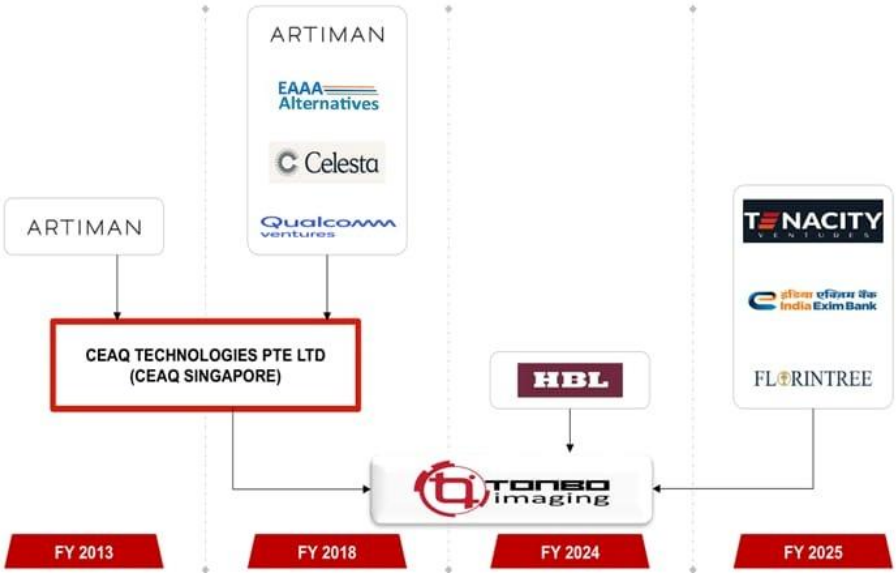
Evolution of the Company



*INR equivalent ₹ 4527 million (based on an exchange rate of INR 82.30 per USD as of 17 May 2023)

Our investors include:

Investors in the Company

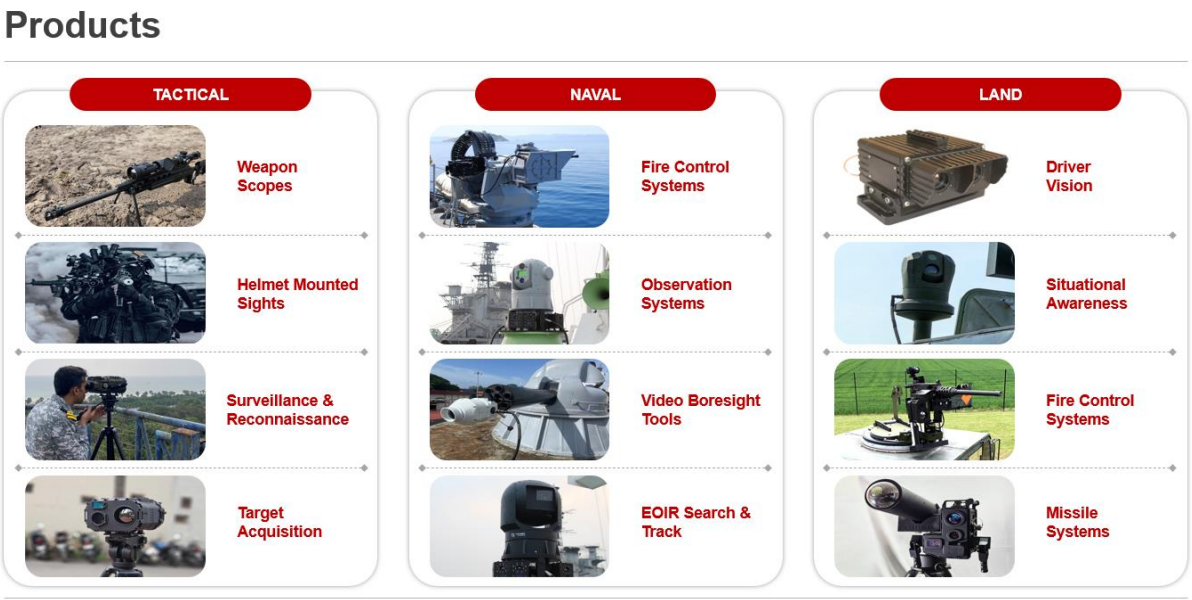


Our products are divided into tactical systems and platform systems. The table below sets forth the revenue from operations generated from each product vertical in the Fiscals 2026, 2025 and 2024, respectively:

Products	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ *million*)	As a percentage of revenue from operations (%)	Amount (₹ *million*)	As a percentage of revenue from operations (%)	Amount (₹ *million*)	As a percentage of revenue from operations (%)
Tactical systems	2,116.75	58.37	3,622.96	77.24	3,592.69	83.90
Platform systems	1,448.08	39.93	1,010.53	21.54	127.00	2.97
Others*	11.95	0.33	10.33	0.22	110.39	2.58
Total sale of products and solutions	**3,576.78**	**98.63**	**4,643.82**	**99.00**	**3,830.08**	**89.45**
Other Operating Revenue$	**49.70**	**1.37**	**46.98**	**1.00**	**451.81**	**10.55**
Revenue from operations#	**3,626.48**	**100.00**	**4,690.80**	**100.00**	**4,281.89**	**100.00**

Note: We are yet to book revenue for our directed energy systems which are currently in the development stage.
**Comprise certain OEM component sales.*
Our Revenue from operations is a sum of total sale of products and solutions and other operating revenue.
$Other Operating Revenue includes revenue from other ancillary services such as technical / post-sales support on products, component sales and foreign exchange gains.

Our portfolio of products span the electromagnetic spectrum – visible imaging based on what the human eye can see, to long wave infrared and multi-sensor imaging which are based on heat signatures of objects emitting infrared radiation. Our product portfolio is put forth below:



Products



We are seeing an evolution of our business from being focussed on tactical systems and platform subsystems to offering integrated autonomous platform systems. These platform systems are solutions that bring together hardware and software components of multiple subsystems made by us into an integrated platform for battlefield deployment.

Our Company emphasizes miniaturisation, such as smallest form factor thermal weapon sights, scalable, modular payloads adaptable for remote weapons stations, loitering munitions, intelligence, surveillance, and reconnaissance ("**ISR**") balloons and soldier - wearable systems. Our products are deployed in programs ranging from remote weapon stations ("**RWS**") and missile seekers to situational awareness systems, optical reconnaissance payloads, and driver vision enhancement systems for armoured vehicles.

In the Fiscals 2026, 2025 and 2024, in addition to supply within India, we supplied our products to overseas customers in countries including Armenia, Romania, Slovenia, USA, Morocco, South Korea, UAE, Philippines, Singapore, North Macedonia, Australia and Taiwan. For further details, see "***Industry Overview – Tonbo Imaging's Position in the Ecosystem***" on page 224.

The table below sets our revenue from exports in the Fiscals 2026, 2025 and 2024, respectively:

Products	**Fiscal 2026**		**Fiscal 2025**		**Fiscal 2024**	
	Amount (*₹ million*)	**As a percentage of revenue from operations** (%)	**Amount** (*₹ million*)	**As a percentage of revenue from operations** (%)	**Amount** (*₹ million*)	**As a percentage of revenue from operations** (%)
Revenue from exports	202.13	5.57	3,073.38	65.52	2,081.46	48.61

Our customers include global militaries, law enforcement and homeland security agencies and other global defence OEMs. As of March 31, 2026, we have supplied to 24 countries including India, Armenia, Romania, Slovenia, USA, Morocco, South Korea, UAE, Philippines, Singapore, North Macedonia, Australia and Taiwan. The map below sets forth our geographical footprint across the world as of March 31, 2026:



As of June 30, 2026, we had an order book of ₹ 3,141.35 million. The table below sets forth the breakdown of our order book from our domestic and overseas customers as of June 30, 2026:

Particulars	Number of orders*	Value (*₹ million*)
Domestic customers	30	2,317.67
Overseas customers	6	823.68
Total	36	3,141.35

** Comprises only firm orders, which represent orders that have been contractually confirmed by customers, formally accepted by the Company, and are supported by binding documentation such as executed contracts or purchase orders.*

From July 1, 2026 to July 31, 2026, we have received orders aggregating to ₹ 70.98 million.

The table below sets forth the revenue bifurcation from government and private customers in Fiscal 2026, 2025 and 2024, respectively:

	Fiscal 2026		Fiscal 2025		Fiscal 2024	
Customer Groups	**Amount (₹ million)**	**As a percentage of Revenue from operations (%)**	**Amount (₹ million)**	**As a percentage of Revenue from operations (%)**	**Amount (₹ million)**	**As a percentage of Revenue from operations (%)**
Private - System Integrators*	874.12	24.10	451.79	9.63	307.57	7.18
Indian Government	2,581.52	71.19	1,515.10	32.30	1,633.70	38.15
Foreign Government	121.14	3.34	2,676.93	57.07	1,888.81	44.12
Total sale of product and solutions	**3,576.78**	**98.63**	**4,643.82**	**99.00**	**3,830.08**	**89.45**
Other Operating Revenue	**49.70**	**1.37**	**46.98**	**1.00**	**451.81**	**10.55**
Total revenue from operations	**3,626.48**	**100.00**	**4,690.80**	**100.00**	**4,281.89**	**100.00**

**Includes both Indian and foreign system integrators.*

As part of our efforts towards R&D, we have set up an R&D centre at Bengaluru, Karnataka where we have employed 133 engineers as of March 31, 2026, to undertake research, develop and experiment with new designs, technologies and equipment. Key technologies developed through our R&D efforts include, *inter alia*, micro-scanned optics, scene-based non-uniformity correction, thermal stereo vision systems for depth perception in low-light conditions, 3D imaging using single-detector thermal imagers, control systems for inertial stabilization and high accuracy pointing systems, fast steering mirror assemblies for dynamic beam alignment etc. Our R&D efforts also include use of alternative material such as polymers to reduce dependence on supply constraints in the defence sector as well as reducing costs to levels where commercial/consumer applications can be developed. We have

ownership of a portfolio of intellectual property, which includes intellectual property solutions in relation to, *inter alia,* infrared imaging, night vision, computer vision and deep learning, precision stabilisation, autonomous fire control, directed energy, optical communications, high-altitude surveillance and missile seekers.

Our Company operates an asset light business model through horizontal integration: core design and intellectual property (both assigned to us and developed indigenously) ("**IP**"), while manufacturing is outsourced to certified electronics manufacturing services ("**EMS**") partners, including, Kaynes Technology India Limited and Avalon Technology and Services Private Limited. We prototype our pilot engineering units in our R&D centre, then scale production through EMS partners under non-exclusive contract manufacturing arrangements, issuing purchase orders that set out the required product specifications. Our R&D centre is ISO certified; it has the ISO 9001:2015 (quality management systems), ISO 14001:2015 (environmental management system) and ISO/IEC 27001:2022 (information security management system) and ISO 28000:2022 (security and resilience-security management systems requirements) for design, development, manufacture and servicing of electro optical systems and imaging cores in the areas of infrared imaging for use in defence, commercial, security and industrial applications. Our asset light business model minimises capital expenditure, enables scalable production, and keeps us lean and efficient, allowing us to focus on R&D.

We have received several awards including the '*Excellence in Tech Export Promotion - Medium Enterprises*' award by CNBC, '*Young Turks Startup of the Year*' award at the CNBC-TV 18 India Business Leader Awards and '*Marico Innovation Foundation*' award in the business category for 'India's Best Innovations'. Further, our operations comply with international standards for quality management system, environmental management system, information security management system and security and resilience-security management systems requirements for design, development, manufacture and servicing of electro optical systems and imaging cores in the areas of infrared imaging for use in defence, commercial, security and industrial applications.

Our Company was founded by technologists with prior experience in the U.S. Department of Defense and Sarnoff Corporation. Over the last 13 years, our Company has built a 339 member team including engineers with deep expertise in infrared imaging, optics, lasers, sensor fusion, and machine learning. The Promoters have worked together for over 21 years, overseeing multi-year global defence programs and pioneering next-generation military technologies. Our Promoter, Managing Director and Chief Executive Officer, Arvind Kondangi Lakshmikumar has over 21 years of experience in raising capital, running our product engineering teams globally and managing government and enterprise sales at our Company. Further, our Promoter, Executive Director and Chief Business and Revenue Officer, Ankit Kumar, has over 21 years of experience running our research and development programs in defence, surveillance and automotive safety globally and is a domain expert in optics, computer vision and machine learning automotive. Further, our Promoter, Executive Director and Chief Commercial Officer, Cecilia D'Souza has over 21 years of experience in finance, accounting and management of our multi-location international business and has a strong background in international accounting, mergers and acquisitions, procurement and operational logistics. We believe that the combined experience of our Promoters, our dynamic management team and our skilled employees position us well to capitalize on future growth opportunities.

The table below sets forth certain financial information for the Fiscals 2026, 2025 and 2024, respectively:

Particulars	Unit	As of/ For the year ended March 31,		
		2026	2025	2024
Revenue from Operations[(1)]	₹ million	3,626.48	4,690.80	4,281.89
Revenue Growth[(2)]	%	(22.69)	9.55	342.22
Gross Profit[(3)]	₹ million	1,851.26	2,644.69	2,082.60
Gross Profit Margin [(4)]	%	51.05	56.38	48.64
EBITDA[(5)]	₹ million	1,046.18	1,390.64	1,123.24
EBITDA Margin[(6)]	%	28.85	29.65	26.23
PAT[(7)]	₹ million	508.80	727.57	685.43
PAT Margin[(8)]	%	13.75	15.34	15.87
ROCE %[(9)]	%	14.54	27.41	67.76
ROE %[(10)]	%	9.75	20.20	52.72
Net Tangible Fixed Asset Turnover (x)[(11)]	Times	14.62	19.16	89.45
Working Capital Days[(12)]	No of Days	517	280	152

Notes:

1) Revenue from Operations means the Revenue from Operations for the year as appears in the Restated Consolidated Financial Statements.

2) *Revenue Growth is calculated as a percentage of Revenue from Operations for current year minus Revenue from Operations for previous year divided by Revenue from Operations for previous year multiplied by 100.*

3) *Gross Profit is calculated as Revenue From Operation minus COGS; COGS is calculated as Cost of Materials Consumed plus Changes In Inventories of Finished Goods for the relevant year.*

4) *Gross Profit % is calculated as Gross Profit divided by Revenue from Operations.*

5) *EBITDA is calculated as Profit / (Loss) before Exceptional and Extraordinary items and Tax plus Finance Cost, Depreciation and Amortisation minus Other Income.*

6) *EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.*

7) *PAT is Restated Profit for the year, net of tax as per Restated Consolidated Financial Statements.*

8) *PAT Margin is calculated as Restated Profit for the year, net of tax divided by Total Income.*

9) *Return on Capital Employed (ROCE) % is calculated as Earnings before Interest and Taxes ('EBIT') divided by Capital Employed; EBIT is calculated as EBITDA minus Depreciation and Amortization; Capital Employed is calculated as Total Equity minus Intangible Assets plus Long Term and Short Term Borrowings and Deferred Tax Liability.*

10) *Return on Equity (ROE) % is calculated as Restated Profit for the year, net of tax divided by Average Shareholder's Equity; Average Shareholder's Equity is calculated as Total Equity as of the current year plus Total Equity as of the previous year divided by 2.*

11) *Net Tangible Fixed Asset Turnover is calculated as Revenue from Operations divided by Property, Plant and Equipment for the relevant year.*

12) *Working Capital Days is calculated as Inventory Turnover Days plus Trade Receivable Days minus Trade Payable Days. Inventory Days is calculated as Average Inventories divided by Cost of Goods Sold multiplied by number of days for the year. Trade Receivables Days is calculated as Average Trade Receivables divided by Revenue from Operations multiplied by number of days in the year. Trade Payables Days is calculated as Average Trade Payables divided by Purchases and Incidental Expenses multiplied by number of days in the year.*

The revenue from operations in Fiscal 2026 was ₹ 3,626.48 million. The receivables outstanding as on Fiscal 2026 was ₹ 2,116.63 million. The receivables outstanding as of Fiscal 2026 were elevated primarily because a significant portion of our Company's annual revenue was recognized during the last quarter of the Fiscal 2026. Consequently, the receivables days for Fiscal 2026 appear optically high when viewed on a full-year basis and do not reflect any underlying deterioration in collections or customer credit quality. Subsequent collections after the fiscal year-end have resulted in a substantial reduction in outstanding receivables, demonstrating the timing-related nature of the year-end balance. Inventory levels as of Fiscal 2026 were higher primarily due to the deferment of execution of a significant export order to Fiscal 2027 on account of logistical disruptions arising from the West Asia crisis, which also impacted revenue recognition during Fiscal 2026. In addition, our Company strategically maintained higher inventory levels in anticipation of increased business opportunities in Fiscal 2027 and to mitigate potential supply chain disruptions.

Accordingly, the higher receivables and inventory balances as of Fiscal 2026 were largely attributable to the timing of revenue recognition, execution delays in certain orders, and prudent inventory planning, and do not indicate any adverse change in the Company's payment terms with suppliers, credit terms extended to customers, collection efficiency, or overall working capital management.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The paragraphs below discuss certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations.

1. Global and domestic demand for our products

Our Company is a global defence electronics OEM with a global first approach. We have a diverse range of clientele spanning across both domestic and international markets. Our products have been sold globally to customers in EU, US and Israel enabling adoption in India through a global first approach, underscoring their acceptance in some of the world's most advanced defence markets as per the F&S Report. In the Fiscals 2026, 2025 and 2024, in addition to supply within India, we supplied our products to overseas customers in countries including Armenia, Romania, Slovenia, USA, Morocco, South Korea, UAE and the Philippines. Our global customer base spans Armenia, Romania, Slovenia, USA, Morocco, South Korea, UAE, Philippines, Singapore, North Macedonia, Australia and Taiwan. As of March 31, 2026, we have deployed over 28,000 tactical systems

and served customers across 24 countries. This extensive global deployment demonstrates that our technology is both battle-tested and globally trusted. As per the F&S report, our Company leads in export performance, with 5.57% of FY 2026 revenue from overseas markets, which positions our Company as the supplier with the highest % of revenue from exports among the listed defence peers in FY25. For further details, see "***Industry Overview – Tonbo Imaging's Position in the Ecosystem***" on page 224.

We design and manufacture strategic defence electronic systems that are free of ITAR restrictions, positioning us among the few global defence OEMs capable of supplying advanced technologies without geopolitical export limitations. Our full EO/IR portfolio is entirely free from ITAR, enabling it to serve non-aligned and export sensitive markets more flexibly, as we design and develop our products within India, making us one of the few global OEMs capable of supplying cutting-edge technologies without geopolitical export limitations.

The table below sets forth details of the customers served outside India and revenue generated from such customers in the Fiscals 2026, 2025 and 2024, respectively:

Particulars	For the year ended March 31,		
	2026	2025	2024
Revenue from customers located outside India (₹ *million*)	202.13	3,073.38	2,081.46
Revenue from customers located outside India as a percentage of the revenue from operations (%)	5.57	65.52	48.61

As put forth above, our approach so far has been focused on building these critical references outside India, even if it meant securing smaller initial orders or technology demonstrations. If we are unable to realise revenue from our international market despite our global footprint, our reputation and business may be adversely affected. We are also exposed to fluctuations in the performance of the defence electronics sector, in the aforementioned geographies, The defence electronics sector may perform differently in India and be subject to market and regulatory developments that are dissimilar to the markets in other parts of the world. Further, as other countries prioritize domestic defense production through mandates for domestic suppliers and offset obligations, the appetite for imported solutions may shrink or require deeper local partnerships. Simultaneously, domestic defense and paramilitary procurements in India, while growing, often involve highly price-sensitive bidding and lower margins. A shift in revenue mix away from exports towards Indian orders, particularly under increased domestic procurement mandates, could result in margin compression and impact our overall profitability profile.

As per the F&S Report, in recent years, geopolitical instability, such as border conflicts, rising regional tensions, and emerging non-state threats, has led to accelerated procurement through emergency purchase mechanisms and fast-track acquisitions. These mechanisms are designed to address immediate operational needs, leading to sudden spikes in demand for defence electronics. While this has created short-term demand spikes, such procurement cycles are episodic and may not be sustained if geopolitical tensions subside or governments revert to conventional, multi-year acquisition programs. The episodic nature of emergency procurement leads to fluctuations in order volumes and revenue, making it difficult for companies to forecast and plan long-term investments or resource allocation. Consequently, revenue visibility can be inconsistent, and conversion of opportunities from the broader Total Addressable Market ("**TAM**") and Serviceable Addressable Market ("**SAM**") often remains a prolonged, resource-intensive process in the absence of conflict-driven urgency. For further details, see "***Industry Overview – Geopolitical Context***" on page 154.

2. Cost and Availability of Critical Components

The majority of our expense is attributed to the cost of materials consumed. For the Fiscals 2026, 2025 and 2024, our cost of materials consumed was ₹ 1,655.54 million, ₹ 2,153.09 million and ₹ 2,132.75 million which constitutes 55.19 %, 57.52% and 63.30%, of our total expenses, respectively. Our critical components for manufacturing our products include uncooled and cooled infrared focal plane arrays, OLED micro displays, high-performance optics, and specialized coatings. We typically procure such materials through purchase orders and do not enter into any long-term agreements with our suppliers. We are thus exposed to fluctuations in availability and prices of our raw materials and we may not be able to effectively pass on all increases in cost of raw materials to our customers, which may affect our margins and results of operations. The price of our raw materials may fluctuate due to several reasons including market fluctuations, currency fluctuations, production and transportation costs and changes in domestic and international trade policies. Any inability on our part to procure sufficient quantities of raw materials and on commercially acceptable terms, could lead to a change in our manufacturing and sales volumes.

3. Design and Development of our Proprietary technologies

Our core strength lies in complete ownership of a large portfolio of unrestricted intellectual property with respect to infrared imaging, night vision, computer vision and deep learning, precision stabilization, autonomous fire control, directed energy, option communications, high altitude surveillance, missile seekers etc. We focus on design, creation and ownership of intellectual property. As per the F&S Report, our Company is one of few companies in India with no dependence on external technology partners as it owns 100% of its intellectual property since Fiscal 2024, pursuant to assignment agreements dated March 11, 2024 through which our Company purchased intellectual property from CEAQ Singapore. The proprietary technology ranges from optics to embedded software and electronics including critical subsystems for sighting systems, including proprietary video engines, AI-accelerated image processing, and sub-5 µrad multi-axis gimbal stabilization. For further details, see *"**Industry Overview – Strategic Comparison**"* on page 231 and for details with respect to the intellectual property assigned/owned, please see "***Our Business - Intellectual Property Rights***" on page 268. This in-house development and control over our proprietary technologies—ranging from advanced sensors and AI algorithms to high-power microwave systems, enables rapid innovation, seamless integration into next-generation platforms, and full control over our technology roadmap.

As of the date of this Draft Red Herring Prospectus, our Company has five patents and has applied for four patents. These five patents were assigned to us by CEAQ Singapore, which also transferred a trademark and multiple design rights, including those for multi-sensor imaging and real-time analytics. The transfer of the trademark, one application for registration of a new trademark under Class 9 and registration of the patents are pending approval with the Registrar of Trademarks and Indian Patent Office, respectively. For further details on our IP portfolio, see "***Our Business – Intellectual Property Rights***" and "***Government and Other Approvals – Intellectual Property***" on pages 268 and 441.

Our ongoing investment in R&D has been central to our growth, enabling us to develop cutting-edge technologies such as micro-scanned optics, thermal stereo vision, and high-accuracy pointing systems. Notable projects include advanced EO/IR gimbals, multi-spectral seekers, and robust free-space optical communication systems for defense applications. However, our future success depends on safeguarding our proprietary information; any leakage or unauthorized use could erode our competitive advantage and adversely impact our business. Additionally, the need to continually invest in new technologies and adapt to industry changes may result in significant costs that could affect our profitability.

4. Highly regulated industry

We operate in an industry which is highly regulated and our operations, including manufacturing are subject to stringent laws and regulations. We are required to obtain and maintain certain statutory and regulatory licences, registrations, permits and approvals under central, state and local government rules in India, generally for carrying out our business, like industrial licenses, environmental licenses etc.

The Government has introduced numerous policies under the 'Make in India' initiative and the 'Atmanirbhar' vision, introducing reforms to promote the indigenous design, development and manufacturing of defence equipment in the country, thereby reducing reliance on defence imports. The Ministry of Defence has introduced the SRIJAN portal to drive indigenization within the defence sector and over 30,000 previously imported items have been listed on the portal, inviting Indian manufacturers to participate in their production. The Ministry of Defence has set a target of achieving 70% self-reliance in weaponry by 2027, opening up substantial opportunities for industry stakeholders.

While the Government has implemented significant reforms in the defence sector, with a strong commitment to minimizing foreign dependence and building a robust domestic defence manufacturing base, in order to sell/export some of our products, our products must be approved by government agencies like the Department for Promotion of Industry and Internal Trade ("**DPIIT**") and Department of Defence Production, Ministry of Defence, or Directorate General of Foreign Trade in India and by the government agencies in the countries in which we do business. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, it may reduce our revenue, increase costs, adversely affect our business, financial condition and results of operations. For instance, in order to sell our products in foreign jurisdictions, we are required to obtain export authorisations from the Directorate General of Foreign Trade ("**DGFT**") as our products fall under the list of Special Chemicals, Organisms, Materials, Equipment, and Technologies ("**SCOMET**"). The export of SCOMET are permitted only if authorised by DGFT. There is no guarantee that in future we would always receive export authorisation to sell our products in other foreign jurisdictions which may impact our business, financial condition, cash flows and results of operations. For details with respect to the risks associated with failure to

comply with stringent regulations, see "***Risk Factors - We operate in an industry which is highly regulated and are subject to stringent government regulations. If we fail to comply with the applicable regulations and rules prescribed by the Government of India and the relevant statutory or regulatory bodies or fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required for our business, our results of operations and cash flows may be adversely affected.***" on page 27.

Further, under India's Defence Acquisition Procedure 2020 ("**DAP 2020**"), our Company's supplies are categorised as "*Indigenously-Designed, Developed and Manufactured*" ("**IDDM"**) and must comply with the IDDM cap, which limits the permissible foreign or non-indigenous content in the final product to a maximum of 50% of the overall contract value. Further, in order to supply as an IDDM under DAP 2020, our Company must be owned and controlled by resident Indian citizens. Once a vendor elects—or is mandated—to bid under this category, it becomes legally bound to demonstrate, at every stipulated milestone, that at least half of the ex-factory cost originates from Indian design, development, production or value-addition, supported by detailed cost sheets, certification from statutory auditors, and audit rights in favour of the Ministry of Defence. Failure to adhere to the cap not only exposes the vendor to disqualification, liquidated damages, and forfeiture of performance guarantees under the Defence Procurement Contract but may also trigger blacklisting and debarment under the MoD's Guidelines on Penalties and Debarment, thereby materially affecting the vendor's eligibility for future government procurements. We are pursuing certain programmes under IDDM and thus are subject to the adverse impacts of failure to adhere to its cap and any change in such caps. For further details with respect to risks associated with changing laws, see "***Risk Factors - Changing laws, rules and regulations in India could lead to new compliance requirements that are uncertain.***" on page 66.

SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of the Restated Consolidated Financial Statements

1.1 Basis of Preparation and Presentation

The Financial Statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value amount

1 Certain Financial Assets and Liabilities (including derivative instruments, if any), and

2 Defined Benefit Plans - Plan Assets

The financial statements of the Group have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

The Group's Financial Statements are presented in Indian Rupees, in Millions, which is also its functional currency.

Standards notified but not yet effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Financial Statements.

1.2 Basis of Consolidation

The Restated Summary Statements comprise of the financial statements of the Company and its subsidiaries. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Company controls an investee if and only if the Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the

Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

1.3 Basis of Consolidation (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the restated summary statements from the date the Group gains control until the date the Group ceases to control the subsidiary. The restated summary statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the restated summary statements for like transactions and events in similar circumstances, appropriate adjustments are made to the restated summary statements in preparing the restated summary statements to ensure conformity with the Group's accounting policies.

Consolidation procedure:

(a) The restated summary statements have been prepared using the principles of consolidation as per Ind AS 110 – Consolidated financial statements, to the extent applicable.

(b) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Ind AS restated summary statements at the acquisition date.

(c) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(d) Eliminate in full Intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from Intra-Group transactions that are recognised in assets, such as inventory and property, plant and equipment are eliminated in full). Intra-Group losses may indicate an impairment that requires recognition in the Ind AS restated summary statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of Profit and Loss resulting from Intra-Group transactions.

(e) Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the equity attributable to shareholders of the Company. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the summary statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All Intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary

- Derecognises the carrying amount of any non-controlling interests

- Derecognises the cumulative translation differences recorded in equity

- Recognises the fair value of the consideration received

- Recognises the fair value of any investment retained

- Recognises any surplus or deficit in profit or loss

- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

(a) Fair Value Measurement

Some of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a financial reporting team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The financial reporting team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as pricing services, is used to measure fair values, then the financial reporting team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (ie. as prices) or indirectly (ie. derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible if the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(b) Current and Non-Current Classification

An asset is classified as current if:

i. It is expected to be realized or sold or consumed in the Group's normal operating cycle;

ii. It is held primarily for the purpose of trading;

iii. It is expected to be realized within twelve months after the reporting period; or It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current if:

(a) It is expected to be settled in normal operating cycle;

(b) It is held primarily for the purpose of trading;

(c) It is expected to be settled within twelve months after the reporting period;

(d) It has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between acquisition of assets for processing / trading / assembling and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

(c)Property, Plant and Equipment

a) **Tangible Assets**

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Subsequent costs relating to day-to-day servicing of the item are not recognised in the carrying amount of an item of property, plant and equipment; rather, these costs are recognised in profit or loss as incurred.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work in Progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation methods, estimated useful lives and residual value

Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives as prescribed under Part C of Schedule Il of the Companies Act 2013, using the straight-line method, except in respect of leasehold improvement for which the Group has estimated the useful life of Ten years based on the initial lease term. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation for assets purchased / sold during a period is proportionately charged for the period of use.

* The useful life has been assessed based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from those classes of assets

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Derecognition

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from continued use of intangible asset. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in statement of profit and loss when the asset is de- recognized.

Gains or losses arising from derecognition of a Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

b) **Capital Work-in-Progress and Capital Advances**

Cost of Property, Plant and Equipment not ready for intended use, as on the balance sheet date, is shown as a "Capital Work-in- Progress". The Capital Work-in-Progress is stated at cost. Any expenditure in relation to survey and investigation of the properties is carried as Capital Work-in-Progress. Such expenditure is either capitalized as cost of the projects on completion of construction project or the same is expensed in the period in which it is decided to abandon such project. Any advance given towards acquisition of Property, Plants and Equipment outstanding at each balance sheet date is disclosed as "Other Non-Current Assets"

Capital Work-in-Progress (CWIP) comprises of expenditure incurred on assets that are not yet ready for their intended use as at the reporting date.

CWIP pertaining to intangible assets comprises expenditure incurred toward development of technology / software / products including employee benefit expenses of research and development personnel, technical consultancy charges, software -related costs and other directly attributable expenses pending completion and capitalization.

CWIP is carried at cost, comprising:

a) Purchase price (including import duties and non-refundable taxes, net of discounts)

b) Directly attributable costs necessary to bring the asset to its working condition for intended use (such as site preparation, installation, professional fees, and trial run expenses)

c) Borrowing costs, where applicable, capitalized in accordance with the Company’s policy on borrowing costs

Treatment of Expenses:

a) Expenditure directly attributable to construction or acquisition of qualifying assets is capitalized to CWIP until the asset is ready for its intended use.

b) General administrative and overhead expenses are not capitalized unless they are directly attributable to the construction activity.

Foreign Exchange Differences:

Exchange differences arising on foreign currency monetary items relating to CWIP are recognized in the Statement of Profit and Loss in accordance with applicable accounting standards.

Capitalization:

a) Upon completion and when the asset is ready for its intended use, the cost accumulated under CWIP is transferred to the relevant category of Property, Plant and Equipment (PPE) or Intangible Assets.

b) Depreciation/amortization commences from the date the asset is ready for its intended use.

Review for Impairment:

CWIP is reviewed annually for impairment and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, impairment loss is recognized in accordance with the Company’s impairment policy.

c) **Intangible Assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate

variations attributable to the Intangible Assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Cost of intangible assets under development as at the reporting date are disclosed as intangible assets under development.

Amortization

The amortization expenses on Intangible assets with the finite lives are recognized in the Statement of Profit and Loss. The Group's intangible assets comprises assets with finite useful life which are amortised on a straight-line basis over the period of their expected useful life as tabulated below:

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at each financial year end and adjusted prospectively, if appropriate.

Derecognition

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from continued use of intangible asset. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in statement of profit and loss when the asset is de- recognized.

(d) Impairment of Non-Financial Assets - Property, Plant and Equipment and Intangible Assets

Cash Generating Unit (CGU)

For the purpose of impairment testing in accordance with Ind AS 36, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (Cash Generating Units).

The Group is engaged in the business of defence manufacturing, development of defence technologies and integrated system solutions. The operations of the Company and its foreign subsidiaries are highly integrated in terms of manufacturing processes, technology development, procurement, engineering support, program management and execution of customer contracts.

The Group’s manufacturing facilities, research and development infrastructure, intellectual property, and operational resources are utilized collectively across multiple defence programs and contracts. Cash inflows are generated from integrated defence projects and are not independently attributable to individual plants, products, subsidiaries or specific asset groups.

Accordingly, management has determined that there are no separately identifiable Cash Generating Units capable of generating independent cash inflows. Therefore, for the purpose of impairment assessment, the recoverable amount is determined at the level of the Group as a whole or at the level of integrated operations representing the smallest identifiable group of assets generating substantially independent cash inflows.

The Group assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of assets may be impaired. If any such indication exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized directly in other comprehensive income and presented within equity.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. There are no losses from impairment of assets to be recognized in the financial statements.

(e) Inventories

Inventories comprise of Raw Materials and Finished Goods are stated at the lower of cost or net realizable value.

Cost of inventory comprises all costs of purchase including duties and taxes, freight inwards and other expenditure directly attributable to acquisition and to bring the inventories to its present location and condition. Cost of finished goods include cost of materials consumed and cost of conversion. Cost of raw materials is determined on FIFO basis.

Net realizable value represents the estimated selling price for inventories less estimated cost necessary to make the sale.

(f) Cash and cash equivalents

Cash and cash equivalents in the Restated Consolidated Statement of Assets and Liabilities comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(g) Share Capital

Equity share capital represents the amount received from shareholders towards subscribed capital, net of share issue expenses (if any).

Any premium received over and above the face value of shares is classified under securities premium reserve. The Company is a private limited company and its shares are not publicly traded.

(h) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease i.e., if the contract conveys the right to control the use of an identified asset for a period in exchange of consideration.

(i) The Group as a Lessee

The Group, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Group has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, it any, and adjusted for any remeasurement of the ease llability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate cannot be readily determined, the Group uses incremental borrowing rate

(ii) The Group as a Lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of

the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

(i) Borrowing Costs

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

(j) Employee Benefits

(a) Short Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

(b) Post-Employment Benefits

(a) Defined Contribution Plans

The group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service, if the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre- payment will lead to a reduction in future payment or a cash refund.

(b) Defined Benefit Plans

(a) Gratuity Scheme: The group pays gratuity to the employees who have completed five years of service with the group at the time of resignation/superannuation. The gratuity is paid @ 15 days basic salary and cearness allowances for every completed year of service as per the Payment of Gratuity Act, 1972. The lability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Remeasurement gains and losses arising from adjustments and changes in actuarial assumptions are recognised in the period in which they occur in Other Comprehensive Income.

(c) Other Long Term Employee Benefits

Entitlement to annual leave is recognized when they accrue to employees.

(k) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax

(a) **Current tax**

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income Tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally

enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(b) **Deferred Tax**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised and carried forward only if it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax.

Current and deferred tax for the year

Current and deferred tax is recognised in statement of profit and loss, except to the extent that it relates to items recognised in Other comprehensive income. In this case, the tax is also recognised in Other comprehensive income.

(l) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre tax rates that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are not recognized in the Ind AS Financial Statements but are disclosed in notes. Contingent asset is neither recognized nor disclosed in the Ind AS Financial Statements.

(m) Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

The Group has generally typically controls the goods or services before transferring them to the customer.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the group has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised on when the services are rendered and related cost are incurred over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Group expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government) Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional

Export Incentives

Export incentive revenues are recognized when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection.

Interest Income

Interest Income from a Financial Asset is recognised using effective interest rate method.

Dividend Income

Dividend Income is recognised when the Group's right to receive the amount has been established.

Surplus / (Loss) on disposal of Property, Plant and Equipment / Investment

Surplus or loss on disposal of property, plant and equipment or investment is recorded on transfers of title from the Group, and is determined as the difference between the sale price and carrying value of the property, plant and equipment or investment and other incidental expenses.

Rental Income

Rental income arising from operating lease on investments properties is accounted for on a straight-line basis over the lease term except the case where the incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

Insurance Claim

Claim receivable on account of insurance is accounted for to the extent the Group is reasonably certain of their ultimate collection.

Other Income

Revenue from other income is recognized when the payment of that related income is received or credited.

(n) Foreign Currency Transactions and Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates on the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e, translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or the Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

(o) Government Grants and Subsidies

Grants in the nature of subsidies which are non-refundable are recognized as income where there is reasonable assurance that the group will comply with all the necessary conditions attached to them. Income from grants is recognized on a systematic basis over periods in which the related costs that are intended to be compensated by such grants are recognized

Refundable government grants are accounted in accordance with the recognition and measurement principle of Ind AS 109, "Financial Instruments". It is recognized as income when there is a reasonable assurance that the group will comply with all necessary conditions attached to the grants. Income from such benefit is recognized on a systematic basis over the period of the grants during which the group recognizes interest expense corresponding to such grants.

(p) Financial Instruments Financial Assets

(A) Initial Recognition and Measurement

All Financial Assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value through Profit and Loss, are adjusted to the fair value on initial recognition.

Purchase and sale of Financial Assets are recognised using trade date accounting.

(B) Subsequent Measurement

- Financial Assets measured at Amortised Cost (AC)

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise to cash flows on specified dates that represent solely payments of principal and interest on the principal amount outstanding.

- Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

- Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories is measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Group changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109-Financial instruments.

(C) Investments

Investments are classified into Current or Non-Current Investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as Current Investments. All other Investments are classified as Non-Current Investments. However, that part of Non-Current Investments which are expected to be realized within twelve months from the Balance Sheet date is also presented under "Current Investments" under "Current portion of Non-Current Investments" in consonance with Current/Non-Current classification of Schedule-l of the Act.

All the equity investments which are covered under the scope of Ind AS 109, 'Financial Instruments" are measured at fair value. Investment in mutual funds is measured at fair value through profit and loss (FVTPL). Trading Instruments are measured at fair value through profit and loss (FVTPL)

(D) Investment in Subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in Subsidiaries, associates and joint ventures at cost less impairment loss (if any).

NON-GAAP MEASURES

Gross Profit, Gross Profit Margin (%), EBITDA, EBITDA Margin (%), PAT Margin (%), Return on Equity (%), Return on Capital employed (%), Net Tangible Fixed Asset Turnover and Working Capital Days (together, "**Non-GAAP Measures**"), presented in this Draft Red Herring Prospectus are a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, these Non-GAAP Measures are not standardized terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

Reconciliation of Non-GAAP Measures

Reconciliation of various Non-GAAP measures included in this Draft Red Herring Prospectus are given below:

Reconciliation of Restated Profit for the Year to EBITDA and EBITDA Margin

The table below reconciles restated profit for the year to EBITDA.

Particulars	Fiscal		
	2026	2025	2024
	(₹ million, unless otherwise stated)		
Profit before exceptional items (I)	699.59	1,000.41	949.55
Other income (II)	72.91	53.10	37.07
Finance costs (III)	106.16	177.42	76.81
Depreciation and amortization expense (IV)	313.35	265.91	133.95
EBITDA (V = I-II+III+IV)	1,046.18	1,390.64	1,123.24
Revenue from operations (VII)	3,626.48	4,690.80	4,281.89
EBITDA Margin (%) (VIII) = (VI/VII)	28.85	29.65	26.23

Reconciliation for Restated Profit for the Year to Profit After Tax Margin (PAT Margin)

The table below reconciles restated profit for the year to PAT Margin:

Particulars	Fiscal		
	2026	2025	2024
		(₹ million, unless otherwise stated)	
Restated profit for the year (I)	508.80	727.57	685.43
Total Income (II)	3,699.39	4,743.90	4,318.96
PAT Margin (%) (III = I/II)	13.75	15.34	15.87

Reconciliation for Total Borrowings to Net Debt and Net Debt to EBITDA

The table below reconciles total borrowings to Net Debt and Net Debt to EBITDA.

(₹ million, unless otherwise stated)

Particulars	Fiscal		
	2026	2025	2024
Non-current borrowings (I)	-	-	152.72
Current borrowings (II)	1,160.64	781.35	810.86
Cash and cash equivalents (III)	161.79	1,009.72	856.74
Bank Balances (IV)	224.53	9.52	299.99
Net Debt (V = (I + II) – (III + IV))	774.31	(237.89)	(193.15)
EBITDA (VI)	1,046.18	1,390.64	1,123.24
Net Debt to EBITDA (in times) (VII) = (V/VI)	0.74	(0.17)	(0.17)

Reconciliation of Total Equity to Return on Equity

The table below reconciles total equity to return on equity.

(₹ million, unless otherwise stated)

Particulars	Fiscal		
	2026	2025	2024
Average Shareholders' Fund (I)	5,216.49	3,601.34	1,300.24
Restated profit for the year (II)	508.80	727.57	685.43
Return on Equity (%) (III) = (II/I)	9.75	20.20	52.72

Reconciliation of Total Equity to Capital Employed, Restated Profit for the Year to EBIT and Return on Capital Employed

The table below reconciles total equity to capital employed.

(₹ million, unless otherwise stated)

Particulars	Fiscal		
	2026	2025	2024
EBITDA (I)	1,046.18	1,390.64	1,123.24
Depreciation (II)	313.35	265.91	133.95
EBIT (III)	732.84	1,124.72	989.28
Capital Employed (IV)	5,041.23	4,104.08	1,459.96
Return on Capital Employed (%) (IX = IV/III)	14.54	27.41	67.76

Reconciliation of Revenue from Operations to Net Fixed Assets Turnover Ratio

The table below reconciles revenue from operations to net fixed assets turnover ratio.

(₹ million, unless otherwise stated)

Particulars	Fiscal		
	2026	2025	2024
Turnover (I)	3,626.48	4,690.80	4,281.89
Net Tangible Fixed Assets (II)	248.03	244.84	47.87
Net Tangible Fixed Assets Turnover Ratio (in times) (III = I/II)	14.62	19.16	89.45

Reconciliation of Net Worth to Net Asset Value per Equity Share

The table below reconciles Net Worth to net asset value per Equity Share.

(₹ million, unless otherwise stated)

Particulars	Fiscal		
	2026	2025	2024
Net Worth (I) (₹ million)	5,531.59	4,901.38	2301.30
Number of Equity Shares at the end of the year (II)^	57,282,100	57,282,100	50,282,100
Net Asset Value per equity share* (III) = (I/II) (₹ per share)	96.57	85.57	45.77

^Number of Equity Shares considered after taking into account CCPS for Fiscal 2024.
**Net Asset Value per Equity Share has been adjusted for the effect of bonus issue, share split and share buy back for Fiscals 2024 and 2025.*

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

The principal components of our income and expenditure are as follows:

Income

Our income comprise revenue from operations and other income.

Revenue from operations

Revenue from operations comprises revenue from sale of products, i.e., export sales, domestic sales and other operating revenues.

Other Income

Other income comprises: (i) interest earned; (ii) rental income; (iii) profit on sale of asset; (iv) gain on settlement of liabilities; (v) finance income – Ind AS impact; and (vi) miscellaneous income (sale of scrips).

Expenses

Total expenses comprise: (i) cost of materials consumed; (ii) changes in inventories of finished goods; (iii) employee benefits expenses; (iv) finance costs; (v) depreciation and amortisation expenses; and (vi) other expenses.

Cost of materials consumed

Cost of materials consumed comprise the sum of opening stock of raw materials for the year, purchases and incidental expenses during the year (net of returns, claims/discount, if any), less closing stock of raw materials for the year.

Changes in inventories of finished goods

Changes in inventories of finished goods consists of net increases or decreases in inventories of finished goods.

Employee benefits expense

Employee benefits expense comprises (i) salaries and bonus; (ii) gratuity; (iii) leave encashment; (iv) contribution to provident and other funds; (v) insurance; (vi) staff welfare expenses; and (vii) expense on ESOP.

Finance cost

Finance cost comprises: (i) financing charges to banks, i.e., (a) interest expenses and (b) bank charges; and (ii) financing charges to others.

Depreciation and amortization expense

Depreciation and amortization expense comprises: (i) depreciation on property, plant and equipment; (ii) depreciation on right of use asset; and (iii) amortisation of intangible assets.

Other expenses

Other expenses primarily include: (i) debtors written off; (ii) sales and marketing expenses; (iii) technical support services; (iv) travel and conveyance; (v) provision for warranty; (vi) legal and professional fees; (vii) freight; (viii) royalty fees/technical know-how; (ix) repairs and maintenance of buildings and others; (x) corporate social responsibility; and (xi) miscellaneous expenses.

Exceptional items

Exceptional items are one time transaction fees related to CCPS and Equity raise. It comprises of the following:

Financial Year	**Transaction description**	**Amount raised (in ₹ million)**	**Exceptional items (in ₹ million)**	**Description**
Fiscal 2024	Series C1 CCPS	456.25	4.05*	• Financial and Tax Advisory • Legal and Documentation • Valuation Report Fee
Fiscal 2025	Equity capital raise	1,750.00	7.76[#]	• Financial and Tax Advisory and Diligence • Legal and Documentation • Valuation Report Fee • Stamp duties
Fiscal 2026	-	-	-	-

**Incurred for both Series C/C1 CCPS.*
[#]Incurred for both Series C1 CCPs and Equity capital raise

RESULTS OF OPERATIONS

The following table sets forth certain information with respect to our results of operations on a consolidated basis for the Fiscals 2026, 2025 and 2024:

Particulars	For the years ended March 31,					
	2026		2025		2024	
	Amount (₹ million)	Percentage of Total Income (%)	Amount (₹ million)	Percentage of Total Income (%)	Amount (₹ million)	Percentage of Total Income (%)
Revenue from operations	3,626.48	98.03	4,690.80	98.88	4,281.89	99.14
Other income	72.91	1.97	53.10	1.12	37.07	0.86
Total Income	3,699.39	100.00	**4,743.90**	**100.00**	**4,318.96**	**100.00**
Cost of materials consumed	1,655.54	44.75	2,153.09	45.39	2,132.75	49.38
Changes in inventories of finished goods	119.69	3.24	(106.98)	(2.26)	66.55	1.54
Employee benefits expenses	495.83	13.40	444.35	9.37	130.55	3.02
Finance costs	106.16	2.87	177.42	3.74	76.81	1.78
Depreciation and amortisation expenses	313.35	8.47	265.91	5.61	133.95	3.10
Other expenses	309.24	8.36	809.70	17.07	828.80	19.19
Total expenses	2,999.80	81.09	3,743.49	78.91	3,369.41	78.01
Profit/(Loss) before exceptional and extraordinary items and tax	699.59	18.91	1,000.41	21.09	949.55	21.99
Exceptional items	-	0.00	7.76	0.16	4.05	0.09
Profit before tax	699.59	18.91	992.65	20.92	945.50	21.89
Tax expense						
Current tax	170.62	4.61	218.50	4.61	211.50	4.90
MAT credit	-	0.00	-	0.00	15.02	0.35
Deferred tax	20.16	0.55	46.58	0.98	33.55	0.78
Profit for the year (net of tax)	508.80	13.75	727.57	15.34	685.43	15.87

FISCAL 2026 COMPARED TO FISCAL 2025

Total Income

Total income decreased by 22.02% from ₹ 4,743.90 million in Fiscal 2025 to ₹ 3,699.39 million in Fiscal 2026 primarily on account of decrease in revenue from operations.

Revenue from Operations

Revenue from operations decreased by 22.69% from ₹ 4,690.80 million in Fiscal 2025 to ₹ 3,626.48 million in Fiscal 2026 primarily on account of delays in the execution of certain international orders due to disruptions arising from the West Asia conflict, as well as the deferment of certain anticipated orders from Fiscal 2026 to Fiscal 2027, which resulted in an impact on revenue recognition during the year..

Other Income

Other income increased by 37.29% from ₹ 53.10 million in Fiscal 2025 to ₹ 72.91 million in Fiscal 2026, primarily on account of increase in interest earned from fixed deposits.

Expenses

Total expenses decreased by 19.87% from ₹ 3,743.49 million in Fiscal 2025 to ₹ 2,999.80 million in Fiscal 2026, primarily due to decrease in cost of materials consumed from ₹ 2,153.09 million in Fiscal 2025 to ₹ 1,655.54 million in Fiscal 2026, decrease in finance cost from ₹ 177.42 million in Fiscal 2025 to ₹ 106.16 million in Fiscal 2026 and decrease in other expenses from ₹ 809.70 million in Fiscal 2025 to ₹ 309.24 million in Fiscal 2026.

Cost of materials consumed

Cost of materials consumed decreased by 23.11% from ₹ 2,153.09 million in Fiscal 2025 to ₹ 1,655.54 million in Fiscal 2026, due to proportionate reduction in revenue from operations.

Changes in inventories of finished goods

Changes in inventories of finished goods increased by 211.88% from ₹ (106.98) million in Fiscal 2025 to ₹ 119.69 million in Fiscal 2026, primarily due to increase in opening stock of finished goods from ₹ 54.20 million in Fiscal 2025 to ₹ 161.18 million in Fiscal 2026.

Employee Benefits Expense

Employee benefits expense increased by 11.59% from ₹ 444.35 million in Fiscal 2025 to ₹ 495.83 million in Fiscal 2026, primarily on account of increase in expense on ESOP / (written back) from ₹ 102.40 million in Fiscal 2025 to ₹ 122.80 million in Fiscal 2026, increase in contribution to provident and other funds from ₹ 20.67 million in Fiscal 2025 to ₹ 33.08 million in Fiscal 2026, increase in staff welfare expense from ₹ 17.68 million in Fiscal 2025 to ₹ 28.26 million in Fiscal 2026 and increase in insurance from ₹ 9.21 million in Fiscal 2025 to ₹ 14.90 million in Fiscal 2026.

Finance Cost

Finance cost decreased by 40.17% from ₹ 177.42 million in Fiscal 2025 to ₹ 106.16 million in Fiscal 2026 primarily on account of decrease in interest expenses from ₹ 125.61 million in Fiscal 2025 to ₹ 43.66 million in Fiscal 2026.

Depreciation and Amortisation Expense

Depreciation and amortisation expense increased by 17.84% from ₹ 265.91 million in Fiscal 2025 to ₹ 313.35 million in Fiscal 2026, primarily on account of increase in depreciation on property, plant and equipment from ₹ 19.08 million in Fiscal 2025 to ₹ 44.68 million in Fiscal 2026, increase in amortisation of intangible assets from ₹ 230.31 million in Fiscal 2025 to ₹ 249.85 million in Fiscal 2026.

Other Expenses

Other expenses decreased by 61.81% from ₹ 809.70 million in Fiscal 2025 to ₹ 309.24 million in Fiscal 2026, primarily on account of a decrease in provision for warranty / (write back) from ₹ 81.49 million in Fiscal 2025 to ₹ (188.40) million in Fiscal 2026 due to substantial write back of warranty provision of earlier years; decrease in debtors written off from ₹ 190.51 million in Fiscal 2025 to ₹ 33.45 million in Fiscal 2026; and decrease in sales and marketing from ₹ 150.29 million in Fiscal 2025 to ₹ 55.71 million in Fiscal 2026.

Profit before tax

Our profit before tax decreased from ₹ 992.65 million in Fiscal 2025 to ₹ 699.59 million in Fiscal 2026 for the reasons discussed above.

Tax Expense

Current tax decreased from ₹ 218.50 million in Fiscal 2025 to ₹ 170.62 million in Fiscal 2026 due to reduction in profit before tax. As a result, total tax expense amounted to ₹ 190.79 million in Fiscal 2026 as compared to ₹ 265.07 million in Fiscal 2025.

Restated profit for the year

For the reasons discussed above, our profit for the year was ₹ 508.80 million in Fiscal 2026 as compared to ₹ 727.57 million in Fiscal 2025.

FISCAL 2025 COMPARED TO FISCAL 2024

Total Income

Total income increased by 9.84% from ₹ 4,318.96 million in Fiscal 2024 to ₹ 4,743.90 million in Fiscal 2025 primarily on account of an increase in revenue from operations.

Revenue from Operations

Revenue from operations increased by 9.55% from ₹ 4,281.89 million in Fiscal 2024 to ₹ 4,690.80 million in Fiscal 2025 primarily on account of an increase in revenue from export sales from ₹ 2,081.46 million in Fiscal 2024 to ₹ 3,073.38 million in Fiscal 2025.

In Fiscal 2024 and 2025, our Company benefitted from its products finding customer demand due to various geo-political factors as well as increased procurement by Indian defence procurements detailed below leading to a spike in revenues.

Our Company received an export order from a customer in Armenia of USD 55 million* in Fiscal 2024, this order was executed in Fiscal 2024 and 2025. We booked a revenue of ₹1,888.80 million in Fiscal 2024 and ₹ 2,676.93 million in Fiscal 2025 from this order. This order along with other orders received from customers in India helped our Company to increase revenues substantially in Fiscal 2024 and 2025. We do not expect growth rates of 342.21% to sustain since that growth rate was on a low revenue base in Fiscal 2023.

**INR equivalent ₹ 4,527 million (based on exchange rate of INR 82.30 per USD as of 17 May 2023)*

Other Income

Other income increased by 43.24% from ₹ 37.07 million in Fiscal 2024 to ₹ 53.10 million in Fiscal 2025, primarily

on account of an increase in interest earned from ₹ 33.39 million in Fiscal 2024 to ₹ 41.30 million in Fiscal 2025, and a gain on settlement of liabilities and miscellaneous income in Fiscal 2025 of ₹ 8.30 million and ₹ 1.06 million, respectively.

Expenses

Total expenses increased by 11.10% from ₹ 3,369.41 million in Fiscal 2024 to ₹ 3,743.49 million in Fiscal 2025, primarily due to an increase in cost of materials consumed from ₹ 2,132.75 million in Fiscal 2024 to ₹ 2,153.09 million in Fiscal 2025, employee benefits expenses from ₹ 130.55 million in Fiscal 2024 to ₹ 444.35 million in Fiscal 2025, an increase in finance costs from ₹ 76.81 million in Fiscal 2024 to ₹ 177.42 million in Fiscal 2025 and an increase in depreciation and amortisation expenses from ₹ 133.95 million in Fiscal 2024 to ₹ 265.91 million in Fiscal 2025.

Cost of materials consumed

Cost of materials consumed increased by 0.95% from ₹ 2,132.75 million in Fiscal 2024 to ₹ 2,153.09 million in Fiscal 2025, primarily due to an increase in raw materials consumed on account of increase in business operations.

Changes in inventories of finished goods

Changes in inventories of finished goods decreased by (260.75)% from ₹ 66.55 million in Fiscal 2024 to ₹ (106.98) million in Fiscal 2025, primarily due to a decrease in opening stock of finished goods from ₹ 120.75 million in Fiscal 2024 to ₹ 54.20 million in Fiscal 2025.

Employee Benefits Expense

Employee benefits expense increased by 240.36% from ₹ 130.55 million in Fiscal 2024 to ₹ 444.35 million in Fiscal 2025, primarily on account of an increase in staff welfare expenses from ₹ 5.89 million in Fiscal 2024 to ₹ 17.68 million in Fiscal 2025, an increase in contribution to provident and other funds from ₹ 8.09 million in Fiscal 2024 to ₹ 20.67 million in Fiscal 2025 and an increase in salaries and bonus from ₹109.30 million in Fiscal 2024 to ₹ 281.27 million in Fiscal 2025 and an increase in expense on ESOP from ₹ (7.30) million in Fiscal 2024 to ₹

102.40 million in Fiscal 2025, due to an increase in the number of employees from 167 in Fiscal 2024 to 258 in Fiscal 2025. This growth was concentrated in higher-value domains, specifically, project management, R&D/engineering, and mid-management positions which carried higher individual compensation packages. Additionally, an increase in non-cash ESOP expenses accelerated the overall expense.

Finance Cost

Finance cost increased by 130.98% from ₹ 76.81 million in Fiscal 2024 to ₹ 177.42 million in Fiscal 2025 primarily on account of an increase in interest expenses from ₹ 53. 96 million in Fiscal 2024 to ₹ 125.61 million in Fiscal 2025 and increase in financing charges to others from ₹ 16.40 million in Fiscal 2024 to ₹ 42.25 million in Fiscal 2025.

Depreciation and Amortisation Expense

Depreciation and amortisation expense increased by 98.51% from ₹ 133.95 million in Fiscal 2024 to ₹ 265.91 million in Fiscal 2025, primarily on account of an increase in amortisation of intangible assets ₹ 114.40 million in Fiscal 2024 to ₹ 230.31 million in Fiscal 2025 on account of acquiring our intellectual property rights towards the end of Fiscal 2024 and an increase in depreciation on property, plant and equipment from ₹ 10.05 million in Fiscal 2024 to ₹ 19.08 million in Fiscal 2025.

Other Expenses

Other expenses decreased by (2.30)% from ₹ 828.80 million in Fiscal 2024 to ₹ 809.70 million in Fiscal 2025, primarily on account of a decrease in; royalty fees and technical know-how from ₹ 105.13 million in Fiscal 2024 to nil in Fiscal 2025 due to the acquisition of all our intellectual property rights towards the end of Fiscal 2024 ; expense on provision for warranty from ₹ 208.20 million in Fiscal 2024 to ₹ 81.49 million in Fiscal 2025; expense of debtors written off from ₹ 218.21 million in Fiscal 2024 to ₹ 190.51 million in Fiscal 2025; technical support services from ₹ 120.26 million in Fiscal 2024 to ₹ 115.63 million in Fiscal 2025.

Profit before tax

Our profit before tax increased from ₹ 945.50 million in Fiscal 2024 to ₹ 992.65 million in Fiscal 2025 for the reasons discussed above and was offset by the increase in exceptional items from ₹ 4.05 million in Fiscal 2024 to ₹ 7.76 million in Fiscal 2025.

Tax Expense

Current tax increased from ₹ 211.50 million in Fiscal 2024 to ₹ 218.50 million in Fiscal 2025 due to a corresponding increase in the profit before tax in Fiscal 2025, our MAT credit decreased from ₹ 15.02 million in Fiscal 2024 to nil in Fiscal 2025 and deferred tax increased from ₹ 33.55 million in Fiscal 2024 to ₹ 46.58 million in Fiscal 2025. As a result, total tax expense amounted to ₹ 265.07 million in Fiscal 2025 as compared to ₹ 260.06 million in Fiscal 2024.

Restated profit for the year

For the reasons discussed above, our profit for the year was ₹ 727.57 million in Fiscal 2025 as compared to ₹ 685.43 million in Fiscal 2024.

LIQUIDITY AND CAPITAL RESOURCES

Our primary source of liquidity is cash generated from operations, equity raised, working capital and cash credit facilities from banks. As of March 31, 2026 we had cash and cash equivalents of ₹ 161.79 million and bank balances other than cash and cash equivalents of ₹ 224.53 million.

Our financing requirements are primarily for working capital and investments in our business such as capital expenditure. We evaluate our funding requirements periodically in light of our net cash flow from operating activities and the requirements of our business and operations.

CASH FLOWS

The following table sets forth certain information relating to our cash flows in the years indicated:

Particulars	Fiscal		
	2026	2025	2024
Net cash from operating activities (A)	(632.16)	(1,361.19)	783.33
Net cash from /(used in) investing activities (B)	(322.65)	(246.86)	(1,901.66)
Net cash from /(used in) financing activities (C)	321.90	1,470.56	1,878.06
Net increase/(decrease) in cash & cash equivalents (A+B+C)	(632.91)	(137.49)	759.73

Operating Activities

Fiscal 2026

In Fiscal 2026, net cash used in operating activities was ₹ 632.16 million. Our net profit before tax was ₹ 699.59 million and adjustments primarily consisted of depreciation and amortisation expense of ₹ 313.35 million, finance cost of ₹ 43.66 million and transfer to share options outstanding account for ₹ 122.80 million.

Operating profit before working capital changes was ₹ 1,108.20 million in Fiscal 2026. The primary adjustments for changes in working capital included a decrease in other financial assets (non-current) of ₹ 187.05 million, increase in inventories of ₹ 1,083.41 million , increase in trade receivables of ₹ 13.51 million, an increase in other current assets of ₹ 116.94 million and a decrease in other current liabilities of ₹ 473.13 million. Cash used in operating activities in Fiscal 2026 was ₹ 480.16 million and income taxes paid was ₹ 152.00 million.

Fiscal 2025

In Fiscal 2025, net cash used in operating activities was ₹ 1,361.19 million. Our net profit before tax was ₹ 992.65 million and adjustments primarily consisted of depreciation and amortisation expense of ₹ 265.91 million, finance cost of ₹ 125.61 million and transfer to share options outstanding account for ₹ 102.40 million.

Operating profit before working capital changes was ₹ 1,445.36 million in Fiscal 2025. The primary adjustments for changes in working capital included an increase in other financial assets (non-current) of ₹ 650.89 million, increase in trade receivables of ₹ 1,166.69 million, a decrease in other current assets of ₹ 195.03 million and a decrease in other current liabilities of ₹ 978.26 million primarily due to a one-time event due to purchase of intellectual property from CEAQ Singapore by our Company for a consideration of ₹1,831.91 million in Fiscal 2024. The amount was paid in tranches (amount paid in Fiscal 2025 was ₹ 1,038.89 million). The intellectual property purchase of ₹ 1,831.91 million however was a one-time transaction. Cash used in operating activities in Fiscal 2025 was ₹ 1,029.03 million and income taxes paid was ₹ 332.17 million.

The net cash used in operating activities was ₹ 1,361.19 million due to increase in accounts receivable and reduction in other current liabilities. The reduction in other current liabilities was a one-time event due to purchase of intellectual property from CEAQ Singapore by our Company for a consideration of ₹1,831.91 million in Fiscal 2024. The amount was paid in tranches as set out below and the amount unpaid to CEAQ Singapore as on March 31, 2024 was classified as part of Other Current liabilities.

Financial year	*Amount paid (in ₹ million)*	*Balance outstanding at end of financial year (in ₹ million)*
Fiscal 2024	510.97	1,320.94
Fiscal 2025	1,038.89	282.05
Fiscal 2026	282.05	-

The balance outstanding payable to CEAQ Singapore was the largest component of 'Other payables' as shown below.

(in ₹ million)

Particulars	*Fiscal 2026*	*Fiscal 2025*	*Fiscal 2024*
Payable to CEAQ Singapore on IP purchase	Nil	(282.05)	1,320.94
Payable to CEAQ Singapore (other than IP purchase)	Nil	(80.00)	Nil
Other Capital expense payable	Nil	(150.85)	Nil
Accrued expenses	(103.36)	(90.04)	54.98
Employee and other payables	(9.81)	(0.88)	Nil
Total	**(113.16)**	**(603.82)**	**1,375.92**

The fluctuation was largely due to the one time nature of the IP purchase from CEAQ Singapore in March 2024 where the payment was made across Fiscals 2024, 2025 and 2026. Following the progressive payment, the total balance outstanding payable to CEAQ Singapore reduced from ₹ 1,320.94 million in Fiscal 2024 to ₹ 362.05

million in Fiscal 2025 and further reduced to ₹ Nil in Fiscal 2026. The reduction in Current Liabilities by ₹ 1,038.89 million in Fiscal 2025 on account of above was partly responsible for the negative operating cash flow of ₹1,361.19 million. The intellectual property purchase of ₹ 1,831.91 million, however, is a one-time transaction.

Trade receivable:

	March 31, 2024	***March 31, 2025***	***Difference***
Receivable (*in ₹ million*)	936.43	2,103.12	1,166.69

Trade receivable as on March 31, 2025 has increased by an amount of ₹ 1,166.69 million as compared to March 31, 2024 and contributed to the negative operating cash flow. The reason for the higher receivable at the end of Fiscal 2025 was that a larger percentage of revenues were booked in the second half of Fiscal 2025 as compared to the first half of Fiscal 2025. Of the total Fiscal 2025 revenues, 45.23% (i.e., ₹ 2,121.48 million) was delivered in the first half of Fiscal 2025 and 54.77% (i.e., ₹ 2,569.32 million) was delivered in the second half of Fiscal 2025.

Fiscal 2024

In Fiscal 2024, net cash generated in operating activities was ₹ 783.33 million. Net profit before tax was ₹ 945.50 million and adjustments primarily consisted of depreciation and amortisation expense of ₹ 133.95 million, finance costs of ₹ 53.96 million and interest income of ₹ 33.39 million.

Operating profit before working capital changes was ₹ 1,093.78 million in Fiscal 2024. The primary adjustments for changes in working capital included increase in inventories of ₹ 721.00 million, increase in trade receivables of ₹ 524.83 million, increase in other current assets of ₹ 215.10 million, increase in other current liabilities of ₹ 1,100.45 million and a decrease in trade payables. Cash used in operating activities in Fiscal 2024 was ₹ 837.28 million which was partially offset by income taxes paid of ₹ 53.95 million.

Investing Activities

Fiscal 2026

Net cash used in investing activities was ₹ 322.65 million in Fiscal 2026, primarily on account of payments for purchase of intangible assets and capital work in progress of ₹ 341.70 million and payments for purchase of property, plant and equipment of ₹ 47.88 million. .

Fiscal 2025

Net cash used in investing activities was ₹ 246.86 million in Fiscal 2025, primarily on account of payments for purchase of property, plant and equipment of ₹ 216.10 million and payments for purchase of intangible assets and capital work in progress of ₹ 50.63 million.

Fiscal 2024

Net cash used in investing activities was ₹ 1,901.66 million in Fiscal 2024, primarily on account of payments for purchase of intangible assets and capital work in progress of ₹ 1,845.86 million.

Financing Activities

Fiscal 2026

Net cash generated from financing activities was ₹ 321.90 million in Fiscal 2026, primarily on account of increase in proceeds from short term borrowings of ₹ 537.18 million.

Fiscal 2025

Net cash generated from financing activities was ₹ 1,470.56 million in Fiscal 2025, primarily on account of issue of Equity Shares of ₹ 1,750.00 million which was partially offset by the repayment of long term borrowings of ₹ 152.72 million and finance cost paid of ₹ 125.61 million.

Fiscal 2024

Net cash generated from financing activities was ₹ 1,878.06 million in Fiscal 2024, primarily on account of issue of cumulative Preference Shares of ₹ 1,322.99 million and proceeds from short term borrowings of ₹ 427.84 million.

INDEBTEDNESS

As of June 30, 2026, our aggregate indebtedness was ₹ 2,086.50 million. The interest rates applicable to our funds and non fund based facilities typically range from 7.75% to 8.50%. The tenor of the facilities availed by our Company typically ranges from three months to five years. For further information on our outstanding indebtedness, see "***Financial Indebtedness***" on page 432.

MATURITY PROFILE OF FINANCIAL LIABILITIES

The following table detail our financial liabilities into relevant maturity based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table below are the contractual undiscounted cash flows of financial liabilities as at and for the Fiscal 2026.

Particulars	Less than 1 year	1-2 year	2 – 3 Years	More than 3 years	Total
		(₹ million)			
Borrowings	1,160.64	-	-	-	1,160.64
Less: IND AS Effect	-	-	-	-	-
Total	1,160.64	-	-	-	1,160.64
Trade payable	334.43	-	-	-	334.43
Other financial liabilities	0.90	-	-	-	0.90
Total	335.33	-	-	-	335.33

CONTINGENT LIABILITIES

As of March 31, 2026, our contingent liabilities that have been disclosed in the Restated Consolidated Financial Statements are as follows:

S. No.	Particulars	Amount *(₹ million)**
1.	Bank guarantees	687.12
	Total	687.12

Further, as of March 31, 2026, our commitments that have been disclosed in the Restated Consolidated Financial Statements are as follows:

S. No.	Particulars	Amount *(₹ million)*
1.	Capital commitments	23.70
2.	Other commitments (expenditure related contractual commitments apart from capital commitments)	1,597.16

For further information of our contingent liabilities as of March 31, 2026, see "***Restated Consolidated Financial Statements – Note 40 - Contingent liabilities and Capital Commitments***", on page 376.

CAPITAL EXPENDITURES

For Fiscal 2026, Fiscals 2025 and Fiscal 2024, respectively, the aggregate of additions to property, plant and equipment was ₹47.49 million, ₹ 216.12 million and ₹ 26.85 million, respectively. The following table sets forth additions to property, plant and equipment by category of expenditure, for Fiscals 2026, 2025 and 2024, respectively:

(in ₹ million)

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Data processing equipment	17.55	17.51	12.48
Furniture & fixtures	3.57	4.47	0.96

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Office equipment	10.10	22.36	2.17
Plant & machinery	9.79	6.42	6.29
Leasehold improvements	6.48	165.36	4.95
Total	47.49	**216.12**	**26.85**

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. Related parties with whom transactions have taken place during the year include sales, reimbursement of expenses, purchases of project material/equipment, software and technical support, sublease rentals from CEAQ India; purchases of project material/equipment, purchase of intangible assets, other services and loans from CEAQ Singapore; purchases of project material/equipment from UAB Tonbo Imaging; and sales, reimbursement of expenses, purchases of project material/equipment and other services from HBL Engineering Limited. For further information, see "***Restated Consolidated Financial Statements – Note 46 - Related Party Disclosures***" on page 384.

Purchase of intangible assets from CEAQ Singapore:

When our Company effected a product sale to any customer, it was required to pay royalty to CEAQ Singapore (10%-12% of revenue from operation). Our Company expects revenue from operations to grow in India. In 2023, a decision was taken to (a) raise significant domestic capital in the Company to capitalize on the India opportunity, (b) transfer all Intellectual Property ("**IP**") from CEAQ Singapore as was required by the incoming Indian investors at the Company. In line with this decision, IP was purchased by the Company from CEAQ Singapore for a consideration of ₹1,831.91 million. The purchase consideration was determined using a discounted cash flow ("**DCF**") valuation of the IP being purchased. As per the valuation report, the valuer adopted income approach – Multi Period Excess Earnings Method (MPEEM). The life considered for intangible assets for the purposes of valuation report to arrive at the fair value is 10 years.

The IP purchase enabled our Company to own all IP without obligation of royalty payments. For details with respect to the IP, please see, "***Our Business - Intellectual Property Rights***" on page 268.

While the purchase from CEAQ Singapore was a related party transaction, it was a one-time purchase at arms-length, entered in compliance with requirements of the Companies Act, 2013 and ensured that there is no future, recurring royalty payments. Further, the technology portfolio that CEAQ Singapore had fitted well with our Company's requirements and came without any restrictions on usage in different geographies. With the revenue substantially increasing, it was not economically viable to continue paying royalty to the related party and hence our Company chose to purchase the IP for a one-time consideration.

AUDITOR'S OBSERVATIONS

Our Statutory Auditors have not included any qualifications, reservations or emphasis of matters in their audit reports in the last three Fiscals.

CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE FINANCIAL YEARS

There have been no changes in our accounting policies in the last three Fiscals.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our operational activities expose us to a variety of financial risks which includes market risk (including foreign currency risk, interest rate risk, other price risk), credit risk and liquidity risk. Our focus is to ensure liquidity which is sufficient to meet our operational requirements. Our board of directors have established certain key managerial personnel who are responsible for developing and monitoring the risk management policies.

Market Risk

Market risk is the risk arising from changes in market prices such as interest rates will affect our income or the value of our holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including long term debt. We are exposed to market risk primarily related to interest rate risk, currency risk and the other prices risk and the market value of the investments. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities.

Foreign Currency Risk

We are exposed to foreign exchange risk arising from foreign currency transactions, USD being its prime foreign currency. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not our functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to our debt obligations with floating interest rates and investments. However, we do not have any borrowings. All of our borrowings are on a fixed rate of interest. We have exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate ("**MCLR**"). We use a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term credit lines besides internal accruals.

Other Price Risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Our Company is exposed to price risk arising mainly from investments in equity/equity-oriented instruments recognized at FVTPL/FVTOCI.

Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. We measure the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Financial instruments that are subject to concentration of credit risk principally consist of trade receivables, investments, derivative financial instruments and other financial assets. None of the financial instruments of our Company results in material concentration of credit risk.

Credit risk is the risk that a counterparty fails to discharge its obligation to our Company. Our Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and other financial assets measured at amortized cost. Our Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. Our Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. Our Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets: (i) Low credit risk, (ii) Moderate credit risk, (iii) High credit risk.

Liquidity Risk

Liquidity risk is the risk that our Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Our Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our Company's reputation.

The management monitors monthly rolling forecasts of our Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried in accordance with standard guidelines. Our Company has liquidity reserves in the form of highly liquid assets in the form of cash and cash equivalent, deposit accounts, etc.

For further information, see "***Restated Consolidated Financial Statements – Note 44 - Financial Risk Management***" on page 376.

SIGNIFICANT ECONOMIC CHANGES

To the knowledge of our management, other than as described in "***Risk Factors***" and "- ***Significant Factors Affecting our Results of Operations and Financial Condition***" on pages 21 and 403, respectively, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

UNUSUAL OR INFREQUENT EVENTS OF TRANSACTIONS

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no "unusual" or "infrequent" events or transactions that have in the past or may in the future affect our business operations or future financial performance.

KNOWN TRENDS OR UNCERTAINTIES

Our business has been affected and we expect will continue to be affected by the trends identified above in **" –** ***Significant Factors Affecting our Results of Operations and Financial Condition***" and the uncertainties described in "***Risk Factors***" beginning on pages 403 and 21. To our knowledge, except as described or anticipated in this Draft Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described in "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 21, 239 and 396, respectively, there are no known factors that might affect the future relationship between costs and revenues.

NEW PRODUCTS OR BUSINESS SEGMENTS

Except as set out in this Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new business segments other than in the normal course of business.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See "***Our Business***", "***Industry Overview***" and "***Risk Factors***" on pages 239, 149 and 21, respectively, for further information on competitive conditions that we face.

EXTENT TO WHICH MATERIAL INCREASES IN NET SALES OR REVENUE ARE DUE TO INCREASED SALES VOLUME, INTRODUCTION OF NEW PRODUCTS OR SERVICES OR INCREASED SALES PRICES

Changes in revenue in the last three Fiscals are as described in, **"–** ***Fiscal 2026 compared to Fiscal 2025***" and **"–** ***Fiscal 2025 compared to Fiscal 2024***" above on pages 420 and 422, respectively.

SEGMENT REPORTING

Our Company is engaged in a single line of business of vision technology based products and solutions and operates from a single geographical location (Bangalore, Karnataka, India). The Chief Revenue Officer (CRO) monitors the business as a whole for the purposes of making decisions on resource allocation and performance assessment. Accordingly, the Company has only one reportable segment, and the segment reporting requirements under Ind AS 108 "Operating Segments" are not applicable beyond the entity-wide disclosures presented in the Restated Consolidated Financial Statements.

SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS/SUPPLIERS

We typically enter into contracts with our customers through tenders obtained via a competitive bidding process. Accordingly, our relationship with our customers are short term and typically for the manufacture of a specific product, but our revenue from operations has been materially concentrated in the last three Fiscals. Some of our tenders garner us customers who contribute significantly towards revenue from operations for particular periods.

SEASONALITY/ CYCLICALITY OF BUSINESS

While our business is not seasonal, the nature of business is cyclical in nature on account of it being geopolitically driven. Funding for defence projects is subject to annual or multi-year government budgets, which can be delayed or reprioritised due to shifting political or economic circumstances. As per the F&S Report, in recent years, geopolitical instability, such as border conflicts, rising regional tensions, and emerging non-state threats, has led to accelerated procurement through emergency purchase mechanisms and fast-track acquisitions. These mechanisms are designed to address immediate operational needs, leading to sudden spikes in demand for defence electronics. While this has created short-term demand spikes, such procurement cycles are episodic and may not be sustained if geopolitical tensions subside or governments revert to conventional, multi-year acquisition programs. The episodic nature of emergency procurement leads to fluctuations in order volumes and revenue, making it difficult for companies to forecast and plan long-term investments or resource allocation. Consequently, revenue visibility can be inconsistent, and conversion of opportunities from the broader Total Addressable Market ("**TAM**") and Serviceable Addressable Market ("**SAM**") often remains a prolonged, resource-intensive process in the absence of conflict-driven urgency. For further details, see "***Industry Overview – Geopolitical context***" on page 154.

For further details, see "***Our business is cyclical in nature on account of it being geopolitically driven. Further, tender-based procurement cycle results in poor revenue visibility, which may have an adverse impact on our business, financial stability, results of operations, investor confidence, and the ability to secure financing for growth or innovation.***"

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2026 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

No circumstances have arisen after March 31, 2026 which materially and adversely affect or are likely to affect our operations, trading or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

Except as disclosed below, there has been no material development since March 31, 2026:

1. ***Alteration of Memorandum of Association***

Pursuant to resolutions passed by the Board and the Shareholders on April 23, 2026, our Company amended the Memorandum of Association to add the following additional objects clause in the main the object clause of our Company:

The following clause was included in Clause III (A) of the Memorandum of Association:

"*To carry on the business of research, design, development, engineering, manufacture, fabrication, assembly, testing, validation, integration, supply, import, export, installation, commissioning, marketing, modernization, maintenance and lifecycle support of defence, aerospace, homeland security, surveillance, electronic warfare and strategic technology systems, platforms and equipment, either independently or in collaboration with government bodies, armed forces, public sector undertakings, research institutions or private entities in particular to design, develop, manufacture, assemble, test and market advanced defence and security systems including unmanned aerial vehicles (UAVs), remotely piloted and autonomous aerial platforms, thermal, infra-red and electro-optical communication, sensing and surveillance equipment, high power microwave and directed energy based systems, projectile launchers and associated control technologies, high velocity kinetic energy based systems, loitering munitions, remotely operated weapon stations (RCWS), targeting and stabilization systems, holographic sight, laser designator system, target acquisition system, infrared and laser pointer and illuminator, laser ranger finding system together with all allied software, firmware, embedded electronics, artificial intelligence modules, propulsion systems, navigation technologies, imaging and sensor systems, materials, components, subsystems and assemblies, and to undertake all activities incidental or ancillary thereto including consultancy, system integration, technology transfer, training, repair, overhaul, maintenance, servicing, support and related services in connection therewith*."

Consequently, the CIN of our Company has been updated.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2026, as derived from our Restated Consolidated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "***Risk Factors***", "***Restated Consolidated Financial Statements***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", on pages 21, 312 and 396, respectively.

(in ₹ million, except ratios)

Particulars	Pre-Offer as at March 31, 2026	As adjusted for the Offer*
Borrowings		Refer notes below.
Current borrowings (I) **	1,160.64	
Non-current borrowings (including current maturity and interest accrued and due on borrowings) (II)**	-	
Total borrowings (III = I + II)	**1,160.64**	
Equity		
Equity share capital** (IV)	114.56	
Other equity** (V)	5,417.03	
Total equity (VI = IV + V)	**5,531.59**	
Total capitalization (VII= III + VI)	6,692.23	
Ratio: Non-current borrowings / Total equity (II/VI)	-	
Ratio: Total borrowings / Total equity (VIII = III / VI)	**0.21**	

**There will be no change in capital structure post the Offer since it is an initial public offering by way of an Offer for Sale by the Selling Shareholders.*

***These terms shall carry the meaning as per Schedule III of the Companies Act, 2013.*

FINANCIAL INDEBTEDNESS

Our Company has availed certain credit facilities in its ordinary course of business, for general corporate expenses and other business requirements. Our Board is empowered to borrow monies as may be required for the purpose of the business of our Company, in accordance with Section 179 and Section 180 of the Companies Act, 2013 and our Articles of Association. For details regarding the borrowing powers of our Board, see "***Our Management – Borrowing Powers***" on page 297.

The details of our aggregate indebtedness as on June 30, 2026, is provided below:

(*in ₹ million*)

Category of borrowing	Sanctioned amount	Principal amount outstanding as on June 30, 2026
(a) Secured		
Fund Based		
Working capital facilities	1,490.00	1,297.16
Total Fund Based (A)	**1,490.00**	**1,297.16**
Non-Fund Based		
Letter of Credit	-	-
Bank Guarantees	955.00	789.34
Total Non-Fund Based (B)	**955.00**	**789.34**
(b) Unsecured		
Fund based		
Term loans	N.A.	N.A.
Non-fund based		
-	N.A.	N.A.
Total (C) = (A)+(B)	**2,445.00**	**2,086.50**

[*] *As certified by our Statutory Auditor, by way of their certificate dated August 4, 2026.*

Key terms of the borrowings availed by our Company:

Tenor: The tenor of the facilities availed by our Company typically ranges from three months to five years.

Interest: The applicable interest payable on the borrowings availed by our Company ranges from 7.75% to 8.50% or as mutually agreed between the parties.

Security: Our borrowings are typically secured by way of (a) a pari passu charge by way of hypothecation of the assets of our Company; (b) fixed deposits; (c) non-disposal undertakings issued by our Promoters; (d) personal guarantees issued by our Promoters; or (e) any other collateral security offered by our Company to its lenders.

Prepayment: The facilities availed by our Company, typically have pre-payment provisions which allow for pre-payment of the outstanding loan amount, by serving a prior written notice to the relevant lender or on receiving prior approval from the relevant lender, and in certain case, subject to such pre-payment charges as may be decided mutually at the time of such prepayment, or as set out in the facility agreements.

Repayment: Other than some of the working capital loans and other credit facilities, which are repayable on demand, our Company is required to repay our borrowings on the maturity date or on such dates and/ or in such instalments as stipulated in the relevant loan documents.

Restrictive covenants: Borrowing arrangements entered into by our Company typically contain various restrictive conditions and covenants mandating either the prior written consent and/or an intimation to our lenders in respect of certain corporate actions. An indicative list of such covenants is set forth below:

(a) change in the capital structure of our Company;

(b) change in the shareholding pattern and management control of our Company; and

(c) amendments to the memorandum of association and articles of association having material adverse effect on the Company.

Events of Default: In terms of the borrowing arrangements entered into by our Company, the occurrence of any of the following, *inter alia*, constitutes an event of default:

1. non-payment or default in payment of principal and/or interest due on the loan obligations;

2. wind up, liquidate or dissolve its affairs or pass any resolution or otherwise take any steps for voluntary winding up or liquidation or dissolution;

3. occurrence or existence of such events or circumstances, which in the opinion of the lender, could have a material adverse effect;

4. change in the purpose of utilisation of credit facility other than sanctioned; and

5. cessation of business operations temporarily or permanently.

Consequences of events of default: In terms of the borrowing arrangements of our Company, the following, inter alia, are the consequences of occurrence of events of default, including:

1. termination/ cancellation of the sanctioned facilities;

2. appointment of nominee directors in our Company;

3. levy of an additional interest rate or alteration of interest rate or the spread or interest reset date; and

4. termination of the lender's obligations.

This is an indicative list and there may be additional terms that may require the consent of the relevant lender, the breach of which may amount to an event of default under various borrowing arrangements entered into by our Company with its respective lenders, and the same may lead to consequences other than those stated above.

We have obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Offer. For further details of financial and other covenants required to be complied with in relation to our borrowings, see "***Risk Factors – We have incurred indebtedness and an inability to obtain further financing or to comply with repayment and other covenants in our financing agreements could adversely affect our business, results of operations, cash flows and financial condition***" on page 51.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below, as on the date of this Draft Red Herring Prospectus, there are no outstanding (i) criminal proceedings, (ii) action and proceedings by statutory or regulatory authorities, (iii) claims related to direct or indirect tax matters, and (iv) litigation proceedings that are otherwise material, in each case, involving our Company, our Promoters, Subsidiaries and our Directors ("**Relevant Parties**"), and (v) criminal proceedings (including first information reports whether or not cognizance has been taken by any court or judicial authority), and action and proceedings taken by regulatory authorities and statutory authorities involving the Key Managerial Personnel and Senior Management. Further there are no disciplinary actions including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Financial Years including any outstanding action. There are no pending outstanding litigation proceedings involving our Group Company which may have a material impact on our Company.*

*For the purpose of identification of material litigation in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation involving the Relevant Parties to be disclosed in this Draft Red Herring Prospectus pursuant to a resolution dated August 4, 2026 of our Board ("**Materiality Policy**").*

Pursuant to the Materiality Policy, all other pending litigation involving the Relevant Parties has been considered material if:

- *the value or expected impact in terms of value of the claim by or against the entity or person in any such pending proceeding exceeds (a) 2% of the turnover for Fiscal 2026 as per the Restated Consolidated Financial Statements, i.e. ₹72.53 million; (b) 2% of the net worth as at March 31, 2026 as per the Restated Consolidated Financial Statements, i.e. ₹110.63 million; or (c) 5% of the average of the absolute value of the profit/loss after tax of our Company as per the Restated Consolidated Financial Statements for the last three Fiscals, i.e. ₹32.03 million, whichever is lower, in this case being 5% of the average of the absolute value of the profit/loss after tax of our Company as per the Restated Consolidated Financial Statements for the last three Fiscals, i.e., ₹32.03 million ("**Materiality Amount**"); or*

- *where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation may not exceed the Materiality Amount; or*

- *any outstanding civil litigation involving the Relevant Parties wherein the monetary liability is not quantifiable, or does not exceed the Materiality Amount, if the outcome of such litigation could have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of the Company.*

Further, litigation where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation may not exceed the Materiality Amount shall also be considered material litigation in relation to the Relevant Parties. In addition, any outstanding civil litigation/ arbitration proceedings involving the Relevant Parties wherein the monetary liability is not quantifiable, or does not exceed the Materiality Amount in an individual litigation, shall be considered 'material' and shall be disclosed in this Draft Red Herring Prospectus, if the outcome of such litigation could have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company.

For the above purposes, pre-litigation notices received by the Relevant Parties, Key Managerial Personnel and Senior Management from third parties (excluding notices from statutory, regulatory, or tax authorities) shall not be evaluated for materiality until such time that the Relevant Parties are impleaded as defendants or respondents in proceedings before any judicial/quasi-judicial/arbitral forum or is notified by any governmental, statutory, or regulatory authority of any such proceeding that may be commenced.

Except as stated in this section, there are no outstanding dues to material creditors of our Company. In terms of the Materiality Policy for the purpose of disclosure of material creditors in this Draft Red Herring Prospectus, all creditors of our Company to whom the amount due from our Company exceeds 5.00% of the total trade payables of the Company as per the Restated Consolidated Financial Statements are material creditors (i.e., 5.00% of ₹334.43 million which is ₹ 16.72 million based on the Restated Consolidated Financial Statements as at March 31, 2026).

Further, for outstanding dues to micro, small or medium enterprise, the disclosures shall be based on the information available with the Company regarding the status of the creditor as 'MSME' as defined under Section 2 read with Section 7 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the statutory auditors in preparing their audit report.

Unless otherwise specified, the terms defined in the description of a particular litigation matter pertain to such matter only.

Litigation involving our Company

Criminal proceedings against our Company

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Company.

Criminal proceedings by our Company

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Company.

Action taken by statutory and regulatory authorities involving our Company

As of the date of this Draft Red Herring Prospectus, there is no outstanding action taken by statutory and regulatory authorities involving our Company.

Material civil litigation against our Company

As of the date of this Draft Red Herring Prospectus, there is no outstanding material civil litigation initiated against our Company.

Material civil litigation by our Company

As of the date of this Draft Red Herring Prospectus, there is no outstanding material civil litigation initiated by our Company.

Litigation involving our Subsidiaries

Criminal proceedings against our Subsidiaries

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Subsidiaries.

Criminal proceedings by our Subsidiaries

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Subsidiaries.

Action taken by statutory and regulatory authorities involving our Subsidiaries

As of the date of this Draft Red Herring Prospectus, there is no outstanding action taken by statutory and regulatory authorities involving our Subsidiaries.

Material civil litigation against our Subsidiaries

As of the date of this Draft Red Herring Prospectus, there is no outstanding material civil litigation initiated against our Subsidiaries.

Material civil litigation by our Subsidiaries

As of the date of this Draft Red Herring Prospectus, there is no outstanding material civil litigation initiated against our Subsidiaries.

Litigation involving our Directors

Criminal proceedings against our Directors

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Directors, other than as disclosed below:

A first information report ("**FIR**") has been registered by Gopal Das against, among others, our Independent Director, Rishikesha Krishnan with the Mico Layout Police Station, Bangalore, alleging offences are under sections 3(1)(r) and 3(1)(s) of the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, 1989 and sections 351(2) and 351(3) of the Bharatiya Nyaya Sanhita, 2023. The FIR has been challenged before the Hon'ble High Court of Karnataka High Court, pursuant to which the High Court of Karnataka has stayed further investigation in the matter by way of interim order dated December 31, 2024. The matter is currently pending.

Criminal proceedings by our Directors

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by any of our Directors.

Action taken by statutory and regulatory authorities involving our Directors

As of the date of this Draft Red Herring Prospectus, there is no outstanding action taken by statutory and regulatory authorities involving our Directors.

Material civil litigation against our Directors

As of the date of this Draft Red Herring Prospectus, there is no outstanding material civil litigation initiated against our Directors.

Material civil litigation by our Directors

As of the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated by our Directors.

Litigation involving our Promoters

Criminal proceedings against our Promoters

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Promoters.

Criminal proceedings by our Promoters

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Promoters.

Action taken by statutory and regulatory authorities involving our Promoters

As of the date of this Draft Red Herring Prospectus, there is no outstanding action taken by statutory and regulatory authorities involving our Promoters.

Material civil litigation against our Promoters

As of the date of this Draft Red Herring Prospectus, there is no outstanding material civil litigation initiated against our Promoters.

Material civil litigation by our Promoters

As of the date of this Draft Red Herring Prospectus, there is no outstanding material civil litigation initiated against our Promoters.

Litigation involving our Key Managerial Personnel

Litigation against our Key Managerial Personnel

Criminal proceedings against our Key Managerial Personnel

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Key Managerial Personnel.

Criminal proceedings by our Key Managerial Personnel

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Key Managerial Personnel.

Action taken by statutory and regulatory authorities involving our Key Managerial Personnel

As of the date of this Draft Red Herring Prospectus, there is no outstanding action taken by statutory and regulatory authorities involving our Key Managerial Personnel.

Litigation involving our Senior Management

Litigation against our Senior Management

Criminal proceedings against our Senior Management

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Senior Management.

Criminal proceedings by our Senior Management

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Senior Management.

Action taken by statutory and regulatory authorities involving our Senior Management

As of the date of this Draft Red Herring Prospectus, there is no outstanding action taken by statutory and regulatory authorities involving our Senior Management.

Tax proceedings involving our Company, Subsidiaries, Directors and Promoters

Details of outstanding tax proceedings involving our Company, Subsidiaries, Directors and Promoters as of the date of this Draft Red Herring Prospectus are disclosed below:

Nature of proceeding	Number of proceedings	Aggregate amount involved (in ₹ million)*
Our Company		
Direct tax	1	N.A.
Indirect tax	4	35.54
Our Subsidiaries		
Direct tax	-	-
Indirect tax	-	-
Our Directors		
Direct tax	-	-
Indirect tax	-	-
Our Promoters		
Direct tax	-	-
Indirect tax	-	-
Total	**5**	**35.54**

**To the extent quantifiable.*

OUTSTANDING DUES TO CREDITORS

In accordance with the Materiality Policy, a creditor to whom ₹ 16.72 million, which is 5% of the total trade payables of our Company as at the end of the latest period of the Restated Consolidated Financial Statements, is due by our Company, have been considered as 'material' creditors.

The details of outstanding dues (trade payables) owed to micro and small enterprises, material creditors and other creditors, as at March 31, 2026, are set out below:

Type of creditors	Number of creditors	Aggregate amount involved (in ₹ million)*
Micro, Small and Medium Enterprises	36	61.06
Material creditors[#]	4	177.26
Other creditors	90	96.11
Total	**130**	**334.43**

**To the extent quantifiable*

As of March 31, 2026, there are no outstanding over dues owed to the material creditors of our Company.

MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET DATE

Except as stated in "***Management's Discussion and Analysis of Financial Conditions and Results of Operations***", there have been no material developments, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

*Our business requires various approvals, consents, licenses, registrations and permits issued by relevant governmental and regulatory authorities under applicable rules and regulations of the respective jurisdictions. Set out below is an indicative list of such consents, licenses, registrations, permissions, and approvals obtained by our Company which are considered material and necessary for the purposes of undertaking their respective businesses and operations ("**Material Approvals**"). In addition, certain Material Approvals may have lapsed or expired or may lapse in their ordinary course of business, from time to time, and we have either already made applications to the appropriate authorities for renewal of such Material Approvals or are in the process of making such renewal applications in accordance with applicable law and requirements and procedure. Unless otherwise stated, these approvals are valid as of the date of this Draft Red Herring Prospectus.*

*For further details in connection with the regulatory and legal framework within which we operate, see "**Key Regulations and Policies in India**" on page 273. For details of risks associated with not obtaining or delay in obtaining the requisite approvals, see "**Risk Factors** – **We operate in an industry which is highly regulated and are subject to stringent government regulations. If we fail to comply with the applicable regulations and rules prescribed by the Government of India and the relevant statutory or regulatory bodies or fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required for our business, our results of operations and cash flows may be adversely affected**" on page 27.*

Incorporation details of our Company

For details of the incorporation of our Company, see "***History and Certain Corporate Matters - Brief history of our Company***" on page 281.

Offer related approvals

For details of corporate and other approvals in relation to the Offer, see "***Other Regulatory and Statutory Disclosures – Authority for the Offer***" on page 444.

Tax related approvals

1. The permanent account number of our Company is AAHCS8134P.

2. The tax deduction number of our Company is BLRS14459E.

3. Our Company has obtained GST registration certificates issued by the Government of India and the state governments for GST payments in the states where our business operations are situated.

4. Our Company has obtained a professional tax registration certificate bearing number 355147855 under the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976.

Material Approvals obtained in relation to the business and operations of our Company

(1) ***Approvals under Factories Act, 1948***

- Factories license bearing registration number MYB-29938 issued by the Government of Karnataka under the Factories Act, 1948, for the factory at No. 3, Chikka Yellappa Tower II, PID. No. 68-327-4, 1st C Main Road, Chikkayellappa Industrial Area, PID. No. 68-327-4, 1st C Main, Chikkayellappa Industrial Area, Bangalore, Bengaluru 560034. The license is valid from October 15, 2025 to December 31, 2027.

(2) ***Approvals under Industries (Development and Regulation) Act, 1951***

- Industrial license bearing registration number DIL: 51(2015) for manufacture of optical instruments and equipment, including hand-held thermal imager and helmet-mounted thermal imager; and

- Industrial license bearing registration number DIL: 10(2020) for manufacture of image intensifier equipment, infrared thermal imaging equipment, imaging radar sensor equipment, recorders and image processing equipment, specially designed for military use.

(3) ***Environment related approvals***

- Registration bearing number 47673829 as a producer of waste/used battery by the central pollution control board under the Battery Waste Management Rules, 2022.
- Registration bearing number B-29016(10776) (EPR-Registration)/25/WM-III as a producer of electrical and electronic equipment by the central pollution control board under the E-Waste Management Rules, 2022.

(4) ***Labour and employment related approvals***

- Registrations under the applicable shops and establishments acts for the Registered Office, Corporate Office and other offices of our Company.
- Certificate of registration issued by the Employees State Insurance Corporation of India under the Employees State Insurance Act, 1948.
- Certificate of registration issued by the Employees Provident Fund Organisation under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 (*which has been replaced with the Code on Social Security, 2020*).

(5) ***Other Material Approvals***

In addition to above, our Company has obtained:

- Importer exporter code bearing registration number 0703018116 issued by the Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India.
- Legal entity identifier code bearing number 335800M2WY98FRVUQ567.
- Registration cum membership bearing registration number BLR/172/2022-2023 issued by the Federation of Indian Export Organisation under the Foreign Trade (Development and Regulation) Act, 1992.
- Registration and classification as "small" enterprise under MSME Act, 2006, for classification year 2026 - 2027, bearing registration number UDYAM-KR-03-0024323.
- Export authorisations from the Director General of Foreign Trade under the list of Special Chemicals, Organisms, Materials, Equipment, and Technology.

(6) **Material Approvals for which applications are pending**

Our Company currently holds all such Material Approvals which we are required to obtain, except the following, in respect of which we have made applications before relevant authorities to obtain the registrations or renewals or modifications, as applicable :

Description	Registration / renewal	Authority	Date of application
Application for industrial license for manufacture of (a) radar equipment, GPS devices, search, detection, navigation, aeronautical and nautical equipment for civilian purposes; and (b) manufacture of other communication equipment	Registration	Department for Promotion of Industry and Internal Trade	October 16, 2025
Application for an "arms license" for manufacture and proof testing for arms and ammunitions and allied items of defence equipment other than small arms of caliber 12.7 mm and above	Registration	Department for Promotion of Industry and Internal Trade	October 28, 2025

(7) Intellectual Property

Trademarks

As on the date of this Draft Red Herring Prospectus, our Company has registered the following trademark with the Registrar of Trademarks under the Trademarks Act. The details of this trademark are :

Sr. No.	Trademark Description	Class
1.	TONBO imaging* 	9

* *Pursuant to an application dated August 2, 2024, our Company has applied for a transfer of this mark from CEAQ Singapore which is pending approval with the Registrar of Trade Marks under the Trademarks Act. For further details in relation to the transfer from CEAQ Singapore, see "**History and Certain Corporate Matters – Other material agreements - Deed of assignment dated July 26, 2024 between our Company and CEAQ Singapore"** on page 286.*

Further, our Company has also made an application dated December 22, 2025 for registration of a new trademark,  under Class 9 with the Registrar of Trademarks under the Trademarks Act, 1999 which is pending approval.

Patents and other intangible assets

As on the date of this Draft Red Herring Prospectus, our Company has been granted five patent registrations in the United States of America by the United States Patent and Trademark Office pursuant to an assignment agreement dated April 25, 2025 and has filed four applications for grant of patents in India before the Indian Patent Office and four patent applications each dated May 12, 2026 before the United States Patent and Trademark Office. Further, our Company has acquired certain intangible assets from CEAQ Singapore pursuant to five assignment agreements, each dated March 11, 2024. For further details, see "***Our Business – Intellectual Property Rights***", "***History and Certain Corporate Matters – Other material agreements – Deeds of assignment each dated March 11, 2024 entered into between our Company and CEAQ Singapore***" and "***History and Certain Corporate Matters – Other material agreements – Assignment agreement dated April 25, 2025 between our Company and CEAQ Singapore***" on page 286.

SECTION VII - OUR GROUP COMPANIES

In accordance with the SEBI ICDR Regulations, the term 'group companies', includes (i) such companies (other than promoter(s) and subsidiary(ies)) with which there were related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, in the offer documents, and also (ii) other companies as considered material by the board of directors of the relevant issuer company.

Accordingly, for the purpose of (i) above, all such companies (other than our Subsidiaries) with which there were related party transactions in accordance with Ind AS 24, during the periods covered in the Restated Consolidated Financial Statements in this Draft Red Herring Prospectus, shall be considered as Group Companies in terms of the SEBI ICDR Regulations.

In addition, for the purposes of (ii) above, pursuant to the Materiality Policy, a company (other than the Subsidiaries) shall be considered "material" and will be disclosed as a "group company" if such company forms part of the Promoter Group and with which there were transactions in the last completed full Fiscal (*i.e.*, Fiscal 2026), which individually or in the aggregate, exceed 10% of the total restated revenue from operations of our Company, for the last completed full Fiscal based on the Restated Consolidated Financial Statements.

Accordingly, based on the parameters for (i) and (ii) as outlined above, the following companies have been identified as our group companies ("**Group Companies**"), as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of Group Company	Registered address
1.	CEAQ India	No.3 Chikkayellappa Tower-II, 1st C Main, Sarjapura Main Road, Jakkasandra Extension, Chikkayellappa Indl. Layout, Bangalore-560034, Karnataka
2.	CEAQ Singapore	No. 36 Robinson Road, #20-01, City House, Singapore 068877
3.	UAB Tonbo Imaging	Virginijaus Druskio g. 6-18, Vilniaus m.Vilniaus m. sav. Lithuania.
4.	HBL Engineering Limited	No. 8-2-601, Road No.10, Banjara Hills, Hyderabad 500 034, Hyderabad, India

In accordance with the SEBI ICDR Regulations, certain financial information with respect to: (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, of the top five Group Companies (determined based on market capitalisation for listed companies and turnover for unlisted companies) for the preceding three years, based on their respective audited financial statements, as applicable shall be hosted on the website of our Company, as indicated below:

Sr. No.	Group Company	Website
1.	CEAQ Singapore[*]	https://tonboimaging.com/main/group-company-information/
2.	CEAQ India[^]	https://tonboimaging.com/main/group-company-information/
3.	UAB Tonbo Imaging [#]	https://tonboimaging.com/main/group-company-information/
4.	HBL Engineering Limited	https://tonboimaging.com/main/group-company-information/

[*]*The audited financial statements for CEAQ Singapore are available up to Fiscal 2025 and accordingly the financial information based on the last available audited financial statements, i.e., Fiscals 2025, 2024 and 2023 shall be hosted on the website of our Company.*
[^]*The audited financial statements for CEAQ India are available up to Fiscal 2025 and accordingly the financial information based on the last available audited financial statements, i.e., Fiscals 2025, 2024 and 2023 have been hosted on the website of the Company.*
[#]*As confirmed by UAB Tonbo Imaging, under the laws of the relevant jurisdiction where UAB Tonbo Imaging is incorporated, it is not statutorily required to prepare audited financial statements. Accordingly, financial information based on the unaudited financial statements for such entity shall be hosted on the website of our Company.*

Our Company is providing links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations. Such financial information/ details of the Group Companies provided on the websites do not constitute a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, would be doing so at their own risk.

Common pursuits between our Group Companies, our Company and Subsidiaries

There are no common pursuits amongst our Company, Subsidiaries and Group Companies.

Related business transactions within our Group Companies and significance on the financial performance of our Company

Other than the transactions disclosed in "***Restated Consolidated Financial Statements – Note 46 – Related Party Disclosures***" on page 384, there are no other related business transactions between our Group Companies and our Company. There is no significance of such transactions on the financial performance of our Company.

Business Interest of our Group Companies in our Company

Except as disclosed in "***Restated Consolidated Financial Statements – Note 46 – Related Party Disclosures***" on page 384, our Group Companies have no business interests in our Company or its Subsidiaries.

Nature and extent of interest of our Group Companies

In the promotion of our Company

Our Group Companies do not have any interest in the promotion of our Company.

In the properties acquired by us in the preceding three years from the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company

None of our Group Companies are interested, directly or indirectly, in the properties acquired by our Company in the preceding three years from the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

None of our Group Companies are interested, directly or indirectly, in any transactions for acquisition of land, construction of building or supply of machinery, with our Company.

Other Confirmations

As on the date of this Draft Red Herring Prospectus, except HBL Engineering Limited (bearing ISIN: INE292B01021), whose equity shares are listed on BSE and NSE, none of our Group Companies have their debt or equity securities listed on any stock exchange in India or abroad. Further, none of our Group Companies have made any public, rights issue or composite issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Draft Red Herring Prospectus.

SECTION VIII - OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Corporate Approvals

- Our Board has authorised the Offer by pursuant to a resolution passed at its meeting dated December 20, 2025. Further, our Board has taken on record the consent of the Selling Shareholders to participate in the Offer for Sale pursuant to a resolution passed at its meeting dated December 20, 2025.

- Our Board has, pursuant to a resolution passed at its meeting dated August 4, 2026 approved the Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.

Approvals from the Selling Shareholders

Each of the Selling Shareholders has, severally and not jointly, confirmed and approved the inclusion of its respective portion of the Offered Shares in the Offer for Sale, as set out below:

Selling Shareholders	Number of Offered Shares	Date of consent letter	Date of corporate authorisation / board resolution
Arvind Kondangi Lakshmikumar	Up to 1,150,000 Equity Shares bearing face value of ₹2 each	December 19, 2025	Not applicable
Ankit Kumar	Up to 580,000 Equity Shares bearing face value of ₹2 each	December 19, 2025	Not applicable
Cecilia D'Souza	Up to 230,000 Equity Shares bearing face value of ₹2 each	December 19, 2025	Not applicable
Vinimaya Advisory LLP	Up to 339,700 Equity Shares bearing face value of ₹2 each	December 19, 2025	November 6, 2025
CEAQ India	Up to 10,164,500 Equity Shares bearing face value of ₹2 each	December 19, 2025	November 6, 2025
CEAQ Singapore	Up to 4,899,896 Equity Shares bearing face value of ₹2 each	December 19, 2025	November 4, 2025
Timothy Guy Mitchell	Up to 208,700 Equity Shares bearing face value of ₹2 each	December 19, 2025	Not applicable
Artiman Partners LLC	Up to 197,350 Equity Shares bearing face value of ₹2 each	December 19, 2025	December 19, 2025
Amit Dilip Shah*	Up to 84,600 Equity Shares bearing face value of ₹2 each	December 19, 2025	Not applicable
Ramesh Radhakrishnan	Up to 80,000 Equity Shares bearing face value of ₹2 each	December 19, 2025	Not applicable
Artiman Ventures Select 2014 L.P.	Up to 69,400 Equity Shares bearing face value of ₹2 each	December 19, 2025	December 19, 2025
Artiman Ventures Select 2014 Principals Fund L.P.	Up to 1,100 Equity Shares bearing face value of ₹2 each	December 19, 2025	December 19, 2025
Tiruvidaimarudhur Srivatsan Sivashankar and Meera Sivashankar	Up to 80,000 Equity Shares bearing face value of ₹2 each	December 19, 2025	Not applicable

**Amit Dilip Shah is the registered owner and Amit Shah Family Trust is the beneficial owner of the Equity Shares.*

Each of the Selling Shareholders, severally and not jointly, confirms that it is in compliance with Regulation 8 of the SEBI ICDR Regulations, and it has held its respective portion of the Offered Shares for a period of at least one year prior to the date of filing the Draft Red Herring Prospectus.

In-principle listing approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [•] and [•], respectively.

Prohibition by the Securities and Exchange Board of India, Reserve Bank of India or other Governmental Authorities

Our Company, Promoters, members of the Promoter Group, Directors, persons in control of our Company and Selling Shareholders are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Directors associated with the securities market

None of our Directors are, in any manner, associated with the securities market, in any manner and there is no outstanding action initiated by the SEBI against the Directors of our Company in the past five years preceding the date of this Draft Red Herring Prospectus.

Confirmation under the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoters, members of the Promoter Group and each of the Selling Shareholders, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable to each of them, as on the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible to undertake the Offer in accordance with the eligibility criteria provided in Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- our Company has net tangible assets of at least ₹30.0 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each);
- our Company has an average operating profit of at least ₹150.0 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- our Company has a net worth of at least ₹10.0 million in each of the three preceding full years (of 12 months each), calculated on a restated and consolidated basis; and
- there has been no change of name of our Company at any time during the one year immediately preceding the date of filing of this Draft Red Herring Prospectus other than the deletion of the word "Private" from the name of our Company pursuant to conversion to a public limited company. Our Company has not undertaken any new activity pursuant to such change in name.

Set forth below are details of our Company's net tangible assets, operating profit and net worth, derived from the Restated Consolidated Financial Statements as at and for the Fiscals ended March 31, 2026, 2025 and 2024.

(*₹ in million, unless otherwise stated*)

Particulars	As at and for the Fiscal ended		
	March 31, 2026	March 31, 2025	March 31, 2024
Restated net tangible assets [(1)]	3,891.89	3,331.20	501.40
Operating profit for the year ended, as restated and consolidated[(2)]	732.84	1,124.73	989.29
Restated net worth[(3)]	5,531.59	4,901.38	2,301.30

Notes:

1. *As per Section 2(1)(gg) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, " Restated net tangible assets means the sum of all net assets of the Group, excluding Intangible Assets as defined in Indian Accounting Standard (Ind AS) 38 - Intangible Assets, Goodwill as defined in Ind AS 103 - Business Combinations, Right of Use Assets and Lease Liabilities as defined in Ind AS 116 - Leases and Deferred Tax Assets and Deferred Tax Liability as defined in Ind AS 12 - Income Taxes.*
2. *Operating profit has been calculated as restated profit before tax excluding other income and adding finance cost.*
3. *Restated net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account and instruments entirely in the nature of equity after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations. We have calculated net worth by aggregate value of equity share capital, instruments entirely equity in nature, capital redemption reserve, retained earnings, securities premium, other comprehensive income (fair value gains/(loss) on equity instruments), foreign currency translation reserve and shares pending issuance.*

The average of operating profit for Fiscal 2026, Fiscal 2025 and Fiscal 2024 of our Company was ₹ 948.95 million. For further details, see "***Other Financial Information***" on page 395.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000, failing which the entire application monies shall be refunded forthwith in accordance with the SEBI ICDR Regulations and other applicable laws.

Further, our Company confirms that it is eligible to make the Offer in terms of Regulation 5 and Regulation 7 of the SEBI ICDR Regulations, to the extent applicable. Our Company is in compliance with the following conditions specified in Regulation 5 and Regulation 7 of the SEBI ICDR Regulations:

1. none of our Company, our Promoters, members of the Promoter Group, Directors or Selling Shareholders are debarred from accessing the capital markets by the SEBI;

2. neither our Promoters nor any of our Directors are promoters or directors, as the case maybe, of companies which are debarred from accessing the capital markets by the SEBI;

3. none of our Company, Promoters or Directors have been declared as Wilful Defaulters or Fraudulent Borrowers;

4. none of our Promoters or Directors have been declared as a Fugitive Economic Offender;

5. as on the date of this Draft Red Herring Prospectus, except for the employee stock options granted pursuant to the ESOP Scheme, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares;

6. The Equity Shares of our Company held by our Promoters are in dematerialised form;

7. Our Company has entered into tripartite agreements with NSDL and CDSL, respectively, for dematerialisation of the Equity Shares.

8. All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus; and

9. There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance.

Each of the Selling Shareholders confirms that they are in compliance with Regulation 8 of the SEBI ICDR Regulations and their respective portion of the Offered Shares are eligible for being offered in the Offer for Sale.

DISCLAIMER CLAUSE OF THE SECURITIES AND EXCHANGE BOARD OF INDIA

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, JM FINANCIAL LIMITED AND IIFL CAPITAL SERVICES LIMITED (*FORMERLY KNOWN AS IIFL SECURITIES LIMITED*) HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE BIDDERS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND EACH OF THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO THE SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 4, 2026 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. THE SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All applicable legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC including in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the RoC including in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, our Selling Shareholders, Directors and Book Running Lead Managers

All information, to the extent required in relation to the Offer, shall be made available by our Company, the Selling Shareholders and the Book Running Lead Managers to the Bidders and the public at large and no selective or additional information would be made available for a section of the Bidders in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders and their directors/trustees, officers, agents, affiliates, and representatives. as applicable, Underwriters, the Book Running Lead Managers and their respective directors, partners, designated partners, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares.

The Book Running Lead Managers and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, our Subsidiary, our Group Companies, our Promoters, members of the Promoter Group, each of the Selling Shareholders and their directors and officers, group companies, affiliates or associates or third parties (as applicable) in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, its Directors, our Promoter, officers, agents, group companies, affiliates, associates or third parties, (as applicable) for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Neither the delivery of this Draft Red Herring Prospectus nor the offer of the Offered Shares shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer in respect of jurisdiction

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Karnataka, Bengaluru only.

Bidders eligible under Indian law to participate in the Offer

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies

registered under the applicable laws in India and authorised to invest in equity shares, domestic Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), systemically important NBFCs or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, state industrial development corporations, permitted insurance companies registered with Insurance Regulatory and Development Authority of India, public financial institutions as specified in Section 2(72) of the Companies Act, 2013 permitted provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds (registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable laws, with minimum corpus of ₹250 million), National Investment Fund, insurance funds set up and managed by the army and navy or air force of Union of India and insurance funds set up and managed by the Department of Posts, India, systemically important NBFCs registered with the RBI, multilateral and bilateral development financial institutions and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law.

Certain persons outside India are restricted from participating in the Offer. For details see "***Restrictions on Foreign Ownership of Indian Securities***" on page 490.

Selling and Transfer Restrictions

This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

The Equity Shares offered in the Offer have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares offered in the Offer are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**").

Each purchaser of the Equity Shares in the Offer who does not receive a copy of the preliminary offering memorandum shall be deemed to represent and warrant to and agree with our Company, the Selling Shareholders and the Members of the Syndicate as follows:

- It was outside the United States (as defined in Regulation S) at the time the offer of the Equity Shares was made to it and it was outside the United States (as defined in Regulation S) when its buy order for the Equity Shares was originated.

- It did not purchase the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S).

- It bought the Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to resell or otherwise transfer any of the Equity Shares, it agrees that it will not offer, sell or otherwise transfer the Equity Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act.

- It will not sell or transfer any Equity Shares or any economic interest therein, including any offshore derivative instruments, such as participatory notes, issued against the Equity Shares, other than in accordance with applicable laws.

- If it acquired any of the Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

- If it acquired any of the Equity Shares for one or more managed accounts, that it was authorized in writing by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It agrees to indemnify and hold the Company, the Selling Shareholders and the Members of the Syndicate harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- It acknowledges that our Company, the Selling Shareholders and the Members of the Syndicate and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Until the expiry of 40 days after the commencement of this Offer, an offer or sale of Equity Shares sold in this Offer within the United States by a dealer (whether or not it is participating in this Offer) may violate the registration requirements of the U.S. Securities Act.

Disclaimer clause of BSE Limited

As required, a copy of this Draft Red Herring Prospectus shall be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Disclaimer clause of National Stock Exchange of India Limited

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Listing

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Application will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within three Working Days from the Bid/ Offer Closing Date or within such other period as may be prescribed by the SEBI. The Selling Shareholders, severally and not jointly, shall provide all required information, reasonable support and cooperation to the BRLMs and our Company in this respect.

If our Company does not Allot the Equity Shares within three Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate as may be prescribed by the SEBI.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. Any expense incurred by our Company on behalf of the Selling Shareholders with regard to interest on such refunds as required under the Companies Act, 2013 and any other applicable law will be reimbursed by the Selling Shareholders as agreed among our Company and the Selling Shareholders in writing, in proportion to the Offered Shares. For the avoidance of doubt, subject to applicable law, the Selling Shareholders shall not be responsible to pay and/or reimburse any expenses towards refund or any interest thereon for any delay, unless such failure or default or delay, as the case may be, is by, and is directly attributable to, an act or omission, of each of the Selling Shareholders and such liability shall be limited to the extent of their respective portion of

the Offered Shares. Each of the Selling Shareholders undertake to provide such reasonable assistance as may be requested by our Company, to the extent such assistance is required from it in relation to its Offered Shares to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within such time prescribed by the SEBI.

Consents

Consents in writing of: (a) our Directors, our Company Secretary and Compliance Officer, each of the Selling Shareholders, banker(s) to our Company, legal counsel to our Company, the Book Running Lead Managers, the Registrar to the Offer, our Statutory Auditor, industry report provider, in their respective capacities, have been obtained; (b) consents of the Syndicate Members, the Public Offer Account Bank(s)/ Escrow Collection Bank(s)/ Refund Bank(s), Sponsor Banks, to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents, which have been obtained, have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Experts to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated August 4, 2026 from Kalyanasundaram & Associates, Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act, 2013 read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of (i) their examination report dated August 3, 2026 on our Restated Consolidated Financial Statements; (ii) their report dated August 3, 2026 on the statement of special tax benefits available to our Company and (iii) other certificates included or otherwise referred to in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issue during the last five years, preceding the date of this Draft Red Herring Prospectus.

Commission and brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public offering of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of the Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Particulars regarding capital issues by our Company, listed Group Companies, Subsidiary or associates during the last three years

Our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

As of the date of this Draft Red Herring Prospectus, our Company does not have any listed Subsidiaries. Further, as of the date of this Draft Red Herring Prospectus, our Company does not have any associates. Except for HBL Engineering Limited, our Company does not have any listed Group Companies. HBL Engineering Limited has not undertaken any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – public/ rights issue of our Company

Our Company has not made any public/ rights issue during the three years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – last one public/ rights issue / rights issue of the listed subsidiaries/listed Promoters of our Company

As of the date of this Draft Red Herring Prospectus, our Company does not have any listed Subsidiaries or listed Promoters.

Price information of past issues handled by the Book Running Lead Managers

JM Financial Limited

Price information of past issues (during the current Fiscal and two Financial Years preceding the current Financial Year) handled by JM Financial Limited.

Sr. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	SBI Funds Management Limited*10	97,953.21	574.00	July 21, 2026	613.30	Not Applicable	Not Applicable	Not Applicable
2.	Turtlemint Fintech Solutions Limited *	8,826.70	152.00	June 29, 2026	134.90	-19.84% [0.16%]	Not Applicable	Not Applicable
3.	OnEMI Technology Solutions Limited*	9,259.20	171.00	May 8, 2026	190.00	57.81% [-3.35%]	Not Applicable	Not Applicable
4.	Aye Finance Limited*	10,100.00	129.00	February 16, 2026	129.00	-20.71% [-8.18%]	-2.89% [-7.94%]	Not Applicable
5.	Shadowfax Technologies Limited*	19,072.69	124.00	January 28, 2026	112.60	-2.26% [0.61%]	26.02% [- 4.93%]	72.97% [-6.22%]
6.	ICICI Prudential Asset Management Company Limited*	1,06,026.50	2,165.00	December 19, 2025	2,600.00	35.59% [-1.05%]	39.49% [- 8.43%]	49.90% [-7.61%]
7.	Corona Remedies Limited*9	6,553.71	1,062.00	December 15, 2025	1,470.00	34.92% [-1.13%]	44.88% [-11.05%]	62.74% [-9.24%]
8.	Aequs Limited*8	9,218.12	124.00	December 10, 2025	140.00	15.61% [0.46%]	5.33% [-6.72%]	50.77% [-9.28%]
9.	Capillary Technologies India Limited#7	8,775.01	577.00	November 21, 2025	560.00	16.51% [-0.88%]	-7.59% [-2.09%]	-10.06% [-11.77%]
10.	Tenneco Clean Air India Limited*	36,000.00	397.00	November 19, 2025	505.00	18.35% [-0.91%]	38.04% [-1.42%]	51.71% [-9.25%]

Source: www.nseindia.com and www.bseindia.com

BSE as designated stock exchange

** NSE as designated stock exchange*

Notes:

1. *Opening price information as disclosed on the website of the designated stock exchange.*
2. *Change in closing price over the issue/offer price as disclosed on designated stock exchange.*
3. *For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*
6. *Restricted to last 10 issues.*
7. *A discount of Rs. 52 per Equity Share was offered to eligible employees bidding in the employee reservation portion.*
8. *A discount of Rs. 11 per Equity Share was offered to eligible employees bidding in the employee reservation portion.*
9. *A discount of Rs. 54 per Equity Share was offered to eligible employees bidding in the employee reservation portion*
10. *A discount of Rs. 54 per Equity Share was offered to eligible employees bidding in the employee reservation portion*

Summary statement of price information of past issues handled by JM Financial Limited

Financial Year	Total no. of IPOs	Total funds raised (` Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2026-2027	3	1,16,039.11	-	-	1	1	-	-	-	-	-	-	-	-
2025-2026	27	6,75,324.16	1	1	10	-	6	9	-	4	8	6	2	6
2024-2025	13	2,55,434.10	-	-	5	5	2	1	1	3	1	4	1	2

IIFL Capital Services Limited (*Formerly known as IIFL Securities Limited*)

Price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by IIFL Capital Services Limited (formerly known as IIFL Securities Limited)

Sr. No.	Issuer Name	Issue Size (in Rs. Mn)	Issue Price (Rs.)	Designated Stock Exchange as disclosed in the red herring prospectus filed	Listing Date	Opening Price on Listing Date	+/- % change in closing price*, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Wakefit Innovations Limited	12,888.89	195.00	NSE	December 15, 2025	195.00	-9.64%, [-1.13%]	-16.93%, [-11.05%]	-41.15%, [-9.24%]
2.	Corona Remedies Limited	6,553.71	1,062.00(1)	NSE	December 15, 2025	1,470.00	+34.92%, [-1.13%]	+44.88%, [-11.05%]	+62.74%, [-9.24%]
3.	Nephrocare Health Services Limited	8,710.48	460.00(2)	NSE	December 17, 2025	490.00	+7.26%, [-0.59%]	+14.52%, [-9.33%]	+62.64%, [-8.50%]
4.	ICICI Prudential Asset Management Company Limited	106,026.5	2,165.0	NSE	December 19, 2025	2,600.00	+35.59%, [-1.05%]	+39.49%, [-8.43%]	+49.90%, [-7.61%]
5.	Amagi Media Labs Limited	17,886.19	361.00	BSE	January 21, 2026	317.00	+13.23%, [+0.72%]	+1.80%, [-4.14%]	+55.76%, [-68.90]
6.	Aye Finance Limited	10,100.00	129.00	NSE	February 16, 2026	129.00	-20.71%, [-8.18%]	-2.89%, [-7.94%]	N.A.

Sr. No.	Issuer Name	Issue Size (in Rs. Mn)	Issue Price (Rs.)	Designated Stock Exchange as disclosed in the red herring prospectus filed	Listing Date	Opening Price on Listing Date	+/- % change in closing price*, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 180th calendar days from listing
7.	Clean Max Enviro Energy Solutions Limited	30,838.26	1,053.00[3]	NSE	March 2, 2026	960.00	-26.90%, [-10.19%]	+5.40%, [-5.30%]	N.A.
8.	Powerica Limited	11,000.00	395.00[4]	NSE	April 2, 2026	366.00	+24.01% [+5.66%]	+56.14%, [+5.07%]	N.A.
9.	Kusumgar Limited	6,500.00	419.00[5]	NSE	July 15, 2026	569.00	N.A.	N.A.	N.A.
10.	Laser Power and Infra Limited	7,420.00	214.00	NSE	July 16, 2026	250.00	N.A.	N.A.	N.A.

Source: www.nseindia.com; www.bseindia.com, as applicable

[1]A discount of Rs. 54 per equity share was offered to eligible employees bidding in the employee reservation portion

[2]A discount of Rs. 41 per equity share was offered to eligible employees bidding in the employee reservation portion

[3]A discount of Rs. 100 per equity share was offered to eligible employees bidding in the employee reservation portion

[4]A discount of Rs. 37 per equity share was offered to eligible employees bidding in the employee reservation portion

[5]A discount of Rs. 39 per equity share was offered to eligible employees bidding in the employee reservation portion

**Benchmark Index taken as NIFTY 50 or S&P BSE SENSEX, as applicable. Price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered for all of the above calculations. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th /90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. NA means Not Applicable. The above past price information is only restricted to past 10 initial public offers.*

Summary statement of price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by IIFL Capital Services Limited (formerly known as IIFL Securities Limited)

Financial Year	Total No. of IPO's*	Total Funds Raised (in Rs. Mn)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2024-25	16	4,81,737.17	-	-	1	6	4	5	-	2	-	6	4	4
2025-26	29	7,10,091.04	-	2	9	1	6	11	-	6	6	5	2	7
2026-27	2	13,920.00	-	-	-	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com; www.bseindia.com, as applicable

**Total number of IPOs is based on date of prospectus filed*

Note: Data for number of IPOs trading at premium/discount taken at closing price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.

Track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012, issued by the SEBI, see the websites of the Book Running Lead Managers, as set forth in the table below:

S. No	Name of the Book Running Lead Manager	Website
1.	JM Financial Limited	www.jmfl.com
2.	IIFL Capital Services Limited (*formerly known as IIFL Securities Limited*)	www.iiflcapital.com

For further details in relation to the BRLMs, please see "***General Information – Book Running Lead Managers***" on page 91.

Stock market data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus and accordingly, no stock market data is available for the Equity Shares.

Mechanism for redressal of investor grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for a longer period, to enable the Bidders to approach the Registrar to the Offer for redressal of their grievances.

All grievances in relation to the Bidding process may be addressed to the Company Secretary and the Compliance Officer and/or Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, UPI ID, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the Book Running Lead Managers where the Bid cum Application Form was submitted by the Anchor Investor.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Selling Shareholders, the Book Running Lead Managers and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Bidders can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

In terms of the SEBI ICDR Master Circular and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the Bidders shall be compensated by the SCSBs in accordance with SEBI ICDR Master Circular in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, SCSBs and the Book Running Lead Managers shall compensate the Bidders at the rate

higher of ₹100 or 15% per annum of the application amount for the period of such delay. Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the Book Running Lead Managers, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with the SEBI ICDR Master Circular.

Disposal of investor grievances by our Company

In terms of SEBI circular SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023, companies intending to get listed must submit a declaration that a draft red herring prospectus has been submitted to SEBI in order to obtain SCORES authentication. Our Company has obtained registration on the SEBI SCORES platform and has obtained authentication on the SCORES in terms of the SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023 in relation to redressal of investor grievances through SCORES.

Our Company has not received any investor grievances in the last three Fiscals prior to the filing of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of filing of this Draft Red Herring Prospectus. Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ankita Agarwalla, as the Company Secretary and Compliance Officer for the Offer and she may be contacted in case of any pre-Offer or post-Offer related problems. For details, see "***General Information***" on page 90.

Our Company has also constituted a Stakeholders' Relationship Committee comprising Rishikesha Thiruvenkata Krishnan, Cecilia D'Souza and Matthew Cyriac as members, to review and redress shareholder and investor grievances. For details, see "***Our Management – Committees of the Board – Stakeholders' Relationship Committee***" on page 301.

Exemption from complying with any provisions of securities laws, if any, granted by the Securities and Exchange Board of India

Our Company has not sought any exemption from SEBI from complying with any provisions of securities laws including the SEBI ICDR Regulations, as on the date of this Draft Red Herring Prospectus.

Other confirmations

No person connected with the offer shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the offer, except for fees or commission for services rendered in relation to the Offer.

SECTION IX – OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the SCRR, the MoA, the AoA, the SEBI Listing Regulations, the terms of the Red Herring Prospectus and the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital, offer for sale and listing and trading of securities, issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC, the RBI and/or any other governmental, statutory or regulatory authorities while granting approval for the Offer.

The Offer

The Offer comprises of an Offer for Sale by the Selling Shareholders. Expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner specified in "***Objects of the Offer – Offer related Expenses***" on page 126.

Ranking of the Equity Shares

The Equity Shares of face value ₹2 each being offered and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, 2013, the SEBI ICDR Regulations, SCRA, SCRR, MoA and AoA, and will rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of rights to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with applicable laws. For further details, see "***Main Provisions of Articles of Association***" on page 491.

Mode of payment of dividend

Our Company shall pay dividends, if declared, to our Shareholders, as per the provisions of the Companies Act, 2013 our MoA, AoA, the SEBI Listing Regulations and other applicable laws including guidelines or directives that may be issued by the GoI in this respect. All dividends, if any, declared by our Company after the date of Allotment (including pursuant to the transfer of Equity Shares in the Offer for Sale) in this Offer, will be payable to the Allottees, who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable law. For further details in relation to dividends, see "***Dividend Policy***" and "***Main Provisions of Articles of Association***" on pages 311 and 491, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹2 and the Offer Price at the lower end of Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company, in consultation with the Book Running Lead Managers, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and Bengaluru edition of [●] (a widely circulated Kannada daily newspaper, Kannada being the regional language of Karnataka, India, where our Registered Office is located) and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company, in consultation with the Book Running Lead Managers, after the Bid/ Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

The Offer

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the AoA, our Shareholders shall have the following rights:

1. Right to receive dividends, if declared;

2. Right to attend general meetings and exercise voting rights, unless prohibited by law;

3. Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act, 2013;

4. Right to receive offers for rights shares and be allotted bonus shares, if announced;

5. Right to receive any surplus on liquidation, subject to any statutory and preferential claim being satisfied;

6. Right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable laws; and

7. Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, 2013, the SEBI Listing Regulations, the MoA, the AoA and other applicable laws.

For a detailed description of the main provisions of the AoA of our Company relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation or sub-division, see "***Main Provisions of Articles of Association***" on page 491.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013, and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations and the SEBI Listing Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

In this context, two agreements have been entered into amongst our Company, the respective Depositories and the Registrar to the Offer:

Tripartite agreement dated September 12, 2025 amongst our Company, NSDL and the Registrar to the Offer; and

Tripartite agreement dated October 15, 2025 amongst our Company, CDSL and the Registrar to the Offer.

Market lot and trading lot

Since trading of the Equity Shares on the Stock Exchanges is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in dematerialised form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For NIBs allotment shall not be less than the minimum Non-Institutional application size. For further details of the method of Basis of Allotment, see "***Offer Procedure***" on page 468.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Bengaluru, Karnataka, India.

Joint holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest, to the exclusion of all other persons, unless the nomination is modified or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the holder of such Equity Share(s). A nomination may be cancelled or modified by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or at the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

to register himself or herself as the holder of the Equity Shares; or

to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder would prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participant.

Bid/ Offer Period

BID/ OFFER OPENS ON[(1)]	**[●]**
BID/ OFFER CLOSES ON[(2)(3)]	**[●]**

1. *Our Company in consultation with the Book Running Lead Managers, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date will be one Working Day prior to the Bid/Offer Opening Date.*
2. *Our Company, in consultation with the Book Running Lead Managers, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*
3. *UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.*

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/ Offer Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to depository accounts	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

**In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, the Bidder*

shall be compensated in the manner specified in the SEBI ICDR Master Circular which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable.
The processing fees for applications made by the UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI ICDR Master Circular.

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company, or any of the Selling Shareholders or the Book Running Lead Managers.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within three Working days of Bid/ Offer Closing Date or such period as may be prescribed by SEBI, with reasonable support and co-operation of the Selling Shareholders, as may be required in respect of the Offered Shares, the timetable may be subject to change due to various factors, such as extension of the Bid/ Offer Period by our Company, in consultation with the Book Running Lead Managers, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges and delay in respect of final certificates from SCSBs. The commencement of trading of Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirms that it/he shall extend reasonable support and co-operation to our Company/ the Book Running Lead Managers, as may be required in relation to their respective Offered Shares, in accordance with applicable law, to facilitate the completion of listing and commencement of trading of Equity Shares on the Stock Exchanges within three Working Days from the Bid/Offer Closing Date or such time as prescribed by SEBI.

In terms of the UPI Circulars, in relation to the Offer, the Book Running Lead Managers will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the Bid/ Offer Closing Date or such time as prescribed by the SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the abovementioned timelines. Further, the Offer procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. IST
Bid/Offer Closing Date	
Submission of electronic applications (online ASBA through 3-in-1 accounts) for RIBs and Eligible Employees Bidding in the Employee Reservation Portion	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of electronic application (bank ASBA through online channels like internet banking, mobile banking and syndicate ASBA applications through UPI as a payment mechanism where Bid Amount is up to ₹500,000)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of electronic applications (syndicate non-retail, non-individual applications of QIBs and NIBs)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of physical applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of physical applications (syndicate non-retail, non-individual applications where Bid Amount is more than ₹500,000)	Only between 10.00 a.m. and up to 12.00 p.m. IST
Revision/cancellation of Bids	
Upward revision of Bids by QIBs and Non-Institutional Bidders categories[#]	Only between 10.00 a.m. and up to 4.00 p.m. IST on Bid/ Offer Closing Date
Upward or downward revision of Bids or cancellation of Bids by RIBs and Eligible Employees Bidding in the Employee Reservation Portion	Only between 10.00 a.m. and up to 5.00 p.m. IST

[*]*UPI mandate end time shall be 5:00 p.m. on the Bid/ Offer Closing Date*
#QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their Bids.

On the Bid/ Offer Closing Date, the Bids shall be uploaded until:

4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs and Eligible Employees Bidding in the Employee Reservation Portion.

On the Bid/ Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received by RIBs and Eligible Employees Bidding in the Employee Reservation Portion, after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and as reported by the Book Running Lead Managers to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining such information from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the Book Running Lead Managers and the registrar and share transfer agents on a daily basis, as per the format prescribed in the SEBI ICDR Master Circular.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids shall be processed only after the application monies are blocked in the ASBA Account and Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid / Offer Closing Date and in any case no later than 1.00 p.m. IST on the Bid/Offer Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted on the Stock Exchange platform only during Working Days, during the Bid/ Offer Period and revisions shall not be accepted on Saturdays and public holidays. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing. Further, as per letter no. list/SMD/SM/2006 dated July 3, 2006, and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE, respectively, Bids and any revision in Bids shall not be accepted on Saturdays, Sundays and public/bank holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

Our Company, in consultation with the Book Running Lead Managers, reserve the right to revise the Price Band during the Bid/ Offer Period, in accordance with the SEBI ICDR Regulations, provided that the Cap Price will be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. Subject to compliance with the foregoing, the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of any revision to the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company, in consultation with the Book Running Lead Managers, may for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of one Working Day, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as applicable. In case of revision of Price Band, the Bid lot shall remain the same.

In case of discrepancy in data entered in the electronic book vis-à-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment. The Floor Price shall not be less than the face value of the Equity Shares.

Minimum subscription

The requirement of minimum subscription is not applicable to the Offer in accordance with the SEBI ICDR Regulations. In the event our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, if any, within sixty (60) days from the date of Bid/ Offer Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid/Offer Closing Date, on account of withdrawal of applications or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Red Herring Prospectus, our Company shall refund the entire subscription amount received in accordance with applicable law. If there is a delay beyond two Working days, interest at the rate of 15% per annum shall be paid by our Company and each of our Directors, in accordance with the SEBI ICDR Master Circular. The Selling Shareholders shall reimburse, any expense and interest incurred by our Company on behalf of the Selling Shareholders for any delay in making refunds as required under the Companies Act, 2013, the SEBI ICDR Master Circular and any other applicable law. No liability to make any payment of interest shall accrue to the Selling Shareholders unless any delay in making any of the payments hereunder or any delay in obtaining listing and/or trading approvals or any other approvals in relation to the Offer is solely attributable to the Selling Shareholders.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) within such timeline as prescribed under applicable laws, our Company and the Selling Shareholders shall be liable to pay interest on the application money in accordance with applicable laws.

New financial instruments

Our Company is not issuing any new financial instruments through this Offer.

Arrangements for disposal of odd lots

There are no arrangements for disposal of odd lots since the Equity Shares will be traded in dematerialised form only, and the market lot for the Equity Shares will be one Equity Share.

Restrictions, if any, on transfer and transmission of Equity Shares and on their consolidation or splitting

Except for lock-in of the pre-Offer Equity Share capital of our Company, lock-in of the Promoters' contribution and the Anchor Investor lock-in as provided in "***Capital Structure***" on page 99 and provided under the AoA detailed in "***Main Provisions of Articles of Association***" on page 491, there are no restrictions on transfer and transmission of the Equity Shares, and on their consolidation or splitting.

Withdrawal of the Offer

Our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, reserves the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer and Price Band advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The Book Running Lead Managers, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank(s), in case of UPI Bidders using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders and the Book Running Lead Managers shall notify the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification.

Notwithstanding the foregoing, the Offer is also subject to (i) filing of the Prospectus by our Company with the RoC; and (ii) obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within three Working Days of the Bid/Offer Closing Date or such other time period as prescribed under Applicable Law and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. If our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, withdraws the Offer at any stage, including after the Bid/Offer Closing Date and thereafter determines that it will proceed with an issue or offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges. The notice of withdrawal will be issued in the

same newspapers where the pre-Offer and Price Band advertisements have appeared, and the Stock Exchanges will also be informed promptly.

OFFER STRUCTURE

The Offer is of up to [●] Equity Shares of face value of ₹2 each, for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share) up to [●] million comprising an Offer for Sale by the Selling Shareholders. For details, see "***The Offer***" on page 78.

The Offer includes a reservation of up to [●] Equity Shares of face value of ₹2 each, aggregating up to ₹[●] million, for subscription by Eligible Employees. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. The Offer less the Employee Reservation Portion is the Net Offer. The face value of each Equity Share is ₹2 each. The Offer and the Net Offer shall constitute [●]% and [●]%, respectively, of the post-Offer paid-up Equity Share capital of our Company.

In terms of Rule 19(2)(b) of the SCRR, the Offer is being made through the Book Building Process, in compliance with Regulation 31 of the SEBI ICDR Regulations.

Particulars	Eligible Employees[#]	QIBs[(1)]	Non-Institutional Bidders[(1)]	Retail Individual Bidders
Number of Equity Shares of face value of ₹2 each available for Allotment/ allocation[*(2)]	Up to [●] Equity Shares of face value of ₹2 each[##]	Not more than [●] Equity Shares of face value ₹2 each	Not less than [●] Equity Shares of face value of ₹2 each available for allocation or Offer less allocation to QIB Bidders and RIBs.	Not less than [●] Equity Shares of face value of ₹2 each available for allocation or Offer less allocation to QIB Bidders and NIBs.
Percentage of Offer size available for Allotment/ allocation	The Employee Reservation Portion shall constitute up to 5% of the post-Offer paid-up Equity Share capital of our Company	Not more than 50% of the Net Offer shall be available for allocation to QIBs. However, up to 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to the other QIBs.	Not less than 15% of the Net Offer or the Net Offer less allocation to QIBs and RIBs, subject to the following: • one-third of the portion available to NIBs shall be reserved for bidders with an application size of more than ₹0.20 million and up to ₹1.00 million; and • two-third of the portion available to NIBs shall be reserved for bidders with application size of more than ₹1.00 million. provided that the unsubscribed portion in either of the sub-categories specified above may be allocated to Bidders in the other sub-category of NIBs.	Not less than 35% of the Net Offer or Offer less allocation to QIBs and NIBs will be available for allocation.
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate[#]; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹0.20 million. In the event of undersubscription	Proportionate as follows (excluding the Anchor Investor Portion): • up to [●] Equity Shares of face value of ₹2 each shall be available for allocation on	Allotment to each NIB shall not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available	Allotment to each RIB shall not be less than the minimum Bid lot, subject to availability of Equity Shares of face value of ₹2 each in the Retail Portion and the remaining available

Particulars	Eligible Employees[#]	QIBs[(1)]	Non-Institutional Bidders[(1)]	Retail Individual Bidders
	in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹0.20 million, subject to total Allotment to an Eligible Employee not exceeding ₹0.50 million.	a proportionate basis to Mutual Funds only; and • up to [●] Equity Shares of face value of ₹2 each shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. • up to 60% of the QIB Portion (of up to [●] Equity Shares of face value of ₹2 each), may be allocated on a discretionary basis to Anchor Investors, of which one-third shall be available for allocation to domestic Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price. In accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2025, of the Anchor Investor Portion, 40% shall be available for allocation as follows, (i) 33.33% shall be available for allocation to domestic Mutual Funds, and (ii) 6.67% for life insurance companies and pension funds, subject to valid Bids being	The Equity Shares of face value of ₹2 each shall be available for allocation on a proportionate basis to Bidders in the Non-Institutional Portion in accordance with the SEBI ICDR Regulations and shall be subject to the following: One-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size more than ₹0.20 million up to ₹1.00 million; and Two-thirds of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹1.00 million. Provided that the unsubscribed portion in either of these two sub-categories of Non-Institutional Portion may be allocated to the Bidders in the other sub-category of Non-Institutional Portion in accordance with SEBI ICDR Regulations.	Equity Shares of face value of ₹2 each if any, shall be allotted on a proportionate basis. For further details see, "***Offer Procedure***" on page 468.

Particulars	Eligible Employees[#]	QIBs[(1)]	Non-Institutional Bidders[(1)]	Retail Individual Bidders
		received from domestic Mutual Funds, life insurance companies and pension funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in (ii) above, the allocation may be made to domestic Mutual Funds.		
Minimum Bid	[●] Equity Shares of face value of ₹2 each [(3)]	Such number of Equity Shares of face value of ₹2 each and in multiples of [●] Equity Shares of face value of ₹2 each so that the Bid Amount exceeds ₹0.20 million	Such number of Equity Shares of face value ₹2 each and in multiples of [●] Equity Shares of face value ₹2 each so that the Bid Amount exceeds ₹0.20 million	[●] Equity Shares of face value ₹2 each
Maximum Bid	Such number of Equity Shares of face value of ₹2 each in multiples of [●] Equity Shares of face value ₹2 each so that the maximum Bid Amount by each Eligible Employee in this portion does not exceed ₹0.50 million	Such number of Equity Shares of face value ₹2 each in multiples of [●] Equity Shares of face value of ₹2 each so that the Bid does not exceed the size of the Net Offer, excluding the Anchor Portion, subject to applicable limits to each Bidder	Such number of Equity Shares of face value of ₹2 each in multiples of [●] Equity Shares of face value of ₹2 each so that the Bid does not exceed the size of the Net Offer (excluding the QIB Portion), subject to applicable limits to each Bidder	Such number of Equity Shares of face value of ₹2 each in multiples of [●] Equity Shares of face value ₹2 each so that the Bid Amount does not exceed ₹0.20 million
Mode of Allotment	Compulsorily in dematerialised form			
Bid Lot	[●] Equity Shares of face value of ₹2 each and in multiples of [●] Equity Shares of face value of ₹2 each thereafter			
Allotment Lot	A minimum of [●] Equity Shares of face value of ₹2 each and thereafter in multiples of one Equity Share of face value of ₹2 each for QIBs and RIBs. The Allotment to NIBs shall not be less than the minimum non-institutional application size (i.e., ₹0.20 million)			
Trading Lot	One Equity Share of face value of ₹2			
Who can apply[(3)(5)(6)]	Eligible employees such that the Bid Amount does not exceed ₹ 0.50 million (net of Employee Discount)	Public financial institutions (as specified in Section 2(72) of the Companies Act, 2013), scheduled commercial banks, multilateral and bilateral development financial institutions, mutual funds registered with SEBI, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with the SEBI, state industrial development	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies, trusts and FPIs who are individuals, corporate bodies, and family offices	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the Karta)

Particulars	Eligible Employees[#]	QIBs[(1)]	Non-Institutional Bidders[(1)]	Retail Individual Bidders
		corporation, insurance company registered with Insurance Regulatory and Development Authority of India, provident fund with minimum corpus of ₹250.00 million, pension fund with minimum corpus of ₹250.00 million registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund set up by the GoI, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs		
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[(4)] **In case of all other Bidders**: Full Bid Amount shall be blocked in the bank account of the ASBA Bidder (other than Anchor Investors), or by the Sponsor Bank(s) through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form			
Mode of Bidding^	Through ASBA process only (including the UPI Mechanism)	Through ASBA process only (excluding the UPI Mechanism) (except in case of Anchor Investors)	Through ASBA process only (including the UPI Mechanism for Bids up to ₹0.50 million)	Through ASBA process only (including the UPI Mechanism)

[*] *Assuming full subscription in the Offer.*

[#] *Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹0.50 million. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹0.20 million. In the event of under-subscription in the Employee Reservation Portion the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹0.20 million, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹0.50 million. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. The undersubscribed portion, if any, in the Employee Reservation Portion shall be added back to the Net Offer. However, Bids by Eligible Employees Bidding in the Employee Reservation Portion and in the Non-Institutional Portion shall be treated as multiple Bids, only if Eligible Employee has made an application of more than ₹0.20 million in the Employee Reservation Portion. The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion*

[^] *Anchor Investors are not permitted to use the ASBA process. Further, pursuant to the SEBI ICDR Master Circular, SEBI has mandated that ASBA applications in the Offer will be processed only after the Bid Amounts are blocked in the bank accounts of the Anchor Investors. Accordingly, Stock Exchanges shall, for all categories of Bidders viz. QIBs, NIBs and RIBs and all modes through which the Bid cum Application Forms are processed, accept ASBA Forms in their electronic book building platform only with a mandatory confirmation on the Bid Amounts blocked.*

[##] *Our Company, in consultation with the BRLMs, may offer a discount of up to [●]% to the Offer Price (equivalent of ₹ [●] per Equity Share) to Eligible Employees Bidding in the Employee Reservation Portion, subject to necessary approvals as may be required, and which shall be announced at least two Working Days prior to the Bid / Offer Opening Date.*

1. *Our Company, in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than the Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than the Anchor Investors) in proportion to their Bids. For further details, see "**Offer Procedure**" on page 468. Further, not less than 15% of the Net Offer shall be available for allocation to NIBs and not less than 35% of the Net Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. The Equity Shares available for allocation to NIBs under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to NIBs shall be reserved for Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million, and (ii) two-third of the portion available to NIBs shall be reserved for Bidders with application size of more than ₹1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of NIBs.*
2. *Subject to valid Bids being received at or above the Offer Price. This Offer is being made in accordance with Rule 19(2)(b) of the SCRR and Regulation 6(1) of the SEBI ICDR Regulations.*
3. *In case of joint Bids, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. Further, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids, except as otherwise permitted, in any or all categories.*
4. *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-in Date as indicated in the CAN.*
5. *Bids by FPIs with certain structures as described under "**Offer Procedure - Bids by Foreign Portfolio Investors**" on page 475 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.*
6. *Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

Eligible Employees Bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount, at the time of making a Bid. Eligible Employees Bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, at the time of making a Bid.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, as applicable, on a proportionate basis at the discretion of our Company in consultation with the Book Running Lead Managers, and the Designated Stock Exchange, subject to applicable law. Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "***Terms of the Offer***" on page 456.

OFFER PROCEDURE

*All Bidders should read the General Information Document for investing in public issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 issued by SEBI and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the Abridged Prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of CAN and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) Designated Date; (viii) disposal of applications and electronic registration of Bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

*SEBI vide its circular no. SEBI/HO/CFD/CFD-TPD-1/P/CIR/2024/55 dated May 24, 2024 ("**AV Circular**") has introduced the disclosure of audiovisual presentation of disclosures made in Offer Documents. Pursuant to the AV Circular, investors are advised not to rely on any other document, content or information provided in respect to the public issue on the internet/online websites/social media platforms/micro-blogging platforms by finfluencers.*

*Unified Payments Interface ("**UPI**") was introduced in a phased manner by SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, a payment mechanism with the ASBA for applications by Retail Individual Bidders through intermediaries from January 1, 2019. The UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the prior process and timeline of T+6 days ("**UPI Phase I**"). The UPI Phase I was effective until June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the prior process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds was discontinued and only the UPI Mechanism for such Bids with a timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever was later ("**UPI Phase II**"). Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/ CIR/P/2022/45 dated April 5, 2022; SEBI had increased the UPI limit from ₹200,000 to ₹500,000 for all the individual investors applying in public issues. All individual Bidders in initial public offerings whose application sizes are up to ₹500,000 shall use the UPI Mechanism. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, extended the timeline for implementation of UPI Phase II till further notice. Pursuant to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("**T+3 Circular**"), the final reduced timeline of T+3 days using the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**") was made voluntary for public issues opening on or after September 1, 2023, and has been made mandatory for public issues opening on or after December 1, 2023. This Offer will be undertaken pursuant to the processes and procedures under UPI Phase III on mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide the SEBI ICDR Master Circular has prescribed certain additional measures for streamlining the process of initial public offers and redressing investor grievances.*

Furthermore, the SEBI RTA Master Circular has consolidated the aforementioned circulars (excluding SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023) and rescinded these circulars to the extent relevant for the RTAs. Pursuant to the SEBI RTA Master Circular, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories). In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in the SEBI ICDR Master Circular and the SEBI RTA Master Circular shall

continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Bidders shall be entitled to compensation in the manner specified in the SEBI ICDR Master Circular, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus. The Book Running Lead Managers shall be the nodal entity for any issues arising out of public issuance process.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Net Offer shall be available for allocation, on a proportionate basis, to QIBs, provided that our Company in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from such them at or above the Anchor Investor Allocation Price. In accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2025, of the Anchor Investor Portion, 40% shall be available for allocation as follows, (i) 33.33% shall be available for allocation to domestic Mutual Funds, and (ii) 6.67% for life insurance companies and pension funds, subject to valid Bids being received from domestic Mutual Funds, life insurance companies and pension funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in (ii) above, the allocation may be made to domestic Mutual Funds. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill over from the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹0.20 million and up to ₹10.00 million; and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹10.00 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders; and not less than 35% of the Net Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, up to [●] Equity Shares of face value ₹2 each, aggregating up to ₹[●] million shall be made available for Allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, if any. The Employee Reservation Portion bid shall not exceed 5% of our post Offer paid-up equity share capital subject to valid Bids having been received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories. In the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹0.20 million, subject to the total Allotment to an Eligible Employee not exceeding ₹0.50 million.

Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes ("CBDT") notification dated February 13, 2020, read with press release dated June 25, 2021 and September 17, 2021, CBDT circular no.7 of 2022, dated March 30, 2022, CBDT circular no. 3 of 2023,

dated March 28, 2023, CBDT circular no. 6 /2024, dated April 23, 2024, and any subsequent press releases in this regard.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID (for UPI Bidders), as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

The processing fees for applications made by UPI Bidders may be released to the SCSBs only after such banks provide a written confirmation, in compliance in a format as prescribed by SEBI, from time to time, including in compliance with the SEBI RTA Master Circular and the SEBI ICDR Master Circular, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as the Sponsor Bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the SEBI ICDR Master Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the Book Running Lead Managers, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Managers. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

Further, pursuant to SEBI ICDR Master Circular, all UPI Bidders shall provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

- a syndicate member;
- a stockbroker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);
- a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity); or
- a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity).

Electronic registration of Bids

The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer;

On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids until such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus;

Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given until 5:00 pm IST on the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing; and

QIBs and Non-Institutional Bidders can neither revise their Bids downwards nor cancel/withdraw their Bids.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) at least one day prior to the Bid/ Offer Opening Date. UPI Bidders may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI. Copies of the Anchor Investor Application Form will be available at the offices of the Book Running Lead Managers.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process, which shall include the UPI Mechanism in case of UPI Bidders. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

UPI Bidders must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain the UPI ID are liable to be rejected.

Bids by Application Supported by Blocked Amount Bidders

ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in their respective ASBA Accounts, or (ii) the UPI ID, as applicable in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable to be rejected.

The ASBA Bidders, including UPI Bidders, shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to the SEBI ICDR Master Circular.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs (except UPI Bidders).

Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. For all initial public offerings opening on or after September 1, 2022, as specified in the SEBI ICDR Master Circular, the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. This circular shall be applicable for all categories of investors, *i.e.* RIB, QIB, NIB and other reserved categories and also for all modes through which the applications are processed. Since the Offer is made under Phase III of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

RIBs, Eligible Employees and NIBs (other than NIBs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

UPI Bidders may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

QIBs and NIBs (not using the UPI Mechanism) may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or the Sponsor Bank(s), as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked / unblocked including details as prescribed the SEBI ICDR Master Circular.

All the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the Book Running Lead Managers.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders, each resident in India and Eligible NRIs applying on a non-repatriation basis[(1)]	[●]
Non-Residents including Eligible NRIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FPIs or FVCIs registered multilateral and bilateral development financial institutions applying on a repatriation basis.	[●]
Anchor Investors[(2)]	[●]
Eligible Employees Bidding in the Employee Reservation Portion[(3)]	[●]

**Excluding electronic Bid cum Application Forms*

Notes:

1. *Electronic Bid cum Application forms and the Abridged Prospectus will also be available for download on the websites of the Stock Exchanges (www.nseindia.com and* www.bseindia.com*).*
2. *Bid cum Application Forms for Anchor Investors shall be available at the offices of the Book Running Lead Managers.*
3. *Bid cum Application Forms for Eligible Employees will be available at our Registered Office.*

In case of ASBA forms (except ASBA forms submitted by UPI Bidders), the relevant Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. Further, SCSBs shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges and the Stock Exchanges validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. The Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on application monies blocked. For UPI Bidders, the Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded. The Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders for blocking of funds.

For UPI Bidders, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis through API integration to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate the UPI Bidders in case of failed transactions shall be with the concerned entity (*i.e.*, the Sponsor Bank(s), NPCI or the Bankers to the Offer) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Offer shall provide the audit trail to the Book Running Lead Managers for analysing the same and fixing liability.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform

with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the Book Running Lead Managers in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

For ensuring timely information to Bidder, SCSBs shall send SMS alerts for mandate block and unblock including details specified in the SEBI ICDR Master Circular. For all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm IST on the Bid/Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, modification/cancellation of Bids (if any) shall be allowed in parallel during the Bid/Offer Period until the Cut-Off Time.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid/ Offer Opening Date until the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The processing fees for applications made by the UPI Bidders may be released to the SCSBs only after such SCSBs provide a written confirmation in compliance with the SEBI RTA Master Circular, in a format prescribed by SEBI or applicable law.

Participation by the Promoters and members of the Promoter Group of our Company, the Book Running Lead Managers and the Syndicate Members and persons related to Promoters/Promoter Group/the Book Running Lead Managers

The Book Running Lead Managers and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Book Running Lead Managers and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis or in any other manner as introduced under applicable laws and such subscription may be on their own account or on behalf of their clients. All categories of Bidders, including associates or affiliates of the Book Running Lead Managers and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the Book Running Lead Managers or any associates of the Book Running Lead Managers (except Mutual Funds sponsored by entities which are associates of the Book Running Lead Managers or insurance companies promoted by entities which are associates of Book Running Lead Managers or AIFs sponsored by the entities which are associates of the Book Running Lead Managers or FPIs other than individuals, corporate bodies and family offices which are associates of the Book Running Lead Managers or pension fund sponsored by entities which are associates of the Book Running Lead Managers nor; (ii) any person related to the Promoters or Promoter Group shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoters or Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the Book Running Lead Managers, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the Book Running Lead Managers.

Our Promoters, except to the extent of the Offered Shares, and the other members of the Promoter Group will not participate in the Offer. Further, persons related to our Promoters and Promoter Group shall not apply in the Offer under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders' agreement or voting agreement entered into with any of the Promoters or members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to a Promoters or member of the Promoter Group of our Company.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the Book Running Lead Managers, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible Non-Resident Indians ("NRIs")

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident forms should authorise their respective SCSB or confirm or accept the UPI Mandate Request (in case of RIBs Bidding through the UPI Mechanism) to block their Non- Resident External ("**NRE**") accounts (including UPI ID, if activated), or FCNR Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorise their respective SCSB to block their Non- Resident Ordinary ("**NRO**") accounts or confirm or accept the UPI mandate request (in case of UPI Bidders) for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company listed on a recognised stock exchange and the total holdings of all NRIs and OCIs on a repatriation basis put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company listed on a recognised stock exchange. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Eligible NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts.

For further details of restrictions on investment by NRIs, see "***Restrictions on Foreign Ownership of Indian Securities***" on page 490.

Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

Bids by Hindu Undivided Families ("HUFs")

Bids by Hindu Undivided Families or HUFs should be made, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹0.50 million on a net basis. However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹0.20 million . Allotment in the Employee Reservation Portion will be as detailed in the section "***Offer Structure***" on page 463.

However, Allotments to Eligible Employees in excess of ₹0.20 million shall be considered on a proportionate basis, in the event of under-subscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹0.50 million. Subsequent undersubscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer. Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price. Bids under the Employee Reservation Portion by Eligible Employees shall be:

Made only in the prescribed Bid cum Application Form or Revision Form.

Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) would be eligible to apply in this Offer under the Employee Reservation Portion.

In case of joint Bids, the sole/ first Bidder shall be the Eligible Employee.

Bids by Eligible Employees may be made at Cut-off Price.

Only those Bids, which are received at or above the Offer Price, would be considered for allocation under this portion.

The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee subject to a maximum Bid Amount of ₹0.50 million.

Eligible Employees Bidding in the Employee Reservation Portion can Bid through the UPI mechanism.

If the aggregate demand in this portion is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form or Revision Form. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately, to all Eligible Employees who have Bid in excess of ₹0.20 million (net of Employee Discount, if any), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of Employee Discount, if any).

Bids by Foreign Portfolio Investors ("FPIs")

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our total paid-up Equity Share capital on a fully diluted basis.

In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 74% under the automatic route).

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Bids by FPIs which utilise the multi investment manager structure, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be treated as multiple

Bids. FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to *inter alia* the following conditions:

such offshore derivative instruments are transferred only to persons in accordance with Regulation 21(1) of the SEBI FPI Regulations; and

prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents. Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilise the multiple investment manager structure in accordance with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (such structure referred to as "**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilise the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilise the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Further, in the following cases, Bids by FPIs shall not be treated as multiple Bids:

FPIs which utilise the MIM structure, indicating the name of their respective investment managers in such confirmation;

Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;

Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;

FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;

Multiple branches in different jurisdictions of foreign bank registered as FPIs;

Government and Government related investors registered as Category 1 FPIs; and

Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilise any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such compliance from the relevant FPIs with the operational guidelines for FPIs and designated Depository participants issued to facilitate implementation of SEBI FPI Regulations, such multiple Bids shall be rejected.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance finds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250.0 million and pension funds with a minimum corpus of ₹250.0 million, and registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013 (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company and each of the Selling Shareholders, in consultation with the BRLMs, reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

Our Company, in consultation with the Book Running Lead Managers, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

Bids by SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors

The SEBI FVCI Regulations as amended, *inter alia*, prescribe the investment restrictions on VCFs, and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, subject to FEMA Rules, VCFs and FVCIs can invest only up to 33.3% of the investible funds in various prescribed instruments, including in public offerings.

Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in an investee company directly or through investment in the units of other AIF. A Category III AIFs cannot invest more than 10% of the investible funds in an investee company directly or through investment in the units of other AIF. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Pursuant to the repeal of the SEBI VCF Regulations, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. Our Company, the Selling Shareholders, severally and not jointly, and the Book Running Lead Managers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of VCFs, AIFs or FVCIs in the Offer shall be subject to the FEMA Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the Book Running Lead Managers, reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the Book Running Lead Managers, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate equity investments in subsidiaries and other entities engaged in financial and non-financial services, including overseas investments, cannot exceed 20% of the bank's paid -up share capital and reserves. However, a banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI, provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by Self Certified Syndicate Banks

SCSBs participating in the Offer are required to comply with the terms of the SEBI ICDR Master Circular issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the Book Running Lead Managers reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024, as amended ("**IRDAI Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates.

Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds with a minimum corpus of ₹250.0 million and pension funds with minimum corpus of ₹250.0 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the Book Running Lead Managers, reserves the right to reject any Bid, without assigning any reason thereof.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the

Bid cum Application Form. Failing this, our Company, in consultation with the Book Running Lead Managers, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs ("**NBFC-SI**") shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section, the key terms for participation by Anchor Investors are provided below.

(i) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the Book Running Lead Managers.

(ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100.0 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100.0 million.

(iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds. In accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2025, of the Anchor Investor Portion, 40% shall be available for allocation as follows, (i) 33.33% shall be available for allocation to domestic Mutual Funds, and (ii) 6.67% for life insurance companies and pension funds, subject to valid Bids being received from domestic Mutual Funds, life insurance companies and pension funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in (ii) above, the allocation may be made to domestic Mutual Funds.

(iv) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, and will be completed on the same day.

(v) Our Company may finalise allocation to the Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company, in consultation with the BRLMs, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

- maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million;
- minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and
- in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹50 million per Anchor Investor.
- Further, in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2025, of the Anchor Investor Portion, 40% shall be available for allocation as follows, (i) 33.33% shall be available for allocation to domestic Mutual Funds, and (ii) 6.67% for life insurance companies and pension funds, subject to valid Bids being received from domestic Mutual Funds, life insurance companies and pension funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in (ii) above, the allocation may be made to domestic Mutual Funds.

(vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the Book Running Lead Managers before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.

(vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(viii) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.

(ix) 50% Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.

(x) Neither the (a) Book Running Lead Managers (s) or any associate of the Book Running Lead Managers (other than mutual funds sponsored by entities which are associate of the Book Running Lead Managers or insurance companies promoted by entities which are associate of the Book Running Lead Managers or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the Book Running Lead Managers or FPIs, other than individuals, corporate bodies and family offices, which are associate of the Book Running Lead Managers or pension fund sponsored by entities which are associate of the Book Running Lead Managers nor (b) the Promoters, Promoter Group or any person related to the Promoters or members of the Promoter Group shall apply under the Anchor Investors category.

(xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

For more information, please read the General Information Document.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Offer.

The information set out above is given for the benefit of the Bidders. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as will be specified in the Red Herring Prospectus and the Prospectus.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

QIBs and Non-Institutional Bidders are not allowed to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. RIBs and Eligible Employees Bidding under the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date.

***Do's*:**

(i) Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

(ii) Ensure that you have Bid within the Price Band;

(iii) Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

(iv) Ensure that you (other than in the case of Anchor Investors) have mentioned the correct details of ASBA Account (*i.e.*, bank account number) in the Bid cum Application Form if you are not an UPI Bidder in the Bid cum Application Form and if you are an UPI Bidder ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

(v) UPI Bidders through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;

(vi) Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the GID;

(vii) Ensure that Anchor Investors submit their Bid cum Application Forms only to the Book Running Lead Managers;

(viii) Ensure that you mandatorily have funds equal to or higher than the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

(ix) If the First Bidder is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number in the Bid cum Application Form (for all ASBA Bidders other than UPI Bidders);

(x) Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

(xi) Ensure that you request for and receive a stamped acknowledgement counterfoil or acknowledgment specifying the application number as a proof of having accepted Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

(xii) The ASBA bidders shall ensure that bids above ₹500,000, are uploaded only by the SCSBs;

(xiii) Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

(xiv) UPI Bidders Bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

(xv) Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs or the relevant Designated Intermediary, as applicable;

(xvi) UPI Bidders in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

(xvii) Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original

Bid was placed and obtain a revised acknowledgment;

(xviii) Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

(xix) Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI Master Circular for Depositories, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular no. MRD/DoP/SE/Cir- 8 /2006 dated July 13, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficial owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

(xx) Ensure that the Demographic Details are updated, true and correct in all respects;

(xxi) Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

(xxii) Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

(xxiii) Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;

(xxiv) Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

(xxv) UPI Bidders who wish to Bid should submit Bid with the Designated Intermediaries, pursuant to which the UPI Bidder should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;

(xxvi) Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

(xxvii) RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Banks to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

(xxviii) Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 5:00 p.m. IST on the Bid/ Offer Closing Date;

(xxix) Anchor Investors should submit the Anchor Investor Application Forms to the Book Running Lead Managers;

(xxx) FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and

DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

(xxxi) Bids by Eligible NRIs for a Bid Amount of less than ₹200,000 would be considered under the retail category for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the non-institutional category for allocation in the Offer;

(xxxii) UPI Bidders shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, an UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Banks to block the Bid Amount mentioned in the Bid Cum Application Form;

(xxxiii) Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in);

(xxxiv) Bidders (except UPI Bidders) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of RIBs, once the Sponsor Bank(s) issues the Mandate Request, the RIBs would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request to authorise the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner; and

(xxxv) UPI Bidders who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner.

(xxxvi) The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

(i) Do not Bid for lower than the minimum Bid size;

(ii) Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;

(iii) Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

(iv) Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres;

(v) Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms;

(vi) Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

(vii) Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

(viii) Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

(ix) Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA

process;

(x) Do not submit the Bid for an amount more than funds available in your ASBA account;

(xi) Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;

(xii) In case of ASBA Bidders, do not submit more than one ASBA Form from an ASBA Account;

(xiii) Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI Bidders, in the UPI linked bank account where funds for making the Bid are available;

(xiv) If you are an UPI Bidder, do not submit more than one Bid cum Application Form for each UPI ID;

(xv) Anchor Investors should not Bid through the ASBA process;

(xvi) Do not Bid for a Bid Amount exceeding ₹0.50 million for Bids by Eligible Employees Bidding in the Employee Reservation Portion

(xvii) Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

(xviii) Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

(xix) Do not submit the General Index Register (GIR) number instead of the PAN;

(xx) Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

(xxi) Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

(xxii) Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

(xxiii) Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

(xxiv) Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

(xxv) Do not Bid on another Bid cum Application Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

(xxvi) Do not Bid for Equity Shares more than what is specified for each category;

(xxvii) If you are a QIB, do not submit your Bid after 3 p.m. IST on the QIB Bid/Offer Closing Date (for online applications) and after 12:00 p.m. on the Bid/ Offer Closing Date (for Physical Applications);

(xxviii) Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;

(xxix) Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIBs and Eligible Employees bidding in the Employee Reservation Portion can revise or withdraw their Bids on or before the Bid/ Offer Closing Date;

(xxx) Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres. If you are UPI Bidder, do not submit the ASBA Form directly with SCSBs;

(xxxi) If you are an UPI Bidder which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;

(xxxii) Do not Bid if you are an OCB;

(xxxiii) UPI Bidders using the incorrect UPI handle or using a bank account of an SCSB and/ or mobile applications which is not mentioned in the list provided on the SEBI website is liable to be rejected;

(xxxiv) Do not submit the Bid cum Application Forms to any non-SCSB bank;

(xxxv) Do not submit a Bid cum Application Form with third party ASBA Bank Account or UPI ID (in case of Bids submitted by UPI Bidder);

(xxxvi) Do not Bid for a Bid Amount exceeding ₹0.20 million (for Bids by Retail Individual Bidders);

(xxxvii) Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders; and

(xxxviii) In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹0.50 million.

(xxxix) The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for technical rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids submitted by UPI Bidders through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;

5. Bids under the UPI Mechanism submitted by UPI Bidders using third-party bank accounts or using a third-party linked bank account UPI ID (subject to availability of information regarding third-party account from Sponsor Bank(s));

6. Anchor Investors should submit Anchor Investor Application Form only to the Book Running Lead Managers;

7. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;

8. ASBA Form by the UPI Bidders using third party bank accounts or using third party linked bank account UPI IDs;

9. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

10. Bids submitted without the signature of the First Bidder or Sole Bidder;

11. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

12. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI Master Circular for Depositories;

13. GIR number furnished instead of PAN;

14. Bids by RIBs with Bid Amount of a value of more than ₹0.20 million;

15. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

16. Bids accompanied by stock invest, money order, postal order, or cash; and

17. Bids uploaded by QIBs and by Non-Institutional Bidders after 4.00 pm on the Bid/Offer Closing Date and Bids by RIBs uploaded after 5.00 p.m. on the Bid/Offer Closing Date, unless extended by the Stock Exchanges. On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received RIBs, after taking into account the total number of Bids received and as reported by the Book Running Lead Managers to the Stock Exchanges.

Further, in case of any pre-Offer or post -Offer related issues regarding share certificates/ demat credit/refund orders/unblocking etc., investors can reach out to the Company Secretary and Compliance Officer. For further details of the Company Secretary and Compliance Officer, see "***General Information***" and "***Our Management***" on pages 90 and 290, respectively.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Bidders shall be entitled to compensation in the manner specified in the SEBI ICDR Master Circular in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

For details of grounds for technical rejections of a Bid cum Application Form, see the General Information Document.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the Book Running Lead Managers and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in the SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares offered through the Offer except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the Offer to public may be made for the purpose of making Allotment in minimum lots.

The Allotment of Equity Shares to Bidders other than to the RIBs, NIBs and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities Allotted shall be rounded off to the nearest integer, subject to minimum Allotment being equal to the minimum application size as determined and disclosed. The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis.

The Allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum Bid Lot, subject to the availability of shares in Retail Category, and the remaining available shares, if any, shall be allotted on a proportionate basis. Not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Category, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹0.20 million and up to ₹.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidders shall not be less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non-Institutional Category, and the remaining Equity Shares.

Payment into Anchor Investor Escrow Accounts

Our Company, in consultation with the Book Running Lead Managers, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Accounts. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

- In case of resident Anchor Investors: "[●]"
- In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Banks and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer and Price Band Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer and Price Band advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of [•] (a widely circulated English national daily newspaper) and all editions of [•] (a widely circulated Hindi national daily newspaper) and Bengaluru edition of [•] (a widely circulated Kannada daily newspaper, Kannada being the regional language of Karnataka, India, where our Registered Office is located).

In the pre-Offer and Price Band advertisement, we shall state the Bid/ Offer Opening Date and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment advertisement

Our Company, the Book Running Lead Managers and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of [•] (a widely circulated English national daily newspaper), all editions of [•] (a widely circulated Hindi national daily newspaper) and Bengaluru edition of [•] (a widely circulated Kannada daily newspaper, Kannada being the regional language of Karnataka, India, where our Registered Office is located).

The allotment advertisement shall be uploaded on the websites of our Company, the Book Running Lead Managers and the Registrar to the Offer, before 9:00 p.m. IST, on the date of receipt of the final listing and trading approval from all the Stock Exchanges where the Equity Shares are proposed to be listed, provided such final listing and trading approval from all the Stock Exchanges is received prior to 9:00 p.m. IST on that day. In an event, if final listing and trading approval from all the Stock Exchanges is received post 9:00 p.m. IST on the date of receipt of the final listing and trading approval from all the Stock Exchanges where the Equity Shares are proposed to be listed, then the allotment advertisement shall be uploaded on the websites of our Company, the Book Running Lead Managers and the Registrar to the Offer, following the receipt of final listing and trading approval from all the Stock Exchanges.

The information set out above is given for the benefit of the Bidders/applicants. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and Filing with the RoC

Our Company, the Selling Shareholders, the Underwriters and the Registrar to the Offer intend to enter into an Underwriting Agreement after the finalisation of the Offer Price, but prior to filing of the Prospectus.

After signing the Underwriting Agreement, a Prospectus will be filed with the RoC in accordance with applicable law. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and will be complete in all material respects.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). For more information, see "***Terms of the Offer***" on page 456.

Undertakings by our Company

Our Company undertakes the following:

1. adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;

2. the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

3. all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges shall be taken within such time period as prescribed under applicable law;

4. the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed in this Draft Red Herring Prospectus shall be made available to the Registrar to the Offer by our Company;

5. where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the unsuccessful Bidder within time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

6. that if our Company does not proceed with the Offer after the Bid/ Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer and Price Band advertisements were published. The Stock Exchanges shall be informed promptly;

7. that if the Offer is withdrawn including after the Bid/ Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI; and

8. there shall be no further issue or offer of securities of our Company, whether by way of a bonus issue, preferential allotment, rights issue or in any other manner, during the period commencing from the date of filing this Draft Red Herring Prospectus with the SEBI until the Equity Shares proposed to be transferred pursuant to the Offer have been listed and have commenced trading or until the Bid monies are refunded on account of, *inter alia*, failure to obtain listing approvals in relation to the Offer.

Undertakings by the Selling Shareholders

The Selling Shareholders, severally and not jointly, undertake that:

1. the Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;

2. they shall provide all required information, reasonable support and cooperation to the BRLMs and the Company in relation to the Offer;

3. they shall provide all assistance required by our Company and the BRLMs in the redressal of any Offer-related grievances to the extent such grievances relate to its/his/her respective Selling Shareholder statements and/or its/his/her respective portion of the Offered Shares;

4. they shall deposit the Offered Shares in an escrow demat account in accordance with the Share Escrow Agreement;

5. they are legal and beneficial owner of the Offered Shares and such Offered Shares shall be transferred in the Offer free from lien, charge and encumbrance; and

6. they shall not have recourse to the proceeds of the Offer, which shall be held in escrow in its favour, until the final approval for listing and trading of the Equity Shares from the Stock Exchanges where listing is sought has been received.

Utilisation of Offer Proceeds

Our Company will not directly receive any Offer Proceeds and all the Offer Proceeds will be received by each of the Selling Shareholders, in proportion to the Offered Shares sold by them part of the Offer. For details of the Offered Shares, see "***Other Regulatory and Statutory Disclosures***" page 444.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"*Any person who –*

- makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

- makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

- otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1.00 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1.00 million or 1% of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5.00 million or with both.

In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a public announcement and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is permitted (in all sectors) in Indian companies, to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/ departments are responsible for granting approval for foreign investment, if required.

The Government of India makes policy announcements on FDI through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The DPIIT issued the Consolidated FDI Policy, which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

In addition, pursuant to the Consolidated FDI Policy read with the Press Note No. 2 (2026 Series), dated March 15, 2026, issued by the Department for Promotion of Industry and Internal Trade, Government of India, a person resident outside India may make investments in India, subject to certain terms and conditions, and further provides that an entity of a country, which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, can invest only under the GoI approval route. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction and/or purview, such subsequent change in the beneficial ownership will also require approval of the GoI. Pursuant to the FEMA Rules, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

Further, in accordance with the amendment to the Companies (Share Capital and Debentures) Rules, 2014 vide notification dated May 4, 2022 issued by Ministry of Corporate Affairs, a declaration shall be inserted in the share transfer form stipulating whether government approval shall be required to be obtained under Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to transfer of shares, as applicable. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

Under the Consolidated FDI Policy, infusion of fresh foreign investment up to 49%, in a company not seeking industrial license or which already has government approval for FDI, will need to submit a declaration with the Ministry of Defence in cases of: (a) change in equity/shareholding pattern; or (b) transfer of stake by existing investor to new foreign investor, within a period of 30 days of such change. Any proposal for raising FDI beyond 49% from such companies can be made through the government approval route. Further, transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see "***Offer Procedure – Bids by Eligible Non-Resident Indians***" and "***Offer Procedure – Bids by Foreign Portfolio Investors***" on pages 474 and 475, respectively.

In accordance with the existing policy of the Government of India, OCBs cannot participate in this Offer.

The above information is given for the benefit of the Bidders. Bidders are advised to make their independent investigations, seek independent legal advice about its ability to participate in the Offer and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus.

SECTION X – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

PRELIMINARY

These Articles of Association consist of this Preliminary section and two Parts, Part A (the "General Articles") and Part B of this Articles of Association (the "Special Articles"). Until the commencement of the listing and trading of the shares of the Company on any recognised stock exchange in India pursuant to an initial public offering of the shares of the Company, in case of any inconsistency or conflict or overlap between Part A and Part B of the Articles of Association Part B of these Articles shall remain in full force and shall override and supersede the provisions of Part A of these Articles. All articles of Part B shall automatically terminate and cease to have any force and effect upon consummation of an initial public offering by the Company without any further action by the Company or its shareholders, and the provisions of Part A shall continue to be in effect and will be in force, without any further corporate or other action, by the Company or by its shareholders. No material clauses of the Articles of Association having a bearing on the Offer or the disclosures required in this Draft Red Herring Prospectus have been omitted.

Part A

Interpretation

I.

- In these regulations—
- "the Act" means the Companies Act, 2013,
- Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

Share capital and variation of rights

II.

a) Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit, provided however, that the option or right to call for any shares shall be given to a person only with the sanction of the Company in a general meeting of the shareholders.

b) (*i*) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—

(1) One certificate for all his shares without payment of any charges; or

(2) Several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(*ii*) Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two directors or by a director and the company secretary.

(*iii*) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

c) (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such

indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(*ii*) Notwithstanding the above, the Directors shall comply with such rules, regulation and/or requirements of any stock exchange, and/or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf.

(iii) The provisions of Articles (*2*) and (*3*) shall *mutatis mutandis* apply to debentures of the company.

d) Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

e)

a. The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made there under.

b. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

c. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

f)

a. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

b. To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two members holding at least one-third of the issued shares of the class in question.

g) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

h) Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

Lien

i) (*i*) The company shall have a first and paramount lien—

i. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

ii. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(*ii*) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

j) The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

(a) Unless a sum in respect of which the lien exists is presently payable; or

(b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

k)

a. To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.

b. The purchaser shall be registered as the holder of the shares comprised in any such transfer.

c. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

l) (*i*) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(*ii*) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

m) The fully paid-up shares of the Company shall be free from all liens and in case of partly paid-up shares, the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

Calls on shares

n)

a. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

b. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

c. A call may be revoked or postponed at the discretion of the Board.

o) A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

p) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

q) (*i*) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten percent per annum or at such lower rate, if any, as the Board may determine.

(*ii*) The Board shall be at liberty to waive payment of any such interest wholly or in part.

r)

a. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

b. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

s) The Board—

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve percent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Further Issue of Shares

t)

a. Where at any time a Company having share capital proposes to increase the subscribed capital of the Company by issue of further shares, such further shares shall be offered:

(a) to the persons who at the date of offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date;

(b) the offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;

(c) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice shall contain a statement of this right; PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.

(d) after the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner, and to such person(s), as they may think, in their sole discretion, fit..

b. Notwithstanding anything contained in these Articles further shares may be offered to employees under a scheme of employees' stock option in accordance with the Amended and Restated Employee Stock Option Scheme, 2025 ("ESOP 2025") and the applicable laws to the Company.

c. Notwithstanding anything contained in these Articles, further shares may be offered to any persons, if it is authorised by the Special Resolution, whether or not those persons include the persons referred to in these Articles hereof, in any manner whatsoever subject to the provision of the Act. Where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairperson) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the

Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

d. Nothing in sub-clause (c) of Article 20 hereof shall be deemed:

(a) to extend the time within which the offer should be accepted; or

(b) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

e. Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company to convert such debentures or loans into shares in the Company or to subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise)

Provided that the terms of issue of such debentures or loan containing such an option have:

i. Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the Rules, if any, made by that Government in this behalf; or

ii. In the case of debentures or loans or other than debentures issued to or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company before the issue of debentures or raising the loans.

f. Except as provided in Section 54 of the Act, a company shall not issue shares at a discount.

g. The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call, or otherwise, in respect thereof, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by him accordingly

h. If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable in installments, every such installment shall, when due, be paid to the Company by such person, who, for the time being, shall be the registered holder of the shares or by his executors or administrator

i. Save as herein otherwise provided and subject to Section 89 of the Act, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction, or as required by statutes be bound to recognise any equitable or other claim to or interest in such share on the part of any other person

j. Subject to the provisions of the Act, the Board may accept from any Member the surrender on such terms and conditions as shall be agreed, of all or any of his shares.

Notwithstanding anything contained in these Articles, subject to the provisions of Section 54 and any other applicable provisions of the Act or any law of the time being in force, the Board of Directors may from time to time issue Sweat Equity Shares.

k. Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted into equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.

l. Provided that notwithstanding what is stated above, the Board of Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Companies Act or the rules made under the Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf.

For a share held in dematerialized form, the record of the depository is the prima facie evidence of the interest of the beneficial owner.

The provision of the foregoing Articles relating to the issue of certificates shall *mutatis mutandis* apply to the issue of certificates for any other securities, including debentures (except where the Companies Act otherwise requires) of the Company.

The Company, in a general meeting may, from time to time increase the capital by the creation of new shares, increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Companies Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such right and privileges annexed thereto, as the general meeting resolving upon the creation thereof shall direct, and if no direction be given, as the Directors shall determine and in particular, such may be issued with a preferential or qualified right to divide and in the distribution of assets of the Company.

The Company shall cause to be kept a register and index of members with details of securities held in dematerialized form in any media as may be permitted by Law, including any form of electronic media, in accordance with all applicable provisions of the Companies Act and the Depositories Act. The register and index of beneficial owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act.

Transfer of shares

u) (*i*) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee. The securities or other interest of any member shall be freely transferable, provided that any contract or arrangement between 2 (two) or more persons in respect of transfer of securities shall be enforceable as a contract. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register in respect thereof. A common form of transfer shall be used in case of transfer of shares.

(*ii*) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

v) The Board may, subject to the right of appeal conferred by section 58 decline to register—

(i) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(ii) any transfer of shares on which the company has a lien.

w) The Board may decline to recognize any instrument of transfer unless—

i. the instrument of transfer is in the form as prescribed in rules made under sub-section (*1*) of section 56;

ii. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

iii. the instrument of transfer is in respect of only one class of shares.

x) On giving not less than seven days' previous notice in accordance with section 91and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

y) The registration of transfer of any securities shall not be refused on the ground of the transferor being alone or jointly with any other person or persons, indebted to the Company on any account whatsoever.

z) **DEMATERIALISATION OF SECURITIES**

i. Definition(s) for the purpose of this Article :

(a) 'Beneficial Owner' shall mean beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

(b) 'Depositories Act 1996' shall include any statutory modification or reenactment thereof.

(c) 'Depository' shall mean a Depository as defined in clause (e) of subsection (1) of Section 2 of the Depository Act, 1996.

(d) 'SEBI' means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act,1992.

(e) Security' means such security as may be specified by SEBI from time to time.

(f) 'Member' means members of the Company holding a share or shares of any class and includes the beneficial owner in the records of the Depository

(g) 'The Register' means the Register of Members to be kept in pursuant to the Companies Act and where shares are held in dematerialised form 'The Register' includes the Register of Beneficial owners maintained by a Depository.

Provided that the Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.

ii. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing shares, debenture and other securities, rematerialise its shares, debentures and other securities held in the Depositories and/ or offer its fresh shares, debentures and other securities, in a dematerialised form pursuant to the Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.

iii. Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required certificate of Securities.

If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the security.

iv. All securities held by a Depository shall be dematerialised and be in fungible form

v. Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner. Save as otherwise provided above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it. The beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a Depository

vi. Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the Beneficial Ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

vii. Notwithstanding anything contained in these Articles, every holder of shares in or debentures of the Company may at any time nominate in the manner prescribed under the Act, a person to whom his shares in or debentures of the Company shall vest in the event of his death. Such nomination and right of nominee to be registered as holder of shares/ debentures as the case may be or for transfer of the shares/debentures as the case may be governed by the provisions of Section 72 and other applicable provisions of the Act.

viii. Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of securities effected by transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

ix. Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of securities effected by transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Transmission of shares

aa) (*i*) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.

(*ii*) Nothing in clause (*i*) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

bb)

(a) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either

i. to be registered himself as holder of the share; or

ii. to make such transfer of the share as the deceased or insolvent member could have made.

(b) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

cc)

a. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

b. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

c. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

dd) A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Forfeiture of shares

ee) If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

ff) The notice aforesaid shall—

(A) Name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(*b*) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

gg) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

hh) (*i*) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

ii) (*i*) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(*ii*) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

jj) (*i*) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

(*ii*) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.

(*iii*) The transferee shall thereupon be registered as the holder of the share.

(*iv*) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

kk) The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Alteration of capital

ll) The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

mm) Subject to the provisions of section 61, the company may, by ordinary resolution, —

(a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(d) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

nn) Where shares are converted into stock:

(*a*) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(*c*) Such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

oo) The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law, —

(*a*) Its share capital;

(*b*) Any capital redemption reserve account; or

(*c*) Any share premium account.

Capitalization of profits

pp) (*i*) the company in general meeting may, upon the recommendation of the Board, resolve—

(*a*) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(*b*) That such sum be accordingly set free for distribution in the manner specified in clause (*ii*) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(*ii*) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (*iii*), either in or towards—

(a) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(b) Paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(c) Partly in the way specified in sub-clause (*A*) and partly in that specified in sub-clause (*B*);

(d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(e) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

qq) (*i*) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and

(b) Generally, do all acts and things required to give effect thereto.

(*ii*) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;

(*iii*) Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

rr) Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

General meetings

ss) All general meetings other than annual general meeting shall be called extraordinary general meeting.

tt)

a. The Board may, whenever it thinks fit, call an extraordinary general meeting.

b. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at general meetings

uu) (*i*) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(*ii*) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103 of the Act.

vv) Save for the provisions of the Companies Act relating to matters requiring special notice, at least twenty-one (21) days' (subject to applicable Law) prior written notice of every general meeting of Shareholders shall be given to all Directors, the auditors of the Company and all Shareholders whose names appear on the register of members / index of beneficial owners as per most recent record of the depository provided to the Company. A meeting of the Shareholders (including a Requisition Meeting) may be called by giving shorter notice with the written consent of the Shareholders subject to applicable Law. Subject to

applicable Law, the Company shall ensure that it facilitates the ability of every Shareholder to participate in a general meeting through video conference or audio-visual means.

ww) Every notice of the general meeting of the Company shall specify the day, date, time and full address of the venue of the meeting and shall set forth in full and sufficient detail the text of the resolutions sought to be passed thereat, the business to be transacted thereat and any other details required by applicable Law, and no business shall be transacted at such meeting unless the same has been stated in the notice convening the meeting. It shall contain a statement with reasonable prominence that a member entitled to attend and vote is entitled to appoint a proxy and that the proxy need not be a member of the Company.

xx) The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

yy) If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

zz) If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

Adjournment of meeting

aaa)

a. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so, directed by the meeting, adjourn the meeting from time to time and from place to place.

b. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

c. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

d. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

bbb) Subject to any rights or restrictions for the time being attached to any class or classes of shares,

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

ccc) A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

ddd) *(i)* In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(*ii*) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

eee) A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

fff) Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.

ggg) No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

hhh) (*i*) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

(iii) Except as otherwise provided herein, all resolutions of the Shareholders shall, be subject to the requirements imposed by the Companies Act or any other applicable Law.

Proxy

iii) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

jjj) An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

kkk) A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

lll) (i). The minimum number of directors shall be three and the number of directors shall not exceed 15.

(ii) The First Directors of the Company are

1. Mr. William J Burke

2. Mr. James S. Crofton

3. Mr. Stephen Mathias

mmm) (*i*) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(*ii*) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(*a*) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(*b*) in connection with the business of the company.

nnn) The Board may pay all expenses incurred in getting up and registering the company.

ooo) The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

ppp) All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

qqq) Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

rrr) (*i*) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

sss) Subject to the provisions of Section 197 and Schedule V of the Companies Act, a managing director, whole-time director or manager shall be appointed and the terms and conditions of such appointment and remuneration payable be approved by the Board of Directors at a meeting which shall be subject to approval by a resolution at the next general meeting of the company and such remuneration as may be fixed by way of salary or commission or participation in profits or partly in one way or partly in another subject to the provisions of the Companies Act.

ttt) The Directors shall not be required to hold any qualification shares in the Company.

Proceedings of the Board

uuu) (*i*) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

vvv) (*i*) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(*ii*) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

www) The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

xxx) (*i*) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(*ii*) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

yyy) (*i*) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(*ii*) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

(iii) The Board may set up, change, re-constitute, integrate, amend the terms of reference (*or charter*) of, or dissolve such committees of the Board as it deems fit from time to time, or as required by applicable Law. Any committee so formed shall, in the exercise of the power so

delegated, conform to the terms of reference (*or charter*) as required by the Board or under applicable Law.

zzz) (*i*) A committee may elect a Chairperson of its meetings.

(*ii*) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

aaaa) (*i*) A committee may meet and adjourn as it thinks fit.

(*ii*) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

bbbb) All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

cccc) Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

dddd) Subject to the provisions of the Act, —

1 A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

2 A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

eeee) A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

Dividends and Reserve

ffff) The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

gggg) Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

hhhh) (*i*) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.

(*ii*) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

iiii) (*i*) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(*ii*) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(*iii*) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

jjjj) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

kkkk) (*i*) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(*ii*) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

llll) Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

mmmm) Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

nnnn) No dividend shall bear interest against the company.

oooo) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

Accounts

pppp) (*i*) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the Board or by the company in general meeting.

Winding up

qqqq) Subject to the provisions of Chapter XX of the Act and rules made thereunder --

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no

member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

rrrr) Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

PART B

Part B of the Articles of Association provides for, among other things, the rights of certain shareholders pursuant to the Shareholders' Agreement. For more details on the Shareholders' Agreement, see *"**History and Certain Corporate Matters – Summary of key agreements and shareholders' agreements - Subscription and restated shareholders' agreement dated February 6, 2025 entered into between our Company, HBL Engineering Limited, our Promoters, CEAQ Singapore, CEAQ India, Timothy Guy Mitchell, Serial Innovations Employee Stock Option Trust, Artiman Partners LLC, Artiman Ventures Select 2014 L.P., Artiman Ventures Select 2014 Principals Fund L.P., Amit Dilip Shah (as registered owner for Amit Shah Family Trust as the beneficial owner), Ramesh Radhakrishnan, Meghaa Karnani (as registered owner for Palita Associates as the beneficial owner), SSV Advisory Services LLP, Vinimaya Advisory LLP, Tiruvidaimarudhur Srivatsan Sivashankar and Meera Sivashankar, Neville Manuel Fernandes and Mellita Fernandes, Nitin Agarwal (HUF), Anand Ladsariya, Shereen Bhan, Florintree Flowtech LLP, Yali Deeptech Fund I, Tenacity Ventures Fund – I, Export-Import Bank of India, Pranav Parikh, Paramjit Singh, Tonbo Imaging Inc and UAB Tonbo Imaging as amended by the amendment and waiver agreement dated December 20, 2025 read with the letter dated August 4, 2026 issued by our Company to the parties to the Shareholders' Agreement"* on page 285.

SECTION XI – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and subsisting contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus and Prospectus filed with the RoC (except for such contracts and documents executed after the filing of the Red Herring Prospectus). Copies of the contracts and documents for inspection referred to hereunder, may be inspected at our Registered Office, from 10.00 a.m. to 5.00 p.m. on all Working Days and will also be available on the website of our Company at https://tonboimaging.com/main/material-documents/ from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date, except for such contracts and documents that will be entered into or executed subsequent to the completion of the Bid/ Offer Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act, 2013 and other applicable law.

Material Contracts to the Offer

1. Offer Agreement dated August 4, 2026 entered into among our Company, the Selling Shareholders and the BRLMs.

2. Registrar Agreement dated August 4, 2026 entered into among our Company, the Selling Shareholders and the Registrar to the Offer.

3. Cash Escrow and Sponsor Bank Agreement dated [●] entered into among our Company, the Selling Shareholders, the Members of the Syndicate, Banker(s) to the Offer and the Registrar to the Offer.

4. Share Escrow Agreement dated [●] entered into among our Company, Selling Shareholders and the Share Escrow Agent.

5. Syndicate Agreement dated [●] entered into among our Company, the Members of the Syndicate, the Selling Shareholders and the Registrar to the Offer.

6. Underwriting Agreement dated [●] entered into among our Company, the Selling Shareholders and the Underwriters.

Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association, as amended from time to time.

2. Certificate of incorporation dated May 13, 2016, in the name of "*Tonbo Imaging India Private Limited*" and a fresh certificate of incorporation dated September 11, 2025 upon conversion into a public limited company and change in name of our Company to "*Tonbo Imaging India Limited*" and certificate of incorporation dated June 2, 2026 issued pursuant to an addition to the main objects clause of the Memorandum of Association of our Company.

3. Resolution of our Board dated December 20, 2025, approving the Offer and other related matters.

4. Resolution of our Board dated August 4, 2026, approving this Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.

5. Resolution of our Board of Directors dated December 20, 2025, taking on record the approval for the Offer for Sale by the Selling Shareholders.

6. Consent letters from each of the Selling Shareholders consenting to participate in the Offer for Sale as set out in "***Other Regulatory and Statutory Disclosures***" on page 444.

7. Copies of the annual reports of our Company for the Fiscals 2026, 2025 and 2024.

8. The examination report dated August 3, 2026, of the Statutory Auditors on our Restated Consolidated Financial Statements.

9. The report dated August 3, 2026, on the statement of special tax benefits available to the Company and its Shareholders under the applicable laws in India from the Statutory Auditors.

10. Assignment agreements each dated March 11, 2024 entered into between CEAQ Singapore and our Company.

11. Deed of assignment dated July 26, 2024 between our Company and CEAQ Singapore.

12. Appointment letters dated March 1, 2024 and December 1, 2025 issued to Cecilia D'Souza, our Executive Director and Chief Commercial Officer.

13. Appointment letters dated April 1, 2025 and December 1, 2025 issued to Ankit Kumar, our Executive Director and Chief Business and Revenue Officer.

14. Appointment letters dated December 1, 2025 issued to Arvind Kondangi Lakshmikumar, our Managing Director and Chief Executive Officer.

15. Deed of assignment dated April 25, 2025 between our Company and CEAQ Singapore.

16. Appointment letter dated April 1, 2025, issued to Ankit Kumar, our Executive Director and Chief Business and Revenue Officer.

17. Written consent dated August 4, 2026 from Kalyanasundaram & Associates, Chartered Accountants, to include their name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, to the extent and in their capacity as Statutory Auditors, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, and in respect of their (i) examination report dated August 3, 2026 on the Restated Consolidated Financial Statements; (ii) their report dated August 3, 2026 on the statement of possible special tax benefits available to our Company and its Shareholders included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

18. Certificate dated August 4, 2026 from Kalyanasundaram & Associates, Chartered Accountants certifying the KPIs of our Company.

19. Certificate dated August 4, 2026 from Kalyanasundaram & Associates, Chartered Accountants certifying the basis for Offer Price.

20. Certificate dated August 4, 2026 from Kalyanasundaram & Associates, Chartered Accountants certifying the weighted average cost of acquisition and price at which Equity Shares were acquired.

21. Certificate dated August 4, 2026 from Kalyanasundaram & Associates, Chartered Accountants certifying the financial indebtedness of our Company.

22. Certificate dated August 4, 2026 from Kalyanasundaram & Associates, Chartered Accountants certifying the employee stock option scheme of our Company.

23. Certificate dated August 4, 2026 from Kalyanasundaram & Associates, Chartered Accountants certifying the outstanding dues to creditors.

24. Certificate dated August 4, 2026 from Kalyanasundaram & Associates, Chartered Accountants certifying tax litigation involving our Company.

25. Certificate dated August 4, 2026 from Kalyanasundaram & Associates, Chartered Accountants certifying the non-payment of statutory dues.

26. Consents of our Directors, Bankers to our Company, the BRLMs, the Syndicate Members, Registrar to the Offer, Banker(s) to the Offer, legal counsel to our Company, and Company Secretary and Compliance Officer of our Company, in their respective capacities.

27. Industry report titled "*Assessment of Global and Indian Defence Electronics and Technology Industry*"

dated August 2026, prepared and issued by Frost & Sullivan, commissioned and paid for by our Company and engagement letter dated June 29, 2026 and consent letter dated August 4, 2026.The industry report is available on the website of our Company at https://tonboimaging.com/main/industry-report/ and the QR is  .

28. Subscription and restated shareholders' agreement dated February 6, 2025 entered into between our Company, HBL Engineering Limited, our Promoters, CEAQ Singapore, CEAQ India, Timothy Guy Mitchell, Serial Innovations Employee Stock Option Trust, Artiman Partners LLC, Artiman Ventures Select 2014 L.P., Artiman Ventures Select 2014 Principals Fund L.P., Amit Dilip Shah (as registered owner for Amit Shah Family Trust as the beneficial owner), Ramesh Radhakrishnan, Meghaa Karnani (as registered owner for Palita Associates as the beneficial owner), SSV Advisory Services LLP, Vinimaya Advisory LLP, Tiruvidaimarudhur Srivatsan Sivashankar and Meera Sivashankar, Neville Manuel Fernandes and Mellita Fernandes, Nitin Agarwal (HUF), Anand Ladsariya, Shereen Bhan, Florintree Flowtech LLP, Yali Deeptech Fund I, Tenacity Ventures Fund – I, Export-Import Bank of India, Pranav Parikh, Paramjit Singh, Tonbo Imaging Inc and UAB Tonbo Imaging as amended by the amendment and waiver agreement dated December 20, 2025 read with the letter dated August 4, 2026 issued by our Company to the parties to the Shareholders' Agreement.

29. Due diligence certificate to SEBI from the Book Running Lead Managers dated August 4, 2026.

30. In-principle listing approvals dated [•] and [•] from the BSE and the NSE, respectively.

31. Tripartite agreement dated September 12, 2025, among our Company, NSDL and the Registrar to the Offer.

32. Tripartite agreement dated October 15, 2025, among our Company, CDSL and the Registrar to the Offer.

33. SEBI final observation letter bearing number [•].

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 and the Securities Contracts (Regulation) Rules, 1957, each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Arvind Kondangi Lakshmikumar
Managing Director and Chief Executive Officer
Date: August 4, 2026
Place: Melbourne

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 and the Securities Contracts (Regulation) Rules, 1957, each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Ankit Kumar
Executive Director and Chief Business and Revenue Officer
Date: August 4, 2026
Place: Melbourne

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 and the Securities Contracts (Regulation) Rules, 1957, each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Cecilia D'Souza
Executive Director and Chief Commercial Officer
Date: August 4, 2026
Place: Bangalore

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 and the Securities Contracts (Regulation) Rules, 1957, each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Amit Dilip Shah
Nominee Director
Date: August 4, 2026
Place: Palo Alto

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 and the Securities Contracts (Regulation) Rules, 1957, each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Sai Ram Edara
Nominee Director
Date: August 4, 2026
Place: Hyderabad

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 and the Securities Contracts (Regulation) Rules, 1957, each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Mathew Cyriac
Nominee Director
Date: August 4, 2026
Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 and the Securities Contracts (Regulation) Rules, 1957, each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Sonal Shrivastava
Chairperson and Independent Director
Date: August 4, 2026
Place: Pune

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 and the Securities Contracts (Regulation) Rules, 1957, each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Rishikesha Thiruvenkata Krishnan
Independent Director
Date: August 4, 2026
Place: Sonipat

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 and the Securities Contracts (Regulation) Rules, 1957, each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Lakshminarayana R Kollengode
Independent Director
Date: August 4, 2026
Place: Bangalore

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 and the Securities Contracts (Regulation) Rules, 1957, each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER

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Tiruvidaimarudhur Srivatsan Sivashankar
Date: August 4, 2026
Place: Mumbai

DECLARATION BY THE PROMOTER SELLING SHAREHOLDER

I, Ankit Kumar, acting as a Promoter Selling Shareholder, hereby confirm, declare, and certify that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to me, as a Promoter Selling Shareholder and the Offered Shares, are true and correct. I, in my capacity as a Promoter Selling Shareholder, assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

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Ankit Kumar
Date: August 4, 2026
Place: Melbourne

DECLARATION BY THE PROMOTER SELLING SHAREHOLDER

I, Arvind Kondangi Lakshmikumar, acting as a Promoter Selling Shareholder, hereby confirm, declare, and certify that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to me, as a Promoter Selling Shareholder and the Offered Shares, are true and correct. I, in my capacity as a Promoter Selling Shareholder, assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

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Arvind Kondangi Lakshmikumar
Date: August 4, 2026
Place: Melbourne

DECLARATION BY THE PROMOTER SELLING SHAREHOLDER

I, Cecilia D'Souza, acting as a Promoter Selling Shareholder, hereby confirm, declare, and certify that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to me, as a Promoter Selling Shareholder and the Offered Shares, are true and correct. I, in my capacity as a Promoter Selling Shareholder, assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

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Cecilia D'Souza
Date: August 4, 2026
Place: Bangalore

DECLARATION BY THE PROMOTER GROUP SELLING SHAREHOLDER

We, Vinimaya Advisory LLP, the Promoter Group Selling Shareholder, hereby confirm, declare, and certify that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to us, as the Promoter Group Selling Shareholder and the Offered Shares, are true and correct. We, in our capacity as Promoter Group Selling Shareholder, assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

For and on behalf of Vinimaya Advisory LLP

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Authorised Signatory
Name: Deepak Mohan
Designation: Designated Partner
Date: August 4, 2026
Place: Bangalore

DECLARATION BY THE INVESTOR SELLING SHAREHOLDER

We, CEAQ Technologies Private Limited, the Investor Selling Shareholder, hereby confirm, declare, and certify that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to us, as an Investor Selling Shareholder and the Offered Shares, are true and correct. We, in our capacity as Investor Selling Shareholder, assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

For and on behalf of CEAQ Technologies Private Limited

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Authorised Signatory
Name: Abdul Mateen Ansari
Designation: Executive Director
Date: August 4, 2026
Place: Bangalore

DECLARATION BY THE INVESTOR SELLING SHAREHOLDER

We, CEAQ Technologies Pte. Ltd., the Investor Selling Shareholder, hereby confirm, declare, and certify that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to us, as an Investor Selling Shareholder and the Offered Shares, are true and correct. We, in our capacity as Investor Selling Shareholder, assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

For and on behalf of CEAQ Technologies Pte. Ltd.

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Authorised Signatory
Name: Amit Dilip Shah
Designation: Director
Date: August 4, 2026
Place: Palo Alto

DECLARATION BY THE INVESTOR SELLING SHAREHOLDER

I, Timothy Guy Mitchell, the Investor Selling Shareholder, hereby confirm, declare, and certify that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to me, as an Investor Selling Shareholder and the Offered Shares, are true and correct. I, in my capacity as Investor Selling Shareholder, assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

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Timothy Guy Mitchell
Date: August 4, 2026
Place: Pennsylvania

DECLARATION BY THE INVESTOR SELLING SHAREHOLDER

We, Artiman Partners LLC, the Investor Selling Shareholder, hereby confirm, declare, and certify that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to us, as an Investor Selling Shareholder and the Offered Shares, are true and correct. We, in our capacity as Investor Selling Shareholder, assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

For and on behalf of Artiman Partners LLC

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Authorised Signatory
Name: James Louie-Der
Designation: Authorised Signatory
Date: August 4, 2026
Place: Palo Alto

DECLARATION BY THE INVESTOR SELLING SHAREHOLDER

I, Amit Dilip Shah (registered owner for Amit Shah Family Trust as the beneficial owner), the Investor Selling Shareholder, hereby confirm, declare, and certify that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to me, as an Investor Selling Shareholder and the Offered Shares, are true and correct. I, in my capacity as an Investor Selling Shareholder, assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

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Amit Dilip Shah (registered owner for Amit Shah Family Trust as the beneficial owner)
Designation: Authorised Signatory
Date: August 4, 2026
Place: Palo Alto

DECLARATION BY THE INVESTOR SELLING SHAREHOLDER

I, Ramesh Radhakrishnan, the Investor Selling Shareholder, hereby confirm, declare, and certify that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to me, as an Investor Selling Shareholder and the Offered Shares, are true and correct. I, in my capacity as Investor Selling Shareholder, assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

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Ramesh Radhakrishnan
Date: August 4, 2026
Place: Bangalore

DECLARATION BY THE INVESTOR SELLING SHAREHOLDER

We, Artiman Ventures Select 2014 L.P., the Investor Selling Shareholder, hereby confirm, declare, and certify that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to us, as an Investor Selling Shareholder and the Offered Shares, are true and correct. We, in our capacity as Investor Selling Shareholder, assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

For and on behalf of Artiman Ventures Select 2014 L.P.

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Authorised Signatory
Name: Amit Dilip Shah
Designation: Authorised Signatory
Date: August 4, 2026
Place: Palo Alto

DECLARATION BY THE INVESTOR SELLING SHAREHOLDER

We, Artiman Ventures Select 2014 Principals Fund L.P., the Investor Selling Shareholder, hereby confirm, declare, and certify that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to us, as an Investor Selling Shareholder and the Offered Shares, are true and correct. We, in our capacity as Investor Selling Shareholder, assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

For and on behalf of Artiman Ventures Select 2014 Principals Fund L.P.

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Authorised Signatory
Name: Amit Dilip Shah
Designation: Authorised Signatory
Date: August 4, 2026
Place: Palo Alto

DECLARATION BY THE OTHER SELLING SHAREHOLDER

We, Tiruvidaimarudhur Srivatsan Sivashankar and Meera Sivashankar, the Other Selling Shareholders, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to us, as the Other Selling Shareholders and the Offered Shares, are true and correct. We, in our capacity as Other Selling Shareholders, assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

Signed by Tiruvidaimarudhur Srivatsan Sivashankar and Meera Sivashankar

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Tiruvidaimarudhur Srivatsan Sivashankar
Date: August 4, 2026
Place: Mumbai